



BULK GROCERY SHOPPING USING THE INTERNET & A COMPANY CREDIT CARD

PURPOSE

The purpose of this paper is to advise home managers on adequate procedures to enable them to make safe use of the Internet for bulk grocery shopping and to ensure that it is both financially safe and in the best interest of the service users within the homes involved.

AFFECT ON SERVICE USERS

Managers need to undertake a regular review when grocery shopping is effected by use of the Internet, to ensure that service user's involvement in the daily living activity of grocery shopping suffers no detriment. The results of the review should be recorded in the records of the service users whom this activity might most affect (ie: those who are actively involved in grocery shopping).

FINANCIAL SAFEGUARDS

Credit Card Security

Each facility that becomes involved with Internet shopping on a regular basis will need a company credit card to enable the procedure. The physical security of these cards must be ensured; they must be locked in the safe and available only to each shift leader. The home manager will remain responsible for the use and security of the credit card.

A log book should be kept showing the following details for each transaction:

- The date
- The time
- The name/initials of the person taking/using the card
- The type of purchase
- The expected value of the transaction
- The actual value, from the delivery docket

This will help to ensure that every transaction for which the card is used is for an appropriate purpose, and has been properly authorised by the Home Manager in advance.

The home manager will need to review the log at the least on a monthly basis to check off the items on the credit card statement and to ensure that it is being completed and that the purchases being made are appropriate. The log will be reviewed during audit visits.

Finance Arrangements

Currently, a weekly transfer of housekeeping is made to each home's bank account, from where homes either withdraw cash for shopping or pay bills by cheque. Internet shopping will reduce the amount of cash held in the homes and thus reduce errors and associated risks within the homes.

Where home managers elect to engage in Internet grocery shopping, these transfer arrangements will move to an imprest system for the balance of their housekeeping and petty cash requirements. The value of the individual imprests will need to be ascertained by review of expenditure patterns and in association with the home managers; it is thought that the amounts will be in the region of no more than £500 per month. The bank account will be topped up each month to this level on receipt of a claim form with cash/cheque expenditure information (the "Pinks").

There are two knock-on benefits with this method: it will enable accounting for housekeeping to be based on expenditure rather than on transfer of funds, and will ensure that maximum funds are kept in the high-interest deposit account, thus earning interest for DRH as a whole.

SHOPPING INTEGRITY

There is a current risk that personal grocery shopping is done using home's housekeeping money. If sound controls are introduced and maintained over Internet shopping, this risk can be reduced. The sequence of events below includes some in-built control mechanisms designed to reduce the risk of misuse of housekeeping money.

Ordering

A weekly shopping list is prepared at least one day in advance, by the chef (or the person so designated) in association with menu plans and the home manager (or their representative), who needs to ensure all the purchases are appropriate.

The list is transferred to the Internet by a second member of staff – night staff have been suggested as being the most appropriate, telephone charges are lower between 7:00pm and 7:00am, this keeping the cost of the operation to a minimum and the likelihood of interruption during the process is less whilst service users are asleep. From a financial risk perspective, a second member of staff inputting the shopping list allows for the desired separation of duties.

Once the order is complete, a copy of the order needs to be printed off and given to the chef so that any omissions (out of stock, etc) can be dealt with.

Delivery Times

Delivery times need to be arranged for a time when the ordering staff are not expected to be on duty, ie: so that the member of staff who checks off the delivery as being complete will not be the same member of staff who input the order on the Internet, again reducing the risk of financial impropriety. Home managers will need to ensure that the person ordering knows which days and times are convenient to arrange delivery. Likewise, the person ordering needs to ensure that the selected days and times are notified to the home manager, who needs to ensure that the team on duty at the selected time is aware and prepared for the impending arrival.

Receipt of Goods

When goods are delivered they need to be checked off before being packed away. Once it has been checked, the delivery note needs to be signed by the receiving member of staff, who must also enter the actual value into the logbook and initial the entry. Any errors, omissions etc, should be highlighted on the delivery note.

Any omissions or substitutions will need to be notified to the chef so that remedial procurement action can be taken as necessary. The home manager should also be informed so that they will be aware of any refunds likely.

Delivery Notes

Once goods have been checked off, the delivery note must be sent to Connaught House, as do any refund vouchers received for returns, etc.

The delivery notes will be married up with the monthly credit card statement when it arrives and will form the authorisation and coding docket for the expenditure thereon.

Monthly Credit Card Statements

Statements are received monthly and paid directly from the DRH current account. A copy will be sent to the Home Manger who should check the items off against the analysis book and let the accounts department know that all the expenditure is as expected. Likewise, if statements are received containing transactions for which there is no delivery docket, the finance department will inform the home manager as soon as possible so that they may undertake an investigation to determine what has been purchased.

The home manager should treat this investigation as urgent, particularly if the transaction shows any signs of being due to improper use (ie: not with the supermarket or for expenditure which the home manager themselves has not given authorisation). Any unauthorised use discovered should be reported to Deputy Chief Executive or the Director of Finance and an incident form completed.

An in-built monthly credit limit will be put on each credit card issued, to reduce the risk of improper use. These levels will need to be assessed for each home in consultation with the home manager.

Cancellation of Credit Card

Unauthorised or unsuitable expenditure will lead to the credit card being cancelled immediately to ensure the safety of DRH funds. As the home manager needs to assume responsibility for the integrity of the use of the credit card, cancellation will be with their knowledge and agreement, unless they are not in a position to give this in which case it will be with the consent of the CEO. It is expected that cancellations will be rare if procedures and security guidelines are followed.

EXTENDED USE OF CREDIT CARDS

After a period of time (perhaps 6 months) a review into the use of the Internet for grocery shopping will be undertaken to evaluate how the process is working from the point of view of both the home and the use of the credit card.

Assuming that both measures are satisfactory and consistent with good practice, then the extended use of the home credit card for other purchases could be considered should the home managers so desire. Requests for extensions to monthly credit limits, however, need to be carefully considered bearing in mind the trade-off between risk and convenience.

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