



Ombudsman report: no rules on coffees, lunches and dinners

Description



Hundreds of ratepayer dollars spent on lunches, dinners, drinks and coffees were explained away as part of a "spend local" campaign.

Carol Altmann – The Terrier

More on the Ombudsman's incredible report:

If ever there was an example of how loose the goose was running down at 25 Liebig St, it is this one – the "spend local" idea during the Liebig St upgrade.

A large swathe of the spending on credit cards held by managers other than David McMahon – including City Growth Manager Andrew Paton and former Economic Growth Manager Shaun Miller – is explained away by the council through its "spend local" idea.

According to the Ombudsman's report, the council had set aside a budget of \$170,000 a year for "support local" activities during the Liebig St upgrade.

Under this, "council officers were encouraged to hold work-related meetings at local cafés and restaurants, and to use their Council credit cards to pay for food and coffees".

A noble cause, perhaps, but this is a remarkably generous eat-and-drink plan that I don't recall ratepayers ever being told about.

More importantly, as the Ombudsman points out: "No guidance was issued by Council to assist Council officers decide what was an acceptable purchase using Council funds and what was not, other than the directives in the Procurement Policy and the Credit Card Policy."

No guidance and a \$170,000 a year budget: that's a winning formula.

Mr Paton told the Ombudsman he was mindful of community perceptions and told his team that the

“rules” were the meeting had to be business related, and involve another council officer or stakeholder. (Call me naive, but that sounds like a recipe for pretty much anything goes.)

Here is Mr Paton’s response to the Ombudsman: “... it’s easy to look at a spreadsheet and say, ‘You spent \$600 on coffees. How do you justify that?’ with no context of why that meeting occurred and why that expenditure occurred. And that’s a hard one to explain sometimes even to the people who are involved in it ...

“I can see how that would look. But in terms of the context of the space we were in and the battle we were in, I’ll use that language ... it was a bit of a battle to try and keep the wheels spinning because it was a day-to-day thing.”

I am not sure how this accounts for the after-hours work drinks on a Friday night at places like the Hairy Goat or the Warrnambool Hotel.

I am also curious as to why the “spend local” was confined to pretty much the same places: Fishtales, The Hairy Goat, Seanchai, Whaler’s, Warrnambool Hotel....

Nobody ever opted for Mack’s Snacks.

As the Ombudsman says, while this “shop local” idea may have been well-intentioned, the approach was “fundamentally unwise” and the public perception could rightly be council staff eating and drinking on the public purse, as opposed to doing “business”.

Again, this report not only reveals what was clearly misuse of a credit card by one person, but what was permissible use of a credit card by others who were simply following the “rules”.

Thankfully those rules have now changed.

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