

# GWENT POLICE

## REPORT

From: Heads of Finance  
Internal Ext:  
Station:

To: JAC  
Date:

Ref No

Subject: Recovery of Duplicate Payments

### Background

In August 2017 Gwent Police went live with Business World, a fully integrated finance system encompassing Accounts Payable, Accounts Relievable, Payroll and General Ledger.

At this time there were a number of issues facing the Accounts Payable team:-

- Absence of the team leader
- Limited training available for the new system
  - A 2 week backlog of invoices relating to the transition between systems
- Staffing lower than budgeted establishment
- Reliance on external consultants to train and advise staff
- Data migration of only 6 months supplier information
- Scheme of delegation that was ineffective

This led to the following issues:-

- Delaying payments and not adhering to creditor payment terms
- Influx of queries from supplies into the team via phone and email
- Late payment charges and official complaints
- Large number of faster payments
  - Large number of pending supplier set ups due to insufficient data migration
- Suppliers receiving duplicate payments

### Implications of Duplicate Payments and Recovery Plan

In August 2018 the Finance team were made aware that a large number of payments were being returned to Gwent Police. When this was investigated, it became apparent that duplicate payments had been made to a number of suppliers dating from the system being implemented.

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Examined and forwarded

P.S.

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Inspector

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Submitted to  
Ch/Superintendent

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The Assistant Accountant, managing the Accounts Payable team, completed an analysis of all pending and paid invoices to identify possible duplicate payments. In August 2018 this was **£1,076,293.94**.

In November 2018 the decision was made to send out recovery letters to all suppliers, identified with a duplicate payment, asking for confirmation of the returned payment, or to return the payment.

JAC was made aware of the situation in December 2018 and proactive measures were initiated within the team.

One member of the Accounts Payable team is dedicated to the role of recovering duplicate payments. This enables the individual to actively pursue outstanding payments and carry out full reconciliations of high volume suppliers. This has been decided as the best method of recovery long term. Any short term fix may have caused issue in the future and jeopardised Gwent Police supplier relationships.

To date we have recovered the following:-

	<b>Total Number of Payments</b>	<b>Amount (£'s)</b>	<b>Outstanding (£'s)</b>	<b>Amount Recovered To Date</b>	<b>Percentage Recovered</b>
Over £50,000	5	£400,543.45	£0.00	£400,543.45	100.00%
£30,000-£50,000	6	£235,299.37	£0.00	£235,299.37	100.00%
£10,000- £30,000	18	£274,001.67	£120,690.00	£153,311.67	55.95%
£1000-£10,000	46	£147,165.19	£68,964.13	£78,201.06	53.14%
Under £1000	67	£19,284.26	£11,738.39	£7,545.90	39.13%
<b>Total</b>	<b>142</b>	<b>£1,076,293.94</b>	<b>£201,392.52</b>	<b>£874,901.42</b>	<b>81.29%</b>

To date 81.29% of the duplicate payments have been confirmed as recovered by the Accounts Payable team, with particular focus on the high value invoices. Of the remaining £201,392 balance:

- Invoices queried with BT amount to £108,244. There has been regular contact with the BT Customer Services and progress is being made, complicated by the number of different BT accounts (Telephony, switch, open reach, core infrastructure). We await their latest response.
- A separate balance of totalling £13,489 has been queried by the suppliers contacted and is being investigated by the Finance team.

This leaves a remaining balance of £79,659 which are smaller invoices but with a high volume. Work continues to confirm recovery of this remaining balance and all suppliers have been contacted to query the duplicates. Where we have not received a response from these suppliers by Friday 6 September 2019, a credit note will be raised. For suppliers that deliver core services, credit notes will be raised after 13 September 2019 so as to manage the expected demand that will be placed in the creditors team.

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### **Preventative Measures**

A number of controls have been put in place to prevent this issues from happening again.

The primary control is a check for potential duplicates for every invoice included in the weekly payment run to suppliers. This involves a manual analysis of all paid and pending invoices to identify similarities between those invoices and the invoices on the current payment run proposal. This gives the team the opportunity to identify and stop duplicate payments before they are made. It has proved beneficial that having this measure has enabled the team to prevent further duplicate payments on a weekly basis, and very few items for investigation are being identified from the checks.

In order to stop potential duplicates at source, we have been looking at simplifying and formalising the naming convention of an invoice number on the finance system. There are a number of different ways invoice numbers can be manually input so we are currently agreeing a single naming convention and ensuring all staff use it. By introducing this way of working, the Force is reducing the risk of a duplicate payment occurring in the first place. This is particularly relevant, as Business World will only use the invoice number to identify if the invoice is replicated.

### **Future Measures**

We have also considered purchasing software to undertake the analysis of the payment run for potential duplicate payments, at the payment proposal stage. This would remove the need for the weekly manual check, identified above, during the payment run. The cost of this system is approximately £8,500 per annum but as the current manual check takes approximately one hour each week this investment has not yet been made as the benefits are not clear. However this will be considered and revisited in the future as the amount of data builds in Business World.