

Finance News



News and views
for those interested
in finance

Issue 34
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At year end

Over the next few months, we shall all be working hard to close the Council's accounts for 2002-3. Details of the closure program are set out in a separate article in this newsletter.

This will be the last time that the accounts are closed using NORBAS, since the new Oracle General Ledger package is due to be implemented during 2003/04 as part of the FIMS project. The new system should provide budget holders with improved financial information and should also allow more timely closure of the accounts.

You may be aware that the Government has issued new Regulations phasing in a requirement for all local authorities to close their accounts in progressively shorter time scales. By 2006 the expectation is that the accounts will be closed by 30 June (presently, draft accounts must be approved by the Council by 30 September). Indeed, achieving an earlier closure of the accounts is to become an assessment measure under the Government's Comprehensive Performance Assessment regime.

Throughout the year, budget officers and service managers monitor the resources at their disposal and regularly report their projections of spend against budget.

Closure of the accounts is the final act in the annual financial cycle and will provide an historic record of the Council's income and expenditure for the past year. It will also provide an indicator of the effectiveness of the Council's financial management arrangements.

I know that everybody has been working very hard over the past year to monitor and manage the Council's income and expenditure and that hard work will continue over the next few months whilst the accounts are closed.

The budget for the next year has now been approved. As we 'put to bed' the old year, can I take this opportunity of thanking you all for your commitment and support over the past year and thank you in advance for your cooperation in delivering another successful and timely accounts closure.

Paul Brittain

Head of Financial Management

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Spotlight on

FIMS

General Ledger (GL) is GO



Yes, the first stage of the phased implementation of FIMS is underway, with the introduction of both the new accounting code structures and the new concepts required to meet both accounting standards and the FIMS objectives.

Whilst initial dual running will mean that transactions will still be carried out in NORBAS and transferred to FIMS Oracle, there are changes that will affect the finance community from 1 April.

In brief, from 1 April 2003:

- ◆ Use the new coding structure
- ◆ Continue using NORBAS
- ◆ Follow new guidance for internal billing
- ◆ New year accounting periods will equate to calendar months i.e. from 1st day of the month to the last calendar day of the month

FIMS GL Update Sessions

All finance teams were invited to attend FIMS GL Update Sessions held during March, explaining the new concepts, coding structures, terminology and changes related to this part of the implementation phase.

FIMS – The Key GL Concepts

An important concept within FIMS is that the subjective code (the part of the code that determines the type of expenditure or income) will determine where the transaction is recorded in NCC's accounts.

Therefore, whilst the revenue subjective codes have not changed, there are new subjective codes for capital, balance sheet, building maintenance, the insurance fund and Norfolk Pensions Fund.

The full listing of codes was circulated to all departments in March and all finance staff should have now received a copy.

Another new concept is the introduction of a **common cost centre**. The common cost centre code will be used throughout the life of the cost centre whether the transaction relates to revenue, capital or balance sheets.

Therefore where an establishment may have had 3 separate codes for these, it will now have just one.

It is also now mandatory to use a project code when an item relates to capital expenditure.

These changes are to rationalise the financial data, which will enable improved reporting and accessibility of information.

Key GL Terminology – There are some new terms used within FIMS Oracle. The key GL ones are:

Accounting Flexfields – *the new name for the accounting code and its segments.*

Legal Entity – *a 'body' for which there is a complete set of separate accounts. FIMS has the following legal entities set up : NCC, Charities and Trust Funds, Norfolk Pensions Fund and Norfolk Probation Service.*

Set of Books – *the revenue account and balance sheet, including capital.*

Some Questions Raised

Will the coding changes cause problems within NORBAS?

No, every year coding changes are made within Norbas – this will be no different.

As cost centres will use a common code, several RBOs may share responsibility – what are the implications?

RBO structure and responsibilities will be unaffected. The control lies with the subjective range of codes.

Please refer to the **FIMS Intranet page** to view the **GL Update session** slides and details of the **Q&As** from the sessions. If you have any questions regarding the changes, please contact your **departmental FIMS representative**. A full list of representatives can be found on the NCC Intranet: <http://intranet.norfolk.gov.uk/FIMS Project>

Tony Howard
GL Stage Manager

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Imprest accounts - Pt 1

Imprest? You should be ...

This is the first article of a series that will cover the operation of Imprest Accounts. In future editions we will cover the reconciliation process and VAT aspects of imprest accounts.

Usually the best way to operate petty cash is to use the Imprest system. The imprest system is designed to have a number of controls built into its operation that ensure that you can keep track of where money has gone and how much you have left.

It is vital that proper controls are in place to ensure that cash is only paid out for legitimate purposes. Payments should only be made out of the account in exchange for a properly completed and authorised voucher supported with receipts where applicable. Vouchers should be sequentially numbered (at the point of disbursement) to prevent duplicate ones being submitted.

If there are sufficient numbers of staff involved, ensure that the people who authorise payments, make payments and prepare the monthly reconciliation are different.

Any changes to cheque account signatories must be notified as soon as possible to the CO-OP Bank using the specified documentation and also for CAPITA records.

Another absolute rule is of course that cheques cannot be 'pre-signed' to avoid the risk that signatories will not be available to sign cheques.

Rachel Spencer 01603 222780
Client Manager
NAS

Can you speak Shorthand – or is it all Greek to you too?

If you have a mobile phone, you are probably familiar with the shorthand language used in sending text messages. Use of this type of shorthand is not unlike the narrative often used in setting up journals in the financial system.

When you only have 30 characters to use, meaningful descriptions can sometimes require a lot of imagination!

Unfortunately, on some occasions, and especially with journals used during the closing process, the journal descriptions used would leave even expert texters scratching their heads!



Please remember when raising journals that the description you use needs to be understandable to other people.

Any "shorthand" used in the descriptions should at least give the reader some information as to what the journal is about and/or why it is being done.

Stephanie Mullarney 01603 223322
Senior Finance Officer

Procurement NVQ's

Are you involved in Procurement? Would you like to gain a Nationally recognised qualification? If so, you may be interested in an NVQ in Procurement. There are 3 levels available ranging from routine purchasing through to strategic procurement.

If you would like more information or would like to register your interest please contact the Corporate Procurement Unit on Tel/Fax: 01603 222820.

If you would like this newsletter in large print, audio, Braille, alternative format or in a different language, please contact the helpline, 01603 222820.



Closing the accounts

Just like the **spring** it comes round with predictable regularity, but it's all part of the job, and guess what . . . *it's here again!*

Can it really be time for closing the accounts again? . . .

. . . *yes indeed it is!*

● What do you need to do if you are involved with Finance?

1. Make sure you have got, or have access to, a copy of the Closure of Accounts guidance notes recently sent to Chief Officers and Departmental Finance Officers. They will have a copy, but if you have any problems obtaining one please contact Alan Lincoln (ext 4374)
2. Read them . . . they contain important information regarding the year end processing of creditors payments, debtors accounts, payroll and journal input and much, much more which affects the 2002-03 accounts. The table below summarises the important dates.
3. Importantly, stick to the dates. They are crucial.

● What is important in the process?

1. Accuracy

- Correct coding ensures the accounts contain the correct information
- The information in the accounts is used to complete government returns some of which are used in calculating the County Councils grant entitlement
- The accounts are subject to external audit by District Audit
- The information in the accounts is presented to Members in the 'Outturn Report'. They will make decisions affecting the finances of the Council based on that report

2. Timeliness

- The Outturn Report is taken to the June Cabinet meeting
- Government returns based on the outturn have to be completed by the end of July
- The accounts must be audited and formally approved by the County Council by end of September...BUT interestingly (worryingly?) this is being brought forward to the end of June in stages over the next few years.

● What can you do to help if you're involved with Finance?

1. If you're unsure of anything speak initially to your Departmental Finance Officer, failing this contact Harvey Bullen (ext 3330), Alan Lincoln (ext 4374) or Stephanie Mullarney (ext 3332) in Department of Finance. We're there to help.
2. If you have concerns with meeting the deadlines please speak as soon as possible to your Departmental Finance Officer or the Department of Finance staff listed above.

Closing the accounts (*continued . . .*)

17th March	Last date for batch input to AP for period 12. Data to be with Capita by 4pm.
26th March	Final date for acceptance of urgent capital payments. To Capita by 12 noon.
27th March	Last day to input on-line data to AP for period 12. ALL payments must have an effective date of 30/03/03 .
28th March	Period end for Period 12.
1st April	Final date for submission of overtime and travel claims to Capita.
4th April	Final input of Debtors cash for 2002-2003.
14th April	Last date for batch input to AP for period 13. Data to be with Capita by 4 p.m. ALL payments must include a year indicator on the coding grid.
15th April	Final date for input of debtors accounts for 2002-2003. Data to be with Capita by 4 p.m.
17th April	Final date for submission of Urgent Payments (NOT Capital). Data to be with Capita by 12 noon.
24th April	Last day to input on-line data to AP for period 13. ALL payments must have an effective date of 31/03/03 .
25th April	Period End for Period 13(1). Suspense accounts must be cleared by 12 noon. Final date for posting on-line journals.
9th May	Final date for the completion of recharges and Holding accounts. Final entries to be made by 5 p.m.
23rd May	Deadline for submission of information to Stephanie Mullarney for Statement of Accounts: <ul style="list-style-type: none">● Goods and Services Act● Publicity● Charities and Trust Funds

Schools please note:

You will be receiving separate instructions from Education Financial Services which may well indicate different dates.

Please comply with those instructions as they are geared to dovetail with the above corporate timetable and other dates included in the *Closure of Accounts Guidance Notes*.

Journals will replace internal invoices in the new financial year

Internal invoices will now be replaced by journals. A separate category of journals will be created to identify internal invoices.

The journal entries must give sufficient information to departments to enable departments to identify the transaction.

Currently, procedures are being drawn up and will be issued to the relevant departmental representatives.

Please contact Harvey Bullen, 01603 223330 for any further information.

Have your say!

As our contract with the Co-op bank nears its 2nd anniversary, the Department of Finance will be carrying out a review of NCC's current banking arrangements during this spring. As part of the information gathering for the review, we will be contacting a cross section of users of the service throughout the County to find out how the arrangements are working, what's working well or otherwise.

In the meantime, if you have any observations, ideas or suggestions about the NCC's banking arrangements, which you think would be helpful to the review, please email me -

alison.gilbert.dfi@norfolk.gov.uk.

I look forward to hearing from you.

Alison Gilbert
Exchequer Client Support Team



Calling all RBOs

Responsible Officer's Budget Guide

As an RBO you should have been sent a copy of the Budget Guide Booklet.

If you have not received a booklet, please accept our apologies and let us know. Please contact either Angie Yeomans or Chris Upton, they will be pleased to send you a copy.

At the end of the booklet is a tear-out return form asking for feedback on the usefulness of the booklet. Does it have the right information, at the right level to help you?

We have had some feedback already and we thank those who have taken the trouble to return the form. May we ask those of you who have not responded to please let us know what you think. We can always do better, so please be honest, constructive criticism is particularly helpful.

Your time spent on completing this questionnaire and giving us your views will be greatly appreciated.



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