

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	17 SEPTEMBER 2010
TITLE OF REPORT:	CREDITOR PAYMENT AUTHORISATION
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open.

Wards Affected

None

Purpose

To report on progress in ensuring that the Council requirements for Creditor Payment Authorisations are being carried out in accordance with the Council's Constitution.

Recommendation

THAT the information on invoices rejected be noted.

Introduction and Background

2. This Committee receives a quarterly report detailing the requirements of the Financial Procedure Rules for Officers responsible for authorising creditor payments and showing the number of payment requests returned for each directorate because they were not properly authorised. Members are reminded that:
 - a) The list of authorised signatories with their individual financial limits is agreed and maintained by Financial Services on behalf of the Director of Resources. The authorisations are reviewed and updated regularly.
 - b) Directors are required to ensure that the list of signatories within their service areas is reviewed at intervals and any changes to the list are reported promptly.
 - c) The Benefit & Exchequer Service has responsibility for processing payment requests, which includes ensuring that payment vouchers are correctly completed and properly authorised.
 - d) A number of communications have been sent to Officers shown on the authorised signatories list reminding them of the need to ensure that all payment requests are correctly authorised.

Key Considerations

3. The main reasons identified for vouchers being returned are:
 - a) They have not been fully completed, for example cost codes are incorrect or missing.
 - b) The latest version of the payment voucher has not been used.
 - c) The person signing them does not have the necessary level of authorisation.
4. The Council has a target for making payments and this is 15 days from the date the invoice is received. Current financial year performance up to the end of August is an average payment time of 13.45 days with 85.39% of invoices paid within 20 days of receipt and with 53.95% of these paid within 10 days.
5. A table showing the number of invoices rejected for the three month period June to August is attached as an appendix to this report.

This table shows that following a reduction in the number of items returned in June and July there was an increase in August. A reminder of the need to comply with the authorisation requirements has been sent to Heads of Service in those areas where numbers have increased.

Community Impact

None

Financial Implications

None

Legal Implications

None

Risk Management

6. Failure to complete payment vouchers correctly can affect the speed with which payment is made and will have an impact upon the creditor and our performance, as well as the level of resources needed for the payment process.

In addition to the regular monitoring, as a fundamental system Creditors is subject to an annual audit which provides an independent check on risk compliance.

Appendices

7. Breakdown of Returned Payment Vouchers by Directorate

Background Papers

8. Financial Procedure Rules

APPENDIX

BREAKDOWN OF RETURNED PAYMENT VOUCHERS BY DIRECTORATE

<u>Directorate</u>	June 10	July10	August 10
Clinical Leadership & Quality	0	0	0
CYPD	3	4	5
Deputy C.E.	4	1	1
Integrated Commissioning	0	0	0
Provider Services	0	1	9
Resources	0	0	2
Sustainable Communities	4	2	4
Chief Executive	0	0	0
Total	11	8	21