



Local Government City Council

Case Study

Council cuts the cost of processing expenses by over 80%

PROBLEM IDENTIFIED

Before ProMaster, Council used a manual process to manage their expenses: corporate cards, staff expense claims, and petty cash. This involved paper-based coding, receipting and approvals while their eight cards were restricted to Senior Management.

Cardholders received a printed statement each month to annotate by hand and provide expense details and codes. Finance entered the data manually into a spreadsheet and uploaded it into their finance system. They frequently had to chase up overdue transactions with cardholders and deal with missing receipts.

Employees without cards were required to pay out of their own pocket and apply for reimbursement from a petty cash float on site.

The finance team had no visibility as to who was spending money and where. Plenty of spend occurred but they lacked the data to interpret how spend changed over time or which suppliers were being used. Council discovered that 25% of their invoices were for purchases less than \$100.

Considering it cost them approximately \$120 to process each invoice, a quarter of their invoices cost more to process than they were worth. The finance team identified a need to reduce the cost of processing and to gain greater visibility around spend.

“We have a job to deliver services to the community and we don't want our staff to be tied up with administration. With ProMaster and the new card program, ultimately the community benefits.”

- Financial Accounting Officer

THE SELECTION PROCESS

The finance team had specific criteria when choosing an expense management system. They required:

- ✓ an easy to use and administer system
- ✓ a system with a strong track record of success with other councils
- ✓ the ability to quickly identify inappropriate spend
- ✓ onshore support and data storage in Australia
- ✓ a cost-effective solution
- ✓ a system capable of integrating with their finance system

RESULTS

Beginning with eight cards, Council now has 191 cardholders. The Financial Accounting Officer keeps an eye on the number of staff reimbursements to identify any regular purchasers who might benefit from having a card.

Now that card is the preferred payment method for all transactions under \$500, their transactions have grown from 25 to 500. ProMaster provides the next day visibility of spend on the card program and this has ensured timely reconciliation.

With Council's estimate of their own process at a cost of \$120 per purchase order, the savings by moving to ProMaster with a corporate card program are estimated at over 80%.