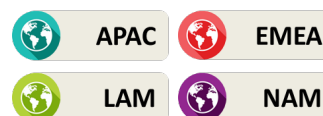


PtP Internal Controls

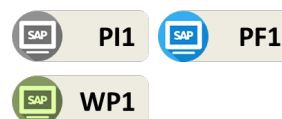
Tasks to be completed when creating an operating procedure (from creation to publication)

1. Enter the **Title of the procedure**.
2. Add the following **Labels Labels**:
 - Region: [apac](#), [emea](#), [lam](#), [nam](#)
 - Domain & Process using the [List of labels to be used in the PtP space](#)
3. Fill all fields as described
4. Once the procedure is completed, publish it using the [PtP Procure to Pay approval workflow](#)

Scope



ERP



References

Attachments

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Objective and Scope

This procedure aims at referring the internal controls to be delivered by Procure-to-Pay (PtP), in which frequency; with whom it should be shared and the expected actions from them; and how to record evidence.

It applies for PtP process Worldwide. Any specificity required at regional level, if and whenever applicable, has a chapter inside this procedure.

Any other complementary documentation (including translated versions) related to this matter must always refer to this procedure.

Definitions

AP - Accounts Payable

Cockpit - SAP transaction that PtP uses to process invoices. It is the same as Process Director

GR - Goods Receipt

IV - Invoice

POC - Provisioning Operating Center (team in charge for creating Purchase Orders)

PtP - Procure-to-Pay

Golden Rules

Any internal control delivered by PtP must have a clear evidence on:

- its purpose/risk mitigation;
- its frequency (i.e. how often should it be performed);
- who's in charge to perform the internal control;
- its reporting and execution (i.e. a public storage place to be consulted at anytime by anyone/or defined target audience)
- target audience or the report /stakeholders);
 - what actions are expected from and by whom
 - Log of actions taken - *if applicable*

I - Invoice Divergence Control (control over Price Differences)

Purpose

It aims at following up the proper applicability of the tolerance rules, showing all invoices with price discrepancy in 2 main axis, by item :

Axis	Evidence Purpose	Description	Difference Calculation
Goods receipt vs Invoice (GR-IV)	price discrepancy for 3-Way-Match Invoices	Comparison between Goods received in the system and the Invoice posted (per line item)	Goods Receipt Line Amount - Invoice Receipt Line Amount
Net PO Item Amount vs Invoice Item Value	price discrepancy for 2-Way-Match Invoices	Comparison between Net PO in the system and the Invoice posted (per line item)	PO Line Amount - Invoice Receipt Line Amount

Roles and Responsibilities

- **Frequency:** Twice a month:
 - Until day 5 (for invoices posted between 16th and Last day of previous month)
 - Until day 20 (for invoices posted between 1st - 15th of the current month)
- **Task Role:** Ensure discrepancy rules were respected as per [Business Rules for handling price discrepancy](#) and to detect trends on improper behaviors from suppliers or internal process inefficiencies within SBS, BUs or Functions
- **Responsibility:** SC-PtP (normally Accounts Payable but can also be performed by any other team inside PtP according with center operational definition)
- **Target Audience:** PtP Process Experts + SC-PtP Manager/Leads + ROPM/RO Leads
- **Evidence Storage:** [Google Drive Folder by Center](#)
- **Access Requirements:**
 - SAP Transaction:
 - WP1: ZWFA01K
 - PF1: ZWFA01K

Execution Guidelines

Step 1 - Export Data

Prior Note: You can use [this template](#) as basis to paste the information into sheet "**Raw Data**" to benefit from some predefined formulas.

1.1 - You should enter in the SAP transaction dedicated to this report and execute it with following criteria:

- **Posting Date:** 16.M-1.YY until 31.M-1.YY **or** 1.M.YY until 15.M-1.YY , depending on whether report concerns to last 15 days of previous month or first 15 days of current month, respectively.
- **Company Code:** according with your center scope
- **Layout:** none

1.2 - Then, execute and export the output to Excel.

Step 2 - Analyzing Data

2.1. - Add an additional columns to the report downloaded previously as follows:

Column Name	Tolerance Cluster - 3WM (GR - Invoice)	Tolerance Cluster - 2WM (PO Item - Invoice)
description of output	to check whether discrepancy is relevant and if so it is above / below the tolerance	
valid options	<i>not relevant - 2WM</i> (if cockpit document type = "VP" or "RG" or "IP")	<i>not relevant - 3WM</i> (if cockpit document type <> "VP" and "RG" and "IP")
	<i>not relevant - positive</i> (positive amounts)	<i>not relevant - positive</i> (positive amounts)
(meaning)	List of Exceptions	List of Exceptions

	<i>Inside Tolerance</i> (difference <=200€)	<i>Inside Tolerance</i> (difference <=200€)
	<i>Outside Tolerance <1K€</i> (difference up to 1000€)	<i>Outside Tolerance <1K€</i> (difference up to 1000€)
	<i>Outside Tolerance >1K€</i> (difference > 1000€)	<i>Outside Tolerance >1K€</i> (difference > 1000€)

Note: Whenever you have discrepancies Outside Tolerance you should screen and analyse to understand if it was an effective discrepancy and if it was properly validated as described in procedure: [III - Handling Price Discrepancy](#)

- sometimes, due to dynamic exchange rate calculation or program determination rules, you may conclude that in fact no discrepancy exists and so you should adjust the comment in each "**Tolerance Cluster**" column accordingly.

2.2 - Create 4 pivot tables as follows:

GR - INVOICE (3WM)

Summary (GR - Invoice)	# GR with Difference	Amount (total value)
<i>Inside Tolerance</i>	X	Y€
<i>Outside Tolerance <1K€</i>	X	Y€
<i>Outside Tolerance >1K€</i>	X	Y€
Total	sum(X)	sum(Y€)

PO ITEM - INVOICE (2WM)

Summary (GR - Invoice)	# GR with Difference	Amount (total value)
<i>Inside Tolerance</i>	X	Y€
<i>Outside Tolerance</i>	X	Y€
<i>Outside Tolerance >1K€</i>	X	Y€
Total	sum(X)	sum(Y€)

3WM Discrepancies by Vendor

Vendor list	# GR with Difference	Amount (total value)
<i>Inside Tolerance</i>	X	Y€
<i>+Vendor Name</i>	X	Y€
<i>Outside Tolerance <1K€</i>	X	Y€
<i>+Vendor Name</i>	X	Y€
<i>Outside Tolerance >1K€</i>	X	Y€
<i>+Vendor Name</i>	X	Y€
Total	sum(X)	sum(Y€)

2WM Discrepancies by Vendor

Vendor list	# GR with Difference	Amount (total value)
<i>Inside Tolerance</i>	X	Y€
<i>+Vendor Name</i>	X	Y€
<i>Outside Tolerance <1K€</i>	X	Y€
<i>+Vendor Name</i>	X	Y€
<i>Outside Tolerance >1K€</i>	X	Y€
<i>+Vendor Name</i>	X	Y€
Total	sum(X)	sum(Y€)

Step 3 - Deployment

Send a message with main highlights and file attached to the **Target Audience** mentioned in **Roles and Responsibilities** chapter and storage the file report.