

Purchasing Card and Purchasing via the Internet Policy

This Policy describes the process for using Purchasing Cards, recording spend on Purchasing Cards, and the extent and limit of Internet purchasing within the Trust.

Key Words:	Purchasing; card; internet; Amazon; procurement	
Version:	3	
Adopted by:	Trust Policy Committee	
Date this version was adopted:	17 December 2019	
Name of Author:	Sarah Holliehead, Head of Procurement	
Name of responsible committee:	Finance and Performance Committee	
Date issued for publication:	December 2019	
Review date:	May 2022	
Expiry date:	1 December 2022	
Target audience:	All staff that hold LPT purchasing cards, and also budget holders	
Type of Policy	Clinical	Non Clinical X
Which Relevant CQC Fundamental Standards:	Regulation 17: Good Governance	

Contents

Equality statement	3
Due Regard	4
Definitions that apply to this policy	4
1.0 Summary of policy	5
2.0 Introduction	5
3.0 Purpose	5
4.0 Use of the Purchasing Card	5
5.0 Duties within the organisation	7
6.0 Purchasing Card Safeguards	9
7.0 Card Security	10
8.0 Internet Purchasing	11
9.0 Training	11
10.0 Monitoring compliance and effectiveness	11
References and associated documentation	12
APPENDIX 1 Training	13
APPENDIX 2 NHS Constitution Checklist	14
APPENDIX 3 Stakeholder and Consultation	15
APPENDIX 4 Due Regard Screening	16
APPENDIX 5 Data Privacy Impact Assessment Screening	18

Version Control and Summary of Changes

Version number	Date	Comments (description change and amendments)
2	15/11/17	New checklist requirements
3	14/11/19	Policy Renewal. Includes various changes including stringent controls around internet purchasing and the banning of sites like Amazon and eBay. This is due to maverick buying behaviour around the Trust and purchasing of items for clinical use via these sites. Any purchases required via these sites need to be done via the procurement team.

Equality Statement

Leicestershire Partnership NHS Trust (LPT) aims to design and implement policy documents that meet the diverse needs of our service, population and workforce, ensuring that none are placed at a disadvantage over others.

It takes into account the provisions of the Equality Act 2010 and promotes equal opportunities for all.

This document has been assessed to ensure that no one receives less favourable treatment on the protected characteristics of their age, disability, sex (gender), gender reassignment, sexual orientation, marriage and civil partnership, race, religion or belief, pregnancy and maternity.

In carrying out its functions, LPT must have due regard to the different needs of different protected equality groups in their area.

This applies to all the activities for which LPT is responsible, including policy development and review.

For further information contact: Head of Procurement

Due Regard

The Trusts commitment to equality means that this policy has been screened in relation to paying due regard to the Public Sector Equality Duty as set out in the Equality Act 2010 to eliminate unlawful discrimination, harassment, victimisation; advance equality of opportunity and foster good relations.

A due regard review found the activity outlined in the document to be equality neutral because the Purchasing Card is a Procurement route for the obtaining of goods and services, and is not used by the Trust's patients or clients.

Definitions that apply to this Policy

Definitions are a Core Standard.

Purchasing Card	A Trust Bank Card issued in the name of the card-holder, used as a specific procurement route for a defined range of goods and services
Due Regard	Having due regard for advancing equality involves: <ul style="list-style-type: none">• Removing or minimising disadvantages suffered by people due to their protected characteristics.• Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.• Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

1.0 Summary

- 1.1 This policy sets out the framework within which Trust-owned Purchasing Cards can be used. It does not address the procedures related to requesting, issuing, managing or monitoring Purchasing Cards. This is addressed in a separate Purchasing Card Procedure Manual, and is described in the Flowchart attached as Appendix 4 to this policy.
- 1.2 It also defines the parameters within which internet purchasing is permitted by the card holder, and can be used as a route of supply for goods and services. There are clear parameters by which card holders are not permitted to purchase via the internet and this policy defines these areas and the consequences for not adhering to it.

2.0 Introduction

- 2.1 It has been identified within LPT that, in certain circumstances and for certain situations, Purchasing Cards may be used within defined limits of use to procure goods and services, particularly where ad-hoc patient shopping is required and some procurement is required from internet-based suppliers for specific reasons or internet-based procurement is the only route available.

3.0 Purpose

- 3.1 The purpose of the policy is to define the circumstances in which Purchasing cards can be used, and define the controls required to ensure safe use of this route for procuring goods and services.
- 3.2 The framework of guidance and legislation surrounding the use of Purchasing Cards are contained within the Trust's Standing Orders and Standing financial Instructions, relevant linked Trust Policies, particularly those relating to the use of specified or a range of specified goods or services for reasons linked to standardisation, Health and Safety, or other approved agreements.
- 3.3 The overarching legislation governing the use of Purchasing Cards is the Consumer Credit Act 1974 (updated 2006).
- 3.4 The overarching internal governance for the use of Purchasing Cards is the Trust's Standing Orders and Standing Financial Instructions. Specific relevant policies include:
 - LPT Counter Fraud Policy
 - LPT Code of Business Conduct for Trust Staff
 - LPT Procurement Strategy

4.0 Use of the Purchasing Card

- 4.1 The use of the Purchasing Card is simply another means of expenditure from budgets. Therefore, the same governance compliance applies when using purchasing cards as for any other purchases or expenditure from budgets - Trust Standing Orders and Standing Financial Instructions, and compliance with budget holder approval procedures. You must not use a purchasing card to

bypass the ECF process.

- 4.2 All purchasing policies apply to purchases made with the Purchasing Card. These include, but are not limited to, compliance with all relevant standards including electrical safety requirements; fire standards; forest stewardship council (FSC) standards for items made from wood; and country of origin (compliance with UK law on labour standards).
- 4.3 All procurement via purchasing cards must adhere to the Trust's Social Value responsibilities and modern slavery statement.
- 4.3 Spend on commodities using a Purchasing Card contributes to the overall spend for that commodity across the Trust, across all means of procurement.
- 4.4 Each Purchasing Card has unique spending limits that will be advised at the time the card is issued. Different limits apply to different Cardholders. Each card holder has a limit per order/transaction inclusive of VAT, and each card has a monthly credit limit. This is printed on the monthly statements. A purchase must not be split to avoid these limits.
- 4.5 The Purchasing Card must not be used to:-
 - Avoid compliance with any policy or guidance relating to procurement
 - Obtain goods quickly
 - Avoid raising an order
 - Avoid using contracts or recognised sources of supply e.g. NHSSC
 - Obtain cash
 - Purchase any clinical items
 - Purchase via Amazon or eBay

The Trust has the duty to obtain value for money for all purchases therefore; use of the card should be limited to those transactions where it is not possible or more efficient to go through the traditional procurement route.

Should a cardholder conduct any of the above actions, the card will be removed and deactivated.

- 4.6 Whilst the purchasing card is printed with individuals' names, the account and therefore the liability remains the responsibility of the Trust. Consequently there is no impact on the card holder's personal credit status. However inappropriate use by the cardholder may result in disciplinary action, including termination of employment. Where there is a suspicion or evidence of fraud a referral will be made to the Local Counter Fraud Service in line with the Trust's Counter Fraud Policy, which may result in the application of a criminal sanction.
- 4.7 Where applicable, the Card can be used in person, by telephone, or via the Internet.
- 4.8 Use of the purchasing card does not, in itself, create a contract between the buyer and seller. It is a means to make a payment. The contract to purchase

is formed when the order is entered onto the vendor's site and is accepted by the vendor.

4.9 The Purchasing Card cannot be used for certain types/categories of spend:

- Any Clinical goods
- Items which can be ordered via NHS Supply Chain
- Items which can be ordered via the iProc E-Catalogue
- Items from tendered or contracted sources, unless specifically permitted under the contract arrangements
- Items requiring Trust protocol or branding requirements
- Items requiring the validation of quality, functional or performance standards
- Any mechanical, electrical or battery operated equipment which may come into contact with staff or patients
- Medical Devices
- Any IT equipment
- Train/Aeroplane Tickets
- Hotel Bookings
- Medicines and pharmaceutical items
- Anything on Amazon or eBay

5.0 Duties within the Organisation

5.1 The Trust Board has a legal responsibility for Trust policies and for ensuring that they are carried out effectively.

5.2. Trust Board Sub-committees have the responsibility for adopting policies and protocols.

5.3 Directors and Heads of Service are responsible for ensuring the correct use of Purchasing Cards issued to their staff.

5.4 Managers and Team leaders are responsible for ensuring the correct use of Purchasing Cards issued to their staff.

5.5 Responsibility of Staff:

Requisitioner

The person requesting the goods or services. This is the person who requisitions the items, not orders them. This person will receive the goods / services. The Requisitioner is never the Cardholder, or the Authoriser of the expenditure.

Cardholder

The person issued with the purchasing card. This person is given authority to commit expenditure by the budget holder. This is the person who will order the goods and services from the supplier. The Purchasing Card has been issued to the member of staff, and therefore the member of staff is

responsible for the proper use of the card, in accordance with the relevant Guidance and Regulation.

The cardholder must:

- Be responsible for the proper use and security of their Purchasing Card
- Purchase only appropriate goods and services using the purchasing card, retaining such evidence of the purchase as is necessary – e.g. telephone conversation notes; receipts; printed acknowledgements
- Not attempt to process transactions that exceed their transaction limits, or are outside their permitted area of spend
- Record all approval to purchase decisions, and transactions on the Transaction Log Envelope, whether made in person, by telephone or via the Internet. During the lifetime of this policy, e-recording will be introduced and will replace the function of the Transaction Log Envelope as the means of recording purchasing card expenditure.
- Ensure that goods are received and checked and reconciled with the transaction log envelope
- Check the monthly statement match the details on the transaction log.
- Notify the Card Administrator immediately if they notice any unauthorised transactions.
- Detail the appropriate financial codes against each transaction on the statement
- Resolve any charging errors with the supplier and obtain an agreed credit for inclusion in the next monthly statement
- Approve the statement by signing it, and forwarding to their designated Manager for authorisation
- Retain invoices, delivery notes and other documentation for all transactions for at least 6 years, in the Transaction Log Envelope
- Contact the supplier for any returns and to resolve simple disputes
- In the event of the loss or theft of the card, take the appropriate action as detailed in the Guidance (Purchasing Card Manual)
- Inform the Card Administrator at once of any change in the Cardholder's circumstances, job and/or department.
- Return approved statements and receipts every month to the Card Administrator. Failure to do this will result in your card being deactivated. If this happens more than 3 times, your card will be removed.

Authorising Manager

The person authorised to approve the monthly purchasing card log for payment.

The Authorising Manager must:

- Check through the statement and be satisfied that the purchases are valid and appropriate
- Check that the coding is correct
- Authorise the statement

- Identify and take appropriate action on any inappropriate purchases (as per this policy), and report such instances and the action taken to their Budget Holder/ Manager, and the Card Administrator.
- Ensure that the cardholder returns the approved statement, and receipts to the Purchasing Card Administrator, within 7 days after authorisation, to allow expenditure audits to be carried out on a timely basis. Failure to do this will result in the card being deactivated. If this happens more than 3 times, the card will be removed.

Budget Holder

The person who controls the budget. It is this person who gives the cardholder the authority to commit expenditure on his/her behalf. This person may also be the authorising Manager, or may give this authority to someone else, but not the cardholder or requisitioner.

The Budget Holder must:

- Approve appropriate requests for goods/services to be obtained using the Purchasing card
- Establish that use of the Purchasing Card is the only or the best value way to procure the item, and that all relevant budgetary and procurement governance is being followed

5.6 Training is mandatory for all staff involved in the use of Purchasing Cards, or authorisation of the expenditure incurred, and is provided at the point of card issue by the Purchasing Card Administrator, based in the Procurement Team.

5.7 Adherence to this policy is mandatory to retaining your purchasing card.

6.0 Purchasing Card Safeguards

6.1 Whether using the card directly to shop for goods and services, or using the Internet as an interface to procure, there need to be safeguards in place to protect both the card holder and the organisation; and to ensure that the goods being purchased are safe to use on NHS premises and fit for purpose.

6.2 The card is a Trust Card, but is registered to the individual Cardholder, who has signed an LPT Cardholder Agreement. Each card is issued to a single named cardholder and has pre-agreed limits on the value of single transactions and monthly expenditure, and categories of spend.

6.3 There is a division of responsibilities in the process of purchasing using the purchasing card, which reflects that of all procurement within the Trust. Items are requested by a member of staff, approved by the budget holder, and purchased by a different member of staff who is a Card Holder, and the Card expenditure is approved for payment by the Card Holder's Manager.

6.4 The supplier is paid by the Bank within 4 working days of the transaction, and the Trust receives monthly statements from the card provider, detailing the transactions for each cardholder, which enable Finance to record the

transactions and allocate costs accordingly, without the need for invoices. The Trust makes one payment per month to the Bank to cover all card transactions.

- 6.5 Cards are not transferable to another Trust or Public Authority.
- 6.6 The card cannot be used to obtain cash.
- 6.7 The card cannot be used to set up direct debit arrangements, but can be used for subscription charges (For example, cloud storage, apps, etc)
- 6.8 The card holder may only use the card for business purposes. Goods can only be delivered to Trust premises. The effective working of the purchasing card system depends on the integrity of each card holder. Breaches of Trust policy with regard to the use of purchasing cards may be referred to the Local Counter Fraud Specialist (LCFS) for investigation, which could result in the application of a criminal sanction on individuals.
- 6.9 All purchasing policies apply to purchases made with the Purchasing Card. These include, but are not limited to, compliance with Trust Standing Orders and Standing Financial Instructions; compliance with budget holder approval procedures; and compliance with all relevant standards including electrical safety requirements; fire standards; FSC standards for items made from wood; and country of origin (compliance with UK law on labour standards).
- 6.10 Audits will be routinely conducted for both purchasing card activity and retention of receipts and invoices. The expenditure on each card will be reviewed and audited. Special attention will be paid to verifying that expenditure is appropriate to Trust business. This is in addition to any routine audits undertaken by the Trust's audit team.

7.0 Card security

- 7.1 The purchasing card must only be used by the designated purchasing card holder.
- 7.2 It is the cardholder's responsibility to ensure that the card is retained in a secure location (locked away for access by the cardholder only) at all times. The card must be available for audit inspection at all times.
- 7.3 The card can only be used in accordance with the financial limits applicable to each issued card.
- 7.4 The purchasing cardholder must not, under any circumstances, disclose their individual purchasing card number (PIN) to anyone.
- 7.5 The purchasing card number must not be sent to anyone by email. Information that travels over the Internet as regular electronic mail is not fully protected from being read by outside parties. All reputable merchant sites use encryption methods that protect private data from being read by others as online transactions are made.

- 7.6 The purchasing card is for Trust purchases only; cardholders must not provide purchasing card details to a web site for any other purpose (e.g., surveys or other instances where a purchase is not being made).
- 7.7 Cardholders must never allow the card number to be held or saved in a vendor's database.
- 7.8 Transactions should be reviewed and reconciled routinely, so that any fraud is identified as early as possible. There have been instances where a vendor's database of stored credit card numbers has been accessed through the Internet.

8.0 Internet Purchasing

- 8.1 It is recognised that in certain circumstances, the only route for purchasing an item is via the Internet. This includes any form of on-line buying, whether it is directly from the supplier or through a third-party supplier. Please note that purchasing via Amazon or eBay is not permitted for many reasons – ethical, financial, legal, etc. If you require any items via these websites, you must contact the procurement team.
- 8.2 Cardholders should only use secure sites and reputable well-known suppliers for ordering goods and services on the Internet. If a Cardholder has any doubts about the security of a website then they should not use it.
- 8.3 Payment via third parties (payment gates), such as *'paypal'* are not permitted.
- 8.4 Accounts should only be set up in the name of the Trust/department,. The card-holder's private account must not be used to purchase items on behalf of the Trust
- 8.5 You must use UK based suppliers, unless there really is no other option, in which case, please contact procurement.

9.0 Training

- 9.1 Training is mandatory in order for you to hold a Purchasing Card and must be refreshed via e-learning once a year.
- 9.2 Training is provided to the Card Holder at the point of card issue by the Procurement Team. And must be refreshed annually via e-learning. If you do not refresh your training, your card will be deactivated.

10.0 Monitoring Compliance and Effectiveness

- 10.1 The effectiveness of this policy will be maintained and reviewed jointly by the Director of Finance, Business and Estates, the Head of Procurement, and the Financial Controller.
- 10.2 The prime means of auditing the use of the Purchasing Card is via the statements and receipts that you must submit on a monthly basis. The detail

entered onto the Transaction Log Envelope will be audited on an ad-hoc basis via the audit team.

10.3 Where any inappropriate purchases are identified by the Authorising Manager, appropriate action must be taken by the Authorising Manager, and also reported to their Budget Holder/ Manager, and the Card Administrator.

10.4 On-site records relating to Purchasing Cards will be regularly reviewed and audited by the Service's Management Accountant on site visits.

10.4 Cards will be withdrawn if:

- there are persistent delays in the reconciliation process
- a cardholder uses the card inappropriately. Disciplinary action may be taken against the cardholder

If the card is used inappropriately by a group of staff/department (e.g. colleagues using a card and having access to the card and pin). Disciplinary action may be taken against all staff involved.

References and Associated Documentation

This policy was drafted with reference to the following:

Ministry of Justice, Government Procurement Card (GPC) Policy (March 2013, updated February 2015)
LPT Code of Business Conduct for Staff (November 2014)
LPT Counter Fraud Policy (October 2015)

Appendix 1 - Policy Training Requirements

The purpose of this template is to provide assurance that any training implications have been considered

Training topic:	Use of the Trust's Purchasing Card
Type of training:	<input type="checkbox"/> Mandatory (must be on mandatory training register) <input checked="" type="checkbox"/> Role specific <input type="checkbox"/> Personal development
Division(s) to which the training is applicable:	<input checked="" type="checkbox"/> Adult Learning Disability Services <input checked="" type="checkbox"/> Adult Mental Health Services <input checked="" type="checkbox"/> Community Health Services <input checked="" type="checkbox"/> Enabling Services <input checked="" type="checkbox"/> Families Young People Children <input checked="" type="checkbox"/> Hosted Services
Staff groups who require the training:	All Purchasing Card Holders
Update requirement:	When policy or procedural guide changes
Who is responsible for delivery of this training?	Transactional Procurement Team
Have resources been identified?	Yes
Has a training plan been agreed?	Training is delivered individually as new cards are issued to holders
Where will completion of this training be recorded?	<input type="checkbox"/> Trust learning management system <input checked="" type="checkbox"/> Other (please specify) – on Card Holder record in Transactional Procurement files
How is this training going to be monitored?	By the Transactional Procurement Team

Appendix 2 - The NHS Constitution

The NHS will provide a universal service for all based on clinical need, not ability to pay.

The NHS will provide a comprehensive range of services

Shape its services around the needs and preferences of individual patients, their families and their carers	<input type="checkbox"/>
Respond to different needs of different sectors of the population	<input type="checkbox"/>
Work continuously to improve quality services and to minimise errors	X
Support and value its staff	<input type="checkbox"/>
Work together with others to ensure a seamless service for patients	X
Help keep people healthy and work to reduce health inequalities	<input type="checkbox"/>
Respect the confidentiality of individual patients and provide open access to information about services, treatment and performance	<input type="checkbox"/>

Appendix 3 – Contribution List

Key individuals involved in developing the document

Name	Designation
Sarah Holliehead	Head of Procurement
Sharon Murphy	Deputy Director of Finance and Procurement
Jackie Moore	Financial Controller
Tracy Bryan	Purchasing Card Administrator

Circulated to the following individuals for comments

Name	Designation
Dipixa Bhundia	Internal Audit
Ian Wakeford	Head of Informatics
Jackie Moore	Financial Controller
Tracy Bryan	Purchasing Card Administrator
Sayed Al-Haddad	Assistant Finance Manager
Frank Lusk	Trust Secretary
Sharon Murphy	Deputy Director of Finance & Procurement
Matt White	Service Accountant MH/LD
Amjad Kadri	Finance Manager – Enabling
Paresh Patel	Service Accountant CHS
Ian Ferrin	Service Accountant FYPC
Mohamed Patel	Buying Team Leader

Appendix 4 - Due Regard Screening Template

Section 1	
Name of activity/proposal	Purchasing Card Activity
Date Screening commenced	
Directorate / Service carrying out the assessment	Procurement
Name and role of person undertaking this Due Regard (Equality Analysis)	Sarah Holliehead, Head of Procurement
Give an overview of the aims, objectives and purpose of the proposal:	
<p>AIMS: The purpose of the policy is to define the circumstances in which Purchasing cards can be used, and define the controls required to ensure safe use of this route for procuring goods and services. It also defines the parameters by which internet purchasing is permitted</p>	
<p>OBJECTIVES: The purpose of the policy is to define the circumstances in which Purchasing cards can be used, and define the controls required to ensure safe use of this route for procuring goods and services. It also defines the parameters by which internet purchasing is permitted</p>	
Section 2	
Protected Characteristic	If the proposal/s have a positive or negative impact please give brief details
Age	n/a
Disability	n/a
Gender reassignment	n/a
Marriage & Civil Partnership	n/a
Pregnancy & Maternity	n/a
Race	n/a
Religion and Belief	n/a
Sex	n/a
Sexual Orientation	n/a
Other equality groups?	n/a
Section 3	
<p>Does this activity propose major changes in terms of scale or significance for LPT? For example, is there a clear indication that, although the proposal is minor it is likely to have a major affect for people</p>	

from an equality group/s? Please <u>tick</u> appropriate box below.			
Yes		No	
High risk: Complete a full EIA starting click here to proceed to Part B		Low risk: Go to Section 4.	X
Section 4			
If this proposal is low risk please give evidence or justification for how you reached this decision:			
The policy relates to the correct use and management of LPT Purchasing Cards. There are no implications for anyone falling under a protected characteristic.			
Signed by reviewer/assessor		Date	
<i>Sign off that this proposal is low risk and does not require a full Equality Analysis</i>			
Head of Service Signed	<i>D. Houlihead</i>	Date	14/11/19

Appendix 5 – Data Privacy Impact Assessment Screening

<p>Data Privacy impact assessment (DPIAs) are a tool which can help organisations identify the most effective way to comply with their data protection obligations and meet Individual’s expectations of privacy.</p> <p>The following screening questions will help the Trust determine if there are any privacy issues associated with the implementation of the Policy. Answering ‘yes’ to any of these questions is an indication that a DPIA may be a useful exercise. An explanation for the answers will assist with the determination as to whether a full DPIA is required which will require senior management support, at this stage the Head of Data Privacy must be involved.</p>		
Name of Document:	Purchasing Card and Purchasing via the Internet Policy	
Completed by:	Sarah Holliehead	
Job title	Head of Procurement	Date 14/11/2019
Screening Questions	Yes / No	Explanatory Note
1. Will the process described in the document involve the collection of new information about individuals? This is information in excess of what is required to carry out the process described within the document.	No	
2. Will the process described in the document compel individuals to provide information about them? This is information in excess of what is required to carry out the process described within the document.	No	
3. Will information about individuals be disclosed to organisations or people who have not previously had routine access to the information as part of the process described in this document?	No	
4. Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?	No	
5. Does the process outlined in this document involve the use of new technology which might be perceived as being privacy intrusive? For example, the use of biometrics.	No	
6. Will the process outlined in this document result in decisions being made or action taken against individuals in ways which can have a significant impact on them?	Yes	If the correct processes are not followed as per this policy, then disciplinary actions may be required.
7. As part of the process outlined in this document, is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For examples, health records, criminal records or other information that people would consider to be particularly private.	No	
8. Will the process require you to contact individuals in ways which they may find intrusive?	No	
<p>If the answer to any of these questions is ‘Yes’ please contact the Data Privacy Team via Lpt-dataprivacy@leicspart.secure.nhs.uk</p> <p>In this case, ratification of a procedural document will not take place until review by the Head of Data Privacy.</p>		
Data Privacy approval name:		
Date of approval		