Report from Finance Advisory Group Chairman

1. TO CONSIDER INCREASING THE CREDIT LIMIT ON THE CORPORATE CREDIT CARD

As has become increasing common for us all during the pandemic, the Clerk has been and is carrying out more of the Council's purchasing on-line.

Whenever possible payment for BPC on-line purchases is made against an invoice paid only after the routine process of review of Payments for Sanction at each Council meeting.
To assist with this method of payment for online purchases the Clerk and Finance AG chairman opened an Amazon business account which permits invoicing for goods ordered.

Despite that, it has been noted over the last 18months many of the suppliers that offer the best combination of supply availability, price and responsiveness to the Council's business needs require payment by card at the time of ordering and for this reason the credit limit on the Corporate card was raised to £1,000 (from £500) in April 2021 by the Council.

Use of the corporate credit card by the Clerk in this way has enabled both access to discounts and to prompt supplies.

However, it has become apparent over the last few months that the credit limit is not sufficient to allow efficient management of the Councils business, for a number of reasons:

1. There have been a number of times when in-month purchases using the card mean that there has been insufficient credit available on the card for some urgently needed items for which the most appropriate supplier will not invoice for payment after the goods are delivered.
2. Some regular payments are now made monthly using the corporate card e.g. SIM card monthly fee for use in the work mobile phone provided for one of our handymen. Payment by card enabled the best deal to be obtained – no contract and low price with a reliable service provider
3. Other regular payments are made at intervals with the card to suppliers who require payment up front e.g. Zoom accounts annual renewal
4. Advisory Groups are being encouraged to use their allocated budgets to secure prompt delivery of services for the benefit of our residents, including where suppliers require payment up-front e.g. skip hire for the allotments, payment for printing, allotments shelter purchase, consumables for events.

However, without a larger credit limit on the BPC corporate card, a few time-sensitive and service-critical purchases have only been possible by Advisory Group chairmen seeking prior approval to make payments for goods e.g. to secure delivery on time or obtain significant discounts. Whilst this alternative means of payment is authorised within the Financial Regulations (para 6.21) it is not the preferred method of accounting for purchases as it affects the finance records/statement wording and may affect our ability to recover VAT on goods for BPC use.

An increase in the credit limit on the corporate credit card would reduce the need for the use of these payments by and reimbursements to Councillors (which only happen after prior authorisation and provision of evidence as per Financial Regulations para 6.22)

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Protection of BPC funds would continue as now and not be affected by an increase in the credit limit on the corporate credit card. Purchases would continue only to be made for essential and authorised purchases, plus:

- Only the Clerk may authorise payments using the corporate credit card. She seeks payment against an invoice wherever possible;
- The card is paid off in full by Direct Debit each month and those payments are reconciled with the receipts for payments made using the card;
- It is not proposed to change the limit for payments to be made by the Clerk on her sole authority. This would remain at a maximum for a single transaction of not more than £1,000 as set out in the July 2021 BPC Financial Regulations paragraph 6.19.

Proposal: That the Clerk be authorised by Council to seek an increase in the credit limit on the Corporate Credit Card to £2,500.

NOTE: The procedures and limits for use by the handymen of the fuel card (to provide petrol for mowers etc) will not be affected by the proposed change to the BPC corporate credit card's credit limit.

2. TO NOTE THE REVIEW OF THE FINANCIAL RISK MANAGEMENT PROCEDURES

A review of these procedures has been undertaken by the Chairman of the Finance Advisory group, in the light of the proposal above about use of the credit card.
These procedures cover the management of:

- Strategic Financial Risks
- Online Banking
- Handling of cash
- Use of corporate payment cards

Adjustments will be made to the Risk Management procedure for the corporate credit card, if Council makes the proposed amendment.

Each of these financial risk management procedures, including the proposed amendment, will be taken to the April Finance Advisory Group for their annual review before being brought to Council for consideration/sign-off no later than their review date of July 2022.

3. TO NOTE CAPALC FINANCE UPDATES – FEBRUARY 2022

Details have been circulated to the Parish Council Chairman, Clerk and Finance AG chairman of Finance Updates provided by The Parkinson Partnership, one of their expert consultants we can access through BPC's membership of CAPALC. All their advice is covered by their professional indemnity insurance and has been very helpful to BPC in the past.
Recently announced updates are on: Banking; Making Tax Digital; Procurement Thresholds.

Councillors can also attend Finance Training from the same consultants by booking directly with The Parkinson Partnership. Booking access details are available from the Clerk. Training on Finance is a recommended topic for Councillors.