Outcome of investigations into use of corporate credit cards and acceptance of gifts - City of Onkaparinga

In May 2018, I announced that I was conducting an investigation, upon referral from the Independent Commissioner against Corruption (the Commissioner) relating to the corporate credit card expenditure of the City of Onkaparinga (the council) during the period of 2014-2016. In August 2018, I received a further referral from the Commissioner concerning potential misconduct by council employees accepting gifts.

Use of corporate credit cards

The focus of my investigation was the practice of council administration rather than individual employees. While I investigated expenditure by the former Mayor, and formed the view that she did not commit maladministration, I did not otherwise investigate elected members.

In assessing maladministration, I considered a number of matters including:

- the benefit (real or perceived) gained by the public from the expenditure
- the public’s expectations of government agencies
- the appropriateness of the amount of the expenditure
- whether the expenditure was reasonably necessary for the carrying out of the council’s functions.

After an extensive investigation, I formed the view that:

- the council committed maladministration in public administration for purposes of section 5(4)(a)(i) of the ICAC Act by its practice which resulted in the substantial mismanagement of public resources, in relation to the following expenses:
  - expenditure by the Director’s Group, including restaurant meals, hire cars and catering
  - catering for council employees
  - gifts for council employees
  - purchases of flowers
    - expenditure on a hire car and accommodation for the former Chief Executive Officer’s trip to New Zealand
• a roof climb at Adelaide Oval.
  • The former Mayor did not commit maladministration in public administration for purposes of section 5(4)(a)(i) of the ICAC Act in relation to various expenses
  • by failing to keep accurate records of credit card transactions, the council acted in a manner that was wrong under section 25(1)(g) of the Ombudsman Act.

I noted that the expenditure was incurred during a period when the council’s internal procedures provided little guidance as to what constituted appropriate expenditure. It is to the council’s credit that, during the course of my investigation, it comprehensively reviewed its credit card expenditure guidelines and produced new policy documents. As part of that process, the council consulted with its constituents and a Community Engagement Feedback Report was presented to the council at its meeting on 17 April 2018. I consider generally that the changes to the council’s processes are appropriate.

In light of that, I only considered it necessary to recommend a minor amendment to the council’s Purchase Card Procedure.

My report has been published on my website and Austlii in a redacted form.

**Acceptance of gifts**

I commenced a preliminary investigation, focussing on over 30 entries in the council’s gift register during the relevant period. The gifts were provided by a range of businesses and included tickets to concerts and sporting events.

At the time of the relevant conduct, the Code of Conduct for Council Employees which was in place prior to 2 April 2018 (the former Code) applied. I put my tentative view to the council that there appeared to be breaches of the former Code.

After considering responses from the council and the complainant, I determined not to continue my investigation, based on a number of considerations including:
  • the current Code of Conduct for Council Employees no longer includes the strict prohibition on receipt of any gifts from contractors and potential contractors
  • there appears to have been a significant reduction in gifts accepted since the current Code was enacted
  • the council appears to have adequate processes in place to manage this issue
  • there does not appear to have been a pattern of misconduct on behalf of any particular individual.

In exercising my discretion to discontinue the investigation, I had regard to the lack of a current systemic issue, likelihood of a meaningful outcome and the appropriate use of my limited resources.

A summary statement of my decision has been published on my website and Austlii.