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Purchase Card (P-Card) Policy Staff Report to Council

Report Number: 2021-95

Department(s): Financial Services

Author(s): Andrea Tang, Manager, Finance & Accounting / Deputy Treasurer

Meeting Date: December 6, 2021

Recommendations

1. That the report entitled Purchase Card (P-Card) Policy dated December 6, 2021 be received; and,
2. That Schedule G “P-Card Procedures” and the corresponding appendices within Procurement By-law 2014-27 be repealed from the by-law, and that the updated Financial Services P-Card Policy be adopted; and
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to request approval for a new Financial Services Purchase Card (P-Card) Policy that is separate from but consistent with the Procurement By-law.

Background

Up until May, 2019 the responsibility for the P-Card was with Procurement Services. As such, the P-Card Policy was included as part of the Procurement By-law. In May 2019, responsibility for the administration of the P-Card was transferred to Financial Services.

Discussion

When responsibility for the P-Card was transferred to Financial Services, the services of the Internal Audit Department of York Region were requested to review the existing policy, research best practices and make recommendations.

The engagement was very beneficial and resulted in some recommendations for improvement, including an emphasis on enforcement. The training was reviewed and updated which included information on the audits and the consequences of non-compliance with the policy.

All limits were reviewed, as well as the distribution of cards. The single transaction limit was reduced to a maximum of \$10,000 to be consistent with the threshold for Low Value purchases of the Procurement By-law. In consultation with departments, many cards were deemed not to be necessary and cancelled.

All remaining P-Cardholders were required to attend mandatory updated training before the end of 2019 and cards were suspended until the training was completed. The auditing of cardholder P-Card transactions commenced to ensure compliance with the policy.

As a result, and in accordance with Section 30, "Amendments", Procurement By-Law 2014-27, where Schedules "A" through "G" of this by-law may be amended from time to time to add, delete or modify matters, as approved by the CAO or SLT, this report seeks approval from Council to repeal Schedule "G" "P-Card Procedures" and corresponding appendices from Procurement By-Law 2014-27.

Conclusion

The responsibility for P-Card has been transferred to Financial Services. As a result, Schedule G "P-Card Procedures" and the corresponding appendices within the Procurement By-law will be repealed from the by-law, and the updated Financial Services P-Card Policy be adopted.

Business Plan and Strategic Plan Linkages

By updating policies supporting the Procurement By-law, this Financial Services Purchase Card Policy contributes towards the strategic pillar of Long-Term Financial Sustainability under Council Strategic Priorities and achieves REV It Up initiative to update procurement policies and procedures as identified in the REV It Up key action item work plan.

Consultation

Revisions made to the Purchase Card Policy are based on best practices and feedback from user departments. The internal audit department of York Region was consulted and their recommendations and feedback have been incorporated into the new policy. Our external auditors have been provided with an overview of the changes made to the policy. Procurement Services has been consulted on the changes to the Purchase Card Policy to ensure consistency with the Procurement By-law.

Human Resource Considerations

Staffing requirement is met in the 2021 Budget.

Budget Impact

See above.

Attachments

Purchase Card Policy

Purchase Card Appendices

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

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