

SALISBURY CITY COUNCIL

Report

Agenda Item 10

Subject: Review of Corporate Credit Card Policy (deferred from July)
Committee: Finance and Governance Committee
Date: 28 October 2024
Author: Steve Bishop, Responsible Finance Officer

1. Report Summary

- 1.1. The Council has a corporate credit card scheme whereby certain designated managers have credit cards issued against the Council's HSBC current account to make Council purchases when purchase orders/invoices are not possible. The Council's requirements have changed and this report recommends a new corporate credit card policy to meet its needs.
- 1.2. More and more suppliers require digital, online and upfront payment; fewer suppliers accept purchase orders, credit terms and payment after invoicing. Improving the corporate credit card arrangements will give officers more flexibility and greater ability to secure value for money.
- 1.3. This report was originally considered by the Committee at its July meeting but was deferred pending more precise information about the numbers of corporate credit cards and credit limits being requested and the identities of the new cardholders. This information is now included in **Appendix A**.

2. Policy Considerations

- 2.1. Each method of committing the Council to expenditure must balance operational efficiency with internal financial control. The RFO believes the proposed policy is an acceptable compromise, improving efficiency without excessive weakening of internal control.

3. The need for change

- 3.1. The existing corporate credit arrangements have been in place for several years. Several Senior Management Team (SMT) members were designated corporate credit cardholders but with staffing changes only two SMT cardholders remain.
- 3.2. It became custom and practice for the few cards to be used by a wider pool of officers who routinely order goods and services on behalf of the Council. This practice erodes financial control and causes delays in reconciling credit card bills. This has been discontinued but with the consequential loss of efficiency.
- 3.3. The proposed policy and instructions in **Appendix A** provide greater access to card payments whilst protecting the Council.
- 3.4. The main changes from the existing corporate credit policy are:

- Increase in the number of Council cardholders from two to eight, to provide greater departmental coverage and flexibility (this includes an emergency callout card to provide emergency funds during out-of-hours incidents such as flooding)
- Increase in the aggregate monthly credit limit from £10,000 to £20,000, which would cater for the initial cardholders' needs as listed in the Appendix A schedule, plus some headroom to cater for potential additional requirements in the future

3.5. Notwithstanding the Committee's approval of the policy and instructions, the number of cardholders and their respective credit limits (and therefore the aggregate credit limit) are all subject to the bank's approval process. The RFO has consulted the Bank ahead of the Committee meeting and can update councillors at the meeting.

4. **Recommendation:**

4.1. The Committee approves the proposed Corporate Credit Card Policy and Corporate Credit Card Instructions in Appendix A.

5. **Background Papers:**

None.

5.1. **Implications**

- . **Financial:** As shown in this report
- . **Legal:** Nil in relation to this report.
- . **Personnel:** Nil in relation to this report
- . **Environmental Impact:** Nil in relation to this report
- . **Equalities Impact Statement:** Nil in relation to this

(Agenda Item 10) **Appendix A**



Corporate Credit Card Policy

Policy No	Version	Owner	Doc	PDF	Date	Review due	Review team
	1	RFO			29 July 2024		

V.1 being recommended to

Finance & Governance Committee 28 October [29 July] 2024

1. PURPOSE

- 1.1. Salisbury City Council (SCC) recognises that some purchases can only be made urgently, in advance and/or online. In these situations the preferred method of purchase order/delivery/invoice/payment is not feasible; instead, the Council authorises designated officers to use corporate credit cards drawn on the Council's HSBC current account.
- 1.2. This Policy sets out the Council's rules governing the use of corporate credit cards by officers. [*The Policy was approved by the Finance and Governance Committee on 28 October 2024*].

2. AUTHORITY

- 2.1. The Responsible Finance Officer (RFO) and Chief Executive Officer (CEO) will jointly determine officer requests for a corporate credit card (as per Financial Regulation 6.5.)
- 2.2. The RFO will prepare instructions for the use of the corporate credit cards (appended to this Policy). The RFO will regularly review the Policy and instructions. The RFO will issue revised instructions to officers as required. Any recommended changes to the Policy will be considered by the Finance and Governance Committee.

3. LIMITS

- 3.1. The Council's bank, HSBC, will issue the corporate credit cards, on instructions by the RFO. The RFO will specify individual cardholder limits and instruct the bank accordingly. The limits will be specified in the instructions to officers. The overall aggregate limit of all cards must not exceed £20,000 at any time.
- 3.2. Officers must not exceed their individual specified cardholder limit.
- 3.3. The corporate credit card can be used for approved SCC expenditure only. The credit card must not be used for non-Council expenditure and must not be used for personal expenditure. If in doubt, officers should consult the RFO.
- 3.4. Cash withdrawals are not permitted on the credit card.

Corporate Credit Card Instructions

1. AUTHORITY

- 1.1. *[The Finance and Governance Committee has approved the Council's Corporate Credit Card Policy].*
- 1.2. The Responsible Finance Officer (RFO) is responsible for issuing, reviewing and updating instructions to officers on the use of the corporate credit cards.

2. Instructions to officers

- 2.1. A member of the Senior Management Team (SMT) can request a corporate credit card for themselves or a member of their department. Such requests must set out the justification for the officer requiring a corporate credit card. The request should be submitted to the Chief Executive Officer (CEO) and the RFO, who will jointly determine whether to issue a card to that individual. The RFO will instruct the Council's bank and arrange the card.
- 2.2. The RFO will issue these instructions to new cardholders. The cardholder must read these instructions and sign a declaration to evidence their understanding of the instructions and their compliance with them.
- 2.3. The routine and preferred method of paying for Council expenditure is the raising of purchase orders and payment of invoices by BACS – all as set out in Financial Regulations. In every possible instance officers should use that method of payment instead of the corporate credit card.
- 2.4. Cardholders should only use their corporate credit card in exceptional circumstances when it is impractical to use the routine method of payment in order to procure the goods or services required by the Council. Such circumstances may include urgency and obtaining better value for money by online purchase.
- 2.5. The RFO will specify the way in which cardholders must record any use of the card. The cardholder must complete the record of the transaction fully and accurately at the time of the transaction, or as soon as possible afterwards in the event of having to use the card away from the Council premises. Failure to so in a timely fashion will lead to incomplete records arising from memory lapses, which could cause mis-accounting and leave the officer more vulnerable to complaints about misconduct/theft.
- 2.6. The cardholder must obtain a proper VAT invoice or receipt whenever possible, or other supporting document to evidence the transaction (such as email, screenshot, etc). The cardholder must retain such documentation until they submit it to the RFO with the record of all card usage when requested by the RFO.

- 2.7. The RFO or a member of the Finance Department will check receipts against the credit card statements and will investigate any discrepancies. Failure to provide a receipt may result in the cardholder being held liable to repay the sum involved.
- 2.8. The RFO will be responsible for carrying out the monthly reconciliation of the credit card. The credit card balance will be cleared automatically in full each month.
- 2.9. Cardholders are responsible for the security of the card issued to them and information relating to the card such as passwords. Cards should be kept either on the person of the cardholder or stored securely.
- 2.10. Cardholders are not permitted to share their card, nor share the Personal Identification Number (PIN), nor divulge the information contained on the card with any other individual except the RFO and Finance Department officers.
- 2.11. In the event of loss or theft of the card the cardholder must inform the RFO immediately, who will instruct the bank to cancel the card and arrange a replacement.
- 2.12. Repeated loss or misuse of the card will result in the card being withdrawn from the cardholder; and possible disciplinary action.
- 2.13. Prior to a cardholder leaving the Council's employment the cardholder, or their manager, must ensure the card is returned to the RFO for destruction.

Schedule of Corporate Credit Cardholders

<u>Officer</u>	<u>Monthly Limit (£)</u>
Pantry Manager (Abigail Blake)	£3,000
Centres and Programmes Manager (Sam Johnson)	£2,000
Head of Business Operations	£2,000
Grounds Operations Supervisor (Graham Sellwood)	£1,500
Streetscene Supervisor (Nick Muzariri)	£1,500
Senior Corporate Officer (Andrew Hunt)	£1,500
Events Officer (Lol Wilde)	£1,000
Emergency on-call officer (not personalised)	£2,500
Aggregate limit proposed by the Council	£15,000