



## **No Purchase Order, No Pay Guidance Note**

**1 June 2019**

With effect from 1 April 2019, Council staff have been instructed to ensure that all invoices submitted to Wirral Council for payment, which do not reference a valid Purchase Order (PO) number will be returned to the supplier.

During the past two months, a range of measures have been applied to ensure that our internal processes and procedures are ready. We are now writing to all our suppliers to ensure that you are formally aware of this policy.

Goods and services should only be supplied to Wirral Council after receipt of an official purchase order. If a valid purchase order number is not quoted on the invoice, then the invoice will be returned to the supplier. You are advised not to undertake or make any commitment with Wirral Council for the supply of goods and services until the official order has been raised. Failure to comply with this may result in non-payment of your invoices.

This is being implemented to increase efficiency in the procurement and payment processes across the Council.

### **Benefits of “No PO No Pay” policy**

- Ensures that purchases are authorised before goods, services and works are supplied.
- Enables the Council to process invoices efficiently thus ensuring a positive payment profile with suppliers or contractors.
- Allows accurate timely reporting, budgeting and forecasting across the Council.
- Removes potential risk to the Council by formally agreeing the terms of engagement before the supplier or contractor commits to deliver.

In accordance with the “No PO No Pay” policy, any invoice received from a supplier or contractor which does not clearly state a valid Purchase Order provided by the Council will be rejected and returned to the supplier or contractor.

### **What is a PO number sequence for Wirral Council?**

The Council’s Corporate Procurement System, called Oracle, generates Purchase Orders in the current format of 6 digits.

### **Exceptions to “No PO No Pay”**

The following expenditure or circumstances do not require POs. The Exceptions List currently covers:

- Telecommunication services (landline and mobile)
- Utilities, for example electric, gas, water, refuse
- Postal services

- Grant (payments) to research partners and collaborators, where the Council acts as lead partner.
- Rent (where covered by a signed Long-term Lease Agreement) – short term rental requires a PO.
- Water Rates
- Payments to or on behalf of Public Bodies – non-procurement related payments only. A PO should be raised in respect of any procurement related spend.
- Payments to individuals
- Legal services for the appointment of Counsel or the appointment of experts for the purpose of legal or potential legal proceedings.
- Payments for the acquisition of land and property
- Payments for the disposal or acquisition of securities and investments
- Purchasing and Credit Card payments
- Purchase order received directly from Schools
- Car Leasing Services
- **Council Portals which support Electronic Transactions;**
  - Liquid Logic
  - Capita
  - Controc
  - Concerto
  - SPLS
  - Talis

This list is under constant review and any further changes will be communicated to our suppliers by email.

An initial default will temporarily apply to membership subscriptions (Corporate or otherwise), whereby invoices can be received without a PO, and will be reviewed on a case by case basis. Where such a subscription merits a PO exempt status, on review, both the supplier and requisitioner will be informed and our list updated.

### **Emergency Purchase Order**

In exceptional circumstances an Emergency PO reference can be supplied followed with an official PO number generated within three working days.

### **Invoice Processing**

Invoices received without a current valid purchase order number (or an incorrect purchase order reference) will be returned unpaid to the supplier or contractor.

The supplier or contractor will be instructed to contact the Council employee who requested the goods, services or works to obtain the necessary purchase order information. Please ensure that any purchase order numbers quoted are current and valid.

## **Invoices**

All invoices should be submitted to Wirral Council's Accounts Payable team. Our preferred method for receiving invoices is via email to [corporatepaymentspo@wirral.gov.uk](mailto:corporatepaymentspo@wirral.gov.uk).

If paper invoices are submitted, they should be sent to;

Metropolitan Borough of Wirral  
Payments Out - PO Box 290  
Brighton Street  
Wallasey  
Wirral  
CH27 9FQ

## **Receiving a Purchase Order**

It is the council's policy to issue Purchase Orders by email; therefore to ensure that we have your most up to date email address (where our orders should be sent), can you advise us of these details via email to [procurementsupport@wirral.co.uk](mailto:procurementsupport@wirral.co.uk) (please avoid the use of a personal or individual email address).

If you are unable to receive PO's through email or electronically you must contact us to discuss this at [procurementsupport@wirral.co.uk](mailto:procurementsupport@wirral.co.uk).

## **Frequently Asked Questions from suppliers**

### **Q1: What is No Purchase Order No Pay?**

No PO No Pay is one of Wirral Council's key financial control measures to ensure that payments are made only to suppliers and contractors where the supplied invoice (paper or electronic) contains a valid official purchase order (PO) number (unless a pre-agreed exception applies – see Q6 below for full list)

### **Q2: Why a No PO No Pay financial control measure?**

No PO No Pay ensures that the Council only pays for goods, services and works which have been properly ordered and authorised. It also ensures invoices received by the Accounts Payable team can be processed efficiently to minimise delay to suppliers and contractors. Invoices received by the Accounts Payable team without a valid PO number will not be paid and will be returned to the supplier.

### **Q3: When does No PO No Pay come into effect?**

No PO No Pay applies to all orders of goods, services and works placed on or after 1st April 2019, and invoices received on or after this date.

### **Q4: From when should I ensure that I have a valid Purchase Order Number?**

suppliers must not, under any circumstance, accept any verbal or written order from a Council employee unless a valid PO number is provided

**Q5: How does No PO No Pay work?**

No PO No Pay requires all invoices submitted by suppliers and contractors to include an official PO number. In all, but exceptional circumstances, the PO number:

- will be generated from the Council's corporate systems, and
- issued to the supplier or contractor in advance of any goods services or works being provided

**Q6: How do I know that the PO has been approved at the correct level of authority?**

POs will only be produced by our corporate systems once authorised by the appropriate person.

**Q7: Will I be paid quicker if I quote a PO number?**

The Council encourages suppliers and providers to offer early settlement terms but a PO must always be quoted on invoices to prevent it from being returned without payment. Invoices may be delayed for payment if conditions exist that lead to the invoice being disputed.

**Q8: An invoice has been returned requesting a valid PO number must be quoted. How can this be obtained?**

You should contact the person who placed the original order instruction and ask them to provide a valid PO number. When obtained you should send a replacement invoice quoting the valid PO number to [corporatepaymentspo@wirral.gov.uk](mailto:corporatepaymentspo@wirral.gov.uk)

Note, you should cancel the original submitted invoice in your system as the Council will have not recorded this in your supplier account in Accounts Payable.

**Q9: What should I do if I have sent an invoice quoting a valid PO number and my payment appears to be delayed?**

Contact the Council's Accounts Payable team at [corporatepaymentspo@wirral.gov.uk](mailto:corporatepaymentspo@wirral.gov.uk)

Invoices may be disputed for a number of valid reasons that may include, but not limited to:

- PO number quoted on invoice is closed or complete
- PO number quoted does not match the issued PO
- Invoice quantities, description, dates or pricing do not match those on the quoted PO number

**Q10: I only supply Schools, does this affect me?**

Schools are not included in the No PO No Pay policy. There will be no changes to the way you manage purchase order you receive directly from schools.

For more information about Wirral council visit our website at [Wirral.gov.uk](http://Wirral.gov.uk)