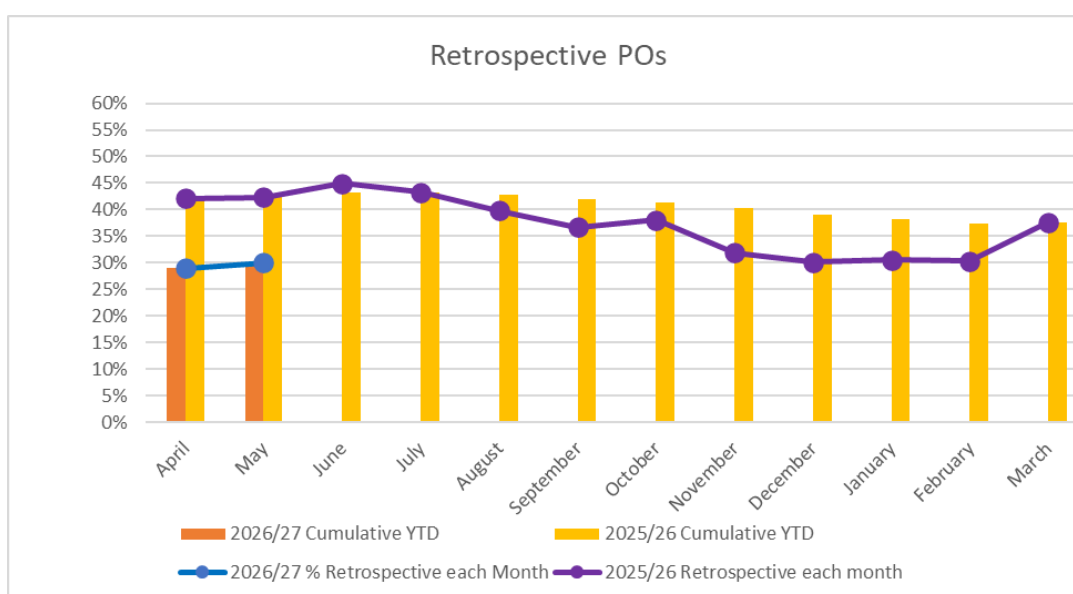


Purchase Order Compliance update 22 July 2026

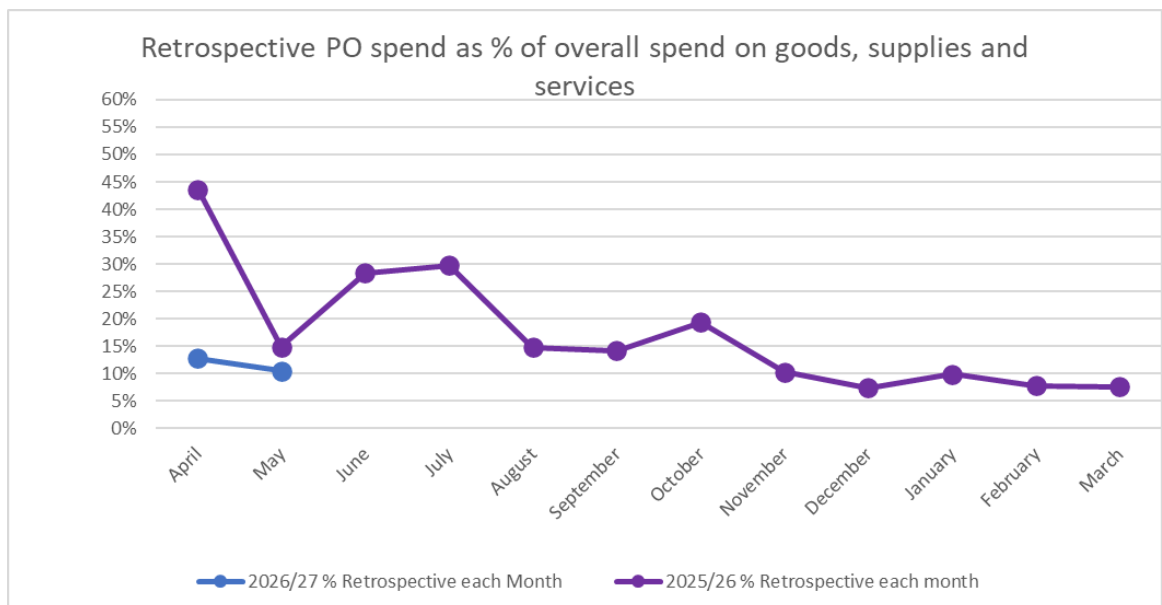
- 1.1 This update is provided at the request of the Audit and Corporate Governance Committee.
- 1.2 The following table provides an analysis of retrospective orders by gross value and volume. The measurement used is the invoices that have been cleared for payment and posted to the general ledger per month for the period April 2026 to May 2026 inclusive, excluding interface files. Of the £6.358m, £4.195m relates to prior year(s) invoices being processed.

Directorate	Retrospective Orders (No.)	Retrospective Orders (Gross £m)
Adults Services	11	0.256
Public Health, Public Protection, Engagement & Communities	35	0.095
Children's Services	236	1.532
Regeneration, Environment and Planning	136	0.894
Chief Execs Office	84	1.300
Corporate Resources	142	2.281
Below the Line Additions	1	0.001
Total Retrospective	645	6.358

- 1.3 The next graph provides the performance each month and the cumulative position over the year to date. 2025/26 performance data has been included as a comparator. The % of retrospective orders year to date as at the end of May 2026 is 29% (YTD May 2025: 42%), representing a 30% improvement (reduction) in the number of retrospective purchase orders from the same point last financial year.



- 1.4 The volume of retrospective purchase orders has remained consistent at around 30% during the first two months of the 2026/27 financial year.
- 1.5 During last year there was targeted activity at reducing retrospective purchase orders which is shown in Appendix A including current progress. Training, policies and process was identified as a significant contributor. Therefore, the guidance has been refreshed and procure to pay training developed which commences late June and will be mandatory for all officers involved in the process.
- 1.6 It is important to note that whilst steps continue on improving PO compliance, the next graph provides the direction of travel each month on the value of retrospective purchase orders as a percentage of overall gross spend on all goods, works and services which continues to reduce. This includes interface files which are processed via the council's supplier payment process. During May 2026, 11% of gross spend related to retrospective orders being £1.923m of £18.301m spent.



Appendix A – Action plan

Action	Purpose	Lead	Timescale	Progress
Set a clear “No PO, No Pay” policy with limited documented exceptions	Reinforce that orders must be raised before commitment except in genuine emergencies	Finance Accounts Payable Manager	Already in place	“No PO, No Pay” policy was communicated to suppliers in January 2025, with a further reminder of the policy in April 2025 at the start of the 2025/26 financial year The PO will be amended to communicate the policy to suppliers Regular updates are included on internal communications
Review and simplify Unit4 (finance system) approval workflows	Reduce delays, remove unnecessary approval steps and ensure delegations are correctly configured	Finance Systems and Procurement	Complete	Work has taken place on the approval workflows within Unit4. PO workflow is now aligned with the Finance Procedure Rules. Budget Holder = Level 1 Approver Head of Service = Level 2 Approver Director = Level 3 Approver Executive Director = Level 4 Approver A Unit4 bug fix implemented in April on distribution of missing goods receipts workflow
Introduce directorate-level Retrospective PO (RPO) reporting	Show volumes, values, reasons, suppliers and responsible teams so managers can intervene	Finance	1-2 months (30/09/2026)	There is currently a council wide weekly and monthly report available with basic data capture, however, this report is not configured for Directorate reporting distribution Scope to be defined and Unit4 developer time allocated (within Finance Improvement Programme)
Target repeat offenders and high-risk categories	Focus effort where the majority of RPOs arise rather than using a generic approach	Directorate Management	Ongoing	5 of the 20 prolific RPO offenders have engaged with finance to discuss reasons for raising retrospective POs and we are seeing a reduction in those high volume areas A weekly email is sent to all Level 1 approvers that have RPOs. This was a soft launch reminding level 1 approvers of their duties to comply with the Finance Procedure Rules
Refresh user training and guidance	Improve understanding of when and how to raise requisitions and manage receipting in Unit4 through to making payment	Finance Systems and Procurement	Complete – Mandatory training commences 2 July 2026	Guidance has been refreshed. Training material has been developed. All requisitioners and budget holders will be asked to attend to training, to upskill officers and embed best practice

Action	Purpose	Lead	Timescale	Progress
Set up recurring and predictable spend in advance	Create call off purchase orders or schedules for regular payments under contract during the financial year (or across contract lifecycle)	Budget Holders	Ongoing	Evidence of blanket POs being raised, particularly for high value areas, such as transport, waste, energy, agency workers and property maintenance
Strengthen supplier communication	Require suppliers to quote a valid PO number on invoices and discourage acceptance of off-system orders	Procurement and Accounts Payable	Immediate	Requirement is in place as part of 'No PO No Pay' Policy. Email to suppliers accompanying POs to to be strengthened and PO template to be enhanced to communicate policy.
Use monthly compliance reviews with escalation	Make senior managers accountable for persistent non-compliance	Executive Directors and Section 151 function	Ongoing	Emails to Level One approvers weekly on Retrospective Purchase Orders
Assess unused Unit4 functionality	Enable stronger controls such as better matching, workflow alerts, exception handling and commitment visibility	Finance Systems	tbc	Existing controls in place using existing functionality. Unused functionality to be explored as part of the Finance Improvement Programme and resource availability