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General Understanding of Accounts Payables

Internal Controls, management and general
knowledge

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Accounts payable is important part in accounting/finance department that require good management and several understanding and knowledge of internal controls, technical information, laws, standards and acceptable practices to enable staff to perform their duties efficiently and effectively as it should to be and we are trying to provide the summary of internal controls, management and knowledge that are related to accounts payable in these papers

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Introduction

I am writing these papers to enable the accountant and non accounting professional to understand the real roles of accounts payable. Many people may understand that the accounts payable is only responsible for just processing the invoices and should not have the minimum requirements of knowledge or skills and this role is not for accountant it is for data-entry employee. Accounts payable should have several knowledge and skills to enable the Company to process the payment efficiently and effectively. Therefore, I intend to write this paper based on my experience in auditing and accounting for 10 years.

Understanding Accounts Payable Controls, management

This paper is not a policy or procedures for accounts payable, I am just trying to provide general information of accounts payable management and internal controls in understandable manner whatever the specialization and experience of the staff.

Understanding Oil and Gas business and Industry

The expenditures is considered a major part of oil and gas Company's transaction that represent Seismic, drilling and acquisition expenditures. The accounts payable balances might be represented quite large in financial statements of some oil and gas companies but the number and the value of transactions are very large. If internal controls over accounts payable and expenditure transactions are weaker, the risks of misstatements will be significant. Therefore, accounts payable and its impact is material for oil and gas Companies.

Several accounts may be effected by accounts payable such as drilling materials inventories, G&G expenditures, drilling expenditures, production expense, production and development facilities that are material to the financial statements of Oil and Gas Companies. The associated risks to the such expenditures and accounts payable may differ from Corporate to joint venture expenditures. However, the following inherent risk factors that may motivate the management to understate the expenditures and accounts payable balances, there might be motivation to overstate joint venture expenditures to recover the costs from oil.

- Management might be under pressure to achieve announced target profitability and liquidity to may lead them to understate the expenses and accounts payable balances

However, the factors that may overstate the joint venture expenditures and liabilities could be in favour of Company but the overstated joint venture expenditures may lead to personal favour rather than Company's

- to increase Corporate's
profitability
- o Establishing that may lead to

- that may not be in favour of Company
 - that may not be in favour of Company
 - that could be in favour of Company.
- The assets might be misappropriated

Accounts Payable Relationship

With other internal functional Department

It is important to have ongoing communication with accounts payable and approving departments to find efficient and practical solutions for any issues related to invoice handling until recording and paying the invoice and to get management support for the approach of solving the issue.

Accounts payable staff need to have several knowledge and skills to enable them to explain the issues to different staff that has different specialization and to enable them to understand other approach and attitudes for finding solutions that could be practical and accepted by all parties

With supplier

Accounts payable should work more closely with suppliers and communicate with supplier to let the supplier know and efficiently cooperate to meet the accounts payable requirements for processing the invoices easily and softly, and this can be happened by holding a meeting with supplier's accounting and other related decision makers in conjunction with Company's approval department to get supplier's management commitment and proper feedback of the ability of their system to be reconsidered in the plan to solving the problems or any type of issues and hold a meeting for discussing the proper solutions and obtaining agreed Memo understanding verbally then in written.

Also, accounts payable can contact directly with accounting department of supplier if supplier call the AP department for inquiring about status of its invoices. In this case, accounts payable should tell the supplier if the invoice has been processed and notify the supplier of the rejected invoices within proper period of time if the accounts payable has the reasons of rejecting the invoice.

With Management

Accounts payables need to report to the managements of potential or actual risks and the controls to mitigate such risks. Also, report frequently to the management of the pending invoices and the required actions.

With Internal and External Auditor

All the auditors contact the accounting departments or the audit coordinator for any inquiries. Accounts payable should receive from and responds to any audit inquiries (e.g. providing documents, providing explanation of their findings) if the inquiries are placed under the scope, ability and knowledge of accounts payable. If not, the accounts payable needs to forward it to the appropriate personnel or department to reply to their inquiries.

With Government and financial institutions

Obtaining acceptance from Ministry of Energy and other governmental agency for using the scanned documents and electronic approval on behalf of original documents and handwriting signature if the scanned documents and electronic approval is the admissible and reliable to provide best evidence that supplier or Company adduce it.

Communicate with banks regarding delay in processing the payments or stop processing the payments until the bank get adequate and correct information for remittance.

Accounts Payable Knowledge

Accounts payable staff should have several knowledge and skills to help them to

- Explain the issue in the way that could be understandable for different specialists or different department staff
- Understand the practicability of applying the solutions in view of different specialization and to find middle solution
- To meet the stakeholder's requirements such as GL accounting, management, drilling/technical department, supplier, governments and partners and auditors

The Accounts payable staff need to have the below knowledge.

Contracts

35% of Accounts payable business is matching the invoice and ensuring the payments are made in compliance with contracts signed between Company and supplier. Therefore, accounts payable need to the main provisions that are related to the following

- Payment terms
- Price List
- Scope of work
- Documents are required to be provided to Company

However, The Company may prefer to assign cost controller who has technical or engineering experience and qualification in addition to accounting and financial knowledge to be responsible for three-way matching and check the validity of the invoice before complete the payment process, understanding the above contractual provision by the accounts payable does not conflict with roles of cost controllers but it can help the cost controllers to draw their attention for something that could be not unintentionally ignored by cost controllers and to enable the accounts payable to work with cost controller to find solutions for invoice processing issues in consideration with the contractual provision.

Prevailing Law of home and host government

Accounts payable staff need to know the minimum legal requirements to allow the accountant to participate in establishing efficient invoice handling and payment process and the legal obligations of accounts payable personnel towards several parties and how documents, file and record the payments. Legal knowledge may represent 10% of accounts payable activities.

- Electronic and documentary evidence is one of the more challenging cases that accounts payable may face. Either the accounts payable process the payments based on softcopy or hardcopy of invoice and supporting documents. If the electronic documents and electronic signature or approval for payment process is considered valid evidence in court and for any litigation or verification as long as it meets the admissibility rule of electronic evidence, the accounts payable may avoid the manual approval to save time and increase the efficiency of invoice processing. Commonwealth Evidence Act allows to replace the original documents with electronic documents as long as the electronic evidence is in compliance with rules of admissibility which is permitted by court and, Also Dubai issue electronic transactions and commerce law which validates to use the electronic documents as evidence if it is admissible

and reliable. Tunisia issued electronic exchanges and electronic commerce bill law in 2000 which validate the electronic documents as written documents. Iraq has not officially issued law to validate the electronic documents and the requirements of its validity. However, Iraqi Civil Evidence Law of 1979 validates the official copy if the original document is not available in condition of the following:

- Outer appearance of official copy is not doubted to be exactly like the original document
- Official copy taken has the same reliability and accuracy of original documents
- The scanned copy of copy taken from original documents is not considered as evidence but may be read for information.

, the electronic documents might be covered by this law too when the law validate telegraphs to be as valid evidence but if its original copy deposited in the issuing office signed by the sender. Otherwise, it will not be valid evidence and it will be considered for information only. In Yemen, there is no general electronic evidence or commerce law, there is electronic transaction law that is pertaining to banking and financial institutions transactions but the court may take the electronic document as evidence and may not.

- In many regulations of countries in the world impose the minimum period for archiving documents of transactions that are ranged between 5 – 7 years if there is no litigation or claims are raised after this period, the Company is allowed to damage or shred the documents. Therefore, accounts payable need to file the electronic or hardcopy of documents in the manner that enable them to extract it easily in future.
- Accounts payable staff should know that they will be under legal obligations or claims if they disclose any confidential documents without permission of suppliers and Company or not under subpoena or authorization of governmental agencies.
- PSC and JOA might be considered as law that the Company should be complied with. Accounts payable need to distinguish between recoverable and non-recoverable costs and billable and non-billable costs to help the authorized person to use the appropriate account code for charging the expenditures.
- Accounts payable may need to have knowledge in taxation many countries impose VAT, sales tax on each supplier's invoices for goods or services consumed inside the country. Therefore, accounts payable need to charge the tax to the withholding tax account and the remaining amount to the supplier's account and pay the supplier the net in condition of paying the tax frequently.
- The accounts payable needs to have communication with external legal, tax consultancy for any important issues.

Company's Corporate Governance

25% of accounts payable works depend on Company's framework of internal control. Accounts payable need to follow the Corporate Governance principles such as principles that require the company to establish and apply effective control environment, risk assessment, policies and procedures, accounting system and monitoring for initiating, processing and recording payment transactions. Accounts payable system governance should be

- effective by having relevant and clear framework of internal controls for developing, adopting strategic plan for accounts payable and managing the related risks,
- accountable by being responsible for justifying major decision to different parties
- transparent by enabling users to access to the information.

Accounts payable staff should be aware of code of conduct that is published by the Company, code of ethical business, criminal act, Foreign Corruption Practice Act (FCPA) and transparency requirements do enable the accounts payable to report any illegal payments to the appropriate level of management per of Company's whistle blow policy or to provide appropriate consultancy to the management. Also, to enable them to narrate the transactions appropriate to enable the GL accountant, cost controller, internal information users to know the purpose of the payments and how to use it for transparency requirements without wasting time to refer to the original documents.

Standards

10% of accounts payable work with accounting standards, accounts payable should have some knowledge of IFRS/GAAP/ and ISA/GAAS or access to those standards.

- Understanding and knowing the disclosures and presentation that are required by either IFRS/GAAP will help the accounts payable to code the expenditures, accrued expenditures, and liabilities to the appropriate accounts and narrate the transactions in manner that help the GL or reporting department to get the adequate presentation and disclosure information from the narration.
- The narration of transactions can be limited which could not contain more than 30 characteristics which make the narration very short that could not provide adequate financial and managerial information. Therefore, accounts payable needs to discuss this issue with related department such as IT Department, General Ledger and Reporting Department to increase the characteristics of the narration field to be about 60-75 characteristics. For example if Company paid the insurance premium that covers 12 months in advance. GL accountant need to know the insurance purpose, insurance reference number, the period which the insurance is covering by date. Therefore, the accounts payable needs to narrate the transactions as follow "Prepaid Medical Insurance Policy xx/HEIN/XXXX 2/1/2014-1/31/2015-PV12500" This narration contains 72 characteristics and can help the GL accountant to know the following:
 - o It is prepaid Expenses. Therefore, it should be fully coded to prepaid expense which is categorized under assets
 - o It is medical health insurance not work incident compensation insurance or fire insurance or security insurance
 - o Policy reference is required, GL accountant may need to know the insurance policy reference to prepare prepayment schedule that should be provided to the financial auditor for their examination/review and the Medical Insurance may contain may policies for different regions and different covering period, but each policy has different reference that can be used as unique reference for different medical insurance policy.

- It covers from period Feb 1, 2014 to Jan 31, 2015, and this information help the GL accountant to amortize the prepaid expenses over the specified period.
- It shows the reference type and ID of transaction documents to enable the accountant or the auditor to vouch from the GL to the documents easily.

Accounts payable may code the capital or finance lease to operation lease expense. Also, may consider the consignment as Company's inventory or expense them without consuming them. Charging the expense to the appropriate accounts can be under the roles of the PO approving department or requesting department but if PO/CCOR/PR does not identify the accounts which the purchased items of materials or services should be coded to, accounts payable can preliminary code the invoice and revised by the invoice approver and cost controller during invoice processing.

- Accounts payable should understand the auditing concepts to help the accounts payable to know how the auditor thinks and what is the required information and documents that must be provided to the auditor to facilitate their work and get unqualified audit opinion. The auditors focus mainly on internal controls and audit procedures that ensure whether the financial assertions are reasonably achieved as follow:
 - All the liabilities and transactions are completely recorded. In other words, Company does not forget to record any transactions and liabilities that are pertain to the financial period
 - All liabilities are existent and transactions are occurred during the financial period
 - All the transactions are resulted from purchasing materials or services or paying royalties and taxes And all the liabilities are obligation of the Company at the balance sheet date
 - All the foreign currency expenditures are valued at the exchange rate which is stated in the Production Sharing Contracts
 - All the expenditures and liabilities are properly coded to the appropriate accounts that are gathered to prepare the financial statements.
- The auditors need to verify the existence of liabilities and completeness of the liabilities and expenditures by performing alternative substantive audit procedures which the auditor verify the payments in the subsequent period invoice by invoice. Therefore, accounts payable need to prepare their outstanding reports and payment reports by suppliers and by invoices to enable the audit to perform their duties easily and for not having pending audit requirements and delay in issuing certified financial statements.
- The accounts payable need to know the payments that have not been delivered to the bank or suppliers should not be reflected in the financial statements. E.g. If the payments are by check, and the checks are placed in Company's office in Dec 31, 20xx which have not been delivered to suppliers yet, the payment should not be reflected in Company's general ledger, and If the payments are made by wire transfer or bank transfer request, and the requests have not been submitted to the bank at Dec 31, 20xx, the payments should not be reflected in the company's general ledger. But it may not practically to cancel the payment or reverse the payments, or verify the payments delivery on monthly basis but the Company may need to do that either on quarterly or annually basis.

International Agreements

5% of accounts payable works need to understand few of international agreements.

- FATF is stand for “Financial Action Task Force” for international standards on combating money laundering and the financing of terrorism & proliferation. Such standards should be applied for financial institutions, lawyers and stock brokers and few others. Accounts payable should not understand and apply those standards, accounts payable should be aware if the bank or any financial institutions that has strong system may suspect on some transactions due to quite matching names of the suppliers and suspicious names. Therefore, correspondent/intermediary banks may send a feedback to the sender’s bank which requires more information of either the money sender or money recipients. Such information may include the following:
 - o Full Name of the Supplier’s or Sender’s
 - o Date of birth if the supplier is individual or date of establishment if the supplier is entity
 - o The nationality of the supplier or sender
 - o Full address of supplier or sender’s

Therefore, Accounts payable need to have adequate information of their suppliers and provide it to the bank at the proper time.

- Office of Foreign Assets Control (OFAC) which is one of U.S Treasury Department administers and enforces sanctions based on U.S foreign policy and security goals against come countries or organizations in the world. All U.S Companies should comply with OFAC regulations and ensure that they do not transfer or doing business with prohibited organizations and countries. Otherwise, the Company may face fines up to \$10,000,000 and imprison up to 30 years for violations. To mitigate or avoid such risk, the Accounts payable can check the validity of paying the invoices to the suppliers, OFAC provides a program and lists of restricted people and entities and update them from time to time that can help U.S Companies to check the names of their suppliers if they hit the names of restricted entities or individuals. If so, they should inform the management to take the proper actions. If not, they can process the payments. In Australia and other countries may not have the same regulations but it is preferable for most of Companies to check to whom they should send the money to. Australian Bank Association created guidelines that are limited to obligations of commonwealth autonomous sanction law which implements United Nations Security Council (UNSC) sanctions that are imposed by Charter of United Nations Act 1945 (COTUNA) which requires the banks to filter overseas payments against lists of designated persons or entities and request more information about senders or recipients then if the information provided does not related to designated persons or entities, the bank can release the payments. The individual who offends Commonwealth Autonomous Sanctions Act 2011 will face up to 10 years imprisonment and penalties may reach to 3 times of transactions value or US\$ 425000 and reach to US\$1.7 million for Corporate.

Other Practices and technical knowledge

The following practices and knowledge represent 10% of accounts payable work. Accounts payable should not how the process and procedures and the requirements for making payments within local banks or oversea payments.

- Many suppliers are asking when they will receive their payments or why the payments have been delayed to be credited into their bank accounts, however, many accounts payable may not prefer to answer to those questions and they prefer to be responsible until they notify the bank to transfer the money or delivering the checks but it is helpful to healthy business environment and communication with suppliers, therefore, accounts payable need to know how the Local bank payments is processed and how long the typical period for receiving the transfer request by the bank and crediting supplier's bank account. Most of the SWIFT transactions the transfer between local banks is cleared within central bank or Federal bank of the Country which needs up to 3 days to be completed.
- Accounts payable need to know that there are some overseas payments should be made through correspondent/intermediary bank and through international network such as SWIFT or IBAN. Accounts payable need to know how the international payment is processed and how long the typical period for closing the payments. To enable the accounts payable to ask the suppliers for providing the adequate bank details for their payments.
- Accounts payable need to know what are the needs of management and other department to enable them to find ways to meet their needs and prepare the required reports such as the outstanding invoices.
- Should accounts payable investigate further on suppliers' invoices? If the accounts payable responsibility is to match between the PO, receiving report and invoice and get satisfied on supplier's invoices before processing the invoice, the answer is "Yes" but if this role is carried by cost controller, the answer will be "No" except for significant error suspect, if the accounts payable or finance manager has professional doubt that supplier may not charge them appropriately, the accounts payable have the right to raise inquiry and get more clarification from cost controller or supplier, if supplier's or cost controller's clarification is not satisfied enough the accounts payable can investigate further on supplier's invoices in cooperation and support with project manager and finance manager. The below can be examples:
 - o If the supplier monthly charges the Company \$20,000 of diesel consumption for generator supplied by supplier and suddenly Company receive supplier's invoice by amount of \$60,000. The accounts payable has the right to get clarification on such invoices from cost controller or supplier.
 - o If the supplier supply 200 kW generator for Companies to only supply 24hours/7 days power for field camp and supplier submit monthly diesel consumption of this generator by amount of US\$ 78,000. The accounts payable may feel doubt that the power which may consume in the field may not exceed 150 kw based on the equipments and residency containers that are available in field camp. Means, the generator may not be ¾ loaded. And such generator may consume about 12 gallon of diesel per hours at maximum rate based on the manual of the generator which is obtained from internet or agent. Accounts payable may make simple computation based on the current information and find the diesel consumption should not exceed US\$ 26,200 per month (12 gallon/hour * 24 hours * 30 days * 3.785 liters/gallon * US\$ 0.80/liter). Therefore, accounts payable has the right to have reasonable justification for such costs from cost controller or supplier.

- Accounts payable should be cautious before asking any questions that may misunderstood and create conflicts with project management. Therefore, accounts should have minimum technical information to enable them to raise the question, understand the explanation properly.

Internal Control Components

Accounts payable staff needs to know the components of internal controls that could impact their department

Control Environment

Management commitment to competence should be reflected in hiring and training the accounts payable staff and in establishing effective management's assignment of authority and responsibility over transactions that are handled by accounts payables. All accounts payable staff need to have an access to the code of conduct policy and training.

Management needs to establish policy that

- dealing with suppliers and employees that are based on honesty and fairness such as supplier's underbilling should not be ignored, employees need to notify the supplier even if the mistake is in favor of company.
- Dealing with problem exists such as potential defective materials or services received
- Dealing with material wrong payments to suppliers.
- Any management overriding need to be appropriately and honestly documented

Each accounts payable staff need to have job description that require the minimum knowledge, skills and experience and qualification. More knowledgeable staff does not conflict with department's goals but it should be used for improving the work not for misunderstanding the roles. Understanding the risk and the roles of GL accounting, accounts payable, cash custody and payment authorization is very important for segregating the duties.

Risk Assessment

Accounts payable need to assess the risks that surround their department and their roles. Assessing the risk help the department to identify the proper controls that can reduce or void the risk and cost the company less.

- Company may face problem of meeting the cash flow needs for purchasing transactions
- Cost increases on Company due to missing the cash discount or losing good supplier due to delay in payments
- Duplicate payments due to receiving the invoices twice or losing original and paying based on copy then paying original again, or receiving first copy by email and receiving the original later.
- If Company's management trust that their employees have high ethical and virtual standards, attitudes, behaviors and believes and their suppliers have the same standards, attitudes, behaviors and believes and management see there is no need to make anti-fraud controls in accounts payable processes. It does not mean that we should not have any anti-fraud controls, the accounts payable should place the minimum anti-fraud controls over the significant process. The below are example of such risks

| <u>Risk</u> | <u>Committed by</u> | <u>Type of Risk</u> |
|----------------------------|---------------------|---------------------|
| Paying duplicated invoices | Supplier | Error or Fraud |
| Paying duplicated services | Supplier | Error or Fraud |

| | | |
|------------------------------------|----------------------|----------------|
| Paying to wrong bank account | Supplier or Employee | Error or Fraud |
| Paying unauthorized purchases | Employee | Error or Fraud |
| Paying not received goods/services | Employee & Supplier | Error or Fraud |
| Paying defective goods/services | Employee & Supplier | Error or Fraud |

The last two risks can be committed by both employee and supplier by error due to the unclear terms of delivery and payments in PO or contract

Accounting System

Accounts payable need to maintain effective and efficient accounts payable system, accounts payable needs to evaluate the their processes frequently and establish the controls that need to be existed over accounts payable. Controls represent establishing policies and procedures. Accounts payable should think the long-term system needs for not redesign the system radically on frequent basis. Accounts payable need to know that the system should able to provide some analytical information if it is needed by management to identify the problem and action to be taken. The analytical information which accounts payable can provide are as follow:

- Current invoices processes during this period in comparison of the last period and by
 - o Payment within due date
 - o Payment after due date
 - o Average payment period
 - o Loss of paying invoice late by missing cash discount

Accounts payable need to know how the system can provide reports that are needed by management or auditors such as

- aging outstanding invoices by
 - o Suppliers
 - o Invoices

Accounts payable should ensure the information is provided on timely basis, and based on priorities, to ensure that milestones to achieve financial reporting objectives

Also, Accounts payable need to know the mechanism in obtaining relevant external information on legislation and economic changes that can impact the department and performance of department.

Accounts payable need to know how to design, establish or recommend to use the effective payment system. Company may prefer to use Integrated Accounting System such as SAP, Oracle or JDE and try to integrate all the subsystems between each other. Means to run invoice and payment processing and accounts payable, inventory and procurements, contracts/PO administration, petty cash, General Ledger, Project Management, budget and reporting from one software application. Other companies may prefer to use the accounting software application for specific purpose for general ledger and some reporting and other processes could be run by other software or spreadsheets. All those depend on Company's size, profitability and liquidity to buy or design very effective integrated system or use cheap separate systems and try to find way to integrate between them.

Monitoring

Monitoring the results of operations and business of accounts payable could be achieved by the following

- Analyze the trends of accounts payable performance
- Communication with suppliers and obtaining frequent statement of accounts to be compared with Company's records.
- Preaudit and postaudit activities
- Evaluation of internal controls and process
- Supervising the accounts payable
- Deficiency should be reported on timely basis and accurately
- Internal audit for accounts payable process and transactions.

Documents and Records in Accounts Payable

- Contract Call Out Request (CCOR)
- Purchase Requisition (PR)
- Purchase Order (PO)
- Contract
- Receiving Report
- Supplier Invoice
- Routing Invoice/Payment Voucher
- Invoice Register
- Vendor Master Records
- Voucher register/Bank Register
- Disbursement Sheets

Accounts Payable Duties

- Match Supplier's invoices to PO and Receiving Report
- Take the opportunity of providing early payment discount from suppliers
- Obtain internal approvals for supplier's invoices
- Pay supplier invoices when due
- Follow up supplier requests for payment
- Communicate with suppliers to either provide adequate supporting documents or provide justification in discrepancies found in their invoices
- Communicate with suppliers for their payments call
- Obtaining prior justification for any rush payments

Functional Processes

Initial Purchase

- However typically the Purchase Requisition/Contract Call Out Request are the start of transaction trial but
 - o it may not be required for some services or items which the requestor/purchaser may start with issuing PO.
 - Typically the PO should be centralized by Logistics and Materials (Procurement Department) but it may be decentralized among the main requesting departments due to
 - o The requestor may has fast communication and get best prices from several vendors
 - o The requested items may contain high specialized and technical characteristics which the procurement department may lack of knowledge or experience to get the best item.
 - However, Typically, the purchase Requisition/Contract Call Out Request or PO needs to be prenumbered or automatically serialized and authorized by the appropriate personnel as per the Company's policy whatever the originating departments.
 - The Purchase Order should contain precise information regarding the order such as the following:
 - o Name of supplier
 - o Date of issuing the PO
 - o The price and total value
 - o Quantities
 - o Delivery terms
 - o Accounts that should be charged to
 - o Payment terms
- The contract contains more tiny and complicated details between the seller and buyer.
- Typically the several copies of PO should be distributed among the following
 - o Vendor
 - o Accounts Payable
 - o Requesting Department
 - o Procurement Department

But if there is decentralization in purchasing the items or services, the first three copies are required. Not merely, the above is useful if the PO is entirely and correctly filled, prepared and approved before sending it to the vendor but practically most of PO is not properly filled and approved. Therefore, the accounts payables may either to follow up the requestor or purchaser to provide the revised or additional approved PO.

- Some services rendered or items supplied is paid by without PO or contract due to the nature of those items or ability to identify the price and quantity needs or ability to obtain the signature of the vendor such as the following
 - o Public utilities consumption such as electricity, phone, internet and water
 - o Office cleaning and supplies

If the company's payment system or there is contractual conditions with host government that insist on paying invoices based on PO, Company may require to use open-PO (Blanket-PO) which determine its validation for 12 months or less and does not determine the price, quantities or both but Company needs to prepare Purchase Requisition that is prepared on weekly or monthly basis and gather all the quantities received during that period to pay the invoice.

- However. typically the Goods/Service Receipt Note is prepared internally and provided to the supplier, Contractually, the vendor send daily/weekly/monthly reports for delivering items or services which need to be signed by Company's authorized representative or Company or authorized personnel in the Company may sign on the vendor's invoice as goods/service receipt.
- Supplier should provide adequate supporting documents as they are stated in the contract or PO along with supplier to save the time of accounts payable accountant to collect those documents from several internal departments

Invoice Logging

- Typically the supplier send the invoice as soon as the goods or service is received but
 - o Supplier may predate the invoice before the service or goods received to be paid within number of days of the invoice date or after the receipt of invoice.
 - o Supplier may not provide more care of providing goods or service which lead to detect defective after paying the invoice and lead difficulty to reimburse the damages
- Typically the supplier send the invoices directly to accounts payables if there are good controls over purchase order or contract call out request process that is entirely completed and filled accurately by the requestor/purchaser but
 - o There are many problems with purchase orders, therefore, it goes to the requestor/purchaser directly for approval such practice make prior ordered items and in fact order difficult to be distinguished.
 - Receiving the invoices directly by requestor/purchaser may lead to miss the invoice and when supplier call for not receiving the payment, the invoice suddenly could not be allocated with no admitting to have the invoice by personnel who really received, then supplier is asked to send the invoice again and loss the cash discount, after paying the second copy, the lost original invoice may suddenly appear after few months and ends up in accounts payable to be paid again.

- All invoices should be directly received by accounts payable for logging them, then if the PO/CCOR or any supporting documents are not properly provided by supplier. The accounts payable either to reject the invoice or forward the invoice to the requestor/purchaser to approve the appropriate PO/CCOR or providing adequate supporting documents.
- Typically, Supplier should prenumbered his/her invoices but some suppliers send Non-numbered invoice to the Company in this case,
 - accounts payable should communicate with approval department or requesting department and supplier to serialized his/her invoice
 - if vendor invoice is manually prepared but if vendor's accounts system could not add serialized invoice automatically or manually, The accounts payable needs to combine between the first name of supplier, month and year of the invoice date.
 - if the supplier issue monthly invoices but if the supplier issue invoices more frequent, the accounts payable should communicate with approval /requesting department and supplier to gather all the delivery note and issue monthly invoice and combine the first name of supplier, month and year of invoice date as invoice number
 - If all the above is not possible, accounts payable clerk needs to combine between the first name and invoice date.
- The personnel whose duty is invoice logging and recording the invoices in register is not responsible for checking the availability of adequate supporting documents.
- If AP clerk received the invoice and supporting docs by email, clerk should print them out (Please refer to the accounts payable knowledge for prevailing law on the validity of electronic documents)
- AP clerk should stamp on the invoice as stamped received and identify the date of invoice receipt.
- The Accounts Payable Clerk needs to record the following data in the invoice register
 - Supplier Name
 - Invoice Number
 - Invoice Date
 - Invoice Currency
 - Invoice Amount
 - Purchase Order, contract Number, Purchase Requisition number or CCOR number and their amounts
 - Type of copy (Softcopy or hardcopy)
 - Date of receiving the invoice

Invoice Distributing/Locating

- Then AP clerk should write the serialized job number on the invoice and deliver the invoices to the Accounts Payables twice every day. The first time on 10:00 am and the second time on 3:30 am.
- AP accountants should identify which invoices that need to be routed in the systems and which should be paid by bank and which should be paid by petty cash.

Invoice and Documents Checking

- Accounts Payable accountant should do the following:
 - o Try to check the availability of supporting documents by reading particular provisions of the contract or PO that explain what are the required documents that should be provided to the Company, and the verifiability of receiving the items or services, and what are the necessary documents that should be provided along with invoice to be processed for payments, the terms of payments and may others. If it is difficult for the AP accountant to do that, he/she can ask for help from cost controller, approval department, purchaser/requestor or any person who is responsible for making three-way matching or any person who is more familiar about the contracts and PO.
 - If the invoice is not properly supported, the Accounts Payable either
 - Follow up the purchaser/requesting/Approval department to provide the adequate documents. And this practice waste the time of accounts payable and make the Accounts Payable be responsible for another Company's slipshod.
 - Reject the invoice and notify the supplier of rejecting the invoice until the appropriate supporting documents are provided along with invoice but before doing that the accounts payable should communicate with approval department and contract administrator to either
 - o Add agreed provision in the PO or contract that only invoices that are supported by agreed documents along with invoices will be considered for payment process and the cash discount will be due based on the receiving the agreed documents with invoices that are submitted to accounts payables
 - o Communicate with contract administrator and approval department and supplier to agree and inform the appropriate employees that any invoices received without adequate supporting documents should not be processed for payments. And notify the supplier in written by sending either email or Memo for the above understanding.
 - o Check the mathematical calculation of the invoices
 - o Consider the priority of the processing the invoice, priority consideration is based on Identify which
 - the invoices that due cash (prompt payment) discount,
 - near due date invoice,
 - urgent and very important invoice
 - The invoice that meet the terms of payments and terms of delivery
 - o Scan the hardcopy of the invoice and the supporting documents and save the softcopy in the shared folder in the server and file the hardcopy in the pending boxes

Invoice Routing and processing

After delivering the invoices to the appropriate person. Each accounts payable personnel need to get the invoices and process the payments either by locally or internationally by the authorized personnel

Local Payments

Invoice payments locally should be made for all supplier's invoices that are in currency of host country such as Iraqi Dinar either by check, transfer or cash. Some supplier's invoices may need to be paid locally even if they are in international currency such as USD, CAD, AUD, GBP and EUR but Accounts payable should establish policy to help them to identify the invoices that need to be paid locally and either through bank or cash safe and internationally.

Bank Payment

Many subsidiary maintain two local bank accounts in local currency (Iraqi Dinar) and USD any other foreign currency payments such as GBP or EUR should be paid through USD Bank account.

Accounts payable need to establish criteria that distinguish between the invoices that need to be paid by bank that are located in the overseas, local bank or cash. The following criteria could be helpful in somehow:

- Frequency in dealing with the same supplier, and
- The value of each invoice raised by supplier, and
- The volume of expected billing by suppliers, and
- The currency of supplier's invoices

The below table is not rule but is an example for the criteria of invoices payments sources

| Criteria | Overseas Bank | Local Bank | Petty Cash |
|--|-----------------------------------|---|---|
| Frequency in dealing with the same supplier | More frequently | Once time Or frequently | Once time or frequently |
| The volume of expected billing by suppliers | More than 12 invoices in the year | Less than or equal to 12 invoices in the year | Less than or equal to 12 invoices in the year |
| The value of each invoice raised by supplier | More than USD 3500 or equiv | Less than or equal to USD 3,500 or equiv but more than USD 500 or equiv | Less than or equal to USD 500 or equiv |
| The currency of supplier's invoices | International Currency | Local Currency and International Currency | Local Currency and International Currency |

- Office supplies such as stationeries, mineral waters, fruits and others is more frequent purchases and it is not logic to pay every day twice every week for such consumables. Therefore, it is preferable to ask the supplier to bill the Company every month and send the invoice along with daily delivery notes. Approving department need to prepare purchase requisition on monthly basis to process the payments either by cash or bank.
- Paying the expenditures through check or transfer is processed through better controls than paying cash. Therefore, Company needs reduce its payments from cash to the minimum level.

- Accounts payable account need to match the invoice with PO and delivery note or receiving report before processing the invoices.
- Accounts payable should stamp on the invoice with “AFE approval” stamp, then submitting the invoices for the G&S receipt approvals on the invoice.
- Accounts payable should sign on the invoice as T&C verified or sign on the payment vouchers as preparer
- The accounts payable should fill the required field of payment vouchers, and the payment voucher number should be serialized.
- Accounts payable should write the check or prepare bank transfer based on Supplier’s official letter or instructions on invoice.
- The Payment Voucher, check or transfer document, invoices and supporting documents are delivered to authorized DOA or General Manager to sign on the payment voucher as DOA approval and on check or transfer as Signatory A.
- Finance Manager or his/her deputy should sign on the check or transfer as signatory B
- The payment voucher should be posted to the Bank Payment Voucher Register

Petty Cash Payments

- Paying the expenditures by cash may not subject to strong controls. Therefore, Company needs reduce its payments from cash to the minimum level.
- Accounts payable account need to have policy which requires the internal documents for paying in cash
- The approving department should fill and approve the petty cash payment voucher and obtain Finance manager approval. The accounts payable need to check the authorization limit of the approvers.
- Cashier should manually serialize voucher number.
- Cashier should either obtain recipient signature, fingerprint or money receipt note when the money released from the safe.
- The payment voucher should be posted to the Petty Cash Payment Voucher Register

International Payments

- International payments is required vendor setup from authorized Corporate finance personnel.
- Accounts payable should fill bank details form for new supplier and sign on form, then send the scanned approved form along with invoice for vendor setup in system.
- Accounts payable should receive confirmation feedback from Corporate finance team that supplier has been setup in the system
- Accounts payable staff need to process the invoices based on the appropriate priority basis
- Accounts payable should route the invoice in the system Web Invoice Routing which is used for the following purposes:
 - o Archiving the scanned documents
 - o Approval
 - o Easily and less costly to be accessed by employees
-

Common problems in routing and processing

- Accounts payable normally face discrepancies in suppliers' invoices, Company may prefer to
 - o Refuse the invoice with providing justification letter or debit/credit note. Issuing the debit/credit note help the company to track the refused invoice because some suppliers is notified and received the rejected invoice but he/she send it back again to Company without revising it and after long period of time. If the Company does not keep track on such refused invoices, there will be possibility to pay the discrepancies.
 - o The discrepancies in invoices can be minor and does not need to revised the PO or reject and issue debit/credit note then receive it again. Therefore, it is preferable or accounts payable to establish policy for invoice tolerance limit that allow the accounts payable or cost controller to tolerate any discrepancies that is within the threshold limit in condition that this discrepancies should not be repeated more than 4 times a year for one supplier (e.g. 1% of invoice amount or USD 200 whichever is less). Such practice can help to increase the efficiency of accounts payable.
 - o Refuse the full amount of invoice due to part of amount is disputed with supplier may not be in compliance with contract, if the contract indicate that in case of disputed amounts in the supplier's invoice, the Company should pay the undisputed amount and notify the supplier for the disputed amounts to be solved later. In this case, Company may require to pay the invoice partially and depending on debit/credit notes. Until this issue is solved later with supplier. But Corporate may prefer to take the debit note if the supplier issue credit note but this could not be happened if the supplier may not be satisfied yet or debiting his account by the disputed amounts and may need time to provide justification. In this case, accounts payable may coordinate with General Ledger, approving department and cost controllers to immediate suspend accounts for disputed amounts with suppliers which booked as liability that require the cost controller, accounts payable to follow them up with supplier to either to drop it down after taking credit note from supplier or paying them back by issuing credit note and getting reasonable justification from suppliers.
- Wrong accounting codes, accounts payable or costs controller may use the different accounts due to either the AFE may have not approved by majority, General Ledger may not setup the accounts yet, account could not be pickup by the web invoicing application or by mistake. Accounts payable need to communicate with General Ledger department or system administrator to solve the above issue.
- Paying based on scanned invoice and documents, as it was indicated above for the legal view for electronic documents in host country e.g. Iraq or home country e.g. Australia. It is necessary to know that payment based on scanned invoice or copy is legitimate or not in the host and home countries. Also, If Company decided to pay base do copies or scanned documents, the Company need to establish strong controls over such process because the risk of paying based on copy is duplicate payment when vendor claims for not receiving the payments and send another copy or send the original invoice later on. For eliminate or reduce the risk of duplicate payment for scanned copy, Company need to establish the following control

- Search for invoice by number, supplier name and amount before or during invoice logging
 - There web invoicing function could detect if the invoice number is duplicated by indicating the “Duplicated invoice” in the web invoicing and creating the link of the previous invoice.
 - Company should pay the invoice based on PO or CCOR. Otherwise, the company could not figure out the duplicated service or materials. Accounts payable need to improve the controls to enable them to detect the duplicated PO when the invoice is logging and when invoice is uploading in the web invoice application.
 - Company need to state in the contracts or PO that the invoice must be provided to the company within 30 – 90 days of delivering the goods or rendering the service.
- Wrong invoice payments, in some cases, the accounts payable may face wrong invoice payment as follow
- Invoice may be paid to the wrong supplier, accounts payable may select the wrong supplier name by mistake, therefore, supervision should be placed for each invoice is processed that check the supplier name in the web invoice system or payment voucher with the invoice.
 - Supplier may change its bank details on the invoice. In this case, the accounts payable should ask the supplier to provide the new bank details in official letter to change the bank details in the vendor master records.
 - Accounts payable may type wrong amount or select wrong currency by mistake when the invoice is processed for payment. In this case, Accounts payable need to improve the controls by establishing to vendor’s setup for different currencies if the supplier bills different currencies, name “Currency” at the end o supplier name in the system to enable accounts payable to select the proper the supplier name, and making web invoice automatically select currency by default, and supervision is needed by checking the invoice amount and currency in payment voucher or web invoice to invoice.
 - Accounts payable may pay the invoice. However, criteria of paying invoices have not been met. Accounts payable should prevent the risk of paying defective good or services or paying for goods or services that have not been received yet except if the payment is down payment. The cases of paying invoices that its payment criteria have not been med can be happened in the below cases

| Case | Scenario | Delivery terms on PO/Contract | Terms of payments on PO/Contract | Defective materials Claims on PO/Contract |
|-------------|---|--|--|---|
| A | The seller issued the invoice and the materials are still located in their seller’s warehouse | Based on Incoterms 2000 which indicate that the risk of acquiring the materials transferred to the buyers when the materials are | Payment should be made within range of time (e.g. 30 days) of receiving the goods/services | Any defective materials/services are found after delivery the buyer should notify the seller within agreed period e.g 6 working days of |

| Case | Scenario | Delivery terms on PO/Contract | Terms of payments on PO/Contract | Defective materials Claims on PO/Contract |
|------|---|--|--|--|
| | | delivered on board if the delivery terms is CFR, CIF, FOB | | capability of seller to reasonably check the condition of materials/services |
| B | The seller issued the invoice but after paying the invoice company discovered defective materials/services. | Based on Incoterms 2000 which indicate that the risk of acquiring the materials transferred to the buyers when the materials are delivered on board if the delivery terms is CFR, CIF, FOB | Payment should be made within range of time (e.g. 30 days) of invoice date | Any defective materials/services are found after delivery the buyer should notify the seller within agreed period e.g 6 working days of capability of seller to reasonably check the condition of materials/services |
| C | The seller issued the invoice but after paying the invoice company discovered defective materials/services. | Based on Incoterms 2000 which indicate that the risk of acquiring the materials transferred to the buyers when the materials are delivered on board if the delivery terms is CFR, CIF, FOB but in condition of seller carries the risk until the materials received in buyer's port. | Payment should be made within range of time (e.g. 30 days) of invoice date | The PO or contract does not cover any the appropriate procedures for detecting defective materials/services |
| D | The seller deliver the materials and issued the invoice and the company discovered defective materials/services before paying the invoice | Based on Incoterms 2000 which indicate that the risk of acquiring the materials transferred to the buyers when the materials are delivered on board if the delivery terms is CFR, CIF, FOB but in condition of seller carries the risk until the materials received in buyer's port. | Payment should be made within range of time (e.g. 30 days) of invoice date and in condition that the invoice should be issued within range time (e.g. 30 days) of delivering the materials, or "payment should be made within range of time (e.g. 30 days) of receiving the invoice or goods whichever is later" | The PO or contract does not cover any the appropriate procedures for detecting defective materials/services |

- In Case A above, the accounts payable need to know that criteria of paying the invoices have not been met and supplier's invoice need to be hold until the goods are located on the vessel. Means, accounts payable need to pay the invoice until they get bill of lading to ensure that the materials are located on the vessel.
 - In case B, the accounts payable would pay the invoice within 30 days of invoice date, such payment may lead the company to pay at high risk, accounts payable may indicate it is not their responsibility and confirmed that they paid based on contract, but accounts payable need to provide advisory to the contract administrator or approving department to draw their attention to the potential risk and they need to rephrase the provision of contracts through contract amendments and after the agreement with supplier. Company may face difficulties to reimburse the defective goods/services after paying the invoice as long as the defective materials/services are not properly covered in PO or contract.
 - However case B is safer than case C due to contract/PO covers treatments of the defective materials/services found after delivery, there is residual risk that company may ignore it. The residual risk is referring to the internal capability and efficiency of company to detect and report the defective materials/services on time. If the Company face less efficiency to detect and report the defective materials on time, the allowable period may past and Company may have not have right to claim for the defective materials. Therefore, accounts payable need to communicate and help other department to find way to improve the procedures or improve the wordings of contract or PO.
 - Contract may require the supplier to deliver the materials/services first then issue the invoice which helps the company to detect and report any defective materials/services at reasonable time and before paying the invoice, however, the PO or contract does not cover such defective materials/services. Company may refuse the invoice due to the discrepancy and ask the supplier to revise the invoice as it was discussed above.
- Bank may stop processing the payments until they get adequate information of either recipient or payer per FATF requirements. The accounts payable need to send the information either by official letter or email to the bank. It is preferable if the accounts payable check whether their new suppliers' names are matched with SDN lists or how far they are matched before requesting to setup them in the system. If the supervisor or manager noticed that the supplier's name is 60% matched with one of restricted name. Company need to get more information about the supplier to provide them as soon as the bank requests the information.
- Bank may stop processing the payments due to lack information of intermediary bank. Accounts payable need to understand the process of overseas payments which they are as follow:
 - Sending bank gives the receiving bank or direct beneficiary bank (Supplier's bank) the order to transfer the amount, through encrypted message (either IBAN or SWIFT system). Encrypted message contains
 - a) IBAN or SWIFT code that helps the sending bank to know to where the money will be transferred to and
 - b) The message include settlement instructions

- Cross-border fund transfer is recorded either
 - a) by reciprocal accounts between sending bank and receiving bank (Supplier's bank) if they have direct relationship/reciprocal accounts, or
 - b) by correspondent (Intermediary) banks of sending bank and receiving bank that may have direct relationship or reciprocal accounts between them (between each of Intermediary banks or intermediary bank and beneficiary bank)
- Many Banks have different correspondent (intermediary) banks for different foreign currencies payment or receipt due to correspondence/agency service agreement and regulatory requirements such as anti-money laundering and anti-terrorist financing regulations of each country for
 - a) Managing the currency cash flow, and
 - b) participating in monitoring the money transfers internationally that may require the banks to have correspondent banking relationship through nostro and vostro accounts
 - i. Nostro is bank account (e.g. IBY Bank account) that is hold in foreign bank (e.g. JP Morgan in USA) usually in the currency of the same foreign country (e.g. USD).
 - ii. Vostro, the intermediary bank (e.g. JP Morgan) that maintain nostro account of the foreign bank (IBY Bank)

Accounts payable need to obtain the adequate bank details from suppliers to enable them to pay their invoices accurately and timely.

Invoice Liability and Payment Recording

Accounts payable need to communicate with General Ledger (GL) Accountants to determine the cutoff date for bank, petty cash and routing invoices to help the GL accountant to close early and without rush.

Cutoff date is the date which separate between current period from next period. For example, if the accounts payable decided with GL accountants to make the cutoff date is 25th of each month for petty cash payments. Means, all the cash payments that occurred from Feb 25 to Mar 25 will be considered as March payments and the payments that is occurred after Mar 25, will be considered April payments and so on. This can help the accounts payable to review the payments, codes for closing schedule and help the GL accountant to journalize the payments and preparing the reconciliation on time.

Local Payments

- After the accounts payable issuing the check and approving the transfer letter for bank payments or obtaining completely approved petty cash voucher and releasing the money, the accountant should record the payments into the Temporary Voucher Registers by codes at the same day the check and transfer is made.
- At the end of the year and for closing accounts schedule, accounts payable need to
 - check the validity and correctness of account codes in the voucher register,
 - Prepares Bank movement register, petty cash registers, disbursement sheets.
 - Make physical count for petty cash in attendance of one or two of finance team
 - Prepares outstanding invoices Report
- Notify General Ledger accountant for completing the records and registers to prepare the journal entries

International Payments

- After completing the approval of invoices, the Web Invoice application will export the data into the Account Payable Module in JDE, then the payment will be made and posted from AP Module by batches. Then the batches will be posted in the General Ledgers Module in JDE

- Identify the properties of invoice number as date instead of text when it is exported to accounts payable and general ledgers

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Accounting Control Matrix

The below table is more helpful for internal and external auditors use for assigning, matching tracking the controls environment to control procedures and its impact on the financial assertions and its response to potential risks

| Risk Description | Risk Rating (S, H, M, L, VL) | Description of Responsive Controls | Type of Controls (P/ D/ C) | Effectuated Accounts | Financial Assertions (CEVOP) ¹ | Is placed? (Y/N) | control Tested (Y/N/ NA) | Residual Risk Rating (S, H, M, L, VL) | Comment |
|---|---------------------------------|--|-------------------------------|-----------------------------------|--|------------------------|--------------------------------|--|--|
| Duplicate payment due to scanned copies then original | Moderate | When invoice is logging, search by invoice number, amount and supplier name if the invoice is already received previous or not | Preventive | Accounts Payable and Expenditures | Existence/Occurrence | No | | Low | |
| | | Web Invoicing detects the duplication in the invoice number and provide the link of the duplicated invoice | | | Existence/Occurrence | Yes | | | |
| Duplicate payments due to supplier's send the invoices twice | Moderate | When invoice is logging, search by invoice number, amount and supplier name if the invoice is already received previous or not | Preventive | Accounts Payable and Expenditures | Existence/Occurrence | No | | Low | |
| | | Web Invoicing detects the duplication in the invoice number and provide the link of the duplicated invoice | | | | Yes | | | |
| Duplicate payment due to the supplier bill the Company twice for one service/materials delivered | Moderate | When invoice is logging, the PO number and CCOR and PO amount need to be recorded with invoice logging to detect any duplicated billing the services | Preventive | Accounts Payable and Expenditures | Existence/Occurrence | No | | Moderate | Web invoice may need to be integrated with Contract/PO System to enable the invoice requestor to detect if the amounts of invoices exceed the amount of PO or contract |
| | | Web Invoicing page requires to insert the PO number to track the status of PO whether it is closed or still outstanding and waiting for new invoices | | | Existence/Occurrence | No | | | |
| Delay in payments impact (e.g. losing cash discount or losing good supplier) | Moderate | Logistics or PO issuers are providing the accounts payable with list of PO or contracts that are include prompt payments discount and the contractual due date of invoices frequently to enable the accounts payable to prioritize the invoices | Preventive | Accounts Payable, Expenditures | | No | | Moderate | |
| Scanned Copies may not be accepted by the auditors and may increase the disputed recoverable cost | High | Obtaining an approval from Ministry of Energy to pay based on scanned copies and obtaining the approval of MNR for depending on the electronic signatures or approvals of invoices for efficient payments and for not rejecting by cost recovery auditors. | Preventive | Accounts Payable and Expenditures | Existence/Occurrence | No | | Moderate | |
| | | Following up the original documents which are reasonably be provided by suppliers and attached them with the paid copies | | | | | | | |
| Paying defective service/materials | Moderate | Amend contracts/PO provisions to consider the time for verification of goods or services received before paying the invoices. | Preventive | Accounts Payable and Expenditures | Existence/Occurrence | No | | Moderate | |
| | | Any defective materials or services are reported immediately to the appropriate person and cost controller to consider them before approving the invoice payments. | | | Existence/Occurrence | | | | |

¹ Financial Assertions are stated as follow:

- C is stand for Completeness
- E is stand for Existence/Occurrence
- V is stand for Valuation/Accuracy
- O is stand or Ownership
- P is stand or Presentation/Disclosure

| Risk Description | Risk Rating (S, H, M, L, VL) | Description of Responsive Controls | Type of Controls (P/ D/ C) | Effectuated Accounts | Financial Assertions (CEVOP) ¹ | Is placed? (Y/N) | control Tested (Y/N/ NA) | Residual Risk Rating (S, H, M, L, VL) | Comment |
|------------------|---------------------------------|--|-------------------------------|--------------------------------------|--|------------------------|--------------------------------|--|--|
| Missed invoices | Moderate | Invoice logging keeps recording the invoices that are received. Maintaining database that are track the invoice logging if they are paid or processed in IRS or not and to generate the outstanding invoice reports | Detective | Accounts Payable and Expenditures | Completeness | Yes | | | |
| | | If there is no database to track the invoices. Accounts payable should manually preparing the outstanding invoice reports and track the subsequent payments and compare the report with the previous period to detect the missed invoice | Detective | | Completeness | Yes | | Moderate | Manually outstanding invoices reports could not detect the missed invoices that are missed in the first time |