PURCHASE CARDS

FINPRO CONFERENCE
OCTOBER 2016

STEPHEN BIGARELLI
CITY OF BALLARAT

The Product

- VISA Card

- Issued by NAB

- Flexipurchase

This is not a paid promotion!

Who are we

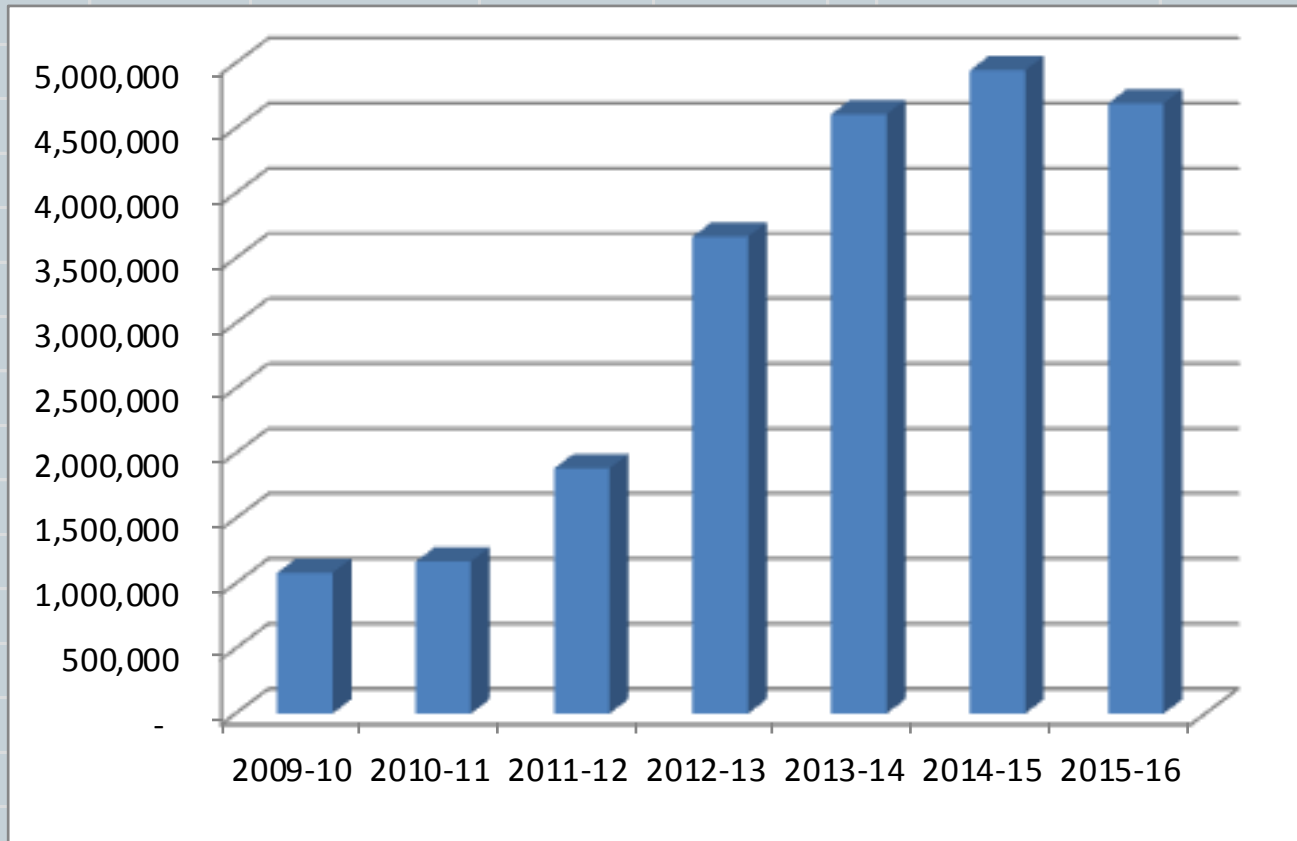CITY OF
BALLARAT

- Large Regional City
    "The Capital of Western Victoria"

- Expenditure budget less salaries
  $207 million Capital and Recurrent
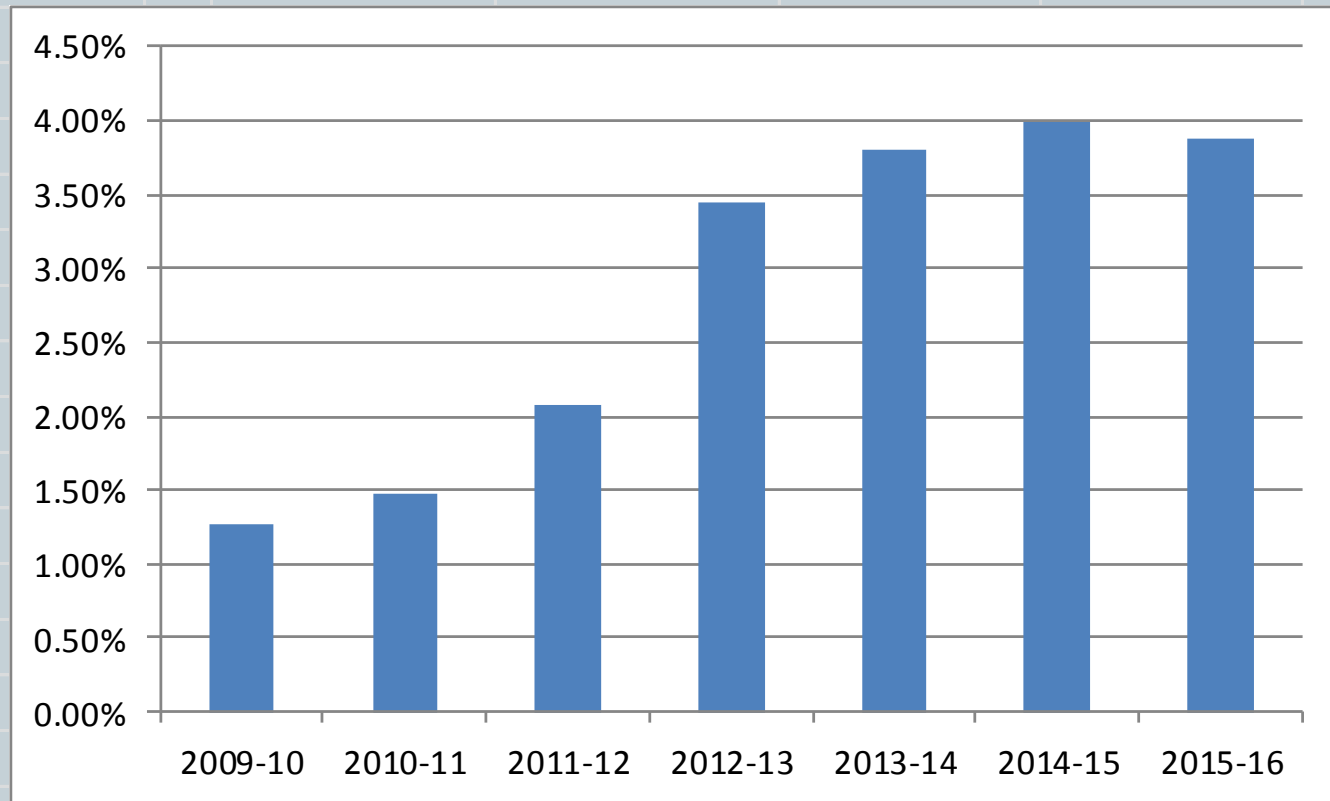
Payment Volumes

- Average 38,000 invoices per year

- 35.16% Flexipurchase invoices

- Average Inv by Accounts Payable $4,089

- Average Inv Flexipurchase $222

Flexipurchase by $

Flexipurchase by % of payments

Purchase Cards

- Alternative purchasing option

- Not a credit card!!!

- 250 cards in use

- Average transaction value $222

- Any staff who has delegated authority can be issued with a card.

Purchase Card Process

- Used just like a credit card
- No need for an order!   Selling point to staff
- Paper work kept by user not Finance
- Approval is via a website with password controlled access
- Transactions uploaded directly into General Ledger
- No involvement from Accounts Payable staff
- Only 2 Accounts Payable staff (was 5 8 years ago)

Audit Process

- Process approved by Internal Auditors and Audit Committee

- Strong, robust audit process, must have!

- All cards audited before renewal and adhoc audits

- Monthly reports signed by managers

- Users all sign that they have read and understand the Purchase Card policy

Benefits

- Simplified purchase process

- Better compliance

- Better accountability

- Cost savings and efficiencies

Potential Problems

- Public perception "Front Page of the Paper Test"

- Misuse and fraud

- Poor recording keeping

- Workload transfer

- Managers sign off

Going Forward

- Hit a plateau in numbers and dollars

- Credit card surcharge

- Workload transfer

- Proactive in card usage

- http://business.nab.com.au/ballarat-city-councils-top-tips-for-saving-money-on-procurement-15878/