

Finance News

 **Norfolk** County Council

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News and views for
everyone interested
in finance

County Council sets Budget and Council Tax for 2004/05

At its meeting on 23 February, the County Council approved the budget and Council Tax for 2004/05.

This has been, without doubt, the most difficult budget cycle in my experience and the professional support of staff in all departments throughout the process has been tremendous. Indeed at the conclusion of the Council budget debate, the Leader of the Council, Alison King, recorded her appreciation of the support provided by staff across the Council and I am pleased to pass that on to you all.

The budget for 2004/05 has been set at £739.7m and that results in a Council Tax increase for County Council services of 5.75%. The spending level is an increase of £48.4m (7%) compared with the 2003/04. Most of the increase has been approved for schools and social services. The Council tax increase compares with a rise of 15.9% in 2003/04.

I referred above to the difficulty of the budget cycle this year. Quite simply, the central government financing regime for local authorities does not fairly fund the County's service needs, along with all other local authorities.

Whilst there is a Government initiative to review this, the 'Balance of Funding Review', that is not due to report for some while and its recommendations are unlikely to be implemented this side of the next general election.

The upward pressure on all of Norfolk's services continues unabated, whilst the Government has imposed very significant downward pressure on Council Tax levels for 2004/05 in response to a very vocal public campaign throughout 2003 about the fairness of the tax. I have also been required by law for the first time this year to certify the 'robustness' of the spending estimates and to formally advise the Council on an appropriate level of balances.

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Spotlight on

Systems team

Norfolk County Council relies a great deal on NORBAS and the Norfolk Budget System to provide financial reports, prepare final accounts, prepare budgets and generally manage its finances. These systems need to be maintained to ensure that users have access to the information they require, that reports run when they should and that the information in the systems is accurate and reliable.

Making sure that all this happens is the role of the Systems Team. As with many computer-related issues, we are only aware of what goes on in the background when there is a problem – so if you don't know who the Systems Team are, this is probably a good thing!

Codes are a key factor in any financial system – without them, we can't enter invoices or journals, and we can't get reports showing us the information we need. The Systems Team has the job of setting up the codes on NORBAS, and of maintaining the various hierarchies that are used to summarise information and make reporting easier.

However, before users can start thinking about codes, they have to be able to access the systems. The Systems Team are responsible for managing security on these systems - making sure that users have access to the systems and the features and codes that they need.

To make best use of systems, training is required. The Systems Team provides training on the NORBAS (Journals, Enquiries and Reporting) and on the Budget System. If you would like training in any of these areas, please contact one of the team.

The other work within the Systems Team covers all those 'invisible tasks' – making sure that reports and other jobs are run at period-end and year-end, making sure that control accounts (payroll, AP and AR) are reconciled and generally keeping the systems going. This is when they are not helping out with the FIMS project! (Rob Bales has recently been seconded from the team to the FIMS project to take the lead on security).

If you have any queries on systems, please contact one of the team:

Robert Greengrass - ext 3953

Ian Shaw - ext 2159

Sam Robinson - ext 2814

Matt O'Brien - ext 2814

Amanda Reece-Anderson - ext 2814

Laura Wigby - ext 2814

Paul Mason (ext. 4427)



Continuing Professional Development

Increased Importance of CPD

As you may be aware, many finance professional and technical bodies - including all the accountancy bodies - are introducing compulsory Continuing Professional Development (CPD) schemes for their members.

Others (such as AAT and IIA) have voluntary schemes that they encourage their members to follow. Until now, many members of these bodies (both within Norfolk County Council and nationally) have not taken part in the schemes. This is not because they were not undertaking development activity, but because of the paperwork that has been involved in providing evidence of compliance with the various CPD schemes.

Financial Management Group Commitment to CPD

As the profile of these schemes is now being raised, Financial Management Group has committed to supporting the active participation by all members of the finance community in the CPD schemes operated by their professional institutes or bodies, irrespective of whether compulsory or voluntary.

One way of encouraging this is to link CPD with the NCC appraisal and development system to reduce the amount of extra paperwork. This is also in line with the approach preferred by many of the professional bodies.



What does CPD Involve?

The various CPD schemes have a common approach, which involves identifying development needs for the

coming year, meeting those needs and reviewing what has been learnt. In most cases, this won't require lots of external training as in-house training, technical reading and learning on the job are also good ways of meeting the requirements of the schemes. The important thing is to make sure that we are constantly learning about issues related to our roles.

Proposed Changes

To simplify the process of recording the CPD plans and reviews, the corporate appraisal and development form has been expanded to meet the requirements of CPD by adding sections to record the CPD plan and review.

A number of professional bodies will certify an employer's development scheme as meeting the requirements of their CPD scheme. We are currently liaising with CIPFA, ACCA and CIPS, with a view to securing their acceptance of the revised appraisal and development scheme as meeting CPD requirements.

Other professional bodies (such as CIMA and AAT) allow their members to record CPD activities in whatever manner suits them. The revised appraisal and development form would also enable members of these institutes to meet their CPD requirements.

What Next?

We will circulate more details when we have progressed the scheme further. In the meantime, if you would like more information the table on the next page gives details of the schemes and the relevant web sites (If your institute is not listed and has a CPD scheme, please let us know so we can incorporate it). Alternatively, you can contact Paul Mason on 224427 or your Financial Management Group representative.

| Institute | CPD Requirements | CPD Web Site |
|---|---|---|
| Chartered Institute of Public Finance and Accountancy (CIPFA) | Compulsory, phased in from 2005 | http://www.cipfa.org.uk/cpd/ |
| Chartered Institute of Management Accountants (CIMA) | Compulsory | http://www.cimaglobal.com/members/professional/cpd/CPDpolicy/ |
| Association of Chartered Certified Accountants (ACCA) | Compulsory from 2005 | http://www.accaglobal.com/cpd2005/?view=ACCA |
| Institute of Chartered Accountants in England and Wales (ICAEW) | Compulsory from 2005 | http://www.icaew.co.uk/ (Members must log in to view CPD details) |
| Association of Accounting Technicians (AAT) | Voluntary for NCC employees | http://www.aat.co.uk/members/cpd_scheme.cfm |
| Institute of Internal Auditors (IIA) | Voluntary | http://www.iaa.org.uk/qualifications/cpd/index.cfm |
| Chartered Institute of Taxation (CIOT) | Compulsory | http://www.tax.org.uk/showarticle.pl?n=&id=103 |
| Pensions Management Institute (PMI) | Voluntary | http://www.pensions-pmi.org.uk/cpd/ |
| Chartered Institute of Purchasing and Supply (CIPS) | Voluntary | http://www.cips.org/BigPage.asp?CatID=176&PageID=239 |
| Institute of Occupational Safety and Health (IOSH) | Compulsory if on the Register of Safety Practitioners | http://www.iosh.co.uk/index.cfm?go=professional.cpd |

If you would like this newsletter in large print, audio, Braille, alternative format or in a different language, please contact the helpline, 01603 223488.



FIMS latest

Training programme begins

The massive project to train users on FIMS is now underway with the appointment of Jens Gemmel as FIMS training manager and the selection of DA Consulting Group as training provider.

Jens has overall responsibility for training and DA Consulting will create all the relevant training materials and deliver training customised to NCC's user community and financial processes.

Everybody who needs to be trained on the new system and processes will be trained.

With a team of 10 trainers, more than 250 tasks to be documented and taught and an estimated 200,000 pages of training materials to be printed, this is the largest system and process training that NCC has ever undertaken.

Blended learning

It is also the first time that blended learning - a mixture of classroom based training and e-learning self study via the intranet - will be used to train everybody. E-learning will enable users to practice and learn both before and after the go-live date.

The first stage of the programme will be to conduct a training needs analysis. Over the next four weeks Jens and DA Consulting will be gathering information on user numbers and locations, roles, processes and tasks to come up with a detailed training plan and course agendas.

This will then determine how many different courses will have to be developed and also who should attend which course on what date. The change agents and the FIMS project team will review all training materials to make sure that they will meet our needs and reflect the new processes and the way we work at NCC.



Jens Gemmel, the FIMS training manager

About Jens

Jens brings a wealth of experience to the project.

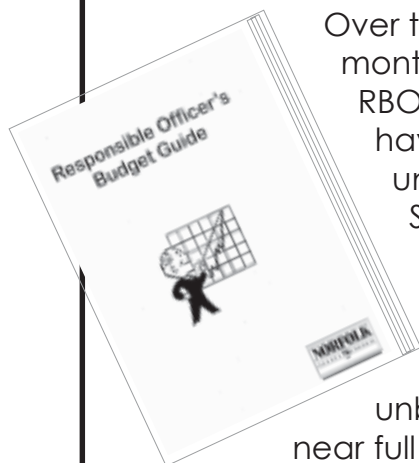
He has managed complex IT system and change projects for over seven years, and worked on more than 15 training and change programmes similar to FIMS.

These include Transport for London, National Power and Centrica/the AA.

Jens is a certified e-learning consultant and a member of the UK Institute of IT Training.

**FIMS—
finance at
your
fingertips**

RBO Training



Over the past couple of months a number of RBO Training courses have been undertaken by Susanne Baldwin and Chris Upton. The response rate for attendance has been unbelievable with a near full attendance each time. Should anyone wish to attend please let either Susanne (ext. 8987) or Chris (ext. 4373) know and further courses can be arranged.

Responses to the Training have generally been positive:

- Finding out how the NCC Budget is made up and where the money is spent
- Understanding the bigger picture
- The role of the RBO
- Financial Management
- Budget Profiling

Some further comments made:

- More detailed training on specific budget management areas
- Communication required between RBOs and Management
- Specific Training re Financial Monitoring
- More specialised training in the future e.g. Vat/Imprest Accounts/Reconciliations/Year End /Journals/Virements
- Incentives to stick within Budgets
- Securing Income
- Understanding NORBAS Reports
- Hoping FIMS will be easier

Budget and Council Tax for 2004/05

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In addition to making a judgement about the balance between levels of spend on services and levels of Council Tax, the County Council has, for the first time this year, produced a Medium Term Plan (MTP) covering the period 2004/05 to 2006/07. This provides the Council with a medium term financial and service plan for the next three years and is a requirement of the new Prudential Borrowing Code. This points to further difficult budget decisions in the year ahead as the Council's financial flexibility reduces.

In the light of all of the above, I cannot stress enough the importance of rigorous monitoring of all budgets to contain spending within the approved levels. The MTP demands that we also look at a rigorous approach to economies, efficiencies and savings and the groundwork for the 2005/06 budget will be starting very shortly.

That said, I must now reflect again on a job well done in delivering the 2004/05 budget. Once again, my sincere thanks to you all.

Bob Summers
Director of Finance

