

Reference Number: FOI2021/069
From: Commercial
Date: 01 March 2021
Subject: Accounts Payable Spend Management Process

Q1 What is your current invoice process for handling supplier invoices, from receipt to when it's posted in the ERP and ready for payment?

A1 Scenario 1 - Non purchase order (PO): Invoice is sent to the Trust, Accounts Payable (AP) then send invoice for scanning and keep a record of the invoice sent. Alternatively, the supplier sends the invoice to Shared Business Services (SBS) directly by post, by email or through Tradeshift. Invoice then arrives on the system in Non PO Superuser and is checked, coded to its cost centre and sent on for approval from the budget holder. Invoice is then approved by budget holder and becomes ready for payment.

Scenario 2 – Purchaser order (PO): Invoice is sent to the Trust, AP then send invoice for scanning and keep a record of the invoice sent. Alternatively, the supplier sends the invoice to Shared Business Services directly by post, by email or through Tradeshift. Should invoice clearly quote a purchase order then it matches to that purchase order. Buyer and/or individual that raised the requisition receive a notification when the requisition is approved and converted to a PO. They also receive notification when the invoice matches and requires receipting. The individual checks to see if the goods or service have been delivered in full and then receipt the order. Once receipted the invoice is then matched against its receipt overnight and becomes ready for payment.

Q2 What systems do you use for managing and processing invoices and catalogues

A2 Invoices and catalogue requests are processed using the Oracle system. Invoices that are not intended for a PO are processed using the Non PO Superuser section of the Oracle system.

Catalogue and non-catalogue requests are made through iProcurement. If an invoice quotes a PO then it is matched to that order and can be identified using iProcurement (on Oracle).

Invoices and catalogue are managed using the Oracle system software. Also, to obtain an overview or a required report the Trust uses Oracle Business Intelligence (BI). BI can be used to run reports on outstanding invoices, GRNIs, etc. to help with the day-to-day management of the invoices received.

Q3 How many invoices were processed in FY19-20?

A3 33,136

Q4 In what format do you currently receive invoices?

A4 All invoices need to be received in a PDF format. If an invoice is sent to Shared Business Services in another format then it gets rejected and won't scan onto the system.

Q5 Do you print your emailed or pdf invoices?

A5 If an invoice is received by email then it is sent for scanning as a PDF document so there is no requirement to print off the document. Should we receive more than one invoice on one PDF, we need to print off the invoices and split them (SBS do not accept multiple invoices on the one PDF). These invoices are then rescanned and sent to SBS for upload.

Q6 Do Accounts Payable check every invoice received?

A6 Prior to sending an invoice to SBS, AP check the invoice to see that it contains the required details and the required address used for SBS – all details can be found on the 'SBS good invoicing guide'.

Using the log of all invoices sent to SBS, AP check that those invoices which were sent have successfully uploaded onto the system. This is done approximately 3 days after sending over to SBS.

Once on the system, AP check the invoice image to see what it is for and who it should go to for approval. It is also checked to see that it has scanned onto the system correctly (e.g. amounts match with what is on the system).

Q7 What is the current split between PO and non PO invoices?

A7 Information not held - the Trust does not routinely collate or hold this information centrally as part of its management or performance data.

Q8 If you have an invoice matching process, is this automated or manual?

A8 Both. Shared Business Services upload the invoice to the system and if it contains a PO number then it can be matched to its PO automatically. Non PO invoices are dealt with manually in the sense that once on the system they need to be checked and sent for approval by the AP team.

Q9 How many FTE's do you have in your AP team who process invoices?

A9 2 FTE's that process invoices currently. We also have two part-time staff members that support the FTE's when required.

Q10 What % of invoices were paid late in FY19-20?

A10 1.67% (BPPC = 552 invoices paid late / 33,136 total invoices paid)

Q11 What processes or solutions do you have in place for employees to submit and reclaim expenses?

A11 Information exempt under Section 21 of the Freedom of Information Act 2000 - 'Information reasonably accessible to the applicant by other means'.

This information is available on our website, it can be found in our 2020 Disclosure Log, please see FOI Request Ref: 368:

<http://www.lhch.nhs.uk/about-lhch/information-governance/freedom-of-information/disclosure-logs/>

Enter the year into the **Category field** and reference number into the **Title field** then click Search. Select Download to open.

Q12 How many expense claims were submitted by employees in FY19-20?

A12 16,883

Q13 Do you use OCR (optical character recognition) to scan invoices and/or expenses?

A13 Information not held – This is done at supplier level and not in house.

Q14 Have there been investigations relating to expense compliance in your organisation in the last 24 months? If so, how many?

A14 No - Zero