

Finance News

 **Norfolk** County Council

News and views for
everyone interested
in finance

Issue 69

March 2011

YEAR END CLOSING OF ACCOUNTS – 31 MARCH 2011

The sun is out, the sky is blue, there's only a blind to spoil the view, but it's (not) raining....

Unfortunately there is no prize for naming the song title and artist that was inspired by. If you know you're probably from the same generation as me.

Actually it makes a nice change, because it's normally snowing or raining and is generally dull when I write this.

Some of you may recall last year's Year End Closing Of Accounts – The Norfolk Way and I was grateful for the appreciative comments some of you made. It's nice to know the article does get read. Unfortunately, given the time I've got to write this one, I'm not able to do something similar this year, so this will be short and sweet. However I have been trawling the archives and have come across something from many years ago which I might share with you in the future, and which shows the trials and tribulations of year end and closing and auditing of the accounts were not a lot different. So keep reading Finance News.

As always the over-riding purpose of this article is to make you aware that year end is just about to kick off and the usual guidance, instructions and timetable have been issued by the Corporate Accounting Team, and can be accessed from the Finance For All website, using the following link.

<http://intranet.norfolk.gov.uk/financeforall/yearend11.htm>

In essence the instructions, guidance and timetable are largely the same as last year. Fortunately there has been no change in the date by which the accounts have to be approved and audited. Nevertheless, the timetable is as always very tight and there is no slack built into the final dates by which accounting entries need to be completed and/or information needs to be provided to the Corporate Accounting team.

Below, for information, is the agreed corporate timetable for this year end which you may find useful. Please refer to the guidance notes on the Finance For All website for detailed information supporting those tasks and dates.

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As usual, if when you have read them and you are unsure as to if or how the process affects you in your job, please speak to your departmental Finance Officer. Again there is a list of who they are on the FFA intranet site.

If you're still unsure after trying those options please contact any of us in the Corporate Accounting Team (Alan Lincoln ext 224374, Stephanie Mullarney 223322, Nigel Gabriel 222825, Luke Marsh 222828). We'll be pleased to help because, as I always say, anything you do or don't do will impact on our efforts to get the accounts correct for the County Council members to sign off by the statutory deadline of 30 June, and satisfy the external auditors that the accounts provide a true and fair view of the Council's finances.

Useful contact extension numbers at County Hall

Revenue

Stephanie Mullarney 223322, Alan Lincoln 224374, Luke Marsh 222828, Nigel Gabriel 222825.

Capital

Howard Jones 222832, Cathy Morrey 224088, Kim Atkins 228980, Tammy Sadeh 224373, Marion Sadler 222477.

SCHOOLS. Please note that you should have received guidance notes from Children's Services Finance at County Hall, and should direct any queries or requests for assistance to your individual Finance Support Officer in that section.

*Alan Lincoln
Ext 224374*

2010-11 YEAR END CLOSEDOWN TIMETABLE

17th March 2011 4.00pm	Last date for normal payables invoices to be received by Purchase to Pay (P2P) for inclusion in pay run scheduled for 31 st March.
21st March 2011 4.00 pm	Last date for urgent payables invoices to be received by P2P for inclusion in pay run scheduled for 31 st March.
31st March 2011	<ul style="list-style-type: none"> a) Final Payables pay run for inclusion in period 12 2010-11 b) Final date for input of receivables invoices for inclusion in period 12 2010-11 c) All income must be banked. d) Goods/services received against iProc purchase orders to be receipted e) Sub ledgers for period 12 2010-11 close
4th April 2011	Period 12 2010-11 reporting available once confirmed by GL team.
4th April 2011 4.00pm	Final date for normal payables invoices to be received by P2P to include those payments 'flagged' as 31MAR11 for inclusion in the pay run scheduled for 15 th April.
7th April 2011 4.00 pm	<ul style="list-style-type: none"> a) Final date for urgent payables invoices to be passed to P2P to include those payments 'flagged' as 31MAR11 for inclusion in the pay run scheduled for 15th April. b) Last date for receivables credit notes and cancellations to be passed to Order to Income (O2I)
14th April 2011 4.00pm	Final date for input of 'flagged' receivables invoices with an invoice date 31 MAR11.
15th April 2011	<ul style="list-style-type: none"> a) Scheduled payables payment run which will include 'flagged' payments. b) All prime data from Payables, Receivables and Payroll to be posted to General Ledger
18th – 21st April 2011	<ul style="list-style-type: none"> a) Departments to complete all journal entries for creditors, debtors, suspense account etc clearances. b) All Capital entries by departments to be completed (including financing entries) c) Final Capital C1's to be received by Corporate Finance, which MUST include a reconciliation to ORACLE of both expenditure and financing
22nd - 25th April 2011	Easter Holiday.
28th April 2011	<ul style="list-style-type: none"> a) All imprest account certificates to be returned. b) Departments to complete review/grants, etc. c) Final review/completion of recharges (including internal recharges). No more entries by departments after this date. d) PERIOD 13-11 will be closed and unavailable for any further postings to General Ledger.
29th April - 2nd May 2011	Bank Holiday (Royal Wedding) and May Day.
3rd May 2010	<ul style="list-style-type: none"> a) Corporate Accounting Team to complete final checks. b) Information required from departments for inclusion in outturn/final accounts report e.g. reasons for over/under spends. c) P13-11 2010-11 reporting can commence.
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By 30th June 2011	<ul style="list-style-type: none"> a) Reporting to Audit Committee:- Audit Committee 27th June, circulation date 17th June b) RO forms completed and returned to Finance

Bank Notes



Counterfeit Bank Notes and Coins

Do you know the real thing from a fake?

Banknotes £5, £10, £20 and £50

We would probably all like to think that we would recognise a fake bank note if one came our way but unfortunately that is not the case for most people. Counterfeit notes are very sophisticated these days and it takes a trained eye or specialist equipment to establish for sure if a note is genuine.

However, there are several simple checks that you can make for yourself. The Bank of England website is a brilliant source of information on counterfeit notes and illustrates very clearly what you should look for. So whether you take cash on a regular basis as part of your job, or you are an individual looking for reassurance, the website is well worth a look. The website address is www.bankofengland.co.uk (Select Banknotes followed by Current Banknotes). This links you to some very useful information and at the foot of the page is an excellent PDF, which you can download that talks you through all the features. Or click on the link [Recognising Counterfeit Notes](#).

Most retail outlets have specialist equipment to verify notes. £5 and £10 notes are not routinely checked and in most outlets £20 notes are only subject to random checks. The majority of outlets will always check a £50 note. If the retailer has no specialist equipment, or has doubts about the authenticity of a note, he has a legal right to refuse to accept it.

If you do accept a note which subsequently turns out to be counterfeit the bank will **not** reimburse you so, either you personally, or your till, will be out of pocket. If you are operating a service where you take cash on a regular basis it is well worth considering purchasing some specialist equipment. The cost varies from very cheap to moderately expensive depending on your needs. Check with Procurement for the best source for purchasing this equipment. Contact the e-Procurement Helpdesk on 01603 222820 or email Eprocadmin@norfolk.gov.uk.

It is a criminal offence to hold on to or pass on counterfeit notes. If you suspect a note is counterfeit, take it to the police as soon as possible. They will give you a receipt and send the note to the Bank of England for analysis. If the note is genuine, you will be reimbursed. Similarly if you hand over a note which the recipient believes to be fake, the recipient must keep the note, take your details and return the note to the Bank of England for analysis. In either case, if the note proves to be counterfeit, you will not be reimbursed.

Having said all of that, whilst fake banknotes are on the increase, they are still very rare in everyday life.

Coins

Much has been made in the national press lately about the number of fake £1 coins in circulation. The latest BBC release estimated that 1 in every 50 is counterfeit. Random tests carried out by the Royal Mint earlier this year showed that 2% of the coins were fakes. This is double the forgery rate in 2003. It was at this level of counterfeit coins that the 5 rand coin was withdrawn in South Africa for that very reason. There is no suggestion that this will happen in the UK, but the numbers are growing.



Spotting a Counterfeit coin:

- ♦ Look at the edge – on fake coins lettering will often be indistinct, or the wrong typeface
- ♦ Hold the coin so the Queen's head is upright and facing you. The pattern on the reverse side should also be upright
- ♦ The colour can be a give-away, although real coins can become discoloured in circulation
- ♦ Most fake coins won't operate automatic vending machines

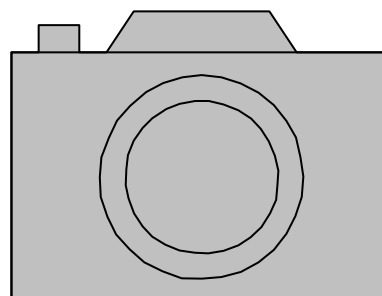
Again it is a criminal offence to use counterfeit coins and they should be handed in to the police.

*Tina Henderson
Ext 222691*

Audit View

from the Norfolk Audit Services team

This is the first in a series of regular features in Finance News aimed at bringing you information about current risks and controls, common audit findings from our recent audit work across NCC, advice on how to avoid pitfalls and anything else that we think will be helpful and interesting.



We have been producing Newsletters for Schools for several years and these have been welcomed by Headteachers and school finance staff. We hope that by using Finance News to let you know about issues affecting all NCC Finance staff we can help to provide advice up front, rather than just picking up on what's going wrong when we come on an audit visit.

Different members of the NAS team will be involved in producing the features and we will give you a brief 'portrait' of the authors each time so that you can build up a picture of who we are and have some useful contact information.

I'm Jennie Griffiths, Principal Client Manager, and I've been working in NAS since the early 1990's. I've seen several changes and re-organisations across NCC and seen budgets rise and fall, although never plummeting quite like they are at the

moment. Change is never easy and as auditors we're always mindful that important controls can be lost along the way. On the other hand, change is a great opportunity for encouraging efficiency and innovation that may not happen otherwise and can bring enormous benefits to the people of Norfolk. Our role is to work with NCC to help achieve objectives while keeping risks under control.

We plan to cover a variety of topics and in this issue we look at:

- use of NCC equipment, such as mobile phones and laptops
- the new arrangements implemented under MRS for claiming travel expenses, and
- a short piece on where to find guidance on how to deal with suspected fraud and corruption, both from within and without, in this challenging economic climate

Use of NCC laptops and mobile phones



It is now common practice for employees to be issued with equipment, such as laptops and mobile phones, to enable them to carry out their work effectively and conveniently.

Departmental procedures set out the arrangements for the use of NCC equipment although common guidance applies to all staff.

Some of the key risks that we've identified are:

- Loss of personal and sensitive data. You will have seen some of the high profile cases in the press and it is an embarrassment to the staff and local authorities concerned and a breach of Data Protection regulations. Worse still is the sense of personal distress felt by the people whose personal data has been lost
- Personal use of mobile phones without reimbursement to NCC
- Personal use of laptops – which may involve the use of unprotected peripheral devices and the risk of viruses
- Inappropriate internet access – such as:
 - conducting illegal activities
 - accessing pornography
 - gambling
 - soliciting for personal gain or profit
 - revealing confidential information
 - representing personal opinions as those of the Council
 - making indecent remarks
 - violating copyright

Staff issued with mobile equipment should make sure they are aware of their responsibilities and the means of keeping them, and the data held on them, safe and secure (see the Standards of Conduct and Behavior Policy – P319). Make sure you don't leave phones or laptops on trains or in parked cars, don't leave personal data on laptops and use encryption to make laptops or other storage devices as difficult to access as possible.

Please remember that use of County Council Internet, e-mail and telephone facilities is not private and is monitored. Inappropriate use of these facilities may constitute a

criminal or disciplinary offence.

Travel Claims

Most of you will by now have used the updated Travel, Subsistence and Expenses form (form F304) that can be found on the intranet within People Net. Here are a few reminders about how you should be using it.



How?

The form should be completed by all staff who have travelled away from the office as part of their job and require reimbursement for costs they have incurred. All sections of the form should be fully completed, including times, dates, destinations, reasons for the journey and passenger names. Poorly completed travel claims are a common finding from our audits.

Reimbursement should never be made through the imprest account.

What?

The rules on this have changed. The basic criteria for claiming mileage is that this should be calculated from the employee's workplace and back again. However where it is more beneficial for employees to travel direct from home to an outside appointment or vice versa, rather than call into the workplace first, they are entitled to claim the number of miles over and above their normal home to work mileage. Normal home to work mileage must be deducted from such claims. Incorrect claiming of miles is a common finding from our audits.

Who?

Employees complete and certify their own travel claims and attach VAT receipts where necessary. It is the line managers' responsibility to check that the claim is valid, reasonable and necessary and that the distances claimed are correct and receipts are attached where they should be. The updated form now requires the authorised signatory to confirm the checks and print their name to make it easier to know who has approved the form, in case of any subsequent queries.

Finally, did you know?

Employees who take passengers in a car or van may claim a passenger mileage payment per passenger per mile. HMRC rules state 5 pence per passenger per mile payments can be made. Although this payment applies to the lease mileage rates as well as general mileage rates it does not extend to any service users who travel as passengers i.e. children and vulnerable adults. The passenger must be an employee of NCC or an employee of NCC partner organisation on the same NCC business. Where the passenger does not start or finish their journey at the same time as the driver, then the driver can only claim for the number of miles that the passenger was actually present in the vehicle.

Fraud Risk

In the unfortunate event that you suspect there is theft or fraud taking place in your work place, a handy 'bite-size' [Anti-Fraud Leaflet](#) is available which details the key actions you should take.



Norfolk County Council is one of the largest organisations in the county. The County Council is determined to protect itself against fraud and corruption from both within the County Council and from outside. The Council is committed to the effective Anti-Fraud and Corruption Strategy and more information on the [Anti-Fraud Strategy](#) can be found on the County Council Intranet's A to Z.

If you have any questions, comments or suggestions for future topics please contact:

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Norfolk Audit Services

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*Jennie Griffiths
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Money Laundering Summary



Money laundering legislation and regulations are aimed mainly at businesses. They are not really designed for local government. However, there are transactions a local authority may carry out that may attract the attention of a money launderer therefore, it is appropriate for the council to put procedures in place and raise officer awareness of the requirements.

As a minimum, public authorities are recommended that they:

- ✦ Make those staff most likely to be exposed to or suspicious of terrorist financing or money laundering aware of any requirements and obligations placed on the authority, its staff, and on them as individuals
- ✦ Give targeted training to those staff considered to be the most likely to encounter the financing of terrorism and money laundering
- ✦ Make arrangements for a nominated officer to receive and manage the concerns of staff, to make internal enquires, to advise staff who feel they should make a report, and to co-ordinate suspicious activity reports to the Serious Organised Crime Agency where necessary
- ✦ Establish appropriate internal procedures which are both proportionate and cost effective.

The warning signs that we should look out for are:

- ✦ Does this transaction feel right? – using capital for a purchase when part-borrowed funds may be more tax efficient
- ✦ Does it involve 'large' amounts of cash – is the transaction unusual
- ✦ Verification of the actual source of funds – make reasonable enquiries as to the source of the funds and make sure the actual source was the original
- ✦ The new client – make sure you know your client
- ✦ The secretive client – clients presenting misleading information
- ✦ Linked transactions – a client that buys assets but then sells at a loss soon after without good reason
- ✦ Suspect overseas instructions – be aware if a client is introduced by an overseas bank

If an employee has any kind of suspicion or is nervous about a transaction, then Victoria McNeill, Practice Director, nplaw (Norfolk Public Law) is the person to contact.

If you would like this newsletter in large print, audio, Braille, alternative format or in a different language, please contact the Department of Finance on 01603 223488 (minicom 223833) and we will do our best to help.



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