

Purchase to Pay Policy (PP01)

Issue Date	Review Date	Version
October 2021	October 2024	2

Purpose

This Purchase to Pay (P2P) Policy formalises the important financial management standards that Trust employees need to follow when buying goods, services & works. Such business transactions within the Trust and with external organisations supports the objectives of the Trust Standing Orders & Standing Financial Instructions, European Procurement Legislation, the Public Contracts Regulations 2015 and other relevant Government policy including GS1 & PEPPOL standards

Each policy statement is supported by a specific Standard Operating Procedures (SOP's) required to ensure robust and compliant electronic trading and purchase-to-pay activities across the Trust for areas that are controlled by Procurement & Supply Chain Management (PSCM) and Pharmacy personnel.).

This policy supports the Trusts overarching Financial Management/Strategic Procurement Strategy by ensuring that value for money is always obtained and probity and due process is followed for all Procurement decisions.

Who should read this document?

This policy applies to all Trust staff involved in the various stages of the procurement cycle for both existing goods, services & works and the introduction of new products into the Trust.

There are duties highlighted in the referenced SOP's that apply specifically to:

- All users involved in requesting, approving, receipting, paying for goods and services
- Employees within the PSCM or Pharmacy function and any other departments or teams which act as an interface with or customer of these functions.

Key Messages

This policy clarifies specific statements within the Trust's Financial Standing Orders and related operational processes for Tendering, P2P, Catalogue Management, invoice payment, new product requests, trials and evaluations and the mandated compliance to GS1 & PEPPOL standards.

Financial control & Contract compliance

- Trust Standing Orders apply to all P2P transactions for all goods, services & works

Requisition / Order Processing & Electronic invoices

- Will be transacted using European PEPPOL standards on a machine-to-machine basis (no/minimal human intervention), using GS1 standards for Product (GTIN) & Place (GLN)

Integrated supply chains & Product compliance

- All external supply chain processes managed by Trust suppliers will adhere to the Department of Health eProcurement Strategy (2014) that mandates GS1 & PEPPOL standards which supports this policy.

This policy supports good Inventory Management which is critical to a high performing NHS Trust. Having the right stock level, of the right product, means the Trust can perform the necessary procedures, without holding unnecessary products and negatively impacting cash flow; meaning both operational and financial targets can be met.

Returning incorrectly ordered or damaged goods must be processed correctly and in a timely fashion so that the trust recovers associated financial costs.

Introducing new products into the supply chain safely and safe working practices for those who work in inventory management roles are equally important and again referred to in this policy.

Core accountabilities

Owner	Head of Supply Chain Management & E-Procurement
Review	Procurement SMT Meeting
Ratification	Chief Procurement Officer
Dissemination	Head of Supply Chain Management & E-Procurement
Compliance	Records and Information Governance

Links to other policies and procedures

Non Pharmacy

Tender & Contracting PP02, Requisitioning, Ordering, Receipting PP03, Master Data & Catalogue Management PP04, Invoicing & Payments PP05

Pharmacy

Invoicing SC06, Credit Handling S07

Version History

1	September 2017	Ratified by Chief Procurement Officer and published Trust-wide
1.1	November 2020	Extended to September 2021
2	October 2021	Reviewed by Procurement SMT
2	October 2021	Ratified by Chief Procurement Officer

The Trust is committed to creating a fully inclusive and accessible service. Making equality and diversity an integral part of the business will enable us to enhance the services we deliver and better meet the needs of patients and staff. We will treat people with dignity and respect, promote equality and diversity and eliminate all forms of discrimination, regardless of (but not limited to) age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage/civil partnership and pregnancy/maternity.

**An electronic version of this document is available on Trust Documents.
Larger text, Braille and Audio versions can be made available upon
request.**

Contents

Section	Description	Page
1	Introduction	4
2	Purpose, including legal or regulatory background	4
3	Definitions	4
4	Duties	4
5	Main Body of Policy (can be as many sections as required)	5
6	Overall Responsibility for the Document	7
7	Consultation and Ratification	7
8	Dissemination and Implementation	7
9	Monitoring Compliance and Effectiveness	8
10	References and Associated Documentation	8
Appendix 1	Dissemination Plan and Review Checklist	9
Appendix 2	Equality Impact Assessment	10

1 Introduction

Having efficient P2P transactions throughout the supply chain is critical to the success of a modern health care organisation. Historically these processes have lacked integration between different systems and suppliers, this has led to organisation inefficiency and ineffective patient care.

Recently changes made to internal financial management flow utilising eProcurement systems that work using GS1 & PEPOL standards and for these systems to be integrated with Trust suppliers who have adopted the same standards. This standards-based integration enables more efficient trust and trust to supplier P2P processes which save money, reduced lead times, increase on time supplier payment and supplier prompt delivery.

This policy sets out high level statements, supported by individual Standard Operating Procedures (SOP's) for Pharma and Non-Pharma inventory. Adherence to these SOP's by all departments involved in managing inventories is necessary to enable care for patients to be delivered whilst also complying with trust financial governance processes.

2 Purpose

This Policy has a Trust wide coverage and covers all receivers and requisitioners of goods and services and also consumers of Trust inventory.

3 Definitions

- **SOP** – Standard Operating Procedure
- **SCM** – Supply Chain Manager
- **CPO** – Chief Procurement Officer
- **DoF** – Director of Finance
- **HSCEP** – Head of Supply Chain & E-Procurement
- **SCTL** – Supply Chain Team Leader
- **SCT** – Supply Chain Team
- **RCA** – Root Cause Analysis
- **SSCM** – Senior Supply Chain Management
- **PPM** – Pharmacy Procurement Manager

4 Duties

For Non-Pharma Inventory - It is the responsibility of the Head of Supply Chain & e-Procurement (HSCEP) to manage the Non-Pharma supply chain in line with this policy and escalate any problems to either the Chief Procurement Officer (CPO).

For Pharma Inventory it is the responsibility of the Associate Director of Pharmacy to manage the Pharma supply chain in line with this policy and escalate any problems to the Chief Pharmacist.

5 Main Body of Policy

As detailed above this policy covers:

Financial control & Contract compliance

- Trust Standing Orders apply to all P2P transactions for all goods, services & works

No PO (Purchase Order), No Payment Policy in place

- With effect from **1st February 2015** the Trust implemented a “**No Purchase Order (PO), No Payment Policy**” with all suppliers.
- Non purchase order spend creates much confusion and inefficiency, eg. has not had the correct approval, leads to duplicate payments, is a drain on both supplier and Trust finance resources and most importantly can lead to Suppliers refusing to supply the goods, services & works that our patients rely upon, because they haven't been paid.
- Suppliers were informed that any invoice received after **February 1st 2015**, that has no formal trust purchase order, will not be paid.
- Where suppliers are identified in the “**No Purchase Order (PO), No Payment**” process, they are flagged as PO only. Any invoice received without a PO attached is rejected by SBS.
- Staff with budgetary responsibility will ensure all Supplier requests to supply goods & services are processed through the Trusts eProc system.
- Drugs supplier requests should be processed through the Pharmacy EMIS (Ascribe) system.
- Works supplier requests should be processed through the Estates Planet system.

Reviewing Non PO spend

- The Procurement Team will review existing Non-PO spend with suppliers and work with them and Trust colleagues to get this transferred onto PO at the earliest opportunity.
- In addition, individuals Trust wide will be contacted separately where “repeat” users of Non PO engagement of spend is being undertaken, to ensure that they are aware of the changes that need to be made going forward.

Requisition / Order Processing & Electronic invoices

- Will be transacted using European PEPPOL standards on a machine-to-machine basis (no/minimal human intervention), using GS1 standards for Product (GTIN) & Place (GLN)

Integrated supply chains & Product compliance

- All external supply chain processes managed by Trust suppliers will adhere to the Department of Health eProcurement Strategy (2014) that mandates GS1 & PEPPOL standards..

Training

- All Trust staff that buy goods, services & works will be trained to use relevant eProcurement systems.
- Where support or training is required on Trust P2P policy/procedures eg. how to raise a Requisition/Purchase Order, the ePROC Helpdesk Tel: (4)39628 should be contacted.

Each SOP that falls under this policy are as follows:

Non-Pharmacy areas:

5.1 Requisitioning, Ordering, Receipting PP03

All those who are involved requisitioning, ordering and receipting goods and services within the Trust, including end users and Purchasing functions.

5.2 Master Data & Catalogue Management PP04

To identify the key activities for the management of supplier master data catalogues throughout the Trust.

5.3 Invoicing & Payments PP05

To identify the key activities for invoicing and payments for goods and services throughout the Trust.

Pharmacy areas:

5.4 Invoicing SC06

This procedure provides a guide on how to process Invoices through the Pharmacy system and how the data is passed to Shared Business Services for payment.

5.5 Credit Handling S07

This procedure provides a method of how to process financial credits owed to Pharmacy via the Pharmacy computer system or via a 'Manual Batch'

6 Overall Responsibility for the Document

It is the responsibility of the CPO or designate to develop, implement, and review this policy.

7 Consultation and Ratification

The design and process of review and revision of this policy will comply with The Development and Management of Formal Documents.

The review period for this document is set as default of three years from the date it was last ratified, or earlier if developments within or external to the Trust indicate the need for a significant revision to the procedures described.

This document will be approved and ratified by the CPO.

Non-significant amendments to this document may be made, under delegated authority from the CPO, by the nominated owner.

Significant reviews and revisions to this document will include a consultation with named groups, or grades across the Trust. For non-significant amendments, informal consultation will be restricted to named groups, or grades who are directly affected by the proposed changes.

8 Dissemination and Implementation

Following approval and ratification, this policy will be published in the Trust's formal documents library and all staff will be notified through the Trust's normal notification process.

Document control arrangements will be in accordance with The Development and Management of Trust Wide Documents.

The document author(s) will be responsible for agreeing the training requirements associated with the newly ratified document.

9 Monitoring Compliance and Effectiveness

Adherence to the specified SOP's will be monitored by set periodic audits. Any non-conformance will be documented, and a root cause analysis performed. Two or more instances of any non-conformance will be reported to the CPO for non-Pharmacy supply chain or the Associate Director of Pharmacy for Pharma supply chain.

Monitoring and auditing of the SOPs under this policy will be performed by the SCM for the main warehouse and trust stores areas and by the Pharmacy Procurement Manager (PPM) for the Pharmacy area.

Monitoring of the SOP's will be performed on an annual basis and the results, and any non-conformances will be reported in the minutes of the Supply Chain monthly meeting minutes for non-Pharmacy areas and in the (current Pharmacy monthly meeting?) for Pharmacy areas.

The minutes and actions resulting from the monthly meetings will dictate how non-conformance or amendments to the current documented processes are managed.

10 References and Associated Documentation

The specific policy statements processes held within the resultant SOP's related to this policy are based on industry best practice.

References to Health and Safety in warehouse areas are in accordance with the guidance issued by the Health and Safety Executive.

SOP's related to Pharmacy are in line with – NICE guidelines

Dissemination Plan			
Document Title	Purchase To Pay PP01		
Date Finalised	October 2021		
Previous Documents			
Action to retrieve old copies	N/A		
Dissemination Plan			
Recipient(s)	When	How	Responsibility
All Trust staff		IG StaffNet Page	Information Governance Team

Review Checklist		
Title	Is the title clear and unambiguous?	✓
	Is it clear whether the document is a policy, procedure, protocol, framework, APN or SOP?	✓
	Does the style & format comply?	✓
Rationale	Are reasons for development of the document stated?	✓
Development Process	Is the method described in brief?	✓
	Are people involved in the development identified?	✓
	Has a reasonable attempt has been made to ensure relevant expertise has been used?	✓
	Is there evidence of consultation with stakeholders and users?	✓
Content	Is the objective of the document clear?	✓
	Is the target population clear and unambiguous?	✓
	Are the intended outcomes described?	✓
	Are the statements clear and unambiguous?	✓
Evidence Base	Is the type of evidence to support the document identified explicitly?	✓
	Are key references cited and in full?	✓
	Are supporting documents referenced?	✓
Approval	Does the document identify which committee/group will review it?	✓
	If appropriate have the joint Human Resources/staff side committee (or equivalent) approved the document?	✓
	Does the document identify which Executive Director will ratify it?	✓
Dissemination & Implementation	Is there an outline/plan to identify how this will be done?	✓
	Does the plan include the necessary training/support to ensure compliance?	✓
Document Control	Does the document identify where it will be held?	✓
	Have archiving arrangements for superseded documents been addressed?	✓
Monitoring Compliance & Effectiveness	Are there measurable standards or KPIs to support the monitoring of compliance with and effectiveness of the document?	✓
	Is there a plan to review or audit compliance with the document?	✓
Review Date	Is the review date identified?	✓
	Is the frequency of review identified? If so is it acceptable?	✓
Overall Responsibility	Is it clear who will be responsible for co-ordinating the dissemination, implementation and review of the document?	✓

Core Information	
Date	October 2021
Title	Purchase To Pay Policy PP01
What are the aims, objectives & projected outcomes?	To support process standardisation Identify process owners and support improve communication Capture current state processes, to support Scan 4 Safety opportunities for improvement
Scope of the assessment	
<p>This Purchase to Pay (P2P) Policy formalises the important financial management standards that Trust employees need to follow when buying goods, services & works. Such business transactions within the Trust and with external organisations supports the objectives of the Trust Standing Orders & Standing Financial Instructions, European Procurement Legislation, the Public Contracts Regulations 2015 and other relevant Government policy including GS1 & PEPPOL standards</p>	
Collecting data	
Race	Varied – Equal opportunities employer
Religion	Varied – Equal opportunities employer
Disability	Varied – Equal opportunities employer
Sex	Varied – Equal opportunities employer
Gender Identity	Varied – Equal opportunities employer
Sexual Orientation	Varied – Equal opportunities employer
Age	Varied – Equal opportunities employer
Socio-Economic	Varied – Equal opportunities employer
Human Rights	Varied – Equal opportunities employer
What are the overall trends/patterns in the above data?	N/A
Specific issues and data gaps that may need to be addressed through consultation or further research	N/A

Involving and consulting stakeholders				
Internal involvement and consultation	Internal process partner consultation has taken place via 121 discussions with process partners			
External involvement and consultation	Internal process partner consultation has taken place via 121 discussions with process partners			
Impact Assessment				
Overall assessment and analysis of the evidence				
Action Plan				
Action	Owner	Risks	Completion Date	Progress update