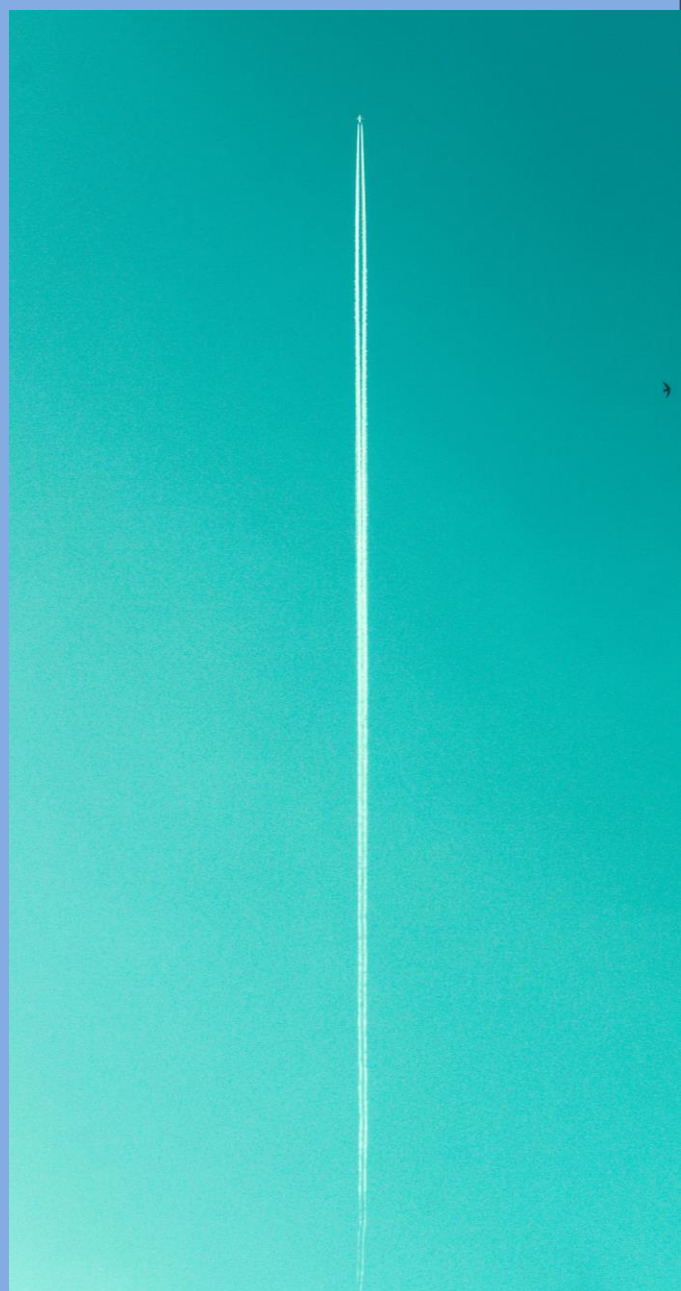


Bird & Bird

# Prompt Payment of Supply Chain Invoices – Action Plan

*8 April 2025*



# Contents

- Page 3 - Introduction
- Page 4–5 - Action Plan
- Page 6- Summary

# Introduction

The goal of this action plan is to ensure that Bird & Bird consistently pays 95% or more of invoices payable to our supply chain within 60 days of receiving the invoice. This plan will address the current payment performance, the key challenges faced, our commitment to compliance, the planned improvements to processes, and the mechanisms for monitoring and continuous improvement.

# Action Plan

## Current Payment Performance:

Bird & Bird are currently paying 93% of supply chain invoices within 60 days. Our aim is to meet or exceed the government's 95% target.

## Key Challenges:

- **Late Authorisations:** We have identified that budget holders are not approving invoices in a timely manner, which is causing delays in the payment process
- **Incorrect Coding:** Staff are using incorrect budget coding, which causes invoices to be sent to the wrong budget holders for approval. As a result, budget holders reject the invoices, leading to delays as the invoices must be recoded and resubmitted through the approval process.
- **Non-submitted Invoices:** We have found that some invoices are not being submitted and are only identified through supply chain communications or statement reconciliations.

## Compliance Commitment:

- **Goal:** Adhere strictly to the UK Prompt Payment Policy with proactive actions.
- **Suggestion:** Regularly update staff on any changes to the policy, as well as the importance of notifying suppliers promptly. A quarterly compliance audit will ensure that any gaps are quickly identified and rectified.

## Process Improvements:

- **Late Authorisations:** To address late authorisations, we have implemented automated reminders for budget holders to ensure they are regularly notified of invoices awaiting approval. Additionally, we will implement a weekly overview of any outstanding approvals, which will be followed up individually by the Accounts Payable Supervisor. For persistent delays, escalation paths will be established to ensure timely resolution and prevent bottlenecks in the approval process.
- **Incorrect Coding:** Continuous training will be provided to both coders and their Line Managers on the department's budget coding. This training is designed to reduce errors and ensure invoices are correctly coded, preventing rejections that could cause delays in the payment process.
- **Non-submitted Invoices:** Encourage a culture of timely submission by establishing clear deadlines and communication channels.

## **Monitoring and Reporting:**

- **Invoice Tracking:** Explore the possibility of using automation tools to flag invoices nearing or past the 60-day mark, ensuring they get the necessary attention before they become a compliance issue.
- **Audit and Reporting:** Determine if it is possible to incorporate dashboards for real-time tracking, offering at-a-glance insights into performance and bottlenecks.
- **Review:** Consider monthly reviews instead of quarterly to catch any emerging issues earlier.

## **Continuous Improvement:**

- **Supplier Feedback:** Create a regular feedback loop, possibly via quarterly surveys or informal meetings, to better understand their pain points.
- **Periodic Reviews:** Regular retrospectives can help assess the effectiveness of process changes and adjust as necessary.
- **Align with Government Guidance:** Ensure any changes are in line with the latest government advice or updates to the prompt payment policy.

# Summary

By continuing to streamline these processes, ensuring constant training, and fostering open communication, Bird & Bird should be in a strong position to achieve or exceed the 95% payment target.

DocuSigned by:  
  
3919BBC2E8454D6...

Approved by Natasha Owoh, Group FD - Chief Financial Operations



# Thank you

twobirds.com

Abu Dhabi • Amsterdam • Beijing • Bratislava • Brussels • Budapest • Casablanca • Copenhagen • Dubai  
• Dublin • Dusseldorf • Frankfurt • The Hague • Hamburg • Helsinki • Hong Kong • London • Lyon  
• Madrid • Milan • Munich • Paris • Prague • Rome • San Francisco • Shanghai • Shenzhen • Singapore  
• Stockholm • Sydney • Tokyo • Warsaw

The information given in this document concerning technical legal or professional subject matter is for guidance only and does not constitute legal or professional advice. Always consult a suitably qualified lawyer on any specific legal problem or matter. Bird & Bird assumes no responsibility for such information contained in this document and disclaims all liability in respect of such information.

This document is confidential. Bird & Bird is, unless otherwise stated, the owner of copyright of this document and its contents. No part of this document may be published, distributed, extracted, re-utilised, or reproduced in any material form.

Bird & Bird is an international legal practice comprising Bird & Bird LLP and its affiliated and associated businesses.

Bird & Bird LLP is a limited liability partnership, registered in England and Wales with registered number OC340318 and is authorised and regulated by the Solicitors Regulation Authority (SRA) with SRA ID497264. Its registered office and principal place of business is at 12 New Fetter Lane, London EC4A 1JP. A list of members of Bird & Bird LLP and of any non-members who are designated as partners, and of their respective professional qualifications, is open to inspection at that address.