

SUBJECT:	LODGED PROCUREMENT CARD POLICY
MEETING:	Individual Cabinet Member Decision
DATE:	14 December 2016
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

To seek approval for the Lodged Procurement Card Policy to be used within the Authority.

2. RECOMMENDATIONS:

That the Lodged Procurement Card Policy included as Appendix 2 be approved.

3. KEY ISSUES:

In 2013 Barclaycard won the contract with the Welsh Government to be the provider for the Welsh Government Procurement Card scheme.

Monmouthshire County Council (MCC) had identified a need for a payment function that enabled both immediate and online payments to be undertaken.

Following research into the Procurement Card facility, which involved liaising with other Welsh Local Authorities already using the Welsh Procurement Cards (Newport City Council and Swansea City Council to name a few), it was agreed by the Head of Finance that a trial would be undertaken within MCC.

The trial consisted of 4 lodged cards (Cards issued to specific suppliers who would then charge orders received from authorised MCC officers to the card) issued to Banner Business Supplies Ltd, Michael I Holdsworth Ltd, Welsh Bros. Foods Ltd and EPSO.

The trial was based on a policy that had been drafted from best practice of the Welsh Government and other Welsh Local Authorities. Throughout the trial amendments have been made to the policy which reflects the needs of MCC. For Example the number of roles assigned to officers within the policy has been amended to work within MCC structures and transaction limits have been adjusted to accommodate MCC working practises.

We are now at the stage where we have learnt all we can from the pilot and need to agree the policy to move the program forward.

The policy attached in Appendix 2 outlines the program and procedures governing the Welsh Government Procurement Card (Procurement Card) scheme for purchasing across

Monmouthshire County Council (MCC). It outlines the roles and responsibilities of the Budget Holder, Agresso Administrators, Cardholders and the Procurement Card Administration Team.

Lodged Procurement Card Governance and Assurance is required within an overall framework of checks.

These are as follows:

- The policy is under the general control of the Head of Finance.
- Separation of duties (there must always be a separation of duties between the Budget Holder, Agresso Administrator and Purchase Card Scheme Administrator).
- Demonstrable audit trails.
- Meaningful and regularly produced management reports. Data integrity checks and compliance checks.

4. REASONS:

The Authority needs to put a policy in place to mitigate against any risks associated with the use of Lodged Procurement Cards to protect both the card holder and the authority.

5. RESOURCE IMPLICATIONS:

As the number of cards being used increases, there will be a slight increase in the admin resource required.

The pilot identified a number of resource intensive areas which the policy looks to address, for example the policy reinforces that the responsibility for checking and validating spend lies with the Budget Holder rather than with Finance.

We have also automated the load of data from the Barclaycard Spend Management System into the Agresso system for card holders to check and process transactions, previously this was a manual process with lots of duplication within the process.

Dependant upon the scale of role out of this facility further resource may be required at some point in the future. The further role out of cards is subject to approval by the Head of Finance (or representative) of business cases submitted by individual sections, impact on resource will be assessed at this stage before the role out is agreed.

6. SUSTAINABLE DEVELOPMENT & EQUALITY IMPLICATIONS:

The significant sustainable development and equality impacts identified in the assessment (Appendix 1) are summarised below for members' consideration:

1. The procurement card will support direct services by providing them with the ability to purchase relevant goods / services to assist them in achieving this goal which may not have otherwise been possible / practical via other payment methods.
2. Payment methods have changed over the years with more and more businesses updating to accept electronic payments. Many online businesses will only accept immediate payment via a payment card. We need to provide services with the ability purchase goods and services in this environment.
3. Many Suppliers only accept immediate payment for goods and services thus eliminating the risk of bad debts. Offering this payment method will increase the supply base of the

authority which is both good for the authority obtaining competitive pricing and the supplier by increasing business trade.

The actual impacts from this report's recommendations will be reviewed every 2 years and criteria for monitoring and review will include:

Regular Audit review of the Lodged Purchase Card Provision and Policy

7. SAFEGUARDING & CORPORATE PARENTING IMPLICATIONS:

There are no safeguarding or corporate parenting implications linked with this report.

8. CONSULTEES:

- Strategic Leadership Team
- All cabinet Members
- Head of Finance
- Head of Legal
- Revenues, Systems & Exchequer Team
- Internal Audit
- Card users involved in the pilot

9. BACKGROUND PAPERS:

Appendix 1 Future Generations Evaluation Form

Appendix 2 Lodged Procurement Card Policy

Appendix 3 Brief overview of the Lodged Procurement Card Policy

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