# OVERALL YEAR END TIMETABLE 2000/01

| Month | Date needed | Area | Task | Responsible for task | Comments | Other significant accountancy work in month |
|---|---|---|---|---|---|---|
| August | 3 | Statement of Accounts | - Accounting policies | AMH | Non compliance note(s) will be needed | |
| | 3 | Statement of Accounts | - Consolidated Balance Sheet (including notes) | AMH | | |
| | 10 | Statement of Accounts | - Explanatory foreword | CFO | | |
| | 10 | Statement of Accounts | - Consolidated Revenue Account (including notes) | AMH/FSM | Needs pensions disclosure from Derbys CC (not received until 14 Sept in 2000) Need to review for BV ACOP, changes (definition of total cost and revised service expenditure analysis) Need to review disclosures re trading operations following the abolition of formal CCT reporting requirements | |
| | 17 | Statement of Accounts | - Cash flow statement | AMH | | |
| | 24 | Statement of Accounts | - To CFO for signature | AMH | | |
| | 31 | Statement of Accounts | - Printed | AMH | | |
| | End | | | | | August: ) RO forms (continued) ) Financial content of Performance Indicators ) CO forms ) 2nd adv Housing subsidy 2001/02 ) Base data Housing subsidy 2002/03 ) Regular monitoring cycle ) Start of CEC budget preparation |

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|---|---|---|---|---|---|---|
| September onwards | | Statement of Accounts | - Formal submission to members | CFO | Committee dates not yet known | |
| | | Statement of Accounts | - Final accounts audit by District Audit (15\10) | FSM/CFO | Dates not yet known | September onwards: ) Budget preparation ) Regular monitoring cycle ) PDRs (half yearly reviews) |

Key stage: any slippage in these dates will have significant knock on effects

Needs: Significantly dependent on a key stage

Needs input from FSM and/or CFO

# REGULAR FINANCIAL MONITORING                    1 May 2001

## 1.       RECOMMENDED APPROACH

### 1.1     Implementation

- a phased approach is recommended
  (insufficient resources in Accountancy to manage 'big bang' approach)

- we need to be seen to be addressing the area of prime concern (General Fund) first

- will probably need some work to get DMs+ on board (it will mean extra work for them also)
  - it is thus suggested that we introduce monitoring in the most straightforward area first (to show them it works / prove that it can be handled without major additional staff input)

  It is therefore recommended that we should *focus initially on 'controllable' General Fund* items

### 1.2     Eventual aim

- General Fund controllable

- General Fund 'below the line' (other than capital financing entries – see separate entry below)

- HRA controllable – probably subdivided into housing repairs and other controllable costs?

- CEC controllable (all services) – probably subdivided into employees and other controllable costs?

- Soft split operations – 'controllable' only (exclude Transport? – see below)

- Transport

- Benefits

- Capital financing costs

### 1.3     First stage – General Fund 'controllable'

Exclude all CEC (IT help needed), CCT codes, benefits. capital charges

## 1.4 Reporting blocks for General Fund 'controllable'

- it is suggested that reporting should be based around DMs+ rather than committees. This approach –
  - ➢ puts the *emphasis @ budget officer level* (which matches the approach in the 'budget book' – and should help increase 'ownership' of the need for budgetary control all through the year)
  - ➢ is flexible for changes in committee structure

- it is intended that there would be one meeting each cycle for each DM+, but with varying accountants involved (as with approach used for 'star chamber')


## 1.5 Content of monthly reports (desirable)

- previous year probable

- previous year actual (as soon as this is finalised)

- current year approved estimate
  - original cash limit
  - virements
  - current adjusted cash limit

- then for each period
  - actual to date
  - projected full year outturn
  - variance between cash limit (adjusted?) and current full year projection

- comments (free format)

- final detailed reports to be e-mailed to each DM+ for formal confirmation (the ownership issue again)


## 1.6 Advantages of the recommended approach

- provides a way of partially overcoming the key features missing from our current ledger (profiled budgets and full commitment accounting)

- follows the format of the estimate cycle which staff are already familiar with – thus the probable exercise will just be the end product of one of the monthly reporting cycles

- similar to the approach already being used for capital monitoring

- focuses totally on the final figures at the year end - and so does not give any opportunity to become bogged down in discussions over whether the spending pattern to date is typical (thus. for example. the question will just be 'can current overspending be brought in line before the year end?')

- will build up information by period which could be used as a start point for profiling in the new ledger

## 2. IMPLEMENTATION

### 2.1 Accountancy input

- Sarah to develop the control totals (to monitor against) / reporting templates and procedures (via a combination of working with Andy / detailed liaison with relevant IT staff)

- Sarah to act as co-ordinator for reporting the monthly summary figures to Andy

- anticipated to require a high level of accountancy input for initial set up (cut and paste etc – potential for involving Clare?)

- week 13 onwards expected to need manual punching and therefore checking (of actuals to date - due to the need to reflect usage of additional ledger codes)

- this level of accountancy support can only be sustained for a short period – once the estimate cycle starts. an enhanced IT approach will be crucial to the ability to maintain the monitoring regime

### 2.2 IT issues / possible assistance

- basic spreadsheets to be at cost centre level? / template approach possible? (e.g. change in layout of one spreadsheet to be reflected in all?)

- would a data base approach be a better solution? (would be likely to need considerable IT help with this / probably not achievable initially?)

- multiple update access by accountants needed (separate drive?)

- ENGLISH downloading:
  - we need the ability to exclude a defined set of codes (which need to be easily variable) – as with approach used by Exchequer on VAT report?
  - also needed is the ability to summarise @ cost code level (new dictionary items needed?)
  - a third problem is that data is needed from 2 separate year files: NLBALC and NLBALP (a possible 'work around' would be to type in. and then check. all the NLBALP data – since this is for reference only / will not change)

- week 13 onwards: would use of macros help with identifying variations of usage of detail codes per cost centre etc?

- still need to work towards producing monthly officer reports with CEC excluded (or shown separately)

*also see note over page*

Note:
It has been assumed that a full IT solution will not be available from 1 July. However, as discussed in 2.1 above, a progressively enhanced IT solution is needed to reduce initial accountancy staff input to an all year sustainable level.

The first stage suggested is a *systems analysis type session* with (preferably) Bob Rodgers to debug the general approach and to find out about the *more advanced features of ENGLISH*

Also needed at a very early stage is a discussion re the *potential of macros*


## 2.3 Timetable

- framework needs to be well under way by the end of May (to avoid possible conflict with Sarah's year end work)

- advance preparation with DMs+ needs to be built in e.g.
    - circulate the list of cost centres for which they are named as budget officers
    - clarify what is to be monitored in the first phase: - 'controllable' (definition needed) / for General Fund only
    - produce a sample of the material (as at week 8, say) to show the layout / what information will be needed from them


## 3. ACTION NEEDED

- approval to proceed with proposed approach
    - phased implementation
    - start with GF controllable
    - reporting to be grouped by DMs+
    - reporting to be based on projected full year outturn

- SAR submitted to obtain IT support
    - multiple access / advanced ENGLISH / macros
    - enhanced monthly officer reports

- inform DMs+ of the approach being followed / what will be needed from them

- develop monitoring material
    - revise preliminary draft layout
    - discuss with Accountancy
    - review / develop ongoing retention & presentation of monitoring history (e.g. to cater for varying approved estimates)
    - discuss / develop with IT (needs SAR approval first)
    - mock up a sample for an early week in 2000/01
    - set up ready to update @ week 13 ledger

- Percentage of services within budget at year end

- Percentage of variance from original budget

- Statement of Accounts – qualified/unqualified opinion

- Statement of Accounts – date of approval

- Current spending financed from balances as a percentage of balances

- Percentage of Council budget covered by service plans

| Challenge | • Baseline Assessment looks at what we do now and challenges the way we do it. The following key areas are challenged<br><br>➢ Lack of adequate service planning mechanisms<br>➢ Does financial strategy look far enough forward ?<br>➢ No mechanism to build revenue implications of capital projects into financial plan<br>➢ Planning is finance led and not service led – focus on resources<br>➢ Poor quality computerised financial information means that budget monitoring is poor.<br>➢ Limited understanding amongst managers about financial planning and the council's financial position<br>➢ Out of date financial information system that cannot deal with either commitment accounting or profiled budgets<br>➢ Financial regulations out of date – in need of update and revision<br>➢ Financial reporting – (i.e. statement of accounts and budget book) has changed little in recent years) – is the information relevant to the users.<br>➢ Little consultation takes place on council financial plans.<br><br>*(refer to the Baseline Assessment for more detail)* |
|---|---|
| Compare | • Financial Information – range of demonstration organised to establish potential of new systems to address Council information needs.<br>• Financial Planning – contact made with District Auditor to highlight other authorities with good arrangements in place – Telford and Wreakin contacted<br>• Service Planning – copies of other authorities service plans obtained as means of identifying a pro-forma for service plans at South Derbyshire.<br><br>➢ Neighbouring authorities – contact to be made with Derbyshire Authorities to find out what budget and service planning timetable they are following.<br>➢ Audit Commission publications – Planning to succeed – pick up details of best practice. |

| Consult | • Finance for non-financial managers courses attended by majority of Divisional and Unit Managers provided forum for consultation on above issues |
|---|---|
| | ➢ Overwhelming support for new IT system – existing one does not meet manager needs |
| | ➢ Managers needs extra support and advice on managing and understanding their budgets |
| | ➢ Managers want to look at having greater freedom to control budgets e.g. virement thresholds |
| | ➢ Managers need more support and encouragement to pro-actively manage their resources – assumption remains that extra spending pressures will be found centrally rather than refocusing existing resources. |
| | ➢ The ability to do this is restricted by the absence of up to date and clear council priorities – ideally set out within a community plan. |
| | *(refer to the results of the consultation exercise for more detail)* |
| | • Member consultation – to take place via Service and Financial Planning Working group acting as sponsor for the Best Value Review. |
| Compete | • Review of alternative financial information systems – actively examine potential to move away from in-house system to external packaged system |
| | • Provisions of Financial Services to be considered as part of Best Value Review. |