



**FINANCIAL CONTROL PROCEDURE:
PURCHASING CARDS**

Initiated by: Director of Finance and Procurement

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Managers

Heads of Department

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This policy has been subject to a full equality impact assessment.

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1.0 SCOPE & PRINCIPLES

- 1.1 The main objective of the Purchasing Card Scheme (the 'scheme') is to reduce paperwork and administration time involved in the ordering and invoicing process for low value, high volume goods and services not covered by any purchasing agreements or contracts.

This procedural document provides guidance for the issuing and governance of the Purchasing Card (the 'card') [and the 'virtual' purchasing card \(Precisionpay\)](#):-

Each cardholder [and/or Precisionpay account holder](#) is issued with a copy of this document and their individual spending limits under which they can use their card. All purchases should be made in accordance with these procedures and Cwm Taf [Morgannwg](#) UHB Standing Orders and Standing Financial Instructions.

The cardholder [and/or Precisionpay account holder](#) may only use the card for business purposes and may under no circumstances use the card for private transactions. If the cardholder requires any further clarification or information regarding this, they should contact the Purchasing Card Administrator (the 'administrator') in the first instance.

- 1.2 This procedure details the principles underlying the control over the Cwm Taf [Morgannwg](#) University Health Board's (UHB's) use of purchase cards.
- 1.3 The procedure should be read in conjunction with other relevant Financial Control Procedures where there may be an overlap – in particular, the procedures on Requisitioning of Goods & Services (FP13) and Creditor Payments (FP6).
- 1.4 The UHB has historically had difficulties in procuring certain goods and services such as on-line purchases, items where immediate payment is required and foreign currency payments. Also a number of low cost orders are placed by the UHB which is uneconomical. The use of purchase cards is an additional tool that may help to resolve some of these issues.
- 1.5 The UHB has selected to use the Welsh Procurement Purchase Card endorsed by the Welsh Government. These purchase cards are issued by the Commercial Card Division of Barclays Bank plc.

1.6 The UHB benefits from a financial £% rebate on the annual value that is spent via Barclaycard.

1.7 There is free on-line administration of the UHB purchase card account.

1.87 Where the term UHB is used this applies equally, unless otherwise specified, to WHSSC.

1.98 This procedure also applies to those staff who are employed by the NHS Wales Shared Services who process and pay transactions on behalf of the UHB.

2.0 SYSTEM ADMINISTRATION

2.1 The UHB will nominate two system administrators neither of whom will be issued with a purchase card.

2.2 The Deputy Head of Procurement or delegated Procurement Business Manager will have responsibility for setting access levels and blocking purchasing categories via the Online function.

2.3 These access levels and categories shall be independently reviewed by the Head of Corporate Finance or Finance Manager on a periodic basis.

2.4 A purchasing card will be issued to nominated members of staff with buyer responsibilities in the Procurement Section.

2.5 Each purchase card user will receive a card in their name and will be required to sign an agreement outlining the terms and conditions including card security and expected best practice. **(Appendix 1)** The system administrators will be responsible for ensuring agreements are signed.

2.6 The issue of a 'virtual' credit card (Precisionpay) will be conducted within the Barclaycard Precisionpay portal under the hierarchical structure outlined in Appendix 2 which is reflective of the UHB's Schemes of Delegation. The system administrators will be

responsible for set-up and responsible for ensuring agreements are signed.

2.7 The Deputy Head of Procurement or the delegated ~~The Procurement Business Manager s-Manager~~ will grant access to the on-line facility to all individuals issued with a purchasing card.

3.0 PURCHASE CARD USE

3.1 Procurement/Purchase to Pay (P2P) Section

3.1.1 For standard credit card transactions ~~All~~ Directorates will continue to raise and approve requisitions via the Oracle system in accordance with Financial Control Procedure FP13 on Requisitioning of Goods and Services.

3..2 At the order raising stage the nominated Buyer in the Procurement Section will assess the suitability for processing the order using a purchase card. If a purchase card is used, the Buyer will return the requisition in the Oracle system to the authoriser with a note '*A purchase order has not been raised for this requisition as the purchase will be actioned with a purchase card. Please inform us if the item is not received*'. The requisition will be printed by the Buyer, entered onto the Purchase Card Log, and retained on file. At this stage the buyer will also enter financial codes against their purchases. The Buyer will contact the supplier and arrange payment using their purchase card.

3..3 The Procurement Business Manager will reconcile the Purchase Card Log to the Statement at the end of each month to check the correct amount has been charged to the account. Once the purchase is agreed to the supporting documentation the item should be ticked as authorised.

3..4 Directorates identified as suitable for the 'Virtual' Precisionpay set-up will create the request within Precisionpay not the Oracle system.

3.1.5 The system administrator will be responsible for setting up Custom Data Fields within Precisionpay which will reflect the required information in accordance with the Financial control Procedure FP13 on Requisitioning Goods and Services.
➤ Supplier

- [Requirement](#)
- [Value inclusive of VAT](#)
- [Cost Code](#)
- [Subjective Code](#)

[3.1.7 Failure to adhere to this could result in the card being withdrawn.](#)

[3.1.8 The monitoring of the spend lies with the Treasury Accountant.](#)

3.2 Purchasing Limits

3.2.1 Monthly Credit Limit

A monthly credit limit has been set for each cardholder and is detailed in the Cardholder Specific Details form issued to the cardholder with the card (**Appendix 3~~1~~**). If this limit is found to be insufficient for their purchasing needs, the cardholder's line manager/budget holder should contact the administrator to discuss any revision to the limits.

3.2.2 Transaction Limit

The Health Board has an agreed maximum transaction limit for each card. The current limits for individual transactions will be detailed in the Cardholder Specific Details form. The card should not be used for purchases in excess of this limit. Attempting to purchase in excess of this limit will be met with a decline when authorisation is sought for the transaction. The total transaction limit is inclusive of any VAT, carriage charges, etc. Transactions cannot be split in order to remain within the maximum transaction limits. Limits can be amended if agreed by the cardholder's line manager/budget holder and a request must be sent to the administrator by giving at least one month's notice.

Both limits will be reviewed annually by the Head of Corporate Finance or Finance Manager, who will provide written approval for any uplifts.

4.0 ACCOUNT PAYMENTS

- 4.1 A statement will be received monthly by the Senior Procurement Officer and this will be checked against information held on the Purchase Card Log. The statement total shall agree to authorised expenditure within the respective areas of expenditure of Finance and Procurement. Any discrepancies will be investigated by the Senior Procurement Officer with the relevant cardholder.
- 4.2 The statement will be reviewed by the Treasury Accountant on a periodic basis.
- 4.3 Payment of the balance on the UHB's purchasing card account will be by direct debit every month. There are no fees associated with this card.

5.0 SECURITY

- 5.1 The security of the purchase cards will be the responsibility of the cardholder who must ensure that it is retained in a secure location and that the card number is not revealed to any unauthorised person(s). **The card must be used for business purposes only, and must not be used for personal use in any circumstances.**
- 5.2 Each purchase card user will be allocated a unique user identification and password by the [Deputy Head of Procurement or delegated](#) Senior Procurement Officer for entry to the on-line facility. Purchase card users will have view only access. Users must comply with the UHB's IT Security Policy.
- 5.3 Any unapproved activity on the account will be treated seriously and investigated under the UHB's Disciplinary Policy. Fraudulent activity will be referred to the UHB's Local Counter Fraud Specialist.

6 CARD HOUSEKEEPING

6.1 Purchasing Card Amendments (change of name, etc.)

The cardholder must inform the administrator if for any reason the cardholder's name (e.g. marriage, etc.) or other details need amending. The obsolete card should be cut in half across the magnetic strip and then returned to the

administrator following receipt by the cardholder of the new card.

6.2 Purchasing Card Renewals

When the card reaches the expiry date, a replacement card should be received approximately 14 days prior to the renewal date. Non receipt should be advised immediately to the administrator.

6.3 Security of the Purchasing Card

The card issued to the cardholder is to be used by the cardholder only and should not be used by any other individual. The security of the card is the responsibility of the cardholder who must ensure that it is retained in a secure location and that the card number is not revealed to any unauthorised person(s). The card must be used for business purposes only, and must not be used for personal use in any circumstances. If in the unlikely event of the card being used for personal use in error, the administrator must be informed immediately and the appropriate action will be taken (e.g. full investigation, recovery of money and any necessary disciplinary action instigated).

On receipt of the card, the cardholder and line manager/budget holder is required to sign a 'Cardholder Agreement Form' to confirm that the cardholder understands and consents to the card procedures detailed herein. A copy of the Cardholder Agreement Form can be found at **Appendix 42**.

6.4 Lost/Stolen Cards

If the card is lost or stolen, the issuing bank must be advised immediately by telephone on the appropriate 24-hour customer service helpline.

The card lost/stolen incident report must be completed and a copy forwarded to the administrator for review and action accordingly. A copy of the Lost/Stolen Incident Report form can be found at **Appendix 53**.

6.5 Job Change/Department Change

Upon notice of a change of job and/or departmental change, the administrator must be informed as soon as possible. A

decision will be made by the administrator on the need for the continued use of the card.

6.6 Leaving Employment

Upon leaving the employment of the Health Board, the card must be cut in half across the magnetic strip and returned to the administrator. The administrator must receive the card at least 14 days before the leaving date.

6.7 Cardholder Liability/Credit Status

Whilst the card is embossed with the cardholder's name, the account, and therefore the financial liability, is in the name of Cwm Taf [Morgannwg](#) UHB. Consequently, there is no impact on the cardholder's personal credit status.

However, it is important to note that the cardholder remains personally responsible that the use of the card is in accordance with these Purchasing Card Guidance and Procedures. Any fraudulent use of the card may ultimately lead to disciplinary proceedings.

6.8 Training

A pre-condition for the use of the card is that the cardholder should have appropriate training (with the cardholder's line manager/budget holder in attendance if required). This training is aimed at introducing the cardholder to the scheme by explaining the procedure and guidelines, and answering any queries.

7.0 REPORTING

7.1 The Senior Procurement Officer will generate reports on monthly expenditure, via the on-line facility, of total activity for the period. This information will be downloaded into an excel format and sent to [the Cashiers department](#) for use in the preparation of a monthly journal. This journal will be uploaded into the UHB's General Ledger system in line with the monthly timetable.

7.2 The Senior Procurement officer will maintain a copy of the downloaded journal in excel, together with Bank statement and report of transactions on a monthly basis, for audit purposes.

8.0 EQUALITY IMPACT ASSESSMENT

Following assessment, this policy is not felt to be discriminatory or detrimental in any way with regard to the following equality strands: Gender; Race; Disability; Age; Sexual Orientation; Religion or Belief; Welsh Language or Human Rights.

APPENDIX 1**SUMMARY OF PURCHASING CARD PROCESS**

- 1 Each request for a card must be made to the administrator by the line manager/budget holder in the first instance.
- 2 The Purchasing Card Scheme guidance and procedure along with the relevant Barclays Application forms will be sent to the requesting officer.
- 3 The Purchasing Card guidance and procedure must be read and the relevant forms (Barclays application form and Appendix 1 Cardholder Specific Details form) must be completed and signed by the appropriate line manager/budget holder and returned to the administrator.
- 4 The administrator will return the completed application forms to the issuing bank when authorised.
- 5 The issuing bank will send the card and PIN to the Purchasing Card Administrator on acceptance. The administrator will register the card details and forward to the cardholder. The issuing bank will send the PIN number under separate cover to Procurement.
- 6 On receipt of the card by the cardholder, **Appendix [3-2](#)** (Cardholder Agreement) must be duly completed by the cardholder and line manager/budget holder and returned to the administrator prior to any use of the card.
- 7 For each card transaction, the requisition process outlined within this FCP is applicable, the requisition is returned to the requisitioner with a note confirming that the payment has been made by purchasing card.
- 8 The Purchasing card holders are responsible for confirming the details held on the Purchase Card Log are correct and entering the financial codes.
- 9 The Intermediate level, Procurement Officers will, on a monthly basis, view all purchases made by buyers in the Procurement Section via the Purchase Card Log and compare details to the copy requisitions retained on file. Once the

purchase is agreed to the supporting documentation the item should be ticked as authorised.

- 10 Procurement will receive the Purchasing Card Statement from the issuing bank by the 2nd of the month and payment will be made a few days later.
- 11 The Senior Procurement Officer (or delegated responsibility) will reconcile all transactions from the Purchasing Card Monthly Accounts to the statement from each cardholder and resolve any queries in a timely manner, and a Finance officer will upload the journal to the [General Ledger](#).
- 12 If the Purchasing Card becomes lost or stolen, please contact Barclays 24 hour customer service helpline immediately. The Lost/Stolen Incident Report (Appendix [53](#)) must be completed and countersigned by the line manager/budget holder and then sent to the card administrator.

APPENDIX 2**'VIRTUAL' PRECISION PAY HIERARCHIAL STRUCTURE****DIRECTORATE**

<u>Precisionpay User Profile</u>	<u>Transactional Value</u>	<u>Authority Delegated to</u>
<u>Deployer</u>	<u>Nil</u>	<u>Requisitioner</u>
<u>Approver 1</u>	<u>Below £1,500</u>	<u>Tier 76 – Nominated Budget holder for specific cost centers</u>
<u>Approver 1</u>	<u>£1,500 to £5,000</u>	<u>Tier 65-Head of Department or equivalent</u>
<u>Approver 2</u>	<u>Up to £25,000</u>	<u>Tier 54 Clinical Service Group Manager (or equivalent)</u>
<u>Approver 2</u>	<u>Up to £50,000</u>	<u>Tier 4 Acute Services General Manager (or equivalent)</u>
<u>Approver 2</u>	<u>Up to £100,000</u>	<u>Tier 3 – Group/Operations Director for ILGs or Relevant Director</u>

Summary of User profiles and Privileges*

<u>Profile</u>	<u>Make a payment</u>	<u>Amend cancel a payment</u>	<u>Search existing payments</u>	<u>View existing payments</u>	<u>Approve payments</u>
<u>Admin</u>			<u>✓</u>	<u>✓</u>	<u>✓</u>
<u>Deployer</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	
<u>Approver 1</u>			<u>✓</u>	<u>✓</u>	<u>✓</u>
<u>Approver 2</u>			<u>✓</u>	<u>✓</u>	<u>✓</u>
<u>Search only</u>			<u>✓</u>	<u>✓</u>	

*Privileges can be switched on or off by the Administrator

APPENDIX 32**CWM Taf Morgannwg UHB****A. CARDHOLDER SPECIFIC DETAILS**

Cardholder Name	
Cardholder Number <u>or</u> <u>Precisionpay profile</u>	
Division/Location	
Cardholder Authorising Line Manager/Budget Holder	
Single Transaction Limit (maximum)	
Monthly Card Limit (maximum spend in period)	
Merchant Categories Authorised	
<u>Preferred Supplier List to Use</u>	
<u>Customer Reference Code</u>	

Cardholder Signature:	
Date:	
Line Manager/Budget Holder Signature:	
Date:	

APPENDIX 43**Cwm Taf Morgannwg UHB****CARDHOLDER AGREEMENT**

I acknowledge receipt of NHS Purchasing Card Number

<u>NHS Purchase card number</u>	
<u>Precisionpay Account holder Profile</u>	

As a cardholder I agree to comply with the following terms and conditions regarding my use of the Purchasing Card (the 'card').

- a. I have received and understood that I am being entrusted with a card and will be making financial commitments on behalf of Cwm Taf Morgannwg UHB. Where stipulated I will be using designated suppliers as identified by the Purchasing Department.
- b. I understand that Cwm Taf Morgannwg UHB is liable to the card provider for all the charges made on the card.
- c. I agree to use this card Cwm Taf Morgannwg UHB business purchases only and agree not to charge personal purchases. I understand that the UHBTrust will audit the use of this card and report and take appropriate action on any discrepancies.
- d. I will follow the established procedures for the use of the card. Failure to do so may result in either revocation of my privileges and/or any other disciplinary action, including termination of employment.
- e. I have been given a copy of the Purchasing Card Guidance and Procedure document and understand the requirements for the use of the card.
- f. I agree to return the card immediately upon request or upon termination of employment (including retirement). Should there be any organisational change, which cause my purchasing requirements to change, I agree to return my card and arrange for a replacement, if appropriate.
- g. If the card is lost or stolen I agree to notify Barclays immediately and the Purchasing Card Administrator as soon as possible thereafter.

Cardholder Signature:	
Date:	
Line Manager/Budget Holder Signature:	

Date:	
Purchasing Card Administrator Signature:	
Date:	

LOST/STOLEN CARD INCIDENT REPORT

CARD NUMBER	
CARDHOLDER NAME	
CARDHOLDER DEPT	
DATE OF INCIDENT	
INCIDENT DETAILS	
ACTION TAKEN	
<i>To be completed by cardholder:</i>	
<i>To be completed by administrator:</i>	

Cardholder Indemnity

I certify that the above describes an accurate reflection of the incident that has occurred.

I confirm that I have undertaken all the necessary actions to mitigate the incident actually occurring.

Cardholder Signature:	
Date:	
Line Manager/Budget Holder Signature:	
Date:	
Purchasing Card Administrator Signature:	
Date:	