

#### **4.14 The Deputy of St. John of the Minister for Treasury and Resources regarding staff purchase cards:**

Could the Minister advise the Assembly why so many States employees have purchase cards, the value of spend allowed on each card and whether there have been any instances of abuse by States employees in the last 5 years and if so, how many cases and to what value?

#### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

Purchase cards were introduced in the late 1990s to reduce administrative costs, specifically to reduce the significant cost of processing literally hundreds, if not thousands, of invoices on low value items. Generally, purchase cards are considered to be an effective and efficient way to purchase certain items, such as travel costs, airline tickets, low value items and things like stationery. But, as we roll-out more centralised procurement policies to save money across the States the need for staff to hold purchase cards will diminish. The use of them is, however, very strictly controlled. Firstly, managers must authorise the issue of each card. Secondly, a limit is set on the value of each transaction for each card. Thirdly, a limit is also set on the monthly spend for each card. Fourthly, receipts must be retained for all purchasers and finally, and most crucially, every transaction on every card must be authorised by the relevant manager. I can advise that there has been one recorded incidence of abuse since the purchase cards have been introduced. Money spent using a purchase card is, of course, subject to rigorous procedures. As the States continue to seek the best value for money and the most efficient ways to operate, departments will continue to review and change existing procedures and change them as appropriate.

#### **4.14.1 The Deputy of St. John:**

Given that the Minister, himself, has mentioned we have a Central Purchasing Department, can he please justify and give us the actual number of cards because when we put the Central Purchasing Department in place it was to prevent this type of thing, loads of people having to go and purchase various items. It was all supposed to come from the centre.

#### **Senator P.F.C. Ozouf:**

There are 1,600 cards across the States of Jersey in operation 700 in Health and 500 in Education, are the biggest users. They were brought in at the time when the central stores were shut down which was effectively, I think I recall a budget cost of about £600,000. Over the last few years there have been significant new initiatives in order to save money. One of the things... and since the media report on the cards, I have reviewed the arrangements for cards and the whole procurement strategy and what I have to say is we are in somewhat of a transition. The Central Procurement Department under the excellent leadership of the manager is reviewing all States purchases, identifying where we can save money, looking at where individual transactions are spent, looking at how we can get in place better procurement arrangements for individual items. There is a wealth of information being gathered from the procurement cards which are going to inform us to get better deals and get better value for money.

#### **4.14.2 Senator S.C. Ferguson:**

Given the lack of a good States-wide fraud policy as highlighted by the P.A.C. (Public Accounts Committee) can the Minister be sure of the evidence supporting his assertion?

**Senator P.F.C. Ozouf:**

I am surprised that the former chairman of the P.A.C. would even suggest such a thing. I have explained very clearly in my answer the rigorous procedures that are in operation for each card, each review of every transaction, and I have confidence in departmental managers across the States of Jersey to ensure that.

**4.14.3 The Deputy of St. John:**

Can we have details of the misuse of the credit card and the outcome?

**Senator P.F.C. Ozouf:**

I am happy to share that with the Deputy in confidence. I would need to know the full circumstances of the area. But can I assure the Deputy that there are rigorous new plans and tough targets in place for States procurement of which the use of purchase cards - not credit cards - is designed to ensure.

**The Deputy Bailiff:**

There were 2 questions put to the bottom of the list because Deputy Pitman was detained, so Deputy would you like to put question 4?