

Action Plan for Prompt Payment of Suppliers

Inviron aims to pay all suppliers and subcontractors to the terms that have been contractually agreed between both parties, and every effort is made to ensure that this is achieved. The business pays invoices to terms that have a valid purchase order, the invoice is accurate, and adequate supporting documentation is provided. All invoices that have passed the Inviron control procedures are paid without delay.

Inviron has recently implemented the Tradex Causeway system which automates the purchase order and invoice process through Electronic Data Interchange (EDI) with the aim of supporting the prompt payment of suppliers / subcontractors and reducing administrative processes. This system is widely used within the construction and facilities management industries.

Furthermore, if an invoice is less than £250, matches a purchase order, is accurate and approved, Inviron will settle the balance due as soon as practically possible, which may be before they become due for payment. This provides valuable support to our SMEs by paying them promptly or ahead of terms.

Inviron is also part of a supplier financing arrangement which is supported by EDF. This enables suppliers / subcontractors to draw down funds early (i.e. before the invoice is due), in return for paying a small interest charge.

1. Identification of the primary causes of failure to pay 95% of all supply chain invoices within 60 days.

Mismatch of value on invoice

No PO number on invoice

Incorrect amount on invoice

2. Actions to address each of these causes.

Letter issued to suppliers – setting out the Procure to Pay (P2P) Process

In order to ensure the P2P process works efficiently, Inviron requests that suppliers / subcontractors follow the below guidelines:

- a. *Invoices should be submitted via the Tradex Causeway platform*
- b. *Invoices must be accompanied by supporting documentation*
- c. *Include a valid purchase order number on the invoice. This must be entered on the invoice so it can be matched. If a valid purchase order number is not included on the invoice, the Accounts Payable team cannot match the invoice with the purchase order, which will cause a delay in the invoice being paid.*
- d. *Only goods / services that are documented on the purchase order should be supplied. The invoice value should match the purchase order value. The invoice can be less than the value of the order, but not above the value.*

Training is offered to suppliers / subcontractors to –

Ensure that suppliers / subcontractors follow the correct process for text written around invoices with incorrect / omitted purchase order numbers,

Ensure that suppliers / subcontractors understand the importance of sending invoices with the correct values,

Ensure suppliers / subcontractors upload no more than one invoice on our Tradex Causeway system

3. A mechanism for and commitment to regular reporting on progress to the bidder's audit committee (or equivalent).

Six monthly update from Inviron Financial Director that coincides with the Government's requirement for reporting.

4. Plan signed off by director.



Darren Kidson Financial Director