

AP Invoice Workflow at ACC
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Abstract

This paper covers the centralised accounts payable invoice process implemented at ACC from the receipt of an invoice in AP, invoice scanning, workflow to administrators for coding then to approvers, approval / rejection process, tracking of approval comments, information requests and reporting. The focus is on the business process rather than the more technical/detailed AME/workflow set up. Note that this process relates only to non-claim related payments of ACC, claim-related payments are managed by different processes and systems.

Overview of ACC

The accident compensation scheme came into operation on 1 April 1974. It was founded on the principles of 'prevention, care and recovery'. The Accident Compensation Corporation (ACC) administers New Zealand's accident compensation scheme, which provides personal injury cover for all New Zealand citizens, residents and temporary visitors to New Zealand. In return people do not have the right to sue for personal injury, other than for exemplary damages.

ACC is a Crown entity responsible for:

- preventing injury
- collecting personal injury cover levies
- determining whether claims for injury are covered by the scheme and providing entitlements to those who are eligible
- paying compensation
- buying health and disability support services to treat, care for and rehabilitate injured people
- advising the government.

ACC provides accident cover, injury prevention services, case management, medical and other care and rehabilitation services. New Zealand's accident compensation scheme provides 24-hour no-fault personal accident insurance cover.

ACC's pledge

Our pledge is to prevent injury, to provide the best treatment and care if injury occurs, and to quickly rehabilitate people back to work or independence at a price that offers high value to levy payers and all New Zealanders

ACC is a Crown entity, run by a Board of Directors who are responsible to the Minister for ACC, Hon Ruth Dyson.

We have approximately 2,000 staff around New Zealand. Staff are located at our Corporate Office in Wellington, our Business Service Centre, at one of our 31 branch offices, or our four contact centres.

Overview of Oracle Financials Project

Previously, ACC was using SMARTStream Financials. In September 2003, ACC implemented the Accounts Receivable module of Oracle Financials but maintained the other functionalities of SMARTStream.

The Oracle Financials project was to fully replace SMARTStream. Modules implemented were general ledger, accounts payable, projects, fixed assets, cash management and Discoverer. This went live on 6 December 2004.

The Advanced Collections module (as a separate project) was implemented in April 2005. This in conjunction with the core Oracle Financials system allows ACC to significantly enhance its debt management functionality and capacity.

With SMARTStream, ACC ran a de-centralised Accounts Payable process. It was decided with the implementation of Oracle Financials that we would centralise the accounts payable function. This major process change resulted in a new process for coding and approving invoices supported by workflow and invoice imaging.

Overview of old ACC Accounts Payable process

Each branch initiated their purchases and dealt directly with the suppliers in their local area. The invoices were sent directly to the branch by the suppliers where the branch administrator confirmed receipt of goods or services, verified the invoice and entered the invoice directly into SMARTStream. The invoice would then be submitted for approval by the branch manager in SMARTStream.

The approval workflow was based on an organisational hierarchy and cost centre combination. Anyone who had access to SMARTStream could manually change or add additional approvers depending on the invoice charges and amounts. Invoice approval could be manually overridden or be re-directed to another cost centre or branch if it was required. All invoice documentation was held at the branch.

All invoices over \$20k were automatically workflowed to the FMIS team where these were manually checked to ensure that the appropriate approvers with the delegated authority were added. For example, ACC's policy requires invoices over \$20K to be approved by the GM. SMARTStream was a semi-automated process that relied heavily on peoples' understanding and adherence to the financial delegation rules.

The cost centres situated at Corporate Office followed the same process as above except SMARTStream would place these invoices "On Hold" once they were approved by the appropriate manager. Cost centres would then forward the physical (paper) invoices to Corporate Accounts Payable who would then review and manually remove the hold. The payment runs were completed centrally along with electronic invoices and overseas payments.

New suppliers were set up at each branch and cost centre with the necessary documentation forwarded to Corporate Accounts Payable for reviewing, approving and loading of the bank account details.

Overview of new ACC AP process

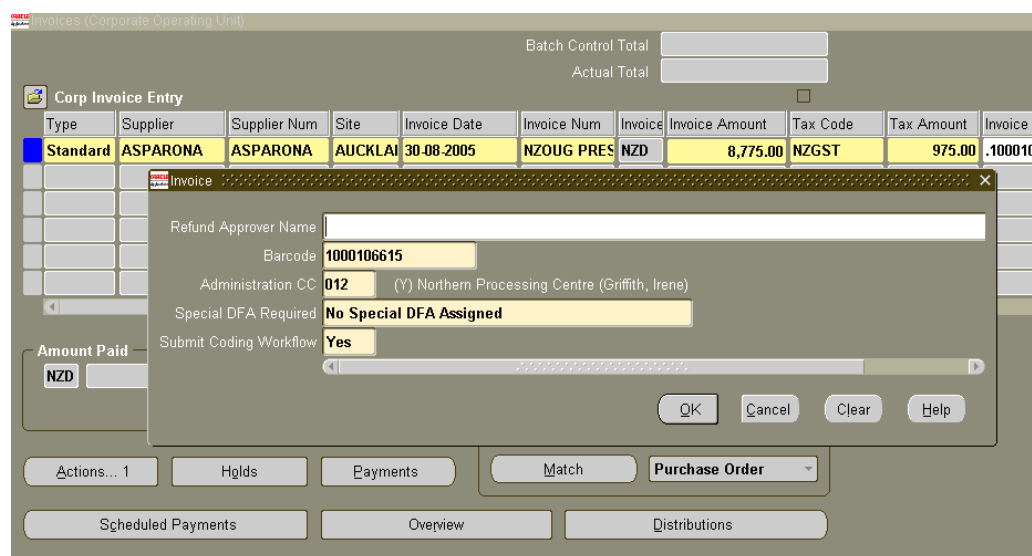
Each branch/cost centre initiates their purchases and the resulting invoices are sent directly by the suppliers to Corporate Accounts Payable. It is a requirement that the suppliers provide

a cost centre reference on their invoices to enable Accounts Payable to route the invoices to the appropriate cost centre.

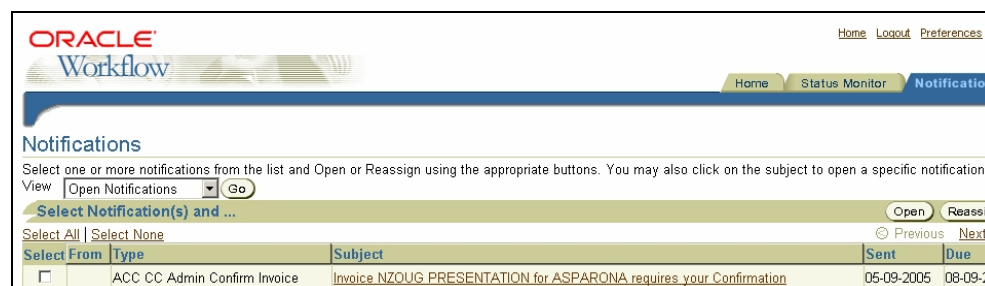
Corporate Accounts Payable date stamps all incoming invoices and verifies that they are not claim related. The invoices are then batched up according to types/payment priority e.g. power bills with prompt payment discounts. A unique barcode is attached to the front page of each invoice (this is used for linking to the invoice image stored in the system). The batches are sent to an outsource provider for scanning. For control purposes a register is maintained for all batches with details of the number of barcodes, the barcode range and any additional invoices sent for re-scanning.

All scanned invoices are returned the following day with a CD containing their images in PDF format and a report showing barcode range, total number of invoices and total number of pages scanned. Images are first scanned in tiff format and then converted to searchable and non-searchable PDF's depending on invoice type. The report and images are reconciled to the register to identify any missing files. The images on the CD are then transferred to the server.

Corporate Accounts Payable initiates the invoice approval workflow by entering the invoice header information into Oracle Payables. This information consists of supplier, invoice number and date, invoice gross amount and GST along with Descriptive Flexfields for the barcode, administrator cost centre number, and any special approver (if applicable).



The invoice workflow is automatically forwarded to the cost centre administrator as a web page showing the invoice header details and a link to the invoice image. The administrator opens the notification and invoice image, confirms that the goods or services have been received, enters the invoice line/s and confirms the invoice entry is complete. The administrator has the option to reject the workflow with appropriate comments back to accounts payable.



ORACLE
Workflow

Home Logout Preferences

Notifications > Notification Details

Invoice NZOUG PRESENTATION for ASPARONA requires your Confirmation

Reassign Request Informa

From
To **Griffith, Irene**
Sent **05-09-2005 16:59:29**
Due **08-09-2005 16:59:29**
Notification ID **228189**

The following invoice requires your confirmation.

Supplier: ASPARONA - AUCKLAND **Created By:** Griffith, Irene
Invoice Number: NZOUG PRESENTATION **Organisation Name:** Corp
Invoice Date: 30-Aug-2005 **Invoice Creation Date:** 05-Sep-2005 16:56
Invoice Amount: \$8,775.00

[Click here to view the Invoice Image](#)

Item Reference: 138001_1

[Response](#)
[Click here to view/edit Invoice Lines](#)

The custom Web Page displays invoice information and allows new invoice lines to be added

Administrator Cost Centre Invoice Confirmation

Please review the following Invoice. You can Edit and Confirm or Reject with comments and send back to Accounts Payable

Invoice Number: **NZOUG PRESENTATION** Invoice Date: **30-Aug-2005**
Supplier: **ASPARONA** Site: **AUCKLAND**
Invoice Total: **\$8,775.00 (inclusive of GST)** Coding Confirmed By: **Griffith, Irene**
GST Amount: **\$975.00**

To view the scanned invoice image please click on this link: <http://zeus.acc.org.nz/@1000106615.pdf>

Incomplete Information:
You will not be able to Confirm unless Distribution Total of the Invoice line/s add up to the Invoice Total (inclusive of GST), above

Invoice Details:

Line	Entity	Fund	Cost Centre	Account	Analysis	Project	Task	Expenditure Type	Description	Includes GST?	Amount
2	ACC	01	012	30005	0		Select a Project		Invoice for NZOUG pre	Yes	7800
										Distribution Total:	8775
										Remaining Total:	0

[Add a New Line](#)

Comments to the Approver:

Relevant comments (eg PO number) can be noted here and form part of the invoice approval history

Reject Confirm Save

Once the invoice lines are confirmed, the workflow validates the invoice and sends it to the first approver. The first approver receives the web page notification showing the invoice header details with a link to the image. The approver checks the line details and approves the invoice or rejects it with appropriate comments back to either the administrator or accounts payable.

Invoice NZOUG PRESENTATION for ASPARONA requires your approval.

Reassign Request Informa

From
To **Griffith, Irene**
Sent **05-09-2005 17:18:00**
Due **08-09-2005 17:18:00**
Notification ID **228191**

Accounts Payable has received an invoice, but the invoice cannot be paid until you provide your approval.

Supplier: ASPARONA
Supplier Site: AUCKLAND
Invoice Date: 30-08-2005
Invoice Number: NZOUG PRESENTATION
Invoice Currency: NZD
Invoice Amount: 8,775.00
Description:
PO Number:

[Click here to view the Invoice Image](#)

Item Reference: 138001 1

[References](#)

[Response](#)
[Click here to view/edit Invoice Lines](#)

Approver opens custom web-page to see invoice details

Financial Invoice Approval

Please review the following Invoice. You can Approve or Reject - please select an option below
 If multipart cost centres are shown, you are only responsible for approving those charges against the cost centre under your delegation

Invoice Number: **NZOUG PRESENTATION** Invoice Date: **30-Aug-2005**
 Supplier: **ASPARONA** Site: **AUCKLAND**
 Invoice Total: **\$8,775.00 (inclusive of GST)** Coding Confirmed By: **Griffith, Irene**
 GST Amount: **\$975.00**

Financial Approval History:

Action Date	Approver	Action	Comments
05-Sep-2005 17:18	Griffith, Irene	Pending	

To view the scanned invoice image please click on this link: <http://zeus.acc.org.nz/@1000106615.pdf>

Invoice Details:

Line	Entity	Fund	Cost Centre	Account	Analysis	Project	Task	Expenditure Type	Description	Includes GST?	Amount	CC Manager
2	ACC	01	012	30005 (Building Maintenance)	000000				Invoice for NZOUG presentation	Y	\$7,800.00	Griffith, Irene

Comments to the Approver:

Reject Approve

Invoice Comments History:

Comments Date	From	Comment Type	Comments
05-Sep-2005 17:17	Griffith, Irene	Confirm from Coding Admin	Relevant comments (eg PO number) can be noted here and form part of the invoice approval history

If the Approver rejects the invoice, the selected Rejection reason directs the invoice either to Accounts Payable or the Administrator. The freeform Rejection Reason is compulsory and forms part of the invoice approval history

Reject Invoice

Please select a rejection reason then click the **Reject** button to Action.

Incorrect Coding - Reject to Administrator

Enter a Rejection Reason

Account code is incorrect - please modify.
 Thanks, Irene

Reject

Administrator receives notification and modifies the invoice lines as required and reconfirms

Administrator Cost Centre Invoice Confirmation

Please review the following Invoice. You can Edit and Confirm or Reject with comments and send back to Accounts Payable

Invoice Number: **NZOUG PRESENTATION** Invoice Date: **30-Aug-2005**
 Supplier: **ASPARONA** Site: **AUCKLAND**
 Invoice Total: **\$8,775.00 (inclusive of GST)** Coding Confirmed By: **Griffith, Irene**
 GST Amount: **\$975.00**

Financial Approval History:

Action Date	Approver	Action	Comments
05-Sep-2005 17:24	Griffith, Irene	Rejected	Account code is incorrect - please modify. Thanks, Irene

To view the scanned invoice image please click on this link: <http://zeus.acc.org.nz/@1000106615.pdf>

Invoice Details:

Line	Entity	Fund	Cost Centre	Account	Analysis	Project	Task	Expenditure Type	Description	Includes GST?	Amount
2	ACC	01	012	43020	000000		Select a Project		Invoice for NZOUG pre:	Yes	7800

Distribution Total: 8775
Remaining Total: 0

Comments to the Approver:




Account code has been changed

Reject Confirm Save

Invoice Comments History:

Comments Date	From	Comment Type	Comments
05-Sep-2005 17:24	Griffith, Irene	Send Back to the Coding Administrator	Account code is incorrect - please modify. Thanks, Irene

Approver approves invoice – notification is updated, invoice is approved and approval history is updated

Financial Invoice Approval    Back

You **Approved** this specific notification at 05-Sep-2005 17:31
 The current status of the invoice is reflected below

Invoice Number: **NZOUG PRESENTATION** Invoice Date: **30-Aug-2005**
 Supplier: **ASPARONA** Site: **AUCKLAND**
 Invoice Total: **\$8,775.00 (inclusive of GST)** Coding Confirmed By: **Griffith, Irene**
 GST Amount: **\$975.00**

Financial Approval History:

Action Date	Approver	Action	Comments
05-Sep-2005 17:31	Griffith, Irene	Approved	
05-Sep-2005 17:24	Griffith, Irene	Rejected	Account code is incorrect - please modify. Thanks, Irene

To view the scanned invoice image please click on this link: <http://zeus.acc.org.nz/@1000106615.pdf>

Invoice Details:

Line	Entity	Fund	Cost Centre	Account	Analysis	Project	Task	Expenditure Type	Description	Includes GST?	Amount	CC Manager
2	ACC	01	012	43020 (Consultants Fees)	000000				Invoice for NZOUG presentation	Y	\$7,800.00	Griffith, Irene

Invoice Comments History:

Comments Date	From	Comment Type	Comments
05-Sep-2005 17:31	Griffith, Irene	Confirm from Coding Admin	Account code has been changed
05-Sep-2005 17:24	Griffith, Irene	Send Back to the Coding Administrator	Account code is incorrect - please modify. Thanks, Irene
05-Sep-2005 17:17	Griffith, Irene	Confirm from Coding Admin	Relevant comments (eg PO number) can be noted here and form part of the invoice approval history

The workflow is sent to each required approver depending on the rule defined in Approval Manager Engine (AME). AME manages the approval list depending on the GL coding, cost centres, projects, invoice value and Special DFA (Delegated Financial Authority) entered on the invoice - there is no need to manually add approvers. Once the invoice is approved in full and it reaches its due date, it is processed in the next payment run.

Approvers can also reassign the invoice workflow to another approver. The approver can also “request for more information” from any user about a particular invoice. These are all recorded in the approval history.

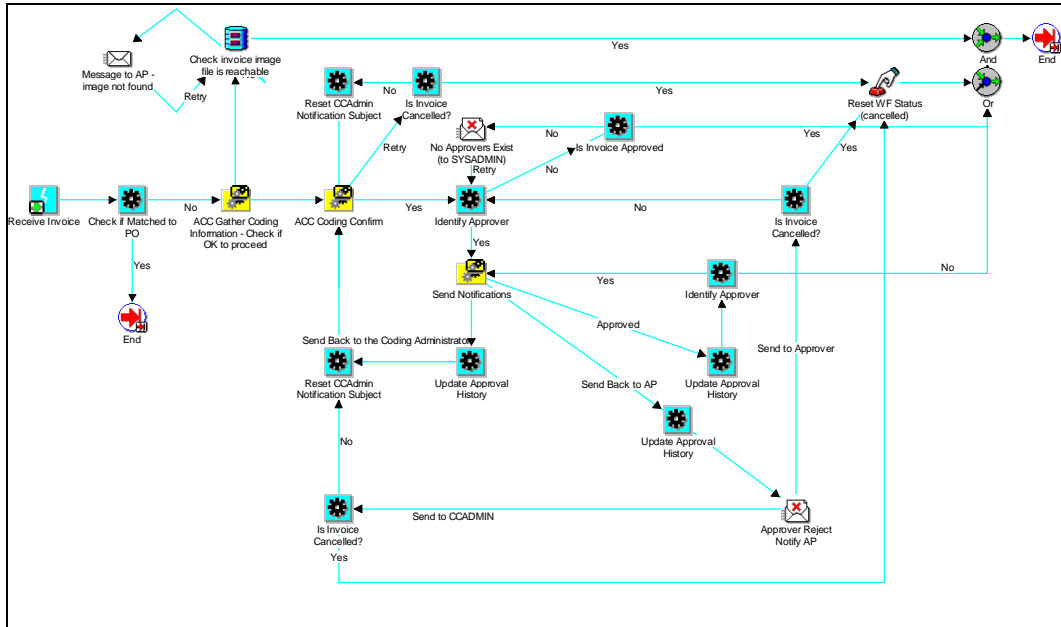
New suppliers are now initiated from Corporate Accounts Payable and there is a separate workflow in place to segregate the supplier set up, approval and bank account details process.

Enhancements made to the standard Oracle Invoice Workflow

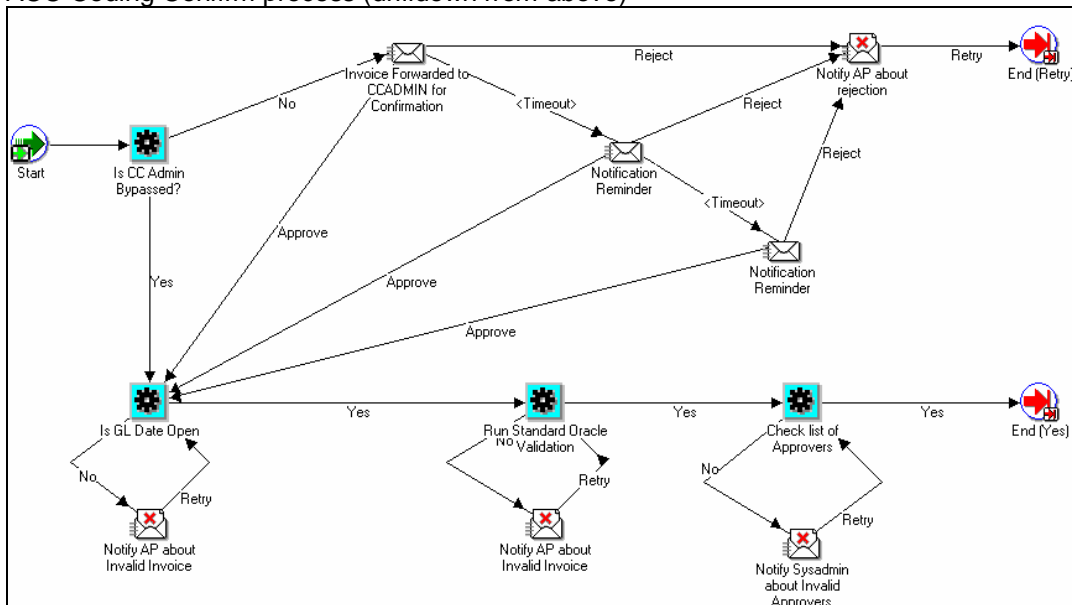
Once the new ACC Invoice entry and approval process had been defined, it quickly became apparent we would need to extend the standard Oracle AP Invoice Approval Workflow to meet the requirements. ACC not only wanted to workflow the invoice approval process, but also the invoice coding and validation, with the ability to view the invoice electronically. And once we drilled down further, we also wanted to track and record approval and rejection comments.

To cater for this, a new web form was developed that provided details of the invoice and allowed invoice line information to be entered and validated. New processes were added to the APINV workflow to build the attachment from the invoice to the scanned invoice image, use the new web form as the basis for all notifications created during the Invoice workflow, and perform several validation checks during the workflow. If an invoice fails any of the validation a notification is sent either to Accounts Payable or the System Administrators for action.

ACC Invoice Workflow



ACC Coding Confirm process (drilldown from above)



Approvals

ACC's invoice approval rules are defined in Oracle's Approvals Management Engine (AME). The Invoice Approval workflow uses these rules to determine who is required to approve the invoice. For example, all invoices are forwarded to the cost centre manager for approval except where it relates to a project or has Special DFA.

Standard Approval

ACC's standard approval is based on the total invoice amount and the Cost Centres the invoice has been charged to. If multiple cost centres are used, a notification is sent to each Cost Centre manager in turn.

Limit	Approver
Up to \$20,000	Cost Centre manager
\$20,000 – 50,000	GM
50,000 – 250,000	CEO
> \$250,000	Board

Additional Approvals:

If the invoice has been coded to a Project or Analysis Code (part of the GL Account) the Project Manager or delegated person must approve it before it is approved by the Cost Centre manager.

Non-Standard Approval (Special DFA):

Specific Invoices (for example Property Rentals, national contracts) for specified suppliers may be approved by one person on behalf of ACC. This information is stored in Descriptive Flexfields on the supplier site.

Reporting – Oracle / Discoverer

Aside from the Oracle standard reports, there was a need to be able to monitor the invoice workflow from Corporate Accounts Payable and a need by the business to see the status of any invoice.

A new report based on the Invoice Approval web page was developed for Accounts Payable. This report is accessible from the Invoice Workbench Actions menu.

Invoice History Report

Enter the Invoice and Supplier Number then Click GO:

Invoice Number: Supplier Number:

Supplier: **ASPARONA** Site: **AUCKLAND**
 Invoice Number: **NZOUG PRESENTATION** Invoice Date: **30-Aug-2005**
 Invoice Total: **\$8,775.00 (inclusive of GST)** Cost Centre Admin: **Griffith, Irene**
 GST Amount: **\$975.00**

Financial Approval History:

Action Date	Approver	Action	Amount Reviewed	Comments
05-Sep-2005 17:31	Griffith, Irene	Approved	8775	
05-Sep-2005 17:24	Griffith, Irene	Rejected	8775	Account code is incorrect - please modify. Thanks, Irene

Invoice Comments History:

Comments Date	From User	Comment Type	Comments
05-Sep-2005 17:31	Griffith, Irene	Confirm from Coding Admin	Account code has been changed
05-Sep-2005 17:24	Griffith, Irene	Send Back to the Coding Administrator	Account code is incorrect - please modify. Thanks, Irene
05-Sep-2005 17:17	Griffith, Irene	Confirm from Coding Admin	Relevant comments (eg PO number) can be noted here and form part of the invoice approval history

To view the scanned invoice image please click on this link: <http://zeus.acc.org.nz/@1000106615.pdf>

Invoice Details:

Line	Entity	Fund	Cost Centre	Account	Analysis	Project	Task	Expenditure Type	Description	Inclusive GST?	Amount	CC Manager
2	ACC	01	012	43020 (Consultants Fees)	000000				Invoice for NZOUG presentation	Y	\$7,800.00	Griffith, Irene

The Discoverer AP Invoices Pending Approval report shows all the invoices where the workflow notification is open. This tells us who the invoice workflow is sitting with and for how long, if it has been rejected and who it has been rejected back to, (e.g. Manager, Administrator or Corporate Accounts Payable) as well as any comments.

The Discoverer GL transaction report with invoice image reports shows all the associated line transactions, invoice header details, journals, accruals and provides a link to the image of the invoice for a specified period.

The Discoverer AP Invoice Status Report was developed for use by the branches. This allows the branches to advise the supplier of the status of their invoices. The report provides basic information and if further information is required the supplier is put through to Corporate Accounts Payable.

Transition – tips for others

When embarking on a large project such as this you need input from key people in the wider organisation. These people will bring valuable information to the project so should be brought on board as early as possible.

ACC was not only changing the financial system but also changing to a centralised process at the same time. It is important not to underestimate your resource requirements. ACC started off with 3 staff in Corporate Accounts Payable and this very quickly grew to a team of 12 immediately after the implementation of the centralised process. The number has since reduced as processes are bedded down and knowledge increased. The difficulty with the transition phase is for new staff to learn about Oracle, the organisation and its processes – this all takes valuable time and resource.

Throughout the project, many of us in the project team assumed that people knew about things. Makes sense as we knew what we were talking about! This is very dangerous and you should always assume that people know absolutely nothing. Even if they do know it doesn't hurt to go over everything again as people do have different perceptions.

It is important to maintain communication with your suppliers. Keeping both the suppliers and their usual local contacts (in this case ACC Branches) up to date with what is happening prepares them for up coming changes with both the new system (setting the expectations of any likely issues that may arise – believe me they will be more tolerant if they are aware) and any new process that they may need to follow.

Corporate Accounts Payable does not process any claim related invoices. However some invoices (for example from doctors) we received were claimant related and were hard to distinguish. To assist in the identification of these invoices, clear guidelines were defined that allowed staff to identify invoices that were potentially claim-related, and a process to obtain clarification was developed.

Make sure you understand the impact of the change in process to your end users. In our case we took away their AP system so their visibility of what was happening to their invoices was lost. To mitigate this we developed a number of Discoverer reports which are continuing to be further enhanced as the process evolves.

Conc¹lusions

The move from a de-centralised to a centralised system has been accepted by the wider organisation and feedback from users is positive.

Using workflow for the whole process means that it is easy to monitor incomplete invoices and follow up where required. Now that invoices are scanned, there is less paperwork

floating around the organisation and we no longer 'lose' the original paper copies. The electronic image is accessible at any time to all authorised staff.

Corporate Accounts Payable are better able to monitor adherence to ACC policy (e.g. payment terms) and implement improved system and process controls.