

Report on Accounts Payable as at end February 2009

1. At the end of February 2009, 75% of invoices paid in the year to date had been paid within thirty days of Invoice date.
2. Our policy is to pay all invoices within 30 days of the invoice date. However there are a number of reasons why this cannot always be achieved as detailed below.
3. We do not always receive invoices promptly from suppliers (i.e. invoices dated 7th might not arrive with Surrey Police until the 27th). This could indicate poor practice within suppliers' sales order processing, or the predating of invoices. We have no control over this.
4. Invoices arrive but are not entered onto the system promptly. The majority of invoices received are entered by the Central Process Team promptly and a study conducted last year showed that this was largely done within 48 hours of receipt. However, not all invoices can be processed immediately as some Invoices may have to be sent to Finance Managers for clearance, and Invoices may arrive at different departments and then take time to arrive at the centre. Many of these problems will be solved when invoice processing is centralised from April 2009.
5. Sometimes invoice payments are withheld for a particular reason. This could be because the amount is in dispute, the account is in credit and is expected to clear in the next period or there is a problem in matching the invoice to the purchase order.
6. We are converting as many suppliers as possible to BACS payments. As BACS runs are weekly there is a greater chance that we can achieve the target date for payment. This work continues but, as we cannot force suppliers to change, we will always be left with some manual payments. For the future we are requiring all new suppliers to provide banking details so that we can pay them by BACS.
7. Of the 2011 invoices paid in the month of February, Month 11, 1,536 (76%) were paid within one month of invoice date and 475 (24%) were paid late. This being a major improvement on Month 10, January, which was impacted by year end.