

EAST DUNBARTONSHIRE COUNCIL
ANNUAL ACCOUNTS 2022/23
YEAR END PROCEDURES FOR SERVICES

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1 INTRODUCTION

- 1.1 At the end of the financial year 2022/23 it is important that the final accounts of the authority accurately reflect the financial position at that date. The following instructions set out what each Service is required to do in order to ensure that this is achieved.

Finance Contact

- 1.2 The **revenue** accountant responsible for your service will be working to ensure that your revenue accounts are accurate and you should seek guidance from them if you are unsure of what is required. The **capital** accountant will ensure that the capital accounts are accurate and you should seek guidance from them if you are unsure of what is required in relation to capital income & expenditure issues. Appendix A (List of Contacts) details the appropriate Finance representative for your service and gives contact details for any capital matters.

Guidance

- 1.3 This guidance and year end forms are available on The Hub (Business > Finance > Annual Accounts – Year End Procedures & Forms).

Deadlines

- 1.4 The authority's Annual Accounts must be with Mazars by the statutory deadline of 30 June 2023. To meet this and Council deadlines, it is planned to have the final Council report and Accounts available and authorised by **Friday 23 June 2023**. This is the internal deadline the Council is working to and the various deadlines contained within this document help ensure the Council can achieve this.
- 1.6 The deadline for completion of the audit requires the authority's external auditors (Mazars) to complete the audit and sign off the Accounts by 30 September 2023. In addition, Mazars will also submit their Annual Audit Report by this date. These reports will be submitted to an Audit and Risk Management Committee during September 2023.
- 1.7 These are extremely tight time scales and will require strict adherence to the deadlines detailed in this instruction. Adherence to the deadline will be monitored by the Corporate Finance team. No extensions will be given. **This is particularly important in terms of the payment of invoices since, if a deadline is missed, it could result in the cost having to be borne by the service in 2023/24. Given the timescales and requirement to receipt invoices for services working with iProc, particular care will have to be taken.**

2 CONSUMABLE STOCK COUNT

2.1 Please note that consumable stock comprises materials which are used on a day to day basis, and therefore require to be replaced regularly e.g. cleaning materials, building materials, fuel. It does not include items such as small plant, tools, furniture and fittings. Furniture and fittings will be included in the inventory – see 3 below.

2.2 The stock count should be carried out on the last available working day up to the 31 March. For financial year 2022/23, this will be **Friday 31 March 2023**.

N.B. If you are intending to do your count on a different day, please contact the Council's Internal Audit Team.

2.3 The Council has had a long-standing agreement with External Audit that services will not be required to complete a detailed consumable stock return if the stock is valued at under £2,000. It remains important that a stock count is carried out at the year end in order to ensure that your own records on stock levels are correct. However, you will not be required to submit a detailed valuation on a stock return form for Finance Services. The Council's accounts will not be adjusted to reflect this stock.

2.4 An assessment of categories of stock should be carried out by services to establish whether it is material for a stock return to be completed. Should you have any queries in this regard, please contact the financial representative (revenue) dealing with your service for advice.

2.5 Stock count arrangements are extremely important, and Strategic Leads and Service Managers with responsibility for stock should ensure that preparations are made well in advance of the count date of 31 March 2023. Appendices B(1) and B(2) attached contain stock procedures and a stock checklist produced by Internal Audit, and these should be used to ensure appropriate procedures are in place.

2.5 A template Consumable Stock Return is attached at Appendix B(3) (CSR2122). Services can use this form or make use of their own stock records. Whatever is provided, the basic information shown on Appendix B(3) must be included. **ALL services are required to complete the stock certificate which is attached at Appendix B(4).** This includes those services not completing a detailed stock return, since it will be used as authorisation that the service deem the stock to be below the £2,000 limit required, or hold no stock.

2.6 The Internal Audit Team, and possibly External Audit, will be carrying out spot checks in various services on the day of the stock count. Arrangements should therefore be made to allow Audit staff to have access to check the stock count.

2.7 **All Stock Returns, and Stock Certificates, must be emailed to your Finance representative (per Appendix A) by Monday 3 April 2023.**

3 INVENTORY OF PLANT, EQUIPMENT, FURNITURE ETC.

- 3.1 The Council has standard Inventory Procedures which should be followed by ALL Council services. These are available on The Hub (Business > Finance > Annual Accounts – Year End Procedures & Forms). A physical count of Inventory should usually be carried out on the last available working day up to the 31 March. For financial year 2022/23, this will be **Friday 31 March 2023**.
- 3.2 Detailed copies of Inventory Records **DO NOT** require to be submitted electronically to Finance. These should be completed and held at individual locations. **However, Services must complete and authorise an Inventory Certificate and submit this by email to Finance (OracleFMS.SysAdmin@eastdunbarton.gov.uk). The Inventory Certificate for 2022/23 (INV/7) is included in the Inventory Appendices on The Hub. This is certification that an Inventory has been carried out.**
- 3.4 This Inventory Certificate will certify that an appropriate officer at each establishment/location has completed an Inventory Record as at 31 March 2023 (in line with form INV/4). The Record itself should be retained by the service.
- 3.5 The return of Inventory Certificates to Finance is evidence that the Inventory Check has been carried out at the year end. External audit had previously identified this as an area of weakness, with Inventory Certificates not being returned on time.
- 3.6 Internal Audit staff, and possibly External Audit staff, may carry out spot checks of Inventory Records on Friday 31 March 2023 and arrangements should be in place to allow them to do this.
- 3.7 **All INV/7 Inventory Certificates must be sent electronically to Finance, Broomhill via OracleFMS.SysAdmin@eastdunbarton.gov.uk by Monday 3 April 2023.**

4 PAYMENT OF SUPPLIER INVOICES

- 4.1 The following instructions are extremely important to ensure that all invoices for goods and services are correctly charged to 2022/23. **The same deadlines apply whether the invoice is for revenue or for capital expenditure.**

Please ensure that invoices are authorised and passed for payment as soon as possible. Do **NOT** hold onto all invoices until the last possible date. Not only does this create a backlog of input in Accounts Payable (jeopardising their ability to process the payments in the required time scales) but also has a detrimental impact on the creditor payment key performance indicator.

Please note ALL purchase invoices are processed by the Accounts Payable Team within Organisational Transformation.

4.2 Invoices for both CAPITAL and REVENUE expenditure

- 4.2.1 When accounting for both CAPITAL and REVENUE expenditure, the importance lies in whether the goods and services **have been received by 31 March 2023**. If receipt has taken place by that date, then we are required to account for the expenditure in 2022/23. For capital expenditure under contracts, this means that interim certificates to value work completed can be done right up to 31 March 2023.

4.2.2 iProc Invoices

For those services using iProc, the most important task is ensuring that goods and services received up to and including 31 March 2023 have been RECEIPTED on Oracle. Therefore, iProc users must **RECEIPT goods and services with a receipt date NO LATER THAN 31 March 2023**. Please note that if receipting from 1 April – 14 April, you must ensure that you **change** the “Receipt Date” to 31 March 2023. When receipting, the system will display the default date of “today’s date”. If you click on the calendar beside that date, you can change this to 31 March 2023.

Receipting can take place up until 14 April 2022 only, after which the iProc module of the system will be closed for 2022/23. If goods and services have been receipted, the costs will be accounted for in 2022/23 (accruals will be posted automatically). All queries relating to iProc, e.g. price and quantity queries must be investigated and dealt with promptly to ensure that invoices can be processed correctly in the year. If you have to amend an order receipted in 2022/23 after period 12 is closed, please inform your service accountant so they can ensure the 2022/23 figures are accurate.

4.2.3 Non iProc invoices and Servitor feeder

The closing date for processing revenue and capital invoices into 2022/23 for all Non iProc invoices will be **4pm on Thursday 6 April 2023**. Invoices **MUST** be in the hands of the Accounts Payable Team by that date. Please ensure that these are coded correctly, and mark invoice “old year 2022/23” or “new year 2023/24” as appropriate.

4.3 **Posting to Correct Year**

After 1 April 2023, **NON-iPROC REVENUE and CAPITAL invoices relating to 2022/23 should be clearly marked “old year 2022/23”, and invoices relating to 2023/24 should be clearly marked “new year 2023/24”**. This will ensure that invoices are processed into the appropriate financial year.

Although dual processing into 2 financial years will be available at this time, it is likely that invoices for the new financial year 2023/24 will be minimal in the first week or two. This will ensure that the Accounts Payable Team can prioritise payments for 2022/23.

The dual processing will apply only to NON iPROC INVOICES received up to and including Thursday 6 April 2023 at 4pm. All invoices received after this date will be processed in 2023/24, irrespective of the year to which they relate.

After 1 April 2023, all iPROC INVOICES will be processed in the new financial year, and will not be posted back to the old year. The RECEIPTING of invoices should ensure that appropriate accounting takes place in the old year.

4.4 **2022/23 Non iProc Invoices that miss the 6 April 2023 Deadline**

Non iProc Invoices for goods or services received by 31 March 2023 which are not forwarded to Accounts Payable by the **6 April 2023** deadline should be included on an Invoices Outstanding journal (see later section). This will enable an accrual to be made in 2022/23 to account for the expenditure and allows it to be funded from the current year budget. This applies to invoices for both capital and revenue. This is no change from process in past years.

iProc Invoices received after 1 April 2023 will all be processed in the new financial year. As long as goods and services have been **receipted**, an accrual will be posted automatically.

5 INVOICES OUTSTANDING RETURNS – NON iPROC ONLY

- 5.1 If Services have **received** goods and services **by 31 March 2023**, but have missed the deadline of **6 April 2023** for passing a **non-iProc** invoice to Accounts Payable for processing, they will need to ensure that an Invoices Outstanding journal entry is completed. The purpose of this journal is to allow an accrual to be made for these invoices in 2022/23. In effect this accounts for the expenditure correctly in 2022/23 and allows it to be funded from that year's budget. **Failure to do this will result in the expenditure having to be met from the Service's budget in 2023/24.**
- 5.2 Services should be identifying invoices outstanding for both CAPITAL and REVENUE. Services should liaise with their appropriate finance representative to ensure Invoices Outstanding journals are prepared correctly. These accruals will include the following:
- Non-iProc invoices which have been received, but which were not passed to Accounts Payable by deadline of 6 April 2023.
 - Details of invoices which are awaited but do not have a receipted date of 31 March or before, and which relate to goods or services received by 31 March 2023; these may have to be estimates
- 5.3 Every effort should be made to attach a **Goods Received Note** (or equivalent) to the Invoices Outstanding journal to demonstrate receipt of the goods or supply of services by 31 March 2023. This may be examined by external audit.
- 5.4 Please contact your relevant Finance representative to discuss Invoices Outstanding and other accrual issues. They will be focusing on actual year end figures and invoices that have been processed, and should have a clear understanding of whether any outstanding invoices need to be included.
- 5.5 **Details for Invoices Outstanding journals for non-iProc services for Revenue expenditure must be sent to your Finance representative by Friday 21 April 2023. Details for Invoices Outstanding journals for Capital must be sent to Alice Mullen, Ross Craven or Margaret McCluskey in Finance by Friday 21 April 2023. Due to the tight deadline for completion of the Accounts, no extension can be given to Services. If this deadline is not met, no accrual will be made, and the cost will be borne from your 2023/24 budget.**

6 SUNDRY DEBTOR INVOICES

- 6.1 All debtor invoices and credit notes relating to goods and services provided by 31 March 2023 must be raised by **Friday 31 March 2023**. Both the invoice and service date must be 31 March 2023 or earlier.
- 6.2 Services that require their invoices or credit notes to be processed by the Revenues Service must ensure information is received **before 3 p.m. on Friday 31 March 2023** to allow time for processing. The web mail address can also be used for forwarding such information to the Corporate Debt Team. If using the web mail address you need to put **'URGENT YEAR END'** in the subject line.
- 6.3 A separate email instruction will be issued by the Corporate Debt Team regarding this. **Please contact Corporate Debt Team (ext 8228) should you require further information.**
- 6.4 The sundry debtors system will be unavailable after **Friday 31 March 2023** to enable year end reports to be run. It is anticipated that the system will be available again on **Thursday 6 April 2023**.
- 6.5 No periodics, or other invoices relating to the new financial year 2022/23, should be raised until after **Thursday 6 April 2023**.
- 6.5 Invoices raised after this final date will be processed into 2023/24. If the invoice relates to 2022/23 please notify your Finance representative, who will arrange to process a journal to manually account for the income in that year. It is the responsibility of Service Managers to ensure that Finance representatives are made aware of any income that should be accrued to 2022/23. Failure to do so could result in your 2022/23 income being understated.

7 INTERNAL CHARGES BETWEEN SERVICES

- 7.1 **All internal charges must be raised and sent to your Finance representative by Wednesday 26 April 2023.** This deadline will ensure that a journal for these charges can be processed in Adjustment Period 1. If any invoice is disputed, and this results in a change, then Finance should be notified by the charging service, and a correcting journal may be processed.
- 7.2 All services should pass details of internal charges to Finance as soon as they are available. Please do not hold onto some of your internal charges until you have them all complete. It will help the smooth processing of journals if these are not all left until the deadline date. During March 2023, Service Managers must ensure that all internal charges are brought up to date to ensure that this deadline is achieved. Due to the requirement to close the Accounts as early as possible, late charges will not be processed.
- 7.3 It is important to stress that there must be **no accruals made in respect of internal charges transactions**. If you fail to raise your charges in time this will have an impact on your current year figures. Only accrued income/charges in relation to transactions with parties **external** to East Dunbartonshire Council can appear in the Balance Sheet.

8 REVENUES

8.1 Banking of Income

In order to meet the Accounts deadline, it is extremely important that all income received in respect of 2022/23 is banked as soon as possible after 31 March 2023. **All income back up should be sent to the Revenues Service, William Patrick Library by Monday 3 April 2023 at the latest.** This will enable the income to be posted into the 2022/23 ledger.

8.2 Imprest Certificates

8.2.1 Imprest balances held as at 31 March 2023 should be confirmed by means of completing a certificate sent out by Revenues. It is imperative that these forms are completed and returned to Revenues by **Friday 21 April 2023**. This date is the **latest** date possible. No further extension will be given, and submissions should be submitted by **Monday 3 April** if possible.

8.2.2 The completion of Imprest Certificates has been the subject of External Audit criticism in the past, and will therefore be scrutinised this year. A key criticism is the time it has taken Imprest Holders to submit Imprest Certificates, with some not completing these at all. The Financial Regulations are clear on the responsibilities of Imprest Holders, and completing an annual Imprest Certificate at 31 March is a key responsibility. Failure to do so is a breach of the Council's Financial Regulations.

- Imprest Bank Accounts - You must ensure that you contact the bank branch in advance and request a bank balance at 31 March 2023. This is vital to the completion of the Imprest Certificate. Your Imprest Certificate must be a statement of the Imprest Position at 31 March 2023. External Audit will be requesting confirmation of all bank balances independently from the bank, and will expect Imprest holders to do the same.
- Cash Floats– Revenues will also send out a communication regarding your year end requirements in respect of cash floats. Please ensure that these are adhered to and, if you are unsure of anything, please contact them at William Patrick Library.
- Details of those Certificates not received by the above deadline will be forwarded to the appropriate Strategic Lead to investigate.

9 GRANTS & CONTRIBUTIONS

- 9.1 At the year end your service accountants and/or capital accountants need to consider, with your assistance, whether any external income needs to be accrued or prepaid.
- 9.2 You should work with your Finance representative to ensure that you claim the correct amount (where claimed in arrears). If you have received income in advance of works done and have not spent in full as at 31 March 2023 you should discuss the accounting requirements with your Finance contacts and they can decide the correct accounting treatment.
- 9.3 It is important for all external income that you can clearly identify the expenditure being matched to the specific income.
- 9.4 It is YOUR responsibility to ensure that you are meeting the terms and conditions of the external income. **Please provide your Finance representative with terms and conditions and other formal paperwork in relation to the income.** This will aid them in ensuring the correct accounting treatment is made.

10 PREPAYMENTS

- 9.1 It is important that invoices covering future periods are correctly accounted for in the right financial year. At the year end your service accountants need to consider, with your assistance, whether part of any invoice needs to be treated as a prepayment. External audit have advised they will be looking closely at this area.