

Meeting	Finance & Policy Committee
Date	19 th July 2022
Report Title	Purchase Order Module on Rialtas Software
Agenda Reference	15
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Officer's Recommendations:

- 1. To add the Purchase Order Module to the current Rialtas financial software suite at an additional cost of £395.00 (one off purchase) and £146.00 per annum for support and maintenance.**
- 2. To note the overspend in 4024/101 will be met partly by the underspend in Audit 4023/101 and from General Reserves.**
- 3. To note the three-year financial impact of the purchase.**

Purchase Orders – Current Process

The Parish Council issues purchase orders for any order over £50 in accordance with Financial Regulation 10.1. Currently the Administration Assistant types out each order (from a Word template) and assigns the budget code to the order (under the direction of the relevant Officer). The purchase order is then printed and signed by the Chief Officer/Clerk & RFO and stored in a file until the order is fulfilled. When the invoice is received the Administration Officer attaches the purchase order and it is then stored with the invoice. The invoice is then processed by the Finance Officer/Deputy RFO on the Omega accounting system (Rialtas software). The invoice details are input on to the purchase ledger module at this point. With the new upgrades to the accounting software the invoice is also uploaded to the accounting software.

There is currently no software link between the purchase orders, invoicing, and payments. The detail matching between purchase order and invoice relies on the Officer manually checking both documents.

On average there are 8-10 purchase orders raised per week, this is likely to increase when the procurement of Grounds Maintenance Facility is underway and in operation.

Rialtas Purchase Order Module Process

The Administration Assistant will input the purchase order on the Rialtas software. At this point the budget code is allocated and the budget will then show a committed spend (on the income and expenditure report) and reduce the balance available. The software will automatically highlight at this point whether the budget is already spent. The purchase order can then be printed and authorised in the normal way. The purchase order is also stored electronically on the Rialtas accounting software. A system will be devised (either using PDFs or the accounting software) to enable the Chief Officer to authorise electronically to reduce paper printing, stationery costs etc.

When the invoice is received the Finance Officer/Deputy RFO will process on the accounting system. The continue to reduce paper usage the aim is to scan all invoices and attach them electronically to the supplier accounts on the system. The software will ask if the invoice is linked to a purchase order on the supplier's account. If so, it will pull through the information from the purchase order and auto fill the purchase ledger fields with the budget coding and description. The figures will be input, and the system will highlight any differences between the purchase order and the invoice.



Benefits of Rialtas Module Versus Manual Process

- Links to invoice and saves 'double handling' the detail when processing, making working practices more efficient
- Highlights potential overspend on budgets and reduces time correcting (journaling) any miscodings
- Immediately allocates the spend to budget and shows as committed expenditure
- Purchase orders can be tracked via reports on the system so any purchase orders not fulfilled can be monitored
- Gives greater oversight on the accuracy of invoicing according to agreed purchase order
- All purchasing documents are stored electronically and easily accessed via the transaction record – thus making auditing more streamlined.

Budgetary Impact

If approved and implemented from 1st August 2022 the annual fee for 22/23 will be pro rata at £97.00 plus a £395.00 one-off purchase of the software.

To note the budget code for this area (IT Support 4024/101) is currently projected to be overspent by £1,179.00. The overspend is made up of:

- the upgrade to the Cloud based Rialtas software where it was agreed that an underspend in the Audit budget code (4023/101) would go towards the software upgrade.
- the payroll software (Brightpay), costing £299.00 per annum had not been included in the budget calculation for the current year and the overall budget allocation did not cover the existing software packages.
- some discrepancies in the accounting lines in the budget spreadsheet totalling approximately £400.

Impact Summary

Procurement & Financial:

Financial Year	Budget Code	Current Budget	Projection for existing packages including PO module.	Net impact on budget
2022/23	IT Support (4024/101)	£6,487	£8,158	(£1,671)
	Audit (4023/101)	£3,366	£2,875	£491
	Net of both budgets			(£1,180)
2023/24	IT Support (4023/101)	£6,617	£7,795	(£1,178)
	Audit (4023/101)	£3,433	£2,932	£501
	Net of both budgets			(£674) 0.06% on precept
2024/25	IT Support (4024/101)	£6,749	£7,949	(£1,200)
	Audit (4023/101)	£3,502	£2,990	£512
	Net of both budgets			(£688) 0.06% on precept

Climate Change Impact: There is no impact within the service delivery. The Council is developing its carbon footprint in line with its strategy.

Risk Assessment: N/A

Operational Considerations: Improved staff efficiency – approx. 35-40 hours per annum saved.