

## Finance Process overview

	Summary Details
<b>Process Name</b>	Expenses
<b>Process Owner</b>	Christopher Heath
<b>Process Objective</b>	Ensure expenses (direct, payroll, intercompany, recharges, allocations and other related expenses and payments) recorded in the ledger are accurate and complete.
<b>Process Scope</b>	The process includes setting up and maintaining supplier and employee master files; recording of expenses in the ledger including the expense approval process; payment of expenses; expense recharges and allocations and analysis within FDM including the setting up of expense allocation rules, expense allocations processing/calculations and posting of expense allocations adjustments from FDM to the ledger.

## Summary of Findings and Recommendations

Below is a list of findings or recommendations identified in the premium process:

	Summary Details	Classification ( <i>design gap, control gap, process improvement</i> )
1	There is no standard consistent process for approving changes to supplier master data in all locations. While there is a standard approval process operating in US and UK, where the Accounts Payable manager approves all such changes this process is not in place in other regions mainly due to lack of resources. Although there are some compensating controls in place (e.g. approval of all invoices), consideration should be given to standardise this process. Approval of changes to supplier master data could be done globally if supporting documentation is attached to the supplier master file request for change.	control gap (for AP process)
2	The expenses accrual process is not standard and consistent globally. UK MI Reporting team maintains an accrual schedule containing all accrued expenses and calculates releases and associated journals from the accruals control account to the profit and loss accounts. The accruals schedule is reconciled to the accruals control account on a quarterly basis. The reconciliation is reviewed and signed off by the MI Reporting Manager. The same process is not applicable to US and other locations where different accrual processes are used. Consideration should be given to standardise or implement a global process.	Process improvement  (This was discussed across the UK/US at the start of the year and Finance are happy with the processes run in each location)
3	There are only two members of staff (Richard Booth and Bob Sherlock) who are able or knowledgeable to prepare the payroll summary reports and post the payroll journals. There is a risk of key person dependency. It is recommended that another individual be trained to perform this task if required. Also the work performed by Talent Management (Richard	process improvement  (Payroll review is underway and on-going)

	Booth) is not currently being reviewed at source which may result in errors not being detected on time. [At the time of review there was a plan to add another staff member to be able to perform these tasks.]	
4	Expenses data load from source systems/input files to FDM is significantly manual via the FDM control sheet and prone to human error. Finance should consider making this process automated.	process improvement
5	The posting of expense allocations journals from FDM to Agresso is significantly manual via posting engine sheet and prone to human errors. Finance should consider making this process automated.	process improvement

## Future Development Requirements

Below is a list of findings or recommendations identified

	Summary Details
1	Automation the expenses data upload from source systems/input files to FDM.
2	Automation of the posting of expense allocations journals from FDM to Agresso.

## Risk Register Controls

Below is a list of controls identified for the risk register

POAP Major Process Objective (s)	Risk Register Control	Status/Comment
Ensure supplier and employee master data is valid, accurate and complete.	The Accounts Payable Manager reviews and approves all requests for changes to supplier master file on Agresso for UK and US trade creditors and employees. The changes include new supplier or employee set up or amendments to existing supplier or employee details. The Accounts Payable Manager reviews each change request against supporting documentation which is attached in Agresso and once satisfied approves the change request for the change to be live in Agresso.	Proposed addition to the Risk Register. New This control is in place in UK and US. Various compensating controls are applied in other countries. Recommended to consider applying the control globally.
Ensure all valid business expenses are accurately and completely recorded in the ledger.	The Accounts Payable Manager coordinates the review and, if necessary, update of the global expense policy on a yearly basis. The updated global expense policy is reviewed and approved by Head of Finance Operations and Systems Development. Once approved the global expense policy is communicated to all staff and is made available via the intranet.	Existing control #391 - Control wording has been updated.
	The Accounts Payable Manager coordinates the review and, if necessary, update of the accounts payable policy on a yearly basis. The updated accounts payable policy is	Existing control #402 - Control wording has been updated.

POAP Major Process Objective (s)	Risk Register Control	Status/Comment
	reviewed the Head of Finance. The policy should cover objectives, payment terms, note on authorities and approvals, key roles and responsibilities (such as the role of 'approver'), and the scope of the policy. Once approved the accounts payable policy is communicated to all staff and is made available via the intranet.	
	Balance sheet reconciliation dashboards are completed on a quarterly basis. Any issues arising are escalated to the Head of Global Finance and appropriate actions are put in place to resolve the issues. The issues are and are tracked to resolution.	Existing control #452 - Control wording has been updated.
	'Accounts Payable team reviews the master global authorised signatory list on BIC on a quarterly basis and ensure that the master list has been updated with all expense authority form requests for the quarter. The team also check and confirm that the applicable systems authority levels reflect the access levels on the updated master list and the authority forms. This is evidenced by reconciliation of the master list with the expense authority forms and access to the relevant systems.	Existing control #398 - Control wording has been updated.
Ensure that payments are made only for valid /authorised expenses and that the payment is accurately recorded	All invoices are paid on a timely basis. Invoices payment runs are done on a weekly basis. The Accounts Payable Manager reviews all invoices which are parked on the Agresso approval workflow before each payment run; informs the relevant approver that they have invoices awaiting approval in their workflow and obtain any reasons why the invoices have not been approved. If required parked invoices may be re-routed to other approvers who have the same level of approval authority, for example during the absence of the original approver to ensure that the invoice is paid on time. Accounts Payable Manager reviews a monthly analysis of invoices payments and ensures that the payments were made within the agreed target invoice processing times.	Existing control #399 - Control wording has been updated.