



# Media Release

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## **Councils' use of credit cards is appropriate and efficient**

The Auditor General's Report on the use of credit cards by councils confirms that use of corporate credit cards is an efficient and flexible method to pay for goods and services in the public sector.

Tasmania's 29 Councils were all subject to the Auditor General's examination of credit card use by Mayors and General Managers for the calendar year 2016 and no evidence of serious or systemic misuse of public funds or fraud was found.

LGAT agrees that use of credit cards by councils should include the assessment of whether a transaction represents a responsible use of public funds, that the amount spent is within the council's approved budget, that expenditure is necessary to carry out a council's functions and that it represents value for money.

LGAT CEO Dr Katrena Stephenson noted the Association is pleased to receive the recommendations of the Auditor General's report as a mechanism to help the sector improve financial management regarding credit card use.

It is important to understand that focusing on the amount of expenditure tied to a credit card is not necessarily an accurate measure of one individual card holder's expenditure. A council may only have one or two credit cards for the entire business; resulting in many transactions being processed through the delegated card holder.

"The Association has already commenced discussion with the Local Government Division of the Department of Premier and Cabinet regarding the development of a model policy for councils to guide credit card use.

"In fact, appropriate use of council credit cards, and the desire for a model policy, was discussed at recent General Managers' Workshop in September.

"LGAT seeks to promote a culture of continuous improvement for our members.

LGAT has developed many other model policies in consultation with Member councils and the Local Government Division, to provide consistency across the Local Government sector.

"It is pleasing to see that five councils have already taken action based on draft advice by the Auditor General to update and improve their credit card use policies.

The Association has a strong history of working with the State Government to build a stronger, more efficient Local Government sector and looks forward to continuing this into the future.

Ends...

**For further comment contact**

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