Appendix B

Accounts Payable (AP) Service Development Timeline 2002 to 2016

2002
- Implementation of Agresso Accounts Payable (AP)
- Scanning invoice images into the AP system

2005
- Interface for Foster Parent Payments

2007
- Interface for Social Services Payments
- Interface for NNDR and Ctax Refunds

2009
- Implementation of Purchase Order Processing
- Merger of clients MC and ME (MCC and Schools within same account)
- Interface for Travel Grants

2011
- Publication of Spend Data on the Internet

2012
- Centralised receipt of invoices
- Purchase to Pay System Review
  - Decentralised processing of invoices for specific sections
- Supplier Master File Review
  - Supplier groups used to aid Whole of Government Accounts Reporting and Identify individual suppliers

2013
- Supplier Master File Review
  - Email addresses updated to enable remittance Advice to be emailed
  - Bank details collected to enable payments to be made via Bacs
- Implementation of Fiscal Technologies to detect and prevent Duplicate Payments

2014
- Implementation of Purchase Cards
- NNDR Payments to MCC removed from the invoice process and processed via an alternative process

2015
- Payroll deduction payments to MCC removed from the invoice process and processed via an alternative process
- Interface for Utility Bills

2016
- Childrens respite payments to MCC removed from the invoice process and processed via an alternative process
- Invoice Processing - Process Review
  - Direct Import of electronically received invoices
  - Amalgamation of Supplier and Purchase Invoice Scanning
- Interface specification for New Direction Supplier Invoices

Development Objectives

Each of the developments fall into one or more of the below objectives:

1. Meet service user needs
    a. Suppliers:
        i. Payment within Payment terms / timescales
        ii. Accuracy of payment
        iii. To provide help and advice with enquiries through a single point of contact
        iv. Enabling suppliers to self-serve currently by submitting invoices electronically, the proposal to implement Basware and Proactis will allow this to be extend further by enabling suppliers to enter missing data on line and undertake enquires as to the current status of an invoice.
    b. MCC service users
        i. Payments processed on a timely basis
        ii. Accuracy of payment details
        iii. To provide help and advice with enquiries through a single point of contact
        iv. Enabling users through training and support to become self-sufficient in identifying and interpreting information
    c. Statutory reporting requirements.
        i. Deadlines are adhered to
        ii. Accuracy of information provided.
    d. Welsh Government Directives
        i. Wales Procurement policy statement
    e. General
        i. Develop the system to ensure it is up to date and reflects good practice
        ii. Continually improve performance (measured by performance indicators, set based on user needs currently payment within 30 days of receipt).
2. Improve information collection, maintenance and reporting to ensure:
    a. Accuracy of payments
    b. Efficient and accurate reporting
    c. Automation of processes e.g. supplier email address enables remittance advice to be distributed via email.
3. Improve efficiencies and effectiveness
    a. Streamline Processes – avoid duplication or unnecessary steps
    b. Automate Processes - Reduce manual intervention
    c. Implement modernising IT (Where beneficial or as a foundation for future developments)
    d. Reduce resources / costs
    e. Remove unnecessary transactions / invoice from the system e.g.
        i. Invoices processed to make payments to MCC – review if other methods are more appropriate.
        ii. Could invoices from specific supplier be consolidated e.g. one monthly invoice instead of daily invoices or processed via an import?
        iii. Are other payment option more appropriate e.g. low value high volume purchases made via purchase card.

Details of Developments

2002

1. Implementation of Agresso Accounts Payable
    1.1. The authority implemented a new Financial System which incorporated the General Ledger, Accounts Payable and Account Receivable functions.

1.2. Part of the implementation was to set up the functionality to scan invoice images onto the system and attach these to the relevant transaction number.
- This enabled:
  - users to drill down from transactions to see the invoice image (The previous method would have been to record the invoice number and locate the invoice within paper files which could have been stored at one of any number of locations across the authority – usually photocopies of invoices would then be taken for further paper records).
  - Secure retention of the invoice
  - Reduced physical storage space as paper copies were no longer required to be retained
1.3. The below table demonstrates the volume of scanned invoices over the past three years:
- 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices	66,705	55,366	52,509	174,580

2005

2. Development of interface for Foster Parent (200501)
   2.1. An interface was developed to import Foster Parent payments directly into the AP system ready for payment.
   - The previous method would have included a lot of manual processing and duplication, taking information from one spreadsheet and creating paper request for payment, which would then be manually punched for each individual payment required.
   - This enabled the process to be:
     - More streamlined
     - Less manually intensive
     - Automated (Numerous transactions processed at the same time)
     - Reduced resources
     - Improved accuracy by removing a number of processes where manual error could have occurred.
     - Allowing customers more time to submit their returns
   - The below table demonstrates the volume of Foster Payments over the past three years:
     - 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices	7,020	7,500	7,690	22,209

2007

3. Development of interface for Social Services, NNDR and Council Tax Refunds (200702)
   3.1. An interface was developed to import Payments directly into the AP system ready for payment.
   - The previous method would have included a lot of manual processing and duplication, taking information from one spreadsheet and creating paper request for payment, which would then be manually punched for each individual payment required.
   - This enabled the process to be:
     - More streamlined
     - Less manually intensive
     - Automated (Numerous transactions processed at the same time)
     - Reduced resources
     - Improved accuracy by removing a number of processes where manual error could have occurred.
     - Allowing customers more time to submit their returns
   - The below table demonstrates the volume of Social Services Payments over the past three years:

- 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices	5,466	5,440	8,417	19,323

- The below table demonstrates the volume of NNDR and Council Tax Refund Payments over the past three years:
  - 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices	6,318	5,609	4,581	16,508

2009

4. Implementation of Purchase Order Processing
   4.1. Implementation of Purchase Order Processing (POP) to enable electronic pre-authorisation of spend and commitment accounting (2009).
   - This functionality included:
     - Workflow of tasks including email alerts and reminders.
     - Electronic distribution of invoice images
     - Automatic payment of matched invoices
   - Benefits included:
     - Full electronic audit trail
     - Commitment accounting
     - Electronic distribution of invoices
     - Invoices could be tracked through the system to identify and blockages
     - Automatic payment of matched invoices
     - Reduced risk of 'loss' of paper invoices
   - The below table demonstrates the volume of Invoice Payments that have been matched to orders over the past three years:
     - 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices, Matched to Orders	22,922	25,037	27,776	75,735

2009

5. Merger of clients MC and ME (MCC and Schools within the same account)
   5.1. This involved transferring data from two clients on the Agresso system and amalgamating into one client.
   - This enabled single supplier account to be maintained and used.
   - Benefits included:
     - Removal of duplication in set up, maintenance, running of processing for two clients rather than one.
     - Reduced risk of duplicate payments to suppliers as Agresso has an inbuilt check for same invoice number against a supplier record.
     - Reduced resource to generate / provide information as previously would have required merger of data from two clients.
     - Improved base for future developments

6. Development of interface for Travel and Clothing Grants (200911)
   6.1. An interface was developed to import Travel and Clothing Grant Payments directly into the AP system ready for payment.
   - The previous method included a lot of manual processing and duplication, taking information from one spreadsheet and creating paper request for payment, which would then be manually punched for each individual payment required.
   - This enabled the process to be:
     - More streamlined
     - Less manually intensive
     - Automated (Numerous transactions processed at the same time)
     - Reduced resources
     - Improved accuracy by removing a number of processes were manual error could have occurred.
     - Allowing customers more time to submit their returns

6.2. The below table demonstrates the volume of Travel and Clothing Grant Payments over the past three year.

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices	1,088	606	600	2,294

2011

7. Publication of Spend Data on the Internet (2011)
   7.1. English Authorities were required to publish spend data on their Internet sites by 31 March 2011. One of Monmouthshire's values is openness and it was keen to demonstrate this value wherever it can. It tries to embrace the Open Government agenda in a number of ways and publishing spend data is just one of these areas.
   - The benefits in publishing this data
     - It reminds officers of their accountability to the community and provides the community with a platform against which to raise questions.
     - It was envisaged that this would reduce the Free Dome of Information requests into the section however this has not been the case.

2012

8. Central Receipt of invoices (2012)
   8.1. This required suppliers to send their invoices to one location 'Creditor Payments' Section' for receipt and processing. This included the schools who had previously processed the invoices relevant to their individual school.
   - This provided the following benefits:
     - Single point of contact for suppliers chasing invoice payment
     - Ability to track invoices electronically through the system to establish any blockages
     - Reduction in processing time as receipt would be within a few days
     - Enable / aid agile working as process is electronic and can be accessible from any location.
     - Reduced risk in loss of paper invoice
9. Purchase to Payment system review (2012)
   9.1. A group of relevant officers from across the authority came together to identify user need, review processes and propose improvements:
   - Proposals included:
     - Decentralisation of Property Services invoice processing (2012)
       - This required the invoice process for property to be redesigned with the Supplier, Property Services, Systems and the Audit Team to ensure all needs were met.
     - Decentralisation of Grounds Invoice processing
     - Decentralisation of Highways Invoice processing
     - Trial Credit Cards
   - All proposals were agreed to be trialled and these provided the following benefits
     - Service efficiencies
     - Improved payment timescales for suppliers
     - Reduced invoice queries both internally and externally
     - Reduced volume of invoices
10. Supplier Masterfile Review:
    10.1. This review focussed on improving information and reporting for the whole of government accounts and HMRC requirements to identify individuals (Individuals deemed to be employees by HMRC must be paid via payroll to avoid underpayment of NI and Tax).
    - Individual Supplier groups defined to enable Whole of Government Account reporting (2012)
    - An Individual Supplier group was defined to identify individuals (2012)
      - Additional fields added to collect supporting information
      - New process defined both internal and external to the AP system

- This provided the following benefits:
  - Adherence to legislative / statutory reporting requirements
  - Improved information / easier reporting

2013

11. Supplier Masterfile Review Continued
    11.1. All suppliers active on the supplier Masterfile were contacted to establish:
    - Email Address (Approximately 85% of payments have an emailed remittance advice)
    - Bank Details (The first year showed a reduction of Approximately 3,000 cheques)
    - Accuracy of details held.
    11.2. This enabled:
    - The supplier Masterfile to be cleansed
    - A greater volume of suppliers to be paid via Bacs rather than via Cheque.
    - A greater volume of suppliers to receive their remittance via Email rather than via post
    11.3. This provided the following benefits:
    - Accurate data
    - Reduced resource in terms of printing, enveloping and posting of cheques / remittance
    - Increased use of automated / electronic functionality e.g. email / Bacs
    - Improved tracking of payments

12. Implementation of Fiscal Technologies to detect and prevent duplicate payments
    12.1. The authority purchased additional software with increased functionality in detecting potential duplicates, enabling the payments to be stopped before fully processed.
    - The benefits included:
      - Reduced Duplicate payments
      - Prevention and detection reporting capabilities.
      - Reduced resource in identifying duplicates and chasing suppliers for their return.

2014

13. Implementation of Purchase Cards (2014/02)
    13.1. Following the Purchase to Pay System Review in 2012 and the credit card trial that followed the authority extended the trial to the Barclay Card Purchase Card managed by the Welsh Purchasing Consortium.
    13.2. The trial aimed to extend the payment methods available to the authority, and provided Purchase cards to officers based on an approved business case.
    13.3. Benefits included:
    - Ability to make online purchases
      - Obtaining value for money from online companies
      - Purchases that would only be available over the internet
    - Ability to undertake out of hours / emergency purchases / payments to enable the service to continue without issue out of hours.
    - Reduced administration when using Purchase Cards lodged with specific suppliers, allowing officers across sections to order from the same supplier quoting security detail, without needing to raise an Agresso Order and a reduction in invoices to process.
    - The below table demonstrates the volume of transactions that have been paid via Purchase Cards over the past three years:
      - 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Transactions	424	3,675	5,155	9,254

14. NNDR Payments to MCC removed from the invoice process and processed via alternative process
    14.1. Original process included printing off and posting NNDR bills to individual establishments

- Responsible officers would then pass each individual bill for processing and payment to the Payments section

14.2. The new process takes a report from the NNDR system and is manipulated into a journal for the General Ledger and the NNDR system to indicate payment.

14.3. The benefits include:
- Reduced risk in missing payment for a bill
- Reduce resource as there is no need to chase for payment
- Number of officers in the process is reduced from hundreds to a handful
- No need for paper / printing
- Process is streamlined and efficient.

2015

15. Payroll Deduction Payments to MCC removed from the invoice process and processed via alternative process
    15.1. Original process included populating and printing template invoices based on the information on the Payroll System. These would then be passed to payments for processing and payment.
    15.2. The new process involves processing the transactions directly into the General Ledger
    15.3. The benefits include:
    - Reduced risk in missing payment for a bill
    - Reduce resource as there is no need to complete numerous invoice templates
    - Number of officers in the process is reduced as there is no involvement for the payments team
    - No need for paper / printing
    - Process is streamlined and efficient.

16. Development of Interface for Utility Bills (201501)
    16.1. An interface was developed to import Utility Invoice Payments directly into the AP system ready for payment.
    - The previous method included a lot of manual processing and duplication, punching each invoice into the authority's energy management system 'Team' and then passing the invoices to be punched again into the authority's AP system.
    - This enabled the process to be:
        - More streamlined
        - Less manually intensive
        - Automated (Numerous transactions processed at the same time)
        - Reduced resources
        - Improved accuracy by removing a number of processes were manual error could have occurred.
    - The below table demonstrates the volume of utility invoice over the past three years:
        - 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices		2,917	2,997	5,914

2016

17. Children respite Payments to MCC removed from the invoice process and processed via alternative process
    17.1. Original process included raising a debtor invoice through the AR module
    - Printing, and distribution of debtor invoice
    - Passing to the payments section for Processing and payment
    17.2. The new process involves processing the transactions directly into the General Ledger
    17.3. The benefits include:
    - Reduced risk in missing payment for a bill
    - Reduce resource as there is no need to complete numerous invoice templates
    - Number of officers in the process is reduced as there is no involvement for the payments or debtors teams
    - No need for paper / printing
    - Process is streamlined and efficient.

18. Invoice processing – process review
    18.1. The review involved work flowing the current process for invoices to identify where the process could be improved.
    - Two developments were identified:
        - Integration of Supplier and Purchase invoice scanning (this is in the development stage). This would allow the different invoice types to be processed in the same screen with the following benefits:
            - Reduce resource as post would not need to be sorted on these invoice types

- No risk of error causing duplication of effort if invoices were scanned in the wrong screen
- This development is currently awaiting system upgrade as new functionality can be incorporated at the same time.
- Direct Import of electronically received invoices (This is live)
  - The previous method involved printing invoices received via email and then scanning them into Agresso.
  - The new process allows the invoice to be saved to a designated folder and imported directly into Agresso.
    - The benefits include
      - Reduced paper / printing costs
      - Streamline process

19. Development of interface for New Directions (This is in the development stage)

19.1.   An interface was specified to import invoices for the New Directions Supplier directly into the AP system ready for payment.

- The previous method would have included the authority receiving numerous invoices relating to numerous orders, which would then be manually processed for payment.
- This process will be:
  - More streamlined
  - Less manually intensive
  - Automated (Numerous transactions processed at the same time)
  - Reduced resources
  - Improved accuracy by removing a number of processes were manual error could have occurred.
  - Allowing suppliers to be paid more promptly
- The below table demonstrates the volume of invoices over the past three years:
  - 2016/17 Estimate has been based on 9 months actual data (x / 9 * 12)

Year	2014/15	2015/16	2016/17 Estimate	3 year total
No. of Invoices	414	1,308	2,193	3,915

- We are currently awaiting the supplier to develop the interface.

In addition to the above we have worked with various sections to review the invoices they process and determine more efficient effective ways of working:

- We worked with property services to completely redesign the way they processed orders, received invoices including reducing volume of invoices.
- We worked with Libraries to review the invoices being processed and identify where delays were occurring and how processes could be changed
- We worked with Catering to reduce the volume of invoices being received by the section.