

World Vision UK Payment Practices Action Plan Summary Updated Jun 2023

Supplier payment to contracted terms is important to World Vision UK (WVUK) to fund our programmes and deliver improvements to the lives of the children and their families that we serve.

Payment Practices Reporting

Percentage of invoices paid	Oct 21 – Mar 22	Apr 22 – Sep 22	Oct 22 – Mar 23*
Within 30 days	53%	62%	71%
Between 30-60 days	36%	27%	19%
Greater than 60 days	11%	11%	10%
Due but not paid by the last date for payment under agreed contractual terms	49%	38%	33%

*The above figures for Oct22 - Mar23 exclude invoices that are subject to formal dispute

There has been a clear improvement in performance, as staffing issues have been addressed and the action plan implemented. WVUK has identified additional actions to automate the accounts payable function and shorten the time to payment, to achieve >95% of suppliers paid within 60 days - and ultimately aim for 100% of undisputed supplier invoices paid to contracted terms. Those actions are set out in the plan below.

Why are some valid invoices still not paid within 30 days?

Our assessment has identified the following reasons for continuing delayed payment of invoices:

1. Some suppliers send invoices to WVUK managers instead of sending invoices directly to Accounts Payable. Those managers, in turn, are not forwarding-on invoices promptly.
2. In some instances, suppliers are issuing their invoices late (WVUK records the invoice receipt and monitors the days-to-pay from invoice date, not date of receipt).
3. Invoices that have been received and recorded are not always being promptly approved for payment.
4. In some instances, invoices are received without a corresponding Purchase Order Number.
5. In some instances, invoices are received without a Purchase Order having been generated and approved.
6. WVUK's invoice processing is manual.

Action Plan Progress

Items 1-11 have been completed. The table below shows only new or incomplete actions:

Item	Action	When	Complete
12	Demonstration of automated Accounts payable system as recommended by finance system consultants	20/06/2023	Yes
13	Develop and document WVUK's requirements for replacing its finance application	31/07/2023	In progress
14	Produce business case and options for finance application and/or AP application for Finance Team leadership review	31/07/2023	In progress

Reporting

Progress on improving payment practices has been discussed regularly by the Financial Controller and Chief Financial Officer and will continue to be reviewed monthly by the Financial Controller and at least quarterly with the Chief Financial Officer. Payment times have improved with greater than 90% now being paid within 60 days.

The Action Plan will be updated on at least a six-monthly basis in line with the payment practices reporting requirements. It is our intent to ensure that all of our suppliers are paid within their agreed contractual terms. The implementation of a Purchase to Payment System would offer a significant improvement in invoice processing timescales.