



Report 17: 2024-25 | 28 May 2025

**PERFORMANCE AUDIT**

# Local Government Management of Purchasing Cards – Larger Metropolitan Entities



## Office of the Auditor General for Western Australia

### Audit team:

Aloha Morrissey  
Ciara Gomez  
Sussan Fowler  
Else Harris  
Manmeet Kaur  
Jenna Fuller  
Nathan Johnston

National Relay Service TTY: 133 677  
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for  
those with visual impairment.

© 2025 Office of the Auditor General Western Australia.  
All rights reserved. If acknowledged, this material may be  
reproduced in whole or in part.

ISSN: 2200-1913 (print)  
ISSN: 2200-1921 (online)

***The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.***

Image credit: shutterstock.com/Me dia

## WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

---

# **Local Government Management of Purchasing Cards – Larger Metropolitan Entities**

---

Report 17: 2024-25  
28 May 2025

This page is intentionally left blank



**THE PRESIDENT  
LEGISLATIVE COUNCIL**

**THE SPEAKER  
LEGISLATIVE ASSEMBLY**

### **LOCAL GOVERNMENT MANAGEMENT OF PURCHASING CARDS – LARGER METROPOLITAN ENTITIES**

This report has been prepared for submission to Parliament under the provisions of sections 24 and 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed if six larger metropolitan local government entities effectively manage the issue, use and cancellation of purchasing cards

I wish to acknowledge the entities' staff for their cooperation with this audit.

A handwritten signature in black ink, appearing to be 'C Spencer'.

Caroline Spencer  
Auditor General  
28 May 2025

# Contents

- Auditor General’s overview..... 5
- Executive summary ..... 6
  - Introduction ..... 6
  - Background..... 6
  - Conclusion ..... 8
- Findings ..... 9
  - Controls over the use of purchasing cards were partly effective ..... 9
  - Controls over the issue and cancellation of cards were partly effective and require improvement .....13
  - Lack of appropriate oversight of purchasing card controls .....13
- Recommendations..... 15
  - Response from entities.....16
- Audit focus and scope ..... 18
- Appendix 1: Better practice guidance ..... 19

## Auditor General's overview

This is my Office's second report in two years on local government entities' management of purchasing cards. Purchasing cards are a cost-effective and convenient way to pay for goods and services of low value, but there is a risk of misuse and loss of public money if they are not effectively managed.



This audit reviewed six larger metropolitan entities and had similar findings to our first audit of three regional entities<sup>1</sup>. Entities had varying controls in place to manage purchasing cards but did not clearly state what they considered allowable and reasonable business expenditure. In a climate where cost of living is a significant concern, we questioned if some purchases are in line with community expectations of responsible use of public money.

We found no evidence of cards being misused, in part because without clear policies and guidance, we had no benchmark to assess purchases against. However, we share in this report (Case study 1) some of the items of expenditure that appeared excessive when compared with practices in the State sector. Staff should have clear guidance on what is allowable and reasonable, particularly for travel, alcohol, meals, entertainment and gifts.

Entities can also improve their controls over the issue and cancellation of cards, review and approval of purchases and transparent reporting, to give councils and the public confidence that cards are appropriately managed and that purchases meet a business need.

I thank the staff at each audited entity for their cooperation and assistance in completing this audit. I also encourage all local government entities to consider the better practice guidance included in the report to help manage their purchasing cards and minimise the risk of inadvertent or deliberate misuse of public funds.

Our case study examples are de-identified in this report. However, if we audit this topic again, I may name entities to help promote accountability given the recommendations and better practice guidance we have provided the sector.

---

<sup>1</sup> Office of the Auditor General, [Local Government Management of Purchasing Cards](#), OAG website, 12 June 2024, accessed 1 May 2025.

# Executive summary

## Introduction

This audit assessed if the following six metropolitan local government entities (entities) effectively manage the issue, use and cancellation of purchasing cards:

- City of Cockburn
- City of Fremantle
- City of Melville
- City of Perth
- City of Subiaco
- Town of Victoria Park.

We previously audited the management of purchasing cards in June 2024 at three regional entities and found inadequate policy guidance for what they considered was allowable and reasonable expenditure, weaknesses in controls over the issue and cancellation of cards, and a lack of effective oversight.<sup>2</sup>

Both audits considered the requirements of the *Local Government Act 1995* (LG Act) and associated regulations, guidelines issued by the Department of Local Government, Sport and Cultural Industries and our better practice guidance in Appendix 1.

## Background

Purchasing cards are a well-established part of modern purchasing systems and are a cost effective, convenient and timely way to pay for goods and services of low value. Purchasing cards include corporate credit cards, store cards<sup>3</sup>, fuel cards and taxi cards. This audit focused on credit cards and store cards.

Entities need to demonstrate that purchases meet a legitimate and authorised business need and meet community expectations around the responsible use of public money. Improper, wasteful or unauthorised purchases that are not identified and resolved result in financial loss to the entity.

Effective controls, appropriate to an entity's size and risk, help to prevent and detect inadvertent or deliberate misuse of purchasing cards. These include:

- up-front controls to prevent misuse and errors before a purchase is made. These include clear policies, procedures and guidance, preset card limits and delegations to purchase
- controls to detect errors and misuse after a purchase is made. These include processes to review and approve purchases in a timely way, the monitoring, reporting and oversight of card use and destruction processes.

---

<sup>2</sup> Office of the Auditor General, [Local Government Management of Purchasing Cards](#), OAG website, 12 June 2024, accessed 1 May 2025.

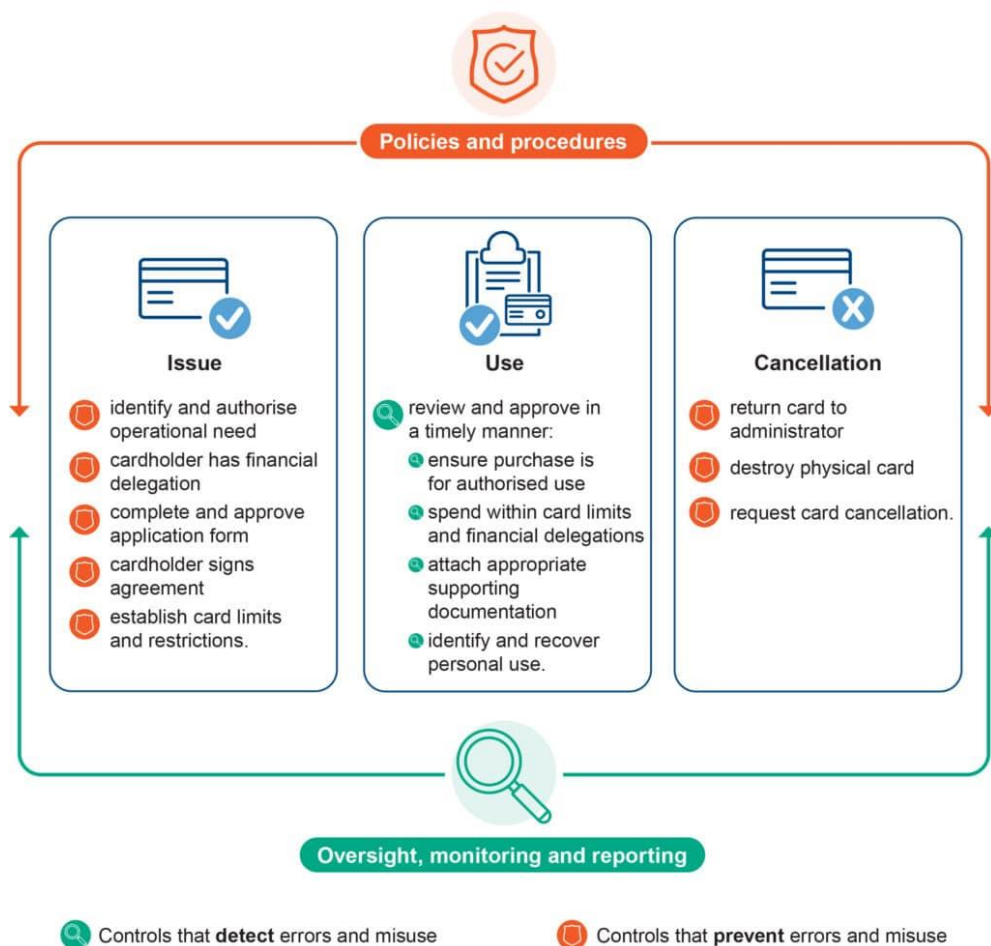
<sup>3</sup> Store cards are a type of credit card that offer a line of credit for use in a specific store or chain of stores such as large supermarket and hardware retailers.



Entities also need to meet their legislated financial responsibilities. The LG Act and associated regulations require:

- entities to develop procedures for the payment of accounts to ensure there is effective security for, and properly authorised use of, purchasing cards<sup>4</sup>
- CEOs to keep proper accounts and records in accordance with regulations<sup>5</sup>
- councils to oversee allocation of their entity's finances and resources, and determine policies<sup>6</sup>
- entities to present their council with a monthly payment listing of all purchasing card transactions and the list recorded in the council minutes<sup>7</sup>. This provides for increased council and public scrutiny of local government spending.

Figure 1 provides an overview of the key components of purchasing card management, highlighting the controls we assessed during the audit and our better practice guidance (Appendix 1).



Source: OAG

**Figure 1: Overview of key components in purchasing card management and controls**

<sup>4</sup> Local Government (Financial Management) Regulations 1996, regulation 11(1)a.

<sup>5</sup> Local Government Act 1995, section 6.5(a).

<sup>6</sup> Local Government Act 1995, sections 2.7(2)(a) and (b).

<sup>7</sup> Local Government (Financial Management) Regulations 1996, regulation 13A took effect from 1 September 2023.

The Department of Local Government, Sport and Cultural Industries provides the sector with broad guidance on the management of purchasing cards and changes in legislation through accounting and operational guidelines, circulars, alert bulletins and monthly webinars.

## Conclusion

The six entities had varying controls in place to manage the issue, use and cancellation of their purchasing cards, but weak implementation and control gaps meant their controls were only partly effective.

Appropriately, cardholders provided receipts to support their purchases. This control helps entities meet their legislated responsibilities and ratepayers' expectations around the responsible use of public money.

However, we found gaps and weaknesses in all areas of purchasing card management that increase the likelihood of cards being inadvertently or deliberately misused:

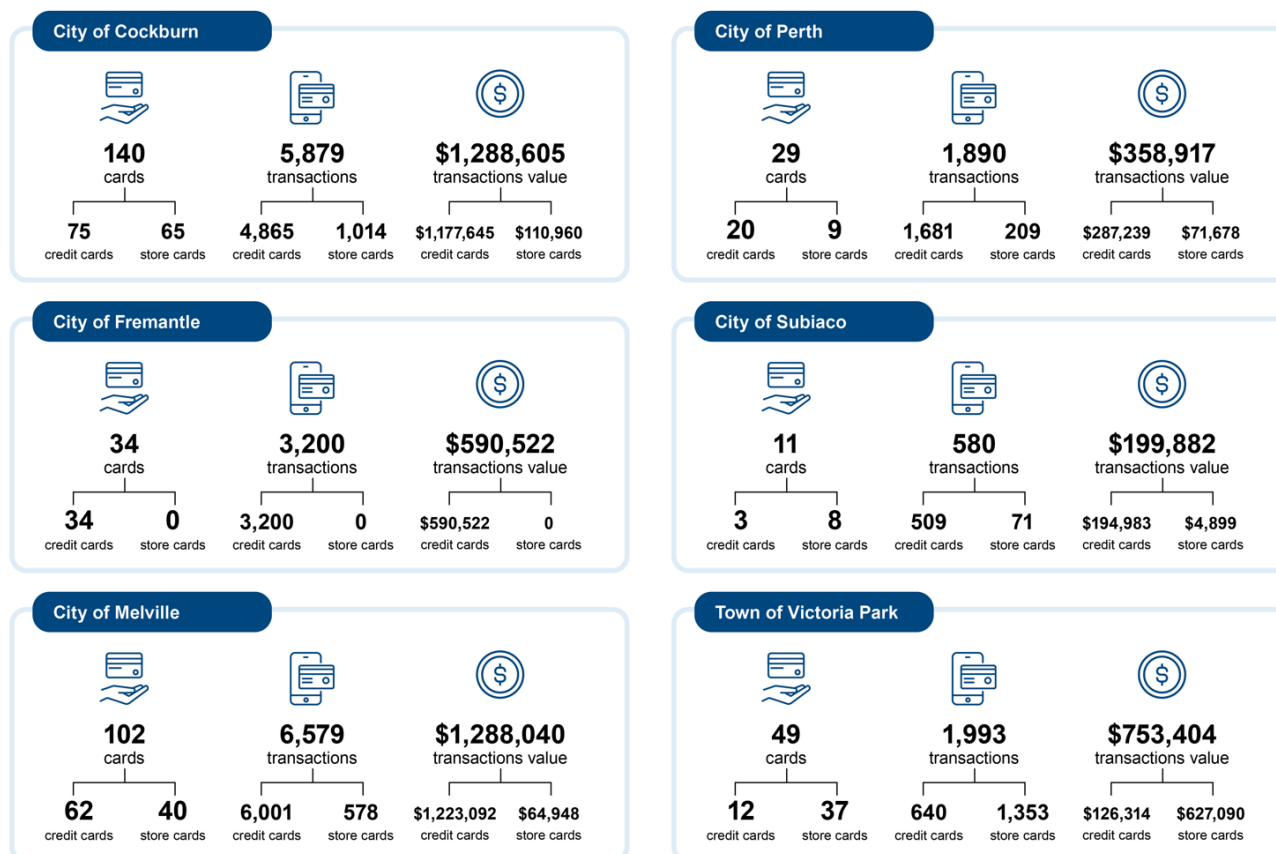
- Policies and guidance for staff did not clearly state what was allowable and reasonable expenditure on such things as travel, accommodation, meals and alcohol. In addition, purchases were not always adequately reviewed and approved in a timely manner.
- The operational need for a purchasing card was not always established; cards were issued to staff who did not have delegated authority to make purchases; cardholder obligations and responsibilities were not made clear; and cards were not promptly returned and destroyed when no longer needed.
- A lack of oversight and monitoring of how well purchasing cards were managed meant entities were missing opportunities to identify and promptly address the risks of card misuse and financial loss.

Although our audit found gaps and weaknesses, our transaction sample testing did not find any evidence that cardholders misused public money, in part because none of the entities had clearly stated for staff what they considered allowable and reasonable business expenditure.

# Findings

## Controls over the use of purchasing cards were partly effective

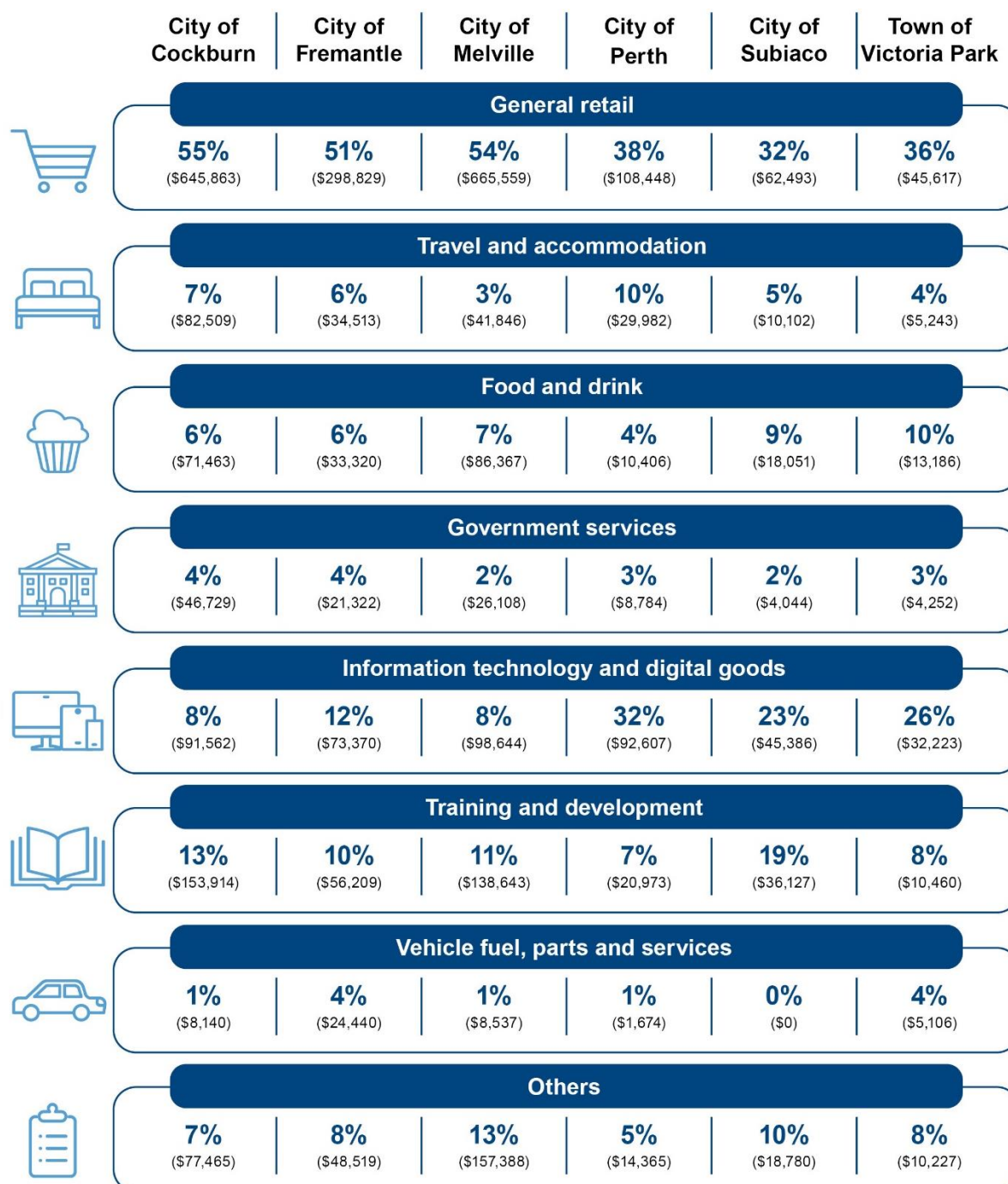
We found cardholders provided receipts or other documentation to support more than 95% of purchases. In total, the six entities had 365 purchasing cards and made purchases totalling around \$4.5 million during our 12-month audit period (Figure 2). Appropriately, purchases were generally for low value items with most transactions valued below \$500.



Source: OAG based on entity information

**Figure 2: Key purchasing card statistics from 1 October 2023 to 30 September 2024**

Our analysis across all six entities showed credit card purchases generally fell into the range of categories set out in Figure 3.



Source: OAG based on entity information

*Note: percentages may not add up to 100% due to rounding. We have analysed credit card transaction data only.*

**Figure 3: Purchase categories for 1 October 2023 to 30 September 2024**

### Inadequate policies and guidance on allowable and reasonable business use

None of the six entities had clearly stated for staff what was considered allowable and reasonable business expenditure. Entities regularly made purchases for travel, meals, alcohol, entertainment and gifts. Clear policies and guidance are important preventive controls to guide staff decisions when purchasing and reduce instances of unreasonable and excessive spending. The community has a right to expect that public money will be spent carefully and only for legitimate business purposes.

The following case study provides examples of approved purchases that in the absence of clear policies and guidance, we queried if the spending was reasonable.

### **Case study 1: Reasonableness of business use**

#### *Alcohol and meals*

- \$1,026 for an elected member and staff dinner after a council meeting, including three bottles of wine at \$70 each. It is the entity's practice to go out to dinner after meetings once a month to support local businesses in the area.
- Four entities have on-site bars. We identified alcohol purchases including:
  - \$990 for wine and spirits
  - \$412 for four cases of wine.
- \$280 for four bottles of champagne to celebrate a major achievement with elected members and staff.
- \$259 for an offsite meeting between the CEO and two senior individuals from key community organisations that included the purchase of a bottle of wine (\$68) and oysters (\$42).

#### *Gifts*

- \$86 on three bottles of wine as gifts for partners of three retiring elected members.

#### *Travel*

- \$2,489 for a car service to transport 10 people (two elected members, the CEO and seven external delegates) to events over two evenings during an international conference.

We found that none of the entities had documented processes or timeframes to recover money when purchasing cards were used to pay for personal items. Purchasing cards should not be used to purchase personal items under any circumstances, even when the cardholder plans to reimburse the entity. If purchases cannot be clearly split into personal and business components at the time of purchase, a better approach is to pay with a personal account and then seek a reimbursement from the entity for the business component.

Entities need to have processes in place to promptly identify and recover the cost of personal purchases to prevent loss of public money.

### **Inadequate review and manager approval of purchases**

The entities did not always adequately review and approve purchasing card transactions. None of the entities fully complied with their own policy and procedures. We found instances:

- at all entities where purchases were not reviewed and approved within their own specified timeframes or where timeframes were not set. One purchase was not approved for 208 days (City of Fremantle)
- at three entities where pre-approvals were not obtained in line with the entities' requirements for specific items (e.g. alcohol), purchases over a certain value or

permission to use another person's card (City of Fremantle, City of Melville and City of Subiaco)

- at two entities where records did not include required information such as the purpose of providing entertainment or hospitality or the number of employees attending (City of Fremantle and Town of Victoria Park)
- at one entity where not all purchases made by the CEO were approved (City of Victoria Park).

In addition:

- one entity could not provide us with key records for most of their purchases due to a system limitation. We identified this limitation during our audit. These key records included description of purchases, who had approved them and when (City of Victoria Park)
- one entity did not have policies and procedures for who should review and approve store card purchases (City of Cockburn)
- two entities did not specify who should approve CEO purchases (City of Fremantle and City of Subiaco).

To ensure a purchase is allowable and reasonable, a direct manager<sup>8</sup> who is aware of the cardholder's role and purchasing requirements should conduct a timely review and approve purchases. This reduces the likelihood of unreasonable, inappropriate or unauthorised transactions going undetected.

We also found:

- card sharing taking place. This increases the likelihood of unauthorised or fraudulent purchases and makes it difficult to identify the purchaser (City of Subiaco)
- the collection of personal reward scheme points on a small number of business purchases, and all of them had not been identified nor reported as part of the approval process (City of Cockburn, City of Perth, City of Melville, Town of Victoria Park). A risk exists with reward schemes that cardholders may make purchases through a particular supplier to gain a personal advantage.

The following case study is an example of control weaknesses and delays in approving purchases at one entity.

### **Case study 2: Control weaknesses to approve purchases**

An entity's policies and procedures did not specify a timeframe for credit card purchases to be approved or who should approve purchases made by the CEO.

We found:

- three purchases were not approved until over 125 days after the transactions took place
- the date of approval was not recorded for almost two thirds of the purchases we reviewed. As a result, we could not determine the timeliness of the approval for all credit card purchases

---

<sup>8</sup> In the case of the CEO, the chief finance officer (or equivalent) or a suitably senior staff member.



- the CEO and a director approved their own purchases.

Timely and appropriate approval of purchases can detect inadvertent and deliberate misuse and prevent fraudulent use.

## Controls over the issue and cancellation of cards were partly effective and require improvement

The six entities' management of the issue and cancellation of purchasing cards was only partly effective. We identified the following control weaknesses:

- all entities' policies and procedures were missing some key elements such as an application process to approve eligibility and need for a card; who should approve a new card; a cardholder agreement form outlining cardholder obligations and responsibilities; and processes to cancel cards
- registers at all entities either did not list all purchasing cards or were missing key information such as acknowledgement of card return and date of card destruction
- no policies or procedures for the issue and cancellation of store cards (City of Cockburn and City of Subiaco)
- purchasing cards were issued to staff who were not recorded in the delegations register as having the required delegated authority to make purchases (City of Cockburn, City of Melville, City of Perth, City of Subiaco)
- all cardholders had not signed agreements acknowledging their legal obligations and responsibilities or had signed the agreement up to seven months after they received their card (Town of Victoria Park)
- delays of between one to eight months to cancel cards when staff exited the entity, including one card that was used to make a purchase 259 days after the staff member exited (City of Cockburn, City of Fremantle, City of Melville, Town of Victoria Park).

There is an increased likelihood of inadvertent or deliberate misuse and financial loss to entities when cards are not appropriately issued and cancelled.

## Lack of appropriate oversight of purchasing card controls

Three entities did not meet legislative requirements to provide council with a list of all purchases. We found:

- reporting of store card purchases did not include the payees name, date and sufficient details to identify each payment (City of Melville and City of Subiaco)
- individual reporting of store card purchases did not start until April 2024 even though it was required from September 2023 (Town of Victoria Park).

All entities had instances where they provided council with vague descriptions of purchases and could have better identified the expenditure to facilitate transparency and proper scrutiny of how public money is being spent.

None of the entities had appropriate management oversight of purchasing card control effectiveness. None routinely monitored controls to issue, use and cancel cards and report on shortcomings to management. Regular monitoring activities, like those described in our better practice guide in Appendix 1, would assist entities to identify control gaps and address

weaknesses in a timely manner. All entities reviewed their financial management systems and procedures as required by legislation<sup>9</sup> but not all of the reviews included a review of purchasing card procedures. One entity had conducted a one-off internal audit of their purchasing card control effectiveness which was finalised during our audit (City of Cockburn).

---

<sup>9</sup> Local Government (Financial Management) Regulations 1996, regulation 5(2)c.



---

## Recommendations

1. The six entities should ensure their policy and guidance is clear on what is allowable and reasonable business use expenditure for items such as travel, alcohol, meals, entertainment and gifts.
2. The six entities, as relevant, should:
  - a. report purchasing card transactions more transparently to council to enable better scrutiny of how public money is being spent
  - b. have suitable controls in place to manage the issue and timely cancellation of purchasing cards
  - c. review and approve purchasing card transactions in a timely manner
  - d. keep proper records of the review and approvals of purchasing card transactions and card cancellations
  - e. regularly monitor and report on purchasing card controls to allow management to oversee usage and control effectiveness. The results of reviews should be documented and retained.

In accordance with section 7.12A of the *Local Government Act 1995*, the six entities should prepare a report on any matters identified as significant to them for submission to the Minister for Local Government within three months of this report being tabled in Parliament, and within 14 days of submission publish it on their website.

## Response from entities

### City of Cockburn

The City thanks the Office of the Auditor General for the conduct of this performance audit.

The findings of the Office of the Auditor General's performance audit align with the findings of a separate credit and purchasing card internal audit that the City had performed in 2024/25. The City values the insight the Office of the Auditor General has provided. The community must be confident that the City has appropriate controls in place for purchasing cards and guidance for their use by the City. This includes setting expectations on reasonable business use for expenditure for items such as travel, alcohol, meals, entertainment and gifts to staff.

The Office of the Auditor General has previously highlighted the need for local governments to provide policy guidance on reasonable business use. As a result, when Council considered the Civic Hospitality and Gifts Policy at the 13 May 2025 Council meeting, it resolved to "REQUEST a further report to be presented to the June 2025 Governance Committee meeting to respond to the Office of Auditor General's guidance on the need to develop clear policy guidance for employees and Elected Members on what is allowable and reasonable business expenditure on meals, entertainment and hospitality."

The City will implement the findings of this Office of the Auditor General Performance Audit and report on them to the Minister for Local Government as well as to the City's Audit, Risk and Compliance Committee, and Council.

### City of Fremantle

The City of Fremantle acknowledges and accepts the audit's recommendations. The City of Fremantle remains committed to ongoing improvement and will take steps to strengthen its practices and ensure transparency, accountability and continued responsible use of public resources.

### City of Melville

The City of Melville acknowledges the findings from the performance audit into purchasing card management and is committed to strengthening governance, compliance, and oversight. While the audit did not find evidence that cardholders misused public money, the City recognises the importance of continuous improvement in the management of its purchasing cards. Implementation of recommendations has commenced ensuring alignment with better practice principles.

### City of Perth

The City of Perth is committed to continuous improvement and feedback, and has welcomed the opportunity to participate in the OAG's purchasing cards performance audit.

Contextually, purchasing cards account for less than 0.1% of the City's total expenditure.

In 2020, following the conclusion of the most complex Inquiry into a local government in Western Australia, the City embarked upon an 'Evolution to Excellence' to address all 215 Inquiry recommendations assigned to the City.

In 2024, the City concluded this significant body of work and provided the State Government (through the Department of Local Government, Sport and Cultural Industries) comprehensive evidence to substantiate its completion of each of the 215 recommendations. The City's response was achieved through strong leadership, clear

direction and commitment to address the governance and operational issues identified through the Inquiry. As a result of these efforts, the City has strengthened its internal governance, operations and financial management.

The City has established a high calibre Audit and Risk Committee, with independent membership, to oversight the operations and performance of the City.

The City considers all opportunities for improvement as a means of further strengthening its processes and systems and importantly ensuring value for its rate payers.

The City has established a range of policies and guidance (8 in total) for staff and elected members on what is allowable and reasonable business use expenditure for items such as travel, alcohol, meals, entertainment and gifts. On this basis, the City does not agree with recommendation one within this report.

### **City of Subiaco**

The City of Subiaco embraces continuous improvement and welcomes opportunities to improve our processes in accordance with the OAG's recommendations. The City considers the risk associated with usage of its credit cards to be low, given that there are only two credit cards, that they are only used for purchases that cannot be made by other mechanisms, and that they have low limits. Total monthly expenditure ranges between \$10k and \$20k, with expenditures typically comprising IT subscriptions, sundry items for community events, staff training and memberships, and catering for council meetings and workshops held after hours.

There are also strong controls in place given that every purchasing card transaction is scrutinized by the Finance team, the Director Corporate Services, and is reported to Council Meetings each month for the further scrutiny of every elected member and the general public. This is a much higher bar of transparency than provided by state government agencies. General staff using the two shared credit cards do not have access to the card details, and can only make payments following a supervisor's authorisation, providing a 'gate' control which arguably reduces the risk compared to organisations that allocate cards to every staff member with a purchasing need. All purchases are made in accordance with budgetary constraints and are subject to the same Purchasing policy and protocols as every other transaction in the City.

### **Town of Victoria Park**

The Town of Victoria Park acknowledges the overall findings and recommendations by the OAG in the performance audit. The Town has already started the process of reviewing its current Policy, Management Practice, Procedure and Transaction Card Agreement, around the use and management of purchase cards. This will take into consideration the recommendations included in these findings, operational guidelines provided by the DLGSC, better practice guidance provided by the OAG and legislative requirements. This will then be communicated to all cardholders and monitored by the Town's card administrators for its effectiveness moving forwards. The Town would like to note that the performance audit did not find any evidence of fraud or that the Town's cardholders misused public money.

## Audit focus and scope

The objective of this audit was to assess if six local government entities effectively manage the issue, use and cancellation of purchasing cards. The criteria were:

- Are there effective controls over the issue and cancellation of purchasing cards?
- Are there effective controls over the use of purchasing cards?

The audit reviewed the issue, use and cancellation practices of each entity over the period 1 October 2023 to 30 September 2024.



We assessed each entity's policies and procedures against legislative requirements, the Department of Local Government, Sport and Cultural Industries' operational guidelines and our better practice guidance in Appendix 1. At each entity, we also assessed a sample of CEO purchasing card transactions and whether there was adequate independent review.

This was an independent performance audit, conducted under section 18 of the *Auditor General Act 2006*, in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other ethical requirements related to assurance engagements. Performance audits focus primarily on the effective management and operations of entity programs and activities. The approximate cost of undertaking the audit and reporting was \$415,000.



## Appendix 1: Better practice guidance

Local government entities need to have purchasing card policies and procedures that are up-to-date and accessible to staff. These policies and procedures should include key controls for the issue, use and cancellation of purchasing cards and be regularly reviewed.

The table lists requirements for effective purchasing card management, which guided our audit. It is not intended to be an exhaustive list.

Purchasing card management	Outcome	What we expect to see
 <b>Issue</b>	Cardholder eligibility and operational need is established, an application is appropriately approved and the cardholder is made aware of their legal obligations and responsibilities	<ul style="list-style-type: none"> <li>cardholder has appropriate financial delegation to incur expenditure. Delegations should also be set for certain types of expenditure</li> <li>an application form is appropriately approved</li> <li>card limits are based on cardholders need</li> <li>cardholder and their manager sign an agreement that clearly sets out the legal obligations and responsibilities and the purposes for which a card may or may not be used</li> <li>cardholder acknowledges that they understand and will comply with purchasing card policy and procedures</li> <li>cardholder receives training on procedures and requirements</li> <li>card administrator updates the purchasing card register with key cardholder information.</li> </ul>
 <b>Use</b>	Purchases are for business use and are properly reviewed and approved in accordance with the purchasing card policies and procedures	<ul style="list-style-type: none"> <li>purchases should be within the transaction and card limits. They should not be split to circumvent these limits</li> <li>entity sets out appropriate delegations for approval of expenditure</li> <li>timely review and approval of transactions: <ul style="list-style-type: none"> <li><u>cardholder</u>: reviews statements to ensure accuracy of reported purchases, attaches adequate supporting documentation, codes purchases and provides sufficient details to identify the purchase</li> <li><u>cardholder's direct manager<sup>10</sup></u>: reviews and approves purchases to ensure appropriate business use, consistency with cardholder's role and responsibilities, and compliance with policies and guidelines</li> </ul> </li> </ul>

<sup>10</sup> In the case of the CEO, the chief finance officer (or equivalent) or a suitably senior staff member.

Purchasing card management	Outcome	What we expect to see
		<ul style="list-style-type: none"> <li>review and approval processes have adequate documentation</li> <li>processes to repay any personal purchases</li> <li>guidance for purchases where cards are not physically present such as online telephone and internet purchases</li> <li>treatment of reward schemes and loyalty programs as purchasing cards should not be used to gain a personal benefit</li> <li>procedures for when a cardholder is on leave to ensure card security.</li> </ul>
 <b>Cancellation</b>	Timely cancellation of purchasing cards to prevent unauthorised purchases and unnecessary card fees	<ul style="list-style-type: none"> <li>immediate cancellation once a cardholder exits or has a change in employment requirements</li> <li>cardholder returns card to the administrator</li> <li>cards should be destroyed, and evidence of destruction recorded</li> <li>administrator enters cancellation and destruction information in cardholder register.</li> </ul>
 <b>Oversight</b>	<p>Regular monitoring and reporting to provide management with insights into use and the effectiveness of controls and to address shortcomings in a timely manner</p> <p>Evidence of reviews should be retained</p>	<p>Examples of monitoring and reporting include:</p> <ul style="list-style-type: none"> <li>Continuously: <ul style="list-style-type: none"> <li>disclose information about each purchasing card transaction in a payment listing to council and in council minutes</li> <li>record instances of personal use, inappropriate use, and disputed and fraudulent transactions. Take corrective action when required</li> <li>assess the timeliness of reviews and approvals by cardholders and managers, and act when timeframes are not met</li> <li>provide reports to managers on usage within their areas to assess operational need</li> <li>reinforce requirements to cardholders and approvers</li> </ul> </li> <li>Annually: <ul style="list-style-type: none"> <li>identify inactive or underused cards that may require cancellation</li> <li>review appropriateness of transaction and card limits</li> <li>audit and update purchasing card registers</li> <li>review relevance and effectiveness of policies and procedures as part of an annual risk assessment</li> </ul> </li> </ul>

Purchasing card management	Outcome	What we expect to see
		<ul style="list-style-type: none"> <li>Periodically: <ul style="list-style-type: none"> <li>sample test transactions for appropriate business use and compliance with policies and procedures</li> <li>analyse usage and supplier patterns to inform procurement practices</li> <li>review purchasing card policy against operational guidelines and better practice principles</li> <li>review the appropriateness and effectiveness of financial management systems and procedures as required by legislation.</li> </ul> </li> </ul>

Source: OAG

## Auditor General's 2024-25 reports

Number	Title	Date tabled
17	Local Government Management of Purchasing Cards – Larger Metropolitan Entities	28 May 2025
16	Fraud Risks in Land Transactions by DevelopmentWA	28 May 2025
15	Electricity Generation and Retail Corporation (Synergy)	30 April 2025
14	State Government 2023-24 – Information Systems Audit Results	30 April 2025
13	State Government 2023-24 – Financial Audit Results	30 April 2025
12	Local Government 2023-24 – Financial Audit Results	24 April 2025
11	Local Government 2023-24 – Information Systems Audit Results	11 April 2025
10	Fraud Risks in the WA Greyhound Racing Association	11 April 2025
9	Child Protection Case Management System – Assist	21 March 2025
8	Universities and TAFEs 2023 – Financial Audit Results	5 December 2024
7	WA Student Assistance Payment – Controls Review	27 November 2024
6	Provision of Additional Information to the Standing Committee on Estimates and Financial Operations – Opinions on Ministerial Notifications	22 November 2024
5	Implementation of the Aboriginal Procurement Policy	21 November 2024
4	Quality and Utilisation of Emergency Department Data	20 November 2024
3	Management of State Agreements	30 October 2024
2	Legislative Reform Priorities and Timeframes – Opinion on Ministerial Notification	19 August 2024
1	Supplier Master Files – Better Practice Guide	1 August 2024



**Office of the Auditor General  
for Western Australia**

7<sup>th</sup> Floor Albert Facey House  
469 Wellington Street, Perth

T: 08 6557 7500  
E: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

[www.audit.wa.gov.au](http://www.audit.wa.gov.au)



@OAG\_WA



Office of the Auditor General  
for Western Australia