

# No Purchase Order No Pay Policy

Revision	Revision Date	Owner	Reference	Comment
00	01/12/2022	Finance Director	FIN-POL-012	New Policy
01	01/05/2024	Finance Director	FIN-POL-012	Additional exception

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## 1 INTRODUCTION

As an ALB the Royal Armouries is required to follow the principles for managing public resources as set out in the "Managing Public Money" guide. One aspect of the guide is delegated authority and ensuring that commitments with suppliers for the supply of goods and services are created by people acting within their authority. Another is ensuring prompt payment of approved invoices.

To facilitate this control, purchase orders are issued by the Royal Armouries to suppliers. To ensure full compliance with this requirement, the organisation adopted a formal "No Purchase Order No Pay" policy with effect from 1 December 2022.

For the avoidance of doubt this policy applies to the Royal Armouries museum and any subsidiary organisations.

## 2 PURPOSE

This policy assists the Royal Armouries in:

- Complying with the requirements of "Managing Public Money";
- Ensuring commitments to purchase goods and services are made by an appropriately authorised individual;
- The prompt payment of invoices by enabling the matching of invoices to orders and their subsequent approval for payment. As a public sector organisation the Royal Armouries aims to pay all invoices within 30 days of approval;
- Providing a more efficient response to supplier queries related to the status of the delivery of goods, services or works and associated payment;
- Greater compliance with the relevant procurement process in accordance with the Royal Armouries Procurement Policy ensuring value for money has been achieved;
- Increased accuracy for reporting, budgeting and forecasting of expenditure.

## 3 SCOPE

This policy applies to all commitments for goods and services entered into with suppliers by the Royal Armouries and its subsidiaries.

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## 4 POLICY

### 4.1 Raising an Order

A Royal Armouries purchase order from Xledger or Opsuite must be raised for all purchases (other than those exceptions detailed below in **4.3**), suitably approved and issued to the supplier.

Order numbers must only be provided when the order has been fully approved. In Xledger this is shown when the PO status shows as "Transferred".

### 4.2 Invoice Processing

Any invoice received from a supplier that does not clearly state a valid purchase order reference provided by the Royal Armouries will be rejected and returned to the originating supplier, unless the invoice relates to a supply covered by the exceptions in **4.3** below or an exception has otherwise been expressly agreed by Finance.

### 4.3 Exceptions

The following supplies are exempted from the requirement for a purchase order:

- Utility Supplies – e.g. water, gas, electricity, heating fuel, internet
- Rent, Rates and Property Leases, Service Charges
- Food supplies for Fort Nelson Café / Events
- Mobile Phone Rental / Call Charges (does not include the purchase of handsets)
- Legal fees as deemed appropriate by the Finance Director
- DBS check fees
- Reimbursement of travel and subsistence expenses in compliance with the Royal Armouries' Travel and Expenses Policy
- Postal and courier services
- Customs & VAT charges
- Purchases made using a Royal Armouries Government Procurement Card (GPC) or RATE Credit Card
- Emergency works/services with agreement from the Procurement Officer. In some instances it may be necessary to raise a retrospective purchase order after the work has commenced, but prior to processing the related invoice
- Heritage Asset Purchases for Collections
- Any other supply types as agreed by the Finance Director

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## 5 RISK

The associated risk of non compliance of this policy is:

Impact of non compliance: Medium

Likelihood of non compliance: Medium

Risk will be mitigated by continuous monitoring of purchase ledger processing and rejected invoices.

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