

Customer Solutions

CASE STUDY

INDUSTRY: Healthcare

PROFILE: Guy's and St Thomas' NHS Foundation Trust (GSTT) comprises two of London's best-known teaching hospitals, Guy's Hospital and St Thomas' Hospital. It is home to the Evelina London Children's Hospital and provides community services in Lambeth and Southwark. Collectively, they form one of the largest and most successful foundation trusts in the UK; they have an annual turnover of over £1 billion and provide 1.6 million patient contacts per year.

SITUATION: The Accounts Payable department process approximately 30,000 invoices per month, of which, 55% are received electronically. The remainder are paper based, with the AP team manually entering these into their system. The Trust uses Oracle Financials and are planning their migration to Oracle Financials Cloud.

The Trust had previously relied on basic ERP system checks and their Internal Audit team to find payment irregularities. Based on these results, an external agent was appointed to provide an annual review and recovery service.

SOLUTION: With the business case established, the Trust decided to move away from retrospective auditing to continuous, preventative control. AP Forensics® was selected, to identify transactions that are a high-risk of being fraudulent, incorrect or in breach of compliance, and alert the AP team prior to payments being made.



Guy's and St Thomas' NHS Foundation Trust

NHS Trust prevents incorrect payments and improves process efficiency, receives 10 x ROI

QUICK READ

Guy's and St Thomas' NHS Foundation Trust implemented AP Forensics to provide a more effective method of protecting their working capital. Internal audits had confirmed that some AP processes were inefficient, and incorrect payments were being made.

By implementing FISCAL Technologies' AP Forensics solution, senior finance managers and the internal auditors are given the assurance they need that there are adequate controls in place to protect the Trust's funds.

Since implementing AP Forensics, the trust has prevented duplicate payments and made process improvements that deliver significant monetary and time-saving benefits, achieving payback within 6 months. To date, the Trust has received a return of over 10 x the investment made.

BACKGROUND

Across the NHS, there is a constant need to identify new opportunities for cost savings and process improvements - to ensure maximum funds are available for patient care. Like most Trusts, GSTT's existing control were manual and time consuming. They had once been adequate but had not scaled-up as the number of transactions increases and the ways in which errors occur has evolved. Their methods included ERP-based invoice checking, statement reconciliation and manual checking.

These existing controls were no longer adequate for two reasons - they didn't identify all erroneous payments and were reactive - only identifying past payments that were incorrect, then attempting recovery of these payments. This is a

time-consuming, passive process that allowed working capital to leave the Trust before some of the incorrect payments were recovered, sometime later.

Identifying an opportunity to bypass the fundamental problem with post-payment recovery, the Accounts Payable team at GSTT took the initiative, and moved from reactive to proactive protection of their supplier payments by deploying AP Forensics.

"FISCAL's solution delivered a rapid and significant return on investment. The Trust now has a proactive solution to safeguard its funds, and I am very happy with the results and assurance this provides."

Catherine Eyre, Chief Accountant

SOLUTION

The Trust's Chief Accountant and AP Manager engaged FISCAL Technologies to conduct a Risk Review, in which a sample of AP transactions are run through FISCAL's forensic solution, identifying high-risk transactions and other potential areas of risk.

The Risk Review uncovered sufficient duplicate payments, that when recovered, would make the solution self-funding for the initial 3-year service agreement. By using the Trust's actual data, the Risk Review - a proof of concept exercise, demonstrated with a high degree of accuracy, the latent value that would be unlocked by FISCAL's solution.

Following the risk review and decision making, FISCAL's AP Forensics solution was implemented as Software as a Services (SaaS) - hosted in a secure cloud by FISCAL. A short training program allowed the Trust to quickly receive value from the solution.

THE FUTURE

The Trust plans to extend its use of FISCAL's solution by migrating to NXG Forensics® - the latest version, to increase fraud protection and process improvements through master supplier file analysis, and taking advantage of increasing forensic and artificial intelligence capabilities as they dovetail the solution into their overall financial systems strategy.

RESULTS

The solution was brought in initially to address duplicate payments, and by identifying high-risk transactions before payments are made, paid for itself many times over. After an initial one-off sweep through historical transactions, which found enough overpayments to fund the purchase of the software licence, all new invoices that are approved for payment are now checked overnight by FISCAL's solution, and the high-risk transactions are flagged-up for investigation, crucially, before the payment is made.

The depth of forensic analysis provided by FISCAL's solution resulted in high-risk transactions being identified that had previously been missed, and the senior finance management team have increased confidence that the Trust's supplier payments are adequately protected.

There are many financial benefits to implementing FISCAL's solution; some are easily measured, and others such as time saved through process improvements and fraud prevention are only estimated. By helping the team improve their efficiency, and boosting moral with the team's pioneering approach, the Trust has shown that a well set-up AP team with good processes already in place can demonstrate that continual improvement makes an exceptional impact.

CONCLUSIONS

Adopting a proactive approach means that working capital remains within the Trust, benefitting their patients. The financial return on investment was rapid and has a long-tail of ongoing process improvements and protection from risk and fraud that has exceeded the original business case expectations.

"We are extremely satisfied with the service and solution we receive from the FISCAL team. With the benefits received from the solution to date, I am happy to recommend it to other NHS trusts."

Dawn Clarke, Accounts Payable Manager

FISCAL Technologies is a world-leading provider of forensic solutions and services that empower finance teams across the globe to protect organisational spend.

Incorporating unique technology to reduce risk in the supply chain, FISCAL Technologies' award-winning, cloud-based risk management platform is used on a continuous, preventative basis to protect supplier spend, defend against fraud, increase profitability and drive process improvement.

Since 2003, FISCAL's solutions have processed over 1 billion transactions with a value of over £5 trillion in spend, and are now relied upon by over 250 leading private and public sector organisations



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