PAC: Procurement Review – response from the Law Officers' Department

No	Questions relating to Government Processes	Response
1	How often does your department utilise the central procurement system for acquiring goods and services?	Figures provided by Treasury & Exchequer 2 August 2024 based on data from January 2023 to end June 2024: 		Total POs	Avg. per Month	 	---	---	---	 	LOD	957	53	
2	At what levels in terms of monetary value (e.g., small, medium, large purchases) do you most regularly engage with the central procurement system most frequently?	Figures provided by Treasury & Exchequer 2 August 2024 based on data from January 2023 to end June 2024: 		Total POs	 |---|---| 	1. Under £1k	462	 	2. £1k to £25k	443	 	3. £25k to £100k	45	 	4. £100k +	7	 	Total	957	
3	What aspects of the central procurement system work well and what challenges or issues does your department face when using the central procurement system?	What works well: • The online approvals process is very simple for the budget holder to approve Purchase Orders. • Despite our criticism of the system in the following responses, certain individuals in Treasury, ▮▮▮▮▮▮▮▮▮▮ from the Supplier Onboarding and Assurance team have been extremely helpful in resolving supplier issues.

What does not work well: where to begin?

- The process is overly complicated for suppliers, especially small suppliers or those providing services infrequently. This was highlighted by the Department as an issue to the ITS project team both in the development stage and early in the implementation stage, but consistently ignored.
- Instructions for suppliers are too long and complicated.
- It can take a long time for a supplier to be paid – this is usually because the supplier has not understood the complicated processes in particular the part of the process which requires a supplier to log back into the system after sending their invoice to the Department. In one example that was brought to the attention of the LOD Practice Director, the email thread from initial invoice to payment, contained nearly 40 emails, taking up the time of 17 individuals at the supplier, in the Department and in the Connect Finance team who had been emailed directly or cc'd into the email trail.
- The Department's workload has increased significantly in terms of assisting suppliers through the payment process from invoice to payment.
- Setting up a new supplier can take a significant amount of time. It involves the Connect Finance team emailing the supplier directly (after a request from the Department to set them up) asking for the supplier's bank details on letter-headed paper. We have heard of suppliers thinking the approach from an email address they are not familiar with asking for their headed note paper and bank details is a phishing attack and have ignored the request from the Connect Finance team.
- Suppliers that have already been set up and paid are not always visible to the inputter of the Purchase Order (so the inputter does not know if the supplier exists in the system or not and whether to request a new set up).
- It is a long-winded process to see if a particular invoice / purchase order has been paid.
- It can take a while for supplier changes to be updated in the system and when they are updated, some of the previous supplier data and history is lost.
- Suppliers are not always aware of updates to processes. This could be because suppliers receive many spam-like emails from SAP once they have signed up and may ignore important emails with details of process changes (see examples 1 and 2 below)

		- When a remittance is sent out from the system to a supplier who works across different departments there is no breakdown in the remittance per department so the supplier does not know which department has paid which invoice. - The inputter of a Purchase Order (PO) is the only person who can 'receipt' the PO into the payment system unless the inputter has delegated this functionality to another individual. If the inputter is absent for any reason and a delegate has not been set, no one else in the Department is able to access the PO and receipt it. The supplier needs to wait for the individual to return from their absence. - If the supplier is in credit due to an overpayment by one department, another department cannot make a payment to the supplier. *In summary, the issue is that a supplier wants to quote for the work, have the quote accepted, carry out the work, send their invoice and be paid. They may not realise that there are further steps to carry out between sending their invoice and being paid. This is a common issue for small suppliers or those providing services infrequently.*
4	How would you describe your department's relationship with suppliers when using the central procurement system and what feedback have you received from suppliers about their experiences with the central procurement system?	We have received a significant amount of negative feedback from suppliers regarding Connect Finance (SAP Ariba). This has been due to processes seen as overly complicated, instructions that are not clear, and for first time or infrequent suppliers, lengthy delays in payment. Feedback from suppliers to the Department echoes the findings of the Jersey Business 'Barriers to Business Report' of September 2023, page 24, paragraphs 1 and 2, where suppliers describe SAP Ariba as *'a long slow process which is difficult to use'* and that *'there were significant delays in payments being received for services provided.'* The Department has spent an inordinate amount of time hand-holding suppliers, re-writing the centrally-produced instructions on how to get paid in order to try and guide suppliers through the process and expedite the payment of overdue invoices. In the first year of implementing SAP Ariba the Department received several emails from suppliers threatening legal action and the withdrawal of services due to the lack of payment of invoices.

The situation has now improved in that most suppliers are aware of the complicated processes.

Example 1

An email received by a small supplier based in Jersey. The supplier does not have an IT department. What are they supposed to do with such an email? What does it mean? All the supplier has done is follow the instructions on creating a trading account in SAP and has submitted their invoice for payment.

Dear SAP Ariba Customer,

PLEASE DISTRIBUTE THIS MESSAGE TO THE IT / NETWORK / SECURITY DEPARTMENT IN YOUR ORGANIZATION

Starting with the next SAP certificate update on **22nd February 2024**, the **RSA certificates** updated by SAP Ariba Applications and SAP Business Network will be supported by the **G2 root and intermediate CA (ICA) certificate hierarchies** issued by DigiCert. If you also use **ECC certificates**, it will be supported by the **G3 root and intermediate CA (ICA) certificate** hierarchies. You can identify whether you use RSA or ECC certificates by referring General Security and Certificate Questions.

The G1 root and intermediate certificates, currently installed in your trust stores, will not support SAP certificates updated from 22nd February 2024 onwards.

Please Note: For upcoming SAP certificate updates (starting with 22nd February 2024), SAP provides the root, intermediate and leaf/client certificates (full certificate chain) of G2/G3 in all certificate files. The root and intermediate certificates provided by SAP Ariba will be updated on a certificate-by-certificate basis. While installing the full certificate chain provided by SAP would suffice in most cases, customers are requested to

review DigiCert's guidelines (links below) to ensure compliance specific to your system landscape.

More details on **SAP Public Certificate update on 22*nd* February** here.

WHY ARE WE CHANGING

This is part of an industry-wide change where your browser will begin distrusting older DigiCert G1 root certificates in 2025. The upgrade to G2 and G3 has been timed in 2024 to ensure your existing certificates (with 1 year validity) will not be affected by the browser's distrust policy.

CALL TO ACTION

Customers should review their current configurations. You will be impacted if you do any of the following:

- Pin ICA/Root certificates.
- Hard code the acceptance of ICA/Root certificates.
- Operate a trust store.

We recommend to stop pinning or hard-coding root or ICA certificate. If you operate a trust store, make the necessary changes to ensure certificates issued from the G2 (or G3) certificate hierarchies are trusted.

You can find the G2 certificates (corresponding to G1 certificates currently existing in your landscape) in [Digicert Knowledge Base](#) (see table below the header: **March 8, 2023, ICA/Root Replacements**). You may download the new G2 and G3 certificates corresponding to G1 from [DigiCert Trusted Root Authority Certificates.](#)

Add the new G2 (and G3 - needed only if you use ECC) certificate hierarchies to your trust stores.

Do not remove the current G1 certificatesfrom the trust stores as SAP certificates updated until January 2024 (with 1 year validity until January 2025) will still use G1 certificates.

Both G1, G2 and G3 certificates can co-exist, so you can add the G2 and G3 certificates without removing the G1 certificate. The need is an addition of G2/G3, not a removal of G1.

For additional details, please review the [DigiCert root and intermediate CA certificate updates FAQ](#).

If you have any questions regarding the information contained in this message, please contact [Digi Cert Support](#) or create a case via [SAP Ariba Connect](#) or contact your company's Designated Support Contact. Please do not reply to this email as this mailbox is not monitored.

Thank you,

SAP Ariba Product Support

Important: This notice reflects SAP Ariba planning as of the date of this notice. SAP Ariba may change the features and release schedule at any time without notice and assumes no responsibility for errors or omissions. Nothing in this notice should be construed to represent any commitment by SAP Ariba to include any specific new features in any version of the SAP Ariba solutions. All dates in this communication are based on US Pacific Time [GMT-7].

Notice Date: **February 20, 2024**

Let's Run Better Together!
Your SAP Team

Example 2

An example of further emails received by small suppliers. Again, how is this relevant to the small supplier who just wants to submit their invoice and be paid? It creates frustration, wastes time and leads to incoming emails from SAP or Connect Finance which might contain important messages being ignored.

SAP Ariba /**   **SAP

Release Readiness Communication for SAP Business Network

Reminder: Domain Allow List

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Hello,

Per our previous communication sent in August of 2023, SAP Business Network is reminding customers using the domain allow list to include the domain or sub-domains listed in this support article KB0588301. Including the domains/sub-domains in the allow list ensures uninterrupted service within SAP Business Network.

Thank you,
Release Readiness Team | SAP Business Network

Important Note
Nothing in this notice should be construed to represent any commitment by SAP to include any specific new features in any version of the SAP solutions. All dates in this communication are based on US Pacific Time.

Notice date: April 05, 2024

Do not reply to this email as this mailbox is not monitored.
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Let's Run Better Together!
Your SAP Team

Example 3

An example of the experience of a new supplier using Connect Finance:

22 Nov 2023, email from a supplier to the Department regarding their set up in Ariba SAP:

"After many emails and considerable time I believe I have done the necessary. Is it possible to check from your end?"

[This email was sent to the Department's Finance Manager who although an inputter of Purchase Orders for the Department is unable to see if the supplier is set up, so replied asking the supplier to contact suppliers@connect.gov.je directly].

1 March 2024: email from the supplier to suppliers@connect.gov.je, copied to the Department:

"Good Morning, I invoiced against the above PO number in January but have not received payment. I've contacted the payment team, they say it doesn't appear on their system. Can you assist?"

The Connect Suppliers Ariba team replied to the supplier the same day which drew the response from the supplier, copied to the Department:

"Whilst understanding the individual words [of your reply] I'm slightly at a loss. We only started using your system in November and navigation it is very confusing for me."

Example 4

We have heard from a supplier who received a remittance for the GST on their invoices separately to a remittance for the services provided. The wording on the remittances made little sense, causing supplier confusion and frustration.

		Example 5
		Extracts from an email chain of 12 emails from a supplier chasing unpaid invoices in September 2023:
		26 September 2023: *"I think I set up an account. Not sure if I did it correctly."*
		28 Sept 2023: *"This is confusing to be honest."*
		5 October 2023: *"Am sorry but instructions are not very easy to follow on actual website."*
		In summary, in answer to the question regarding feedback from suppliers and the relationship with the Department: • New suppliers can experience lengthy delays in being paid. • In the first year of implementing the payment process system, several key suppliers threatened the Department with legal action and the withdrawal of their services due to lack of payment. • When suppliers have had difficulty with payments it is generally because they have not understood or followed the full payment process. • Suppliers' feedback is that the payment process is overly complicated and not explained clearly. • The situation has improved over the last six months as regular suppliers are more accustomed to the payment processes and some processes have been simplified. • Despite the complex processes some individuals in T&E's SAP Ariba team go above and beyond to resolve the payment issues and are extremely helpful.
5	Can you provide details on the number of engagements that have been extended above their original value over the past 5 years?	We are not aware of any instances for the LOD.
6	How do you evaluate the delivery and closure of individual procurements within your department?	Procurement by the LOD is largely for professional services such as external counsel to advise on a particular aspect of law on a case, external Crown Advocates to take on cases in the Royal Court where the LOD does not have

		sufficient resources, or expert advisers/witnesses on a case. The Department follows the Lexcel standards for appointment and evaluation of External Advisers (Lexcel being the Law Society of England and Wales's legal practice quality mark for client care, compliance and practice management). Under the Lexcel policy for External Advisers, approved lists of providers are maintained by the Department. Clear instruction letters and terms of business are sent out with each instruction (procurement) and there is a process for the Lawyer Responsible on the matter to evaluate whether the provider should remain on the approved list or not.
7	Does the current level of autonomy provide work well for your procurement needs?	Yes, this works well when the supplier is aware of the payment processes.
8	Do you have any additional suggestions or recommendations in order to further enhance procurement processes?	- Keep simplifying the processes. - Keep improving and simplifying the instructions to suppliers. Write in plain English (suggest submitting the instructions and template email replies to an organisation such as the Plain Language Commission). - Greater visibility within the system for the Department's finance staff: - make it easier for the inputter to see what has happened to their Purchase Orders, including if the supplier has been paid, when paid. - allow inputters to see more details of the supplier in SAP Ariba such as their contact details. - Widen the scheme of delegation. - Stop SAP spam-like emails going to suppliers.

No	Questions relating to Non-Government Processes	Response
1	How does the Law Officers' Department currently ensure that procurement processes align with government regulations and policies, and do you have any processes that sit separately to government regulations and policies? - Can you please clarify what any additional processes that sit outside of Government processes relate to? - What is the decision-making process that you go through in order to decide whether to follow your	At the LOD we adhere to the Public Finance Manual and follow GoJ procurement policies and processes.

	own procurement processes of the central procurement process?	
2	What strategies are in place to enhance the transparency of your own procurement processes for suppliers and stakeholders?	n/a
3	How do you assess the effectiveness of your own procurement processes, and what key performance indicators do you use?	n/a
4	What feedback mechanisms do you have in place to gather input from suppliers about your procurement processes, and how do you act on this feedback?	n/a
5	How do you ensure that your procurement requirements are clear and well - communicated to all potential suppliers?	n/a
6	What measures do you have in place to ensure the sustainability and social responsibility of your procurement decisions?	n/a
7	How do you handle disputes or grievances from suppliers regarding procurement decisions from your own processes, and what is your process for resolution?	n/a
8	What are the barriers to engagement that suppliers face in your procurement processes, and how can you work to eliminate these barriers?	n/a
9	How do you ensure that procurement opportunities are widely communicated and accessible to all potential suppliers?	n/a