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Meeting	Finance & Policy Committee
Date	16th July 2024
Report Title	Credit Card and Petty Cash
Agenda Reference	Agenda Item 12
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Officer's Recommendation:

1. To approve a trial period of removing petty cash as a payment method for 3 months and introducing smarter working practices where making purchases are concerned.
2. To approve a second credit card is issued (on the existing Barclaycard account) under the name of the Deputy RFO which must be kept in the Parish Office at all times.

Background

The Parish Council currently uses both petty cash and credit card for purchases made in person or online where an account (to be invoiced) cannot be set up.

Petty cash is maintained at £250 as per the Financial Regulations. However, cash can only be topped up by visiting the HSBC branch in the Swindon Town Centre.

The credit card has a monthly spend limit of £8,000 and is issued to the Chief Officer. The balance is paid off via monthly direct debit and no interest is charged. The credit card balance does not usually exceed £2,000 per month.

Both petty cash and credit card transactions are retrospectively reported to Committee or Full Council on a monthly basis.

Petty Cash

Petty cash is generally used for purchases of £10 or under. Receipts are reconciled by the Finance Officer and Deputy RFO on a monthly basis and cash tops ups are achieved by making a cheque to cash and processing at the Swindon Town Centre branch of HSBC.

Occasionally small till receipts do go missing prior to reconciliation so are noted as 'missing receipt'.

Over December and January, the HSBC branch was undergoing a renovation, so the petty cash was unable to be 'topped up'. During this period staff had to resort to the credit card for all prepaid purchases. The last petty cash cheque was not accepted by the bank as one of the signatories did not match up with their records as they had not updated the bank mandate. Therefore, there has not been any usable petty cash for over a month. In this instance, again staff have resorted to the credit card.

Petty cash is quite an outdated system with a higher risk of misuse. Most workplaces are opting for corporate credit cards as there is a safer audit trail and less administration.

Credit Card

The credit card is used for online transactions and prepaid purchases of £10 or more by all staff. There is a sign out sheet which must be authorised by the budget holder/senior manager prior to being used. The credit card is reconciled monthly by the Finance Officer and Deputy RFO. There have been times when an Officer is attempting to make a purchase in the office and the credit card has been taken out for in person purchases. Therefore, it is recommended that a second card is issued on the same account so that one is kept in the Parish Office **at all times,** and one is used for in-person purchases.

Smarter Shopping

At the moment purchases are made on an ad hoc basis by individuals/teams. There are times when purchases are made at the same location by different staff members (e.g. milk and refreshments at Morrisons), which is an inefficient practice.

Both the Parish Office and the Parks & Open Spaces teams have weekly meetings where purchase requirements can be agreed for the coming week. Then a member of staff can be appointed to make the purchase at a set time in the week.

By utilising the credit card rather than petty cash it prevents staff members from making individual claims and cuts down on the reconciliation process.

Expenses Claims

On occasions where staff members have made purchases using personal funds and no petty cash is available to reimburse them, an expenses claim has been processed with funds being repaid via bank transfer eg. With parking charges if attending external meetings or conferences.

Trial of Removing Petty Cash Use

The Finance Officer and Deputy RFO is recommending that use of petty cash is removed for a trial period of three months in favour of introducing smarter working practices where making purchases are concerned.

A review will be brought to the October Full Council meeting with a view to making necessary amendments to the Financial Regulations, Financial Authorisations and Finance Risk Assessment, should the trial prove successful.