

# PRGX<sup>®</sup>

THRIVE IN THE DATA<sup>™</sup>

## PRESENTER

Keith Maddox

Audit Manager

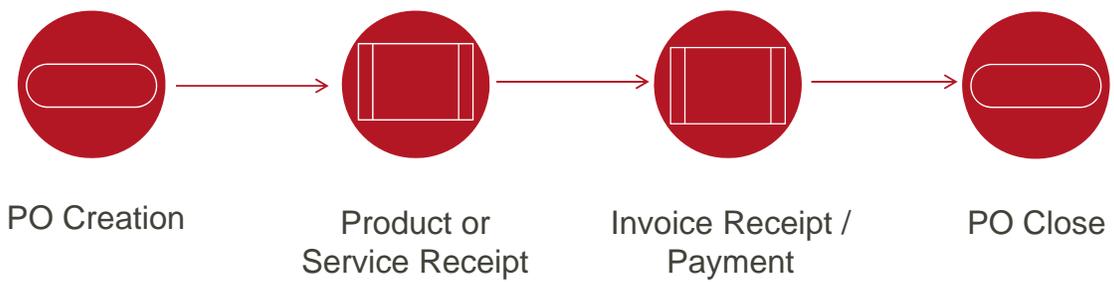
PRGX USA, Inc.

BS Accounting, Ferris State University

15 Years' experience in Procure-To-Pay auditing for Fortune 500 companies



## P2P PROCESS DEFINITION



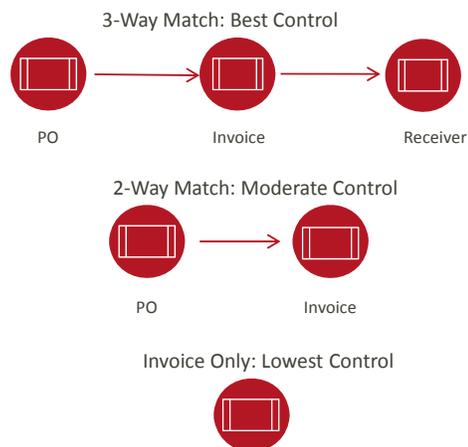
# PO CREATION

Set up based on current contract terms

- Cash Terms, Freight Terms, Pricing & Rebates
- Correct Parts, Correct Price & Correct UOM (unit of measure)
- Valid & Reasonable Price and Quantity Tolerances
- Blanket PO Problems
- Taxes

# INVOICE PROCESSING

Matching Process



# INVOICE PROCESSING

## Invoice Entry

- Manual Entry vs. Scanned Entry
- Keying Guidelines



## Vendor Payments

- Check Remittances
  - Check vs. ACH



# VENDOR MASTER

## Vendor Master Set-Up

- Rules for setting up new vendors
- Check for duplicate vendor numbers
  - Valid vs. Invalid Duplicate Vendor Numbers
- P-Card Rules

## CASH APPLICATION PROCESS

### Cash Application

- Only Check Remittance Application Allowed
  - All Funds That Cannot Be Matched Correctly To Open Invoices Should Be Returns To The State Of North Carolina
- No Supplier Application Allowed

## CASH APPLICATION PROCESS

- All Open Invoices Must Be Submitted For Approval And Payment
  - Only way to ensure that open obligations are closed correctly
  - Only way to ensure that the State of North Carolina actually received the goods or services that are being invoiced
  - Only way to ensure that all payment records to the supplier are accurately reflect what transactions actually took place
- All credits should be processed and deducted against the supplier
  - Only way to ensure that credits owed to the State of North Carolina were actually received by the State of North Carolina

## STATEMENT REVIEW

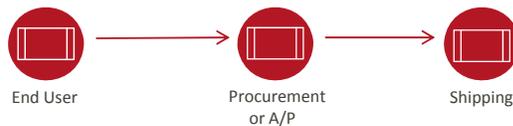
### Statement of Account Review

- The State of North Carolina should review supplier statements of account at least once per year
  - Either reviewed by each individual agency
  - Or by 3<sup>rd</sup> party auditing company
- Aged credits have a tendency to be
  - Written off by the supplier
  - Or Applied to open aged invoices by the supplier

## RETURNS TO SUPPLIERS

### Returns of Goods or Services

- The State of North Carolina should have a defined documented returns process
  - Paper or electronic return document



- Return documents should either
  - Automatic deduction thru return PO
  - Or tracked by A/P to ensure credit from supplier is received

## SEND ALL QUESTIONS

Ben McLawhorn

Risk Mitigation Services Manager

NC Office of the State Controller

[Ben.mclawhorn@osc.nc.gov](mailto:Ben.mclawhorn@osc.nc.gov)

**PRGX** | DRIVE IN THE DATA | 13

**PRGX** | **Q & A**