

# Finance News

 **Norfolk** County Council

Issue 50

March 2005

News and views for  
everyone interested  
in finance

## 50th edition!!!

. . . and they said it wouldn't last!

It was 1997 and Bob Summers, the Director of Finance, said 'I want a finance newsletter'. As he does. I was one of the people who said we would make it happen. I finished up editing the first 29 editions. Phil Ballard, the current editor, asked me to reminisce a bit, so here goes...

The original title was 'Finance Newsletter'. (see picture to the right). It later became 'Finance!', complete with exclamation mark. For a while we expanded to cover 'Finance and IS', but without exclamation marks, before finally settling on 'Finance News' in September 2002.

Our first edition was in December 1997. It was on pink paper as a clever allusion to another financial publication. No-one understood the joke and we changed the colour soon afterwards, probably because ESPO had a special offer on yellow paper.

Between 1998 and 1999 I tried to inject some humour into finance. Clearly, the project was doomed, but one of the best true stories about Bob Summers, the Director of Finance, went as follows:



*continued on back page . . .*

Included in this issue: ● End of Year Closure  
● FOI representatives

● FIMS update  
● e-Auction success

● Settlement 2005/06

[www.norfolk.gov.uk](http://www.norfolk.gov.uk)



*Spotlight on*

# Closing the Year End Accounts

**Hello ..... it's that time of year again ....**

..... although at the time of writing it appears that nature's calendar doesn't think so. The sleet, snow, etc make it seem more like end of the calendar year rather than the end of the financial year. But, according to Angie, it's time I dusted down the keyboard and scribed a few words of wisdom about closing the year end accounts.

Now that's where the fun starts because, unlike the last ten or more years using NORBAS, I've not been able to take the previous guidance and simply change a few dates. Why not? Because this is our first year with the new Oracle system under FIMS.

Having said that, the basic principles behind year end closedown and what needs to be done remain the same. The means of achieving, and the processes by which we achieve the end result have however changed.

I don't think it's appropriate to reprint the whole of the closing guidance notes here as I suspect you would doze off before getting to the other (possibly more exciting) articles in this edition of Finance News.

However if you would like to have an in depth read they are, for those of you who haven't already seen a copy, by the wonder of modern technology, available on the DF Intranet site: <http://intranet.norfolk.gov.uk/dfi>

For the benefit of those who know me, I haven't suddenly become a technical whiz....somebody put them there for me (thanks Angie).

So what's changed? In terms of processes Oracle does work differently from NORBAS...some of you may say jolly good too. For example there is no such thing as period 13 in Oracle Payables (formerly known as AP) or Oracle Receivables (AR), which under NORBAS enabled payments and receipts to be 'coded back' to the old year.

The implication for this is that there will be the need to create many more journals for year end creditors and debtors. But fear not, the FIMS team have come up with a solution for this to make life a bit easier for us.

Details can be found in the guidance notes referred to above.... **go on, have a read!**

There are also some new tasks we need to undertake. An example of this is the need for Imprest account holders to provide a 'certificate' showing year end details of bank, cash and authorised imprest levels.

This new requirement results from an issue raised by our external auditors last year, which required a change to be made to the final accounts. We have had to take action to ensure that this doesn't happen again this year and the certificate is intended to help resolve the problem.

If you are affected by this then apologies go to you, but there appears to be no better way of getting the right end result. Again this is referred to in the guidance notes....**go on, have a read!**

*continued top of next page . . .*



# Closing the Year End Accounts

As if that wasn't enough the Accounts and Audit Regulations require that the accounts are 'signed off' (literally) by the County Council by 31<sup>st</sup> July. That's a month earlier than last year. In itself that may not be too bad, but coupled with the fact that this is the first closedown using Oracle it's likely that there could be some interesting times ahead during the next few weeks for all of us in the finance community.

Finally, as always, thanks for all your efforts to date, as I know by the time you read this many of you will have already started the closedown process. As this is the first year of using Oracle it's likely to be a steep (if not vertical) learning curve for most of us. Therefore, if you would like any help or further information regarding the closedown process, or if you feel that there are issues not covered in the guidance (**go on have a read**), please initially contact your Departmental Finance Officer. Otherwise myself, Stephanie Mullarney (ext 3322) or Harvey Bullen (ext 3330) will help where we can.

**Alan Lincoln**  
01603 (22)4374

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

GUIDANCE NOTES	
CLOSING OF ACCOUNTS - YEAR ENDING 31 <sup>st</sup> MARCH 2005	
CONTENTS	
	Page
Introduction	2
1 Accounts Payable (Creditors)	2
2 Accounts Receivable (Debtors)	2
3 Capital	2
4 Year End Payroll	2
5 Recharges: Holding Accounts and Suspense Accounts	12
6 Overhead and Travelling	12
7 Trading Accounts	12
8 Reversal of Creditors and Debtors	12
9 Journals	14
10 Stock Lists and Valuations	14
11 Inquest Accounts	16
12 Unmarked Reserves	16
13 CERA (Capital Expenditure funded from Revenue Account)	16
14 Control Accounts	16
15 Coding	16
16 Period End Reports	16
17 Information for Statement of Accounts	16
18 ESPO Energy Contracts	16
19 Conclusion	16
	20

**The Freedom of Information Act 2000 (FOIA)**, which came into full force on the 1st January 2005, is part of a wider government agenda to ensure that public decision making is more open and accountable. It gives the public a 'right to know' unless specific exemptions to information disclosure under the Act apply. It does *not* alter the authority's obligations to protect personal data under the Data Protection Act. For more information please contact your departmental FOIA representative.

## Lead Departmental Information Officers are:

Name	Dept	Name	Dept
Baldwin John	Finance	Orr Maureen	P&T
Birchall Christine	Communications	Rainger Laurie	SSD
Brett David	Fire Service	Rhodes Roy	E Services Charles House
Brock John	E Services North Wing	Sabec Mick	Education
Chatten Brian	Trading Standards	Smith Yvonne	SSD
Chittock Louise	NPS	Warren Martin	Cultural Services
Collins Howard	Democratic Services	Wilkins-Jones Freda	Norfolk Records Office
Langlands Mark	Communications	Witham Karen	Democratic Services
Metz Louise	Communications	Wymer Catherine	E Services North Wing

# FIMS Update

**As people become increasingly familiar with the new business processes and the Oracle system we are consolidating early progress. All FIMS modules were implemented in October 2004 and staff are now using the new business processes in their daily work.**

Below is a short resume on the current state of play:

- Budget monitoring reports are available to departments on a monthly basis. We are also establishing reporting 'champions' in service departments to help understand and respond to reporting requirements (see separate article).
- We are raising and despatching invoices to our customers on a daily basis and paying our supplier invoices promptly. The rollout of i-Procurement continues and around 750 users have now been set up, some in each department, with a target of 1400 by April.
- We are building resilience into the support arrangements so that people will be available to respond to user queries and issues as well as addressing development priorities.
- Current priorities for development include preparing for 'year end', closure of the accounts and working on the integration of FIMS with the new Oracle Human Resources and Payroll system, which will be going live in 2005.
- We are also developing facilities to help with the preparation of the 2006/07 budget (see separate article).

Looking a little further ahead:

- We plan to pilot facilities that allow our customers to order and pay for goods and services over the internet.
- We will be extending direct debit facilities to a wider range of customers.
- We will be introducing electronic matching of purchase orders and invoices.

For more information see the FIMS website: [http://intranet.norfolk.gov.uk/new\\_fims](http://intranet.norfolk.gov.uk/new_fims)

For support and queries, system users can also contact the FIMS Helpdesk, telephone 01603 495850 or email [fimshelpdesk@norfolk.gov.uk](mailto:fimshelpdesk@norfolk.gov.uk)



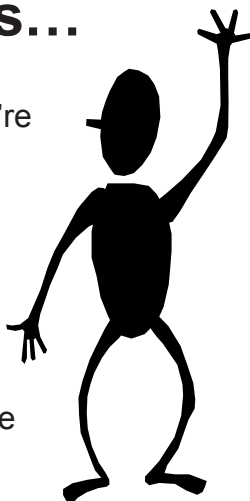
## More People To Help You

The FIMS support team is now being expanded so that there will be more people available to deal with issues raised by users. This will also allow the Core Team to concentrate on year end and the integration of FIMS with the new Oracle human resources and payroll system (IHRIS).



# We are the champions...

Eeeeeee! That's champion! - No, we're not talking about Chicken Tonight and we certainly won't be breaking into song with tales of a wonder horse. The "Champion" element in this instance is far closer to home than the imaginative world of television. Each department now has it's own Champion (or two) to help develop the inquiry and reporting facilities available to users of FIMS.



Since go live we have been gaining a better understanding of the facilities available, and recognising that many aspects of the way we deliver reports are very different from the methods we became familiar with when using NORBAS. The learning curve for reporting is very steep and we have been treading carefully to make sure that we understand and get the best from the facilities available.

Over the next few months the Champions will be asked to look at each department's reporting needs, identify the best method of obtaining the information required, look at different delivery methods, and make use of the new tools available to provide information as and when they become available. Over time the Champions will become responsible for identifying and developing a reporting set of methods to meet the diverse requirements of each department.

Initial meetings have taken place with the nominees, and they will be attending a workshop to introduce them to the reporting processes and facilities. In the meantime, if you have a reporting/information requirement please contact your champion who will be able to guide and assist you in obtaining the information required. Also, if you have found a particularly useful way of doing things, don't forget to share it with your colleagues and champions.

## Champions:

<b>Education</b>	Bruce Connors/James Stanford
<b>Social Services</b>	Kevin Burleigh
<b>Fire</b>	Alison Watts/Amanda Bailey
<b>Probation</b>	Belinda Wade/Frances Kemp
<b>P&amp;T</b>	Lester Allinson/Mervyn Spinks
<b>Cultural Services</b>	Richard Chapman/Robert Testro
<b>Chief Execs</b>	Julie Berry/Cindy Burrows
<b>Finance</b>	Helen Stevens

Rob Bales

01603 495870

## Budgeting Go-Live

For many years, people have prepared their revenue budgets using the REFS system. This has continued for the 2005-06 budget, even though we have moved onto the FIMS system.

However, everything changes from April. The 2006-07 revenue budget will be prepared using the new FIMS revenue budget processes. For most people involved in the budgeting process, this will see the REFS system replaced by a spreadsheet driven process. The spreadsheets will integrate with FIMS, and training will be provided to all users during the next few months.

Whilst many people will be sorry to see REFS go, this is inevitable for a number of reasons. REFS runs on the mainframe, which is being decommissioned, it relies on tables in Norbas (which we no longer use), and it doesn't support our new coding structure (especially the use of the Further Analysis field for budgeting).

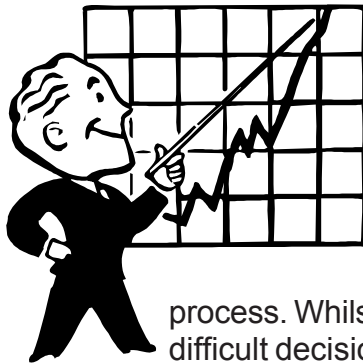
The new process will provide all the facilities people are used to using under REFS, and will also provide better control centrally. No doubt it will take some getting used to, but in a few years time hopefully everyone will be as happy with the spreadsheets as they are with REFS now!

**Paul Mason**

Financial Services Manager  
01603 224427

# Local Government Finance Settlement for 2005/6

**The Final announcement of the Local Government Finance Settlement for 2005/6 was made on 27th January, and confirmed an increase of £30m or 6.2% in formula grant for the County Council.**



This represents a welcome increase in funding for 2005/6 which was slightly better than feared at earlier stages of the budget planning process. Whilst this still left many difficult decisions to be made, the Council was able to set a relatively low Council Tax increase of 2.9% for 2005/6.

Our main concern regarding the settlement is that it includes many elements and assumptions by the government which may not be repeatable in the following year, causing real difficulties when we address budget pressures for 2006/7. For example the government introduced an additional £1bn nationally to supplement the resources for the 2005/6 settlement, which it may not repeat next year. Further, the government has assumed an unusually high yield nationally from Non Domestic Rate which may not be sustainable.

We also have concerns about the way in which the formula grant has been calculated. For example, the government has been unwilling to update some of the data used to reflect the 2001 Census, and in fact still refers back to the 1991 Census, at an estimated cost to Norfolk of some £4m.

Conversely adjustments have been made regarding errors in the population data used in 2003/4, meaning that approximately £1.4 M has been clawed back from Norfolk. Such factors mean that, although not as bad as originally feared, our settlement should have been even better. We are still arguing for improvements in the formula grant system and are hopeful that the outcome of the Lyons inquiry into the balance of funding may improve issues such as the high gearing of Council Tax. The government is proposing to introduce three year financial settlements starting in 2006/7 which are intended to improve stability and certainty of resources over a longer period. We have responded positively to the consultation on three year settlements whilst pointing out key issues that the government needs to address to ensure the promised stability. As we get further news on this and the Lyons Inquiry we will let you know through the pages of Finance News.

**Peter Roe**, Technical Manager  
Strategic Funding & Technical

## e-Auctions Go Live!

**Norfolk County Council recently joined up with King's Lynn & West Norfolk and Broadland District Councils to run our first-ever-reverse auction held on the Internet. It was a great success and helped us secure savings in excess of £240,000.**

'What is an e-auction?' I hear you ask, well . . . Electronic reverse auctions (e-Auctions) are an innovative negotiation tool using secure Internet-based technology. Suppliers bid against your requirements in real time, reducing their bids as the auction continues.

Our first auction, run by the Corporate Procurement Unit, was for 1000 desktop computers. Almost 60 bids secured savings of £244,107 to be shared between Norfolk County Council, NPS Property Consultants

Ltd and our partner district councils. The e-auction took place in the Finance Department under strict rules of conduct, laid down by the Service provider (Lloyds TSB/BVP) and agreed to by all parties involved. The secure Internet-based technology used also recorded the whole process to provide an audit trail for future reference and review.



**Jane Waring**  
01603 223395  
Head of Corporate Procurement

# What does it mean?

Below are some of the most common abbreviations used in Financial documents. Hopefully it will help those of you who are not familiar with this jargon.



<b>Acronym</b>	<b>Meaning</b>
<b>AAT</b>	Association of Accounting Technicians
<b>ACA</b>	Member of the Institute of Chartered Accountants (England and Wales)
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>BPR</b>	Business Process Re-engineering
<b>BT</b>	Business Transformation
<b>CIMA</b>	Chartered Institute of Management Accountants
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>CIPS</b>	Chartered Institute of Purchasing and Supply
<b>CoA</b>	Chart of Accounts
<b>COG</b>	Chief Officers Group
<b>DMT</b>	Departmental Management Team
<b>FIMS</b>	Financial Information Management System
<b>FMG</b>	Financial Management Group
<b>FOG</b>	Finance Officers Group
<b>HR</b>	Human Resources
<b>ICAEW</b>	Institute of Chartered Accountants (England and Wales)
<b>IHRIS</b>	Integrated Human Resources Information System
<b>IIA</b>	Institute of Internal Auditors
<b>IICD</b>	Invoicing, Income Collection and Debt Management
<b>iPROC</b>	iProcurement
<b>ISSIS</b>	Integrated Social Services Information System
<b>MooD</b>	Method Object Orientated Design
<b>NOML</b>	Nominal/general Ledger
<b>PAPG</b>	Purchasing, Accounts Payable and Grants
<b>PID</b>	Project Initiation Document
<b>PRINCE 2</b>	Projects in Controlled Environments
<b>PTT</b>	Process Transformation Team
<b>QMS</b>	Quality Management System
<b>RSG</b>	Revenue Support Grant
<b>SIMS</b>	Service Improvement Managers
<b>SOR</b>	Statement of Requirements
<b>UAT</b>	User acceptance testing

. . . continued from front page

## 50th edition!!!

*A woman was flying in a balloon across a desert. She was lost. Luckily, she saw Bob Summers.. She shouted to Bob 'Where am I?' Quick as a flash Bob replied 'You are 50 feet up in the air, over a desert, in a basket, under a balloon.' The woman said 'You must be an accountant.' Bob agreed that he was, but asked her how she knew. 'Well', she said, 'the information you have given me is precise, accurate and totally useless.'*

Over the past few years, Finance News has become quite technical. How would the FIMS project have succeeded without it? Perhaps the major achievement of Finance News is that it has become **the** way of communicating news about finance. It is a quite remarkable achievement to have reached the 50<sup>th</sup> edition. So many other, very worthy, publications don't get beyond the first few editions, as the original enthusiasm runs out.

Congratulations to all those who have been involved over the years. A special thank you to Doris Piper in the early days and now, Angie Yeomans. Without their typing, page setting and progress chasing there would be no Finance News.

I look forward to the 100<sup>th</sup> edition which, by my reckoning, should be published in about the year 2010, but I was never very good with numbers...

**Mike Webb**, Head of Audit and Scrutiny

If you need 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.



## Reporting of a different kind ....

Cabinet recently agreed to defer the creation of a shared services organisation while we focus on delivery of major projects such as FIMS, IHRIS and ISSIS.

In the light of this, there are some changes planned to the way the authority manages those services formerly delivered through Charles House Services.

Of specific interest to the finance community are changes relating to the delivery of Exchequer Services (Accounts Payable and Receivable, Cashiers and Admin Support). These services, which are integral to the operation of the County Council and to the delivery of FIMS, will now report direct to Paul Brittain, Head of Financial Management. These changes are unlikely to be noticed by many service users and should enable us to deliver day-to-day service and on-going implementation of FIMS in a more holistic way.

Cabinet has also agreed that the Pensions Administration Team, which was formerly part of Charles House Services, should now report to Nicola Mark, Head of Pension Fund.

**Peter Shackley**, 01603 222916

