



OmbudsmanSA

STATEMENT ON FORMAL RESOLUTION

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Inappropriate credit card expenditure



Essential Insights

Public sector employees who are approved to have a corporate credit card must ensure that their expenditure is compliant with any agency policies, and must also ensure that their expenditure is appropriate and meets public expectations.

Generally, for an expense to be appropriate, it must be for an official purpose, have some benefit to the public, be a reasonable amount, and must be reasonably necessary for the carrying out of the agency's functions.

REPORT UNDER THE PUBLIC INTEREST DISCLOSURE ACT 2018

It was reported that a senior official in a small public sector agency had incurred inappropriate credit card expenditure.

The Ombudsman assessed 12 months' worth of credit card expenses for the employee and formed the view that, while the majority of the expenses were appropriate, there were a small number of expenses relating to hospitality or gifts that were not appropriate. The Ombudsman also reviewed the agency's policies and considered that the policies did not provide clear guidance on some types of expenditure.

Noting that the unclear policy guidance was likely a factor, and the amount of the expenditure (both in value, and in number of inappropriate expenses) was low, the Ombudsman determined that an investigation into the matter was not in the public interest.

However, the Ombudsman determined that the agency ought to take steps to update its policy, to provide clear guidance to its staff. The Ombudsman proposed a formal resolution agreement, which the agency accepted.

KEY OUTCOMES FOLLOWING THE OMBUDSMAN'S ASSESSMENT

The agency agreed with the Ombudsman that the expenditure had been inappropriate.

The agency also agreed to update its policy, including to clarify that:

- internal meetings (that is, meetings at which all the attendees are agency employees) should not include paid lunch at a restaurant, charged to a corporate credit card, unless the attendees have been required to travel to the meeting and there is an applicable travel allowance
- Farewell gifts for staff should not be paid for with public money.

The Ombudsman monitored the policy updates and is satisfied that implementation has been completed.