

Support Functions Review – Central Accounts Payable (CPU) SERVICE OFFER

1) Current Arrangements

- 1.1 Central Accounts Payable has the responsibility for processing all of the Council's invoices and payment requests (*146,000 for 2009/10 and circa 120,000 for 2010/11*), ensuring payment is made in line with the Council's Financial Regulations, Best Payment Practice Code and Written Procedures. It creates daily payment runs that include payments generated by Housing Benefit, Council Tax, Supporting People (SPOCC) and Framework-i systems. It also provides guidance and support on improving payment performance to Business Units across the Council

2) Scope of the Review

This review is concerned with the arrangements for the payment of invoices and internal payments.

Excluded from the review are processes associated with the validation of invoices e.g. for Care packages.

3) Service Offering

- 3.1 It is proposed that Central Accounts Payable continue with the following, as at present:
- Manage the flow of payment transactions/invoice processing to ensure prompt and accurate processing (*these are currently handled via a manual process which relies heavily on the physical distribution of invoices to Haringey's different geographical locations*).
 - Obtain invoice authorisation (through 3 way matching or direct authorisation)
 - Process invoices on time to meet due dates
 - Verification for accuracy of payment transactions and compliance with legislation and policies.
 - Perform payment runs, BACS, Cheques, Inter Company
 - Approval and inclusion in payment runs of interfaced payment systems.
 - Imprest (Petty Cash Bank Account)
 - Issue procedures/guidelines to Imprest Holders
 - Collate year end certification of Imprest Loans / Advances
 - Duplicate Payments prevention / reporting & any recovery
 - Filing/archiving of payment related documents
 - Liaise with auditors (internal/external) on document retrieval/enquiries
- 3.2 It is proposed that the following activities continue to be carried out by Central Accounts Payable but in a different way:

- Reimbursement of Imprest Accounts – amend and post to Service Cost Centre / Imprest Holding Code (some consideration for change management must be given here – allow transition period for training in new process)

Currently Imprest account holders create an excel spreadsheet showing posting requirements to cost centres. This is then replicated by Central Payments on SAP via FB60 transaction. Imprest account holders will be required to replace the excel spreadsheet with a SAP journal transaction, posting charges directly to budgets via a prescribed budget or holding code which will then be cleared down by the processing of a 'Reimbursement Claim' by Central Accounts Payable to said holding code.

- 3.3 It is proposed that Central Accounts Payable cease to provide the following services (with their proposed replacements in parentheses):
- Online supplier ledger enquiry support (calls to the helpline will be redirected to originating Business Units to handle). The helpline number, currently quoted on all remittances, will be removed.
 - Vendor Account reconciliation on 'Aged Debt'(not resourced but where required would need to be charged back to Business Unit / Services).
 - Cease maintenance of the 10 day payment target within predicted staff resources it will only be a "best endeavour" target.
- 3.4 To ensure a uniform approach across the Council for processing of commercial invoices /payments it is proposed that Central Accounts Payable take on the responsibility for;
- 1 x Adult Culture & Community Service Payment Officer
 - 1 x Corporate Resources (ITS) Payment Officer.
- 3.5 **Excluded – :**
- The responsibility for the transactional processing for CYPS this will be reviewed when E-invoicing is implemented.
- The responsibility for 'Bill Validation' will remain with the relevant Business Unit / Service.
- 3.6 **Dependencies:** to enable Central Accounts Payable to achieve the required efficiency savings over 2011/13, there needs to be an e-invoicing solution implemented that removes manual invoice processing in favour of electronic invoices.