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| Committee: | Date: |
| Finance Committee | 7 June 2016 |
| Subject: Annual revisions to the Corporate Purchase Card Policy | Public |
| Report of: The Chamberlain | For Information |
| Report author: Chris Bell and Lisa Moore, Chamberlain's Department | |

Summary

The report outlines the annual revisions made to the City of London Purchase Card (P-card) Policy.

The P-card Policy went into effect on the 1st of October 2015. Since going live, City Procurement has received feedback from a number of departments. This feedback was discussed as part of the annual review and a number of amendments to the Policy were approved at Procurement Steering Group in April 2016, a summary of the amendments are:

- **Gift Vouchers** – The ability to purchase gift vouchers has been established where there is a legitimate business need, a process has been put in place to establish this.
- **Fines** – The ability to pay for fines has been established to ensure the Corporation meets payment deadlines to receive payment discounts.
- **Eligibility criteria** – Introduction of a process that allows officers on probation, temporary workers or contracts to have a purchasing card if the nature of their works requires it. An approval process in such circumstances has been established.
- **Overseas travel** – Guidance added on process for officers intending in using purchasing card overseas.
- **Loyalty points** – Guidance added on the collection of loyalty points by officers.

A more detailed explanation of each change and the reasoning is outlined within paragraph 4 of the main report. The full P-Card Policy is available online at the following link:

<http://democracy.cityoflondon.gov.uk/documents/s65087/PCardPolicy.pdf>

Recommendation

Members are asked to note the revised Purchase Card Policy and the revisions outlined in this report that will be effective from 1st July 2016.

Main Report

Background

1. Centresuite, the pre-existing P-card management system, was replaced in January 2016 by CityCard, a new P-card management system implemented in partnership with Lloyds Bank. As part of the communication and training strategy a revised P-card Policy was developed to help implement best practice across the City of London Corporation for card users and managers in conjunction with the launch of the new CityCard management system.
2. There are currently more than 900 cardholders across the Corporation who between them spend approximately £1.5 million per annum with approximately 15,000 individual transactions with an average value of £100.
3. P-cards are often used for online goods or services which cannot be easily bought without a card such as business travel and subsistence, business hospitality, low value one-off purchases and other expenses.

City of London Purchasing Card Policy

4. The amendments are as follows:

| Change | Reason for Change |
|---|--|
| 'Gift vouchers' have been included as items that can be purchased using a P-card | <p>Multiple departments flagged gift cards as a legitimate business requirement and requested they be moved from the list of spend that was not appropriate for P-cards; e.g. ASC food vouchers have been discontinued and the Department for Children and Community Services need to buy <i>'supermarket'</i> food only gift vouchers as an alternative in order to continue services at times where clients are awaiting benefits to come through and have no other monies.</p> <p>The change has been worded to establish a legitimate business need is required, justification for such need must be included in the description on CityCard, and if more than one gift card is purchased a local audit tracker must be made available for internal auditing purposes.</p> |
| 'Fines' have been included as items that can be paid for using a P-card | <p>To assist the Corporation in paying minimum fines by prompt payment such as parking fines.</p> <p>It will be a local department decision whether to charge the fine back to the individual officer involved.</p> |

| Change | Reason for Change |
|---|--|
| Eligibility for a Purchase Card | To allow exemptions in extraordinary cases when a new employee in their probation period, contractor, consultant, or as a temporary worker is in need of a purchase card to carry out their duties. 'In special circumstances when an exception can be justified and a member of staff requires a P-card to carry out the nature of their work written approval from a chief officer or delegated authority can waive these rules.' |
| Cardholder's responsibilities section amended to include instructions around Overseas Travel | The P-card Administration Team identified a gap in the Policy and requested wording to be included so that cardholders must alert Lloyds when traveling overseas. There have been instances when cards are suspended due to suspicious activity because this step was not taken by the cardholder. |
| Loyalty Points added to description of personal use and 'What not to do with your purchase card' | The Finance Team within the Chamberlain's department queried P-card holders collecting loyalty points for personal use due to a business purchase. Although loyalty points are acceptable there has been a guide added for managers to ensure loyalty points do not influence purchasing decisions. i.e. Buying more expensive alternatives to collect loyalty points. |
| Standardise Language to 'Purchase Card' and 'P-card' | To keep the language around purchase cards consistent. |

Conclusion

5. City Procurement has implemented amendments to the existing City of London Purchase Card Policy as outlined in this report, the revised policy will become effective from 1st July 2016. City Procurement confirm that all the changes above include processes to manage and monitor these specific changes, but none of them have any substantive impact on our purchasing card policy, processes or risk.

Christopher Bell

Head of City Procurement

T: 0207 332 3961

E: Christopher.bell@cityoflondon.gov.uk

Lisa Moore

Policy and Compliance Officer, Chamberlain's

Email: lisa.moore@cityoflondon.gov.uk

Telephone 0207 332 3273