

Accounts Payable - Post Oracle Go Live – Final Report – September 2024

Audit & Governance Committee - 17/10/2024

Summary findings – Accounts Payable

Overall opinion - Limited Assurance

The audit has reviewed the following: • Guidance and process documentation; • Segregation of duties, approvals and authorisation limits; • Purchase order invoices; • Processing of Pro-Forma Invoices; • Vendor management and creditor master file data; • Duplicate payments; • Monthly exception reports; and • Payment runs

The review identified significant gaps, weaknesses, or instances of noncompliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.

Key Findings

There are processes which require improvement such as:

A need to develop the monitoring of invoices on holds;

A need to develop the monitoring of off-contract spend;

Delays to payments when approvers on leave;

Process documentation from ordering through to payment

Finding 1 – Exception reports and potential duplicate payments

Action: Exception reports, including new and amended vendor bank details and identifying potential duplicate payments will be established within Oracle to be automatically scheduled at agreed intervals. . These reports will be investigated, and any issues resolved. (Audit has provided a more extensive suggested list of exception reports to the service)

The report of potential duplicate payments provided by SWAP will be investigated and if required recovery action will be taken. The council will also consider if a recovery audit process is required to review all payments made.

These actions will be completed by 30th November 2024

Finding 2 -Monitoring Reports.

Action: We will ensure that appropriate monitoring is taking place to include:

- Non purchase order spend will be monitored to ensure it is appropriate. Training will be provided to services areas where it is identified that a purchase order should have been raised.
- A weekly report will be run of invoices 'on hold' to ensure action is taken to resolve any issues. The older transactions from the 'Invoices with a not paid status' report will be investigated and cleared.
- A report will be periodically run of all one time payments to identify instances where they have been made more than once to the same individual. Services will be contacted to set up a supplier on Oracle. The analysis by SWAP of more than one 'one time payment' potentially made to the same individual will be investigated and if necessary vendors will be created within Oracle. Services will be notified that if VAT is payable they cannot make a one time payment. A supplier needs to be set up on Oracle to process the VAT properly.

All monitoring reports will be in place by 30th November 2024

Finding 3 – Selection of the correct contract for requisitions

Action: Budget holders will be reminded of the importance of selecting the correct contract. They will be reminded that if they are unsure, they will need to contact the central Procurement team for clarification.

We will have completed this action by 30th November 2024.

Finding 4 – Substitution for the authorisation of Transactions

Action: The Oracle Support Team are able to redirect approvals in the absence of approvers. If a supplier, organisation or individual is due payment and chases unpaid invoices will be assessed for urgency and will be reassigned for approval from someone with appropriate approval levels. ICT have created a form in Hornbill (helpdesk) to action a substitution in a user's absence within Oracle for the approval of transactions. An additional role is required to be created to action the requests.

We will have this in place by 30th November 2024

Finding 5 – Procedure manuals

Action: Oracle procedure manuals will be written for all Accounts Payable processes from requisitions through to payment runs and this will be incorporated into the Finance Manual. The work is currently paused until Redwood is rollout as the User Interface will change rendering all existing manuals obsolete.

We are aiming to have the first draft of the Finance Manual completed by 31st December 2024.

Finding 6 – Rejected Items During Pay Runs

Action: A weekly report will be run from Oracle of all rejected items. These entries will be investigated, and corrections made to ensure they are picked up in the next payment run.

The process will be implemented by 30th November 2024

Finding 7 – Storage of Documents in Oracle

Action: The storage of documents will transition solely over to Oracle after a period of parallel working storing documentation in both the shared P: drive and Oracle.

We anticipate having fully transitioned over by 31st December 2024