

| OFFICE OF THE POLICE AND CRIME COMMISSIONER OFFICE OF CHIEF CONSTABLE | |
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| LEAD CHIEF OFFICER: | Assistant Chief Officer - Resources |
| TITLE: | Update on No PO, No Pay Implementation |
| DATE: | 11 December 2019 |
| TIMING: | Joint Audit Committee |
| PURPOSE: | For Noting |
| 1. | <u>RECOMMENDATION</u> |
| 1.1 | To note the current position on the implementation plan for “no Purchase Order, no Pay” across the Force. |
| 2. | <u>INTRODUCTION & BACKGROUND</u> |
| 2.1 | In response to recommendations received from the internal auditors, in 2017/18 Chief Officers agreed that “no PO, no Pay” would be implemented across the Force. The aims are to improve the efficiency of procurement and payment processes, by reducing the time taken by departments and Finance staff to confirm delivery, match invoices, approve invoices, and pay suppliers. We are currently rolling out the “no PO, no Pay” policy across the Force. |
| 3. | <u>ISSUES FOR CONSIDERATION</u> |
| 3.1 | The Finance and Procurement Teams have been prioritising work with individual departments that have higher non-pay expenditure budgets to implement the “no PO no Pay” policy. This has already increased the number of purchases made using requisitions/purchase orders and at 30 September 2019 we are currently averaging 31.6% of invoices by number having a PO. A stepped improvement on the original position of 8%. |
| 3.2 | To prepare for the implementation of “no PO no Pay”, we have: <ul style="list-style-type: none"> • Finalised letters in English and Welsh notifying suppliers of the change and requesting updated contact details. This allows us to update our supplier database, carry out more transactions electronically, and reduce the risk of duplicate payments; • Cleansed our list of suppliers to remove inactive suppliers and individuals (Doctors, Nurses, Specials etc.) where a requisition/purchase order is not appropriate; • Established a specific email address for all queries and supplier responses; • Issued the final letters to suppliers on the cleansed list with a deadline for replies of 17 December 2019; • Published an article on The Beat (intranet) to inform the Force and Police and Crime Commissioner’s Office of the new policy and what officers/staff need to do; • Updated the guidance on raising requisitions available on The Beat; and • Briefed Senior Managers through our governance boards. |

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| 3.3 | Once the database review is complete, the policy will be enforced with suppliers from 1 February 2020 onwards. There will be a short period where we will take a pragmatic approach to those invoices received after this date that relate to goods/services delivered before 1 February 2020. |
| 4. | <u>NEXT STEPS</u> |
| 4.1 | Regular updates will be provided to the Assistant Chief Officer – Resources, and also Heads of Service via the Organisation Resources Board as part of the regular highlight reports from the Finance Department. Ad hoc reports will also be provided to other parties including internal and external auditors and also the Joint Audit Committee. |
| 4.2 | Additional training will be provided on request by individuals/departments. |
| 5. | <u>FINANCIAL CONSIDERATIONS</u> |
| 5.1 | Historically approximately 8% of the Force’s non-pay expenditure is processed using purchase orders. Following the implementation earlier in the year we are currently running at 31.6% of invoices by number having a PO. This is comparable with South Wales Police with whom we share the procurement, ordering and payment systems. We recognise that to achieve 100% compliance will be unrealistic, but will work towards a compliance rate of 70% by 31 March 2020 at which time we will review. |
| 6. | <u>PERSONNEL CONSIDERATIONS</u> |
| 6.1 | It is anticipated that this rollout will require investment of time by both Finance, Procurement and department staff to move to “no PO, no Pay”. There may also be additional local training requirements identified which can be addressed as part of this process. |
| 7. | <u>LEGAL IMPLICATIONS</u> |
| 7.1 | The public have specific rights under General Data Protection Regulations which they may exercise in relation to the processing of their personal data. Gwent Police has a duty to manage personal information effectively in relation to service providers. |
| 8. | <u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u> |
| 8.1 | These proposals have been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group. |
| 8.2 | In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998. |
| 9. | <u>RISK</u> |
| 9.1 | No significant risks identified. |
| 10. | <u>PUBLIC INTEREST</u> |
| 10.1 | No specific public interest issues have been identified. |
| 11. | <u>CONTACT OFFICER</u> |
| 11.1 | Nigel Stephens, Assistant Chief Officer - Resources |
| 12. | <u>ANNEXES</u> |
| 12.1 | None |