Be prepared for year end
Meet the presenters

Chris Patten
Head of Accounting Services

Mike Sinclair
Manager, Central and Research Accounting

Lucy Harney
Reporting Accountant

Stephen Kent-Taylor
Head of Corporate and Research Accounting
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Why are we here?

- Overview of 2015/16 results
- The impending financial year end
- News, updates and coming changes
- Your session, your questions
Finance Division movements
Finance Division movements

Planning and Resource Allocation office (PRAO) – moved to Finance Division in late 2016. It’s moved into Jonathan Appleton’s area which becomes Academic and Financial Planning and Analysis.

Part of Estates Management Finance moved to Finance Division in May 2017 and became Property Accounting Services.
Finance Division movements

Paul Light left the University in April 2017. Helen Turner recently joined as the new Head of Reporting.

Steve Hutson retired at the end of June 2017. Robin Uttin has taken on his role.

Tax section
Following Kerry Sykes, Carolyn Paskins and Tina Cook leaving, we have two new team members: Spencer Moore and Tracy Andrews
## 2015-16 financial statements

Previous year’s results for the Group (includes CUP, Cambridge Assessment, Trusts, and other trading subsidiaries):

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>£1,799m</td>
</tr>
<tr>
<td>Expenditure</td>
<td>£1,734m</td>
</tr>
<tr>
<td>Surplus before other gains and losses</td>
<td>£65m</td>
</tr>
<tr>
<td>Net assets</td>
<td>£4,355m</td>
</tr>
</tbody>
</table>
2017 timetable

Jun / Jul
- Year-end seminars for Departments
- FC review accounting policies

Jul
- Interim audit – 2 weeks from 17 July

Aug
- Complete transaction processing
- Sub-ledgers closed

Sep / Oct / Nov
- Accounts prepared
- External audit Auditors on site from 25 September

Nov
- Wed 1st Finance Committee - first draft accounts
- Mon 20th Council – approve and sign
- Wed 22nd Send to HEFCE
External auditors

PricewaterhouseCoopers LLP

- Provide an independent opinion on the University’s accounts

- They will:
  - examine accounting systems
  - test how controls are operating
  - sample certain transactions

- Audit includes departments and the Finance Division
- Returning for 2017: interim audit in last two weeks of July
- PwC will visit in September/October to look at transactions.
PwC - Department visits

PwC will visit 5-6 departments in October

• Likely to take ½ day per department
• Likely to focus on income recognition, cut-off and accruals
• But...they can ask to look at anything
## 2017 Key Dates – See FPM for Details

<table>
<thead>
<tr>
<th>Event/Deadline</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close Purchasing /Inventory</td>
<td>Monday 7 August</td>
</tr>
<tr>
<td>Fixed Asset Returns due</td>
<td>Friday 11 August</td>
</tr>
<tr>
<td>Close Internal Trading - Raising (AR)</td>
<td>Friday 11 August</td>
</tr>
<tr>
<td>Close Internal Trading - Paying (AP)</td>
<td>Monday 14 August</td>
</tr>
<tr>
<td>Close AR</td>
<td>Wednesday 16 August</td>
</tr>
<tr>
<td>Close AP</td>
<td>Wednesday 16 August</td>
</tr>
<tr>
<td>Close Grants</td>
<td>Friday 18 August</td>
</tr>
<tr>
<td>Last date for moving funds on/off deposit</td>
<td>Monday 21 August</td>
</tr>
<tr>
<td>General Ledger - Final date for GL journals</td>
<td>Friday 1 September</td>
</tr>
<tr>
<td>- Balances rolled forward</td>
<td>Friday 8 September</td>
</tr>
<tr>
<td>Year-end certificates due</td>
<td>Friday 29 September</td>
</tr>
</tbody>
</table>
For departments using shared services at Greenwich House:

- All **AP invoices** with the Greenwich House team by the end of **Thursday 10 August** will be processed before AP closes on **Wednesday 16 August**

- Expenses claims need to identify the year in which the costs were **incurred**, not the date the claim is made

- **Batches need to clearly split** between 2016/17 and 2017/18 and where scanned please scan in separate documents

- Any **AR transaction** requests need to be with the GH team by the end of **Thursday 10 August** for input in Jul-17.
GMS – delayed close

Unlike at month end, for year end the grants module will close **two days after AP** to give time for a final review.

- AP closes 5pm Wednesday 16 August
- Grants module closes 5pm Friday 18 August

Key tasks should be completed before AP closes (checking grants, clearing suspense)

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**On Thursday and Friday**

<table>
<thead>
<tr>
<th>What you can’t do</th>
<th>What you can do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amend AP postings to grants</td>
<td>Use tools/transfer (on non AP items)*</td>
</tr>
<tr>
<td></td>
<td>Post grant journals</td>
</tr>
</tbody>
</table>

*(there are currently issues with tools/transfer.)*
Asset accounting

• Any asset over £5,000 needs to be tracked.

**Assets are:**
• items of physical substance that are used in the supply of goods and services.
• Retained for more than 1 year.

**Cost includes:**
• Asset, installation, irrecoverable VAT & carriage **NOT** extended warranties.

**Remember:**

*TICK THE BOX*
(or notify Shared Services Finance)
Internal trading

• Internal trading sales invoices will be pushed through into AP regularly between 1 August and 11 August inclusive.
• Unprocessed internal trading invoices can be identified from the Invoices on hold report or by checking the department FKAA account in the GL.
• Any disputes regarding internal trading invoices should be referred to the AP helpdesk by Monday 14 August.
• It is not generally appropriate to accrue or defer any costs or income where the other party is internal. Where a department believes this is necessary refer to your Finance Adviser or the GL helpdesk for further advice.
July Barclaycard processing

Issues discussed:
• Use of default SoF "AAAA" which if not cleared sweeps to SoF "ADAA" in roll forward causing complications in the following financial year
• Tight turnaround between issue of credit card statements and closure of ledgers

What Finance Division have been asked to consider:
• posting the August dated Barclaycard statement into August instead of July

In practice
• Expenditure on the August statement relates to July purchases
• 2017 procedures which are agreed by the auditors
• Timing of module closures
• The default code should be cleared as part of month end procedures
• Any departments wishing to defer genuine August purchases into the new financial year may do so by following the prepayments process

We will look at this process in detail for next year
Getting the right financial year

Cash
The date of **receipt**
**Not** the year that that income relates to

Income and Expenditure
The date of **supply** of the goods/services
**Not** the date of the PO

The **daily AP exception reports** will be sent out and centrally monitored. Departments may be asked to provide evidence to the Finance Division that AP invoices have been recorded in the right year.
Accruals and prepayments

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Transaction code</th>
<th>Mandatory for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>Goods/services received by the University prior to 31 July, for which no invoice in AP</td>
<td>VBAK</td>
<td>&gt; £10,000</td>
</tr>
<tr>
<td>Prepayments</td>
<td>Invoice processed in AP in advance of the goods/services being received</td>
<td>UNGA</td>
<td>&gt; £10,000</td>
</tr>
<tr>
<td>Unearned revenue/income</td>
<td>Income received by the University in advance of goods/services being delivered to the customer</td>
<td>VZAA</td>
<td>&gt; £10,000</td>
</tr>
<tr>
<td>Other debtors</td>
<td>Amounts owing for goods/services provided by the University, but not invoiced in AR at 31 July</td>
<td>UNAA</td>
<td>&gt; £10,000</td>
</tr>
</tbody>
</table>

Detailed supporting working papers must be retained for audit purposes
Help and support

Regular bulletins to UFS Key Contacts

School Finance Managers / Finance Advisors

UFS module help desks

Central and Research Accounting & Research Operations Office

Regular FUG and RGUG meetings

## 2017/18 – dates for the new year

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing opens</td>
<td>Tuesday 1 August</td>
</tr>
<tr>
<td>Accounts Payable opens</td>
<td>Tuesday 1 August</td>
</tr>
<tr>
<td>General Ledger opens</td>
<td>Tuesday 1 August</td>
</tr>
<tr>
<td>Accounts Receivable opens</td>
<td>Tuesday 8 August</td>
</tr>
<tr>
<td>Internal Trading opens</td>
<td>Thursday 17 August</td>
</tr>
<tr>
<td>PO / AR / AP / GMS Aug-17 closes</td>
<td>Tuesday 5 September</td>
</tr>
<tr>
<td>FA closes Aug-17</td>
<td>Wednesday 6 September</td>
</tr>
<tr>
<td>Aug-17 deposit deadline</td>
<td>Friday 15 September</td>
</tr>
<tr>
<td>GL closes Aug-17</td>
<td>Monday 18 September</td>
</tr>
</tbody>
</table>
WHAT’S NEW?
New General Ledger functionality

Cost Centre/Source of Fund categorisation

Upload large journals from spreadsheet template ("ADI")

Both in Live and available on request to the helpdesk
Internal audit findings in year

Non-research income – credit checks
Remember that Credit Control (Finance Division) can run credit checks on companies and some other organisations at set up (or other times). Recommended if trading more than £1,000 in a year.

Non-research income – escalation of problem debts
The Credit Control team can assist with chasing problem debts. The earlier you tell them the better (and make sure there’s a valid agreement in place!) Ideally, don’t give credit unless it’s appropriate to do so. Consider use of e-sales.

General Ledger and grants journals
It’s good practice to implement a secondary review/authorisation process for journals.

Storage of key documents
Key documents such as supplier contracts need to be stored securely and safely.
Internal audit findings in year

**Invoice checking**
Auditors found that some departments weren’t checking invoices added up!

**Asset tracking**
Departments not consistently recording disposal of assets. Need to ensure regular checking and review. Finance send out reports twice a year.

**Expense claims**
Not always submitted within a three month period.
Grant budgets not always actively monitored – expenses lead to overspends.

**Trust funds**
Departments need to be aware of the responsibilities and the legal obligations of Trustees.
Expenditure on Trust Funds is not always monitored to be in line with regulations.
New (complications) in year

*Bright ideas from government leading to a large admin burden...*

**Off-payroll workers**
Taxing workers who look like employees now applies to workers being paid via a limited company (and LLP) too.
Invoices need to be paid via UPS if the company/LLP is classified as an off-payroll worker.
Deadline for UPS input: Thursday 3 August

**Apprenticeship Levy**
- 0.5% of employee’s gross pay
- Much like employer NI
- Allocation increased to cover levy on chest-funded positions
- Some research sponsors will pay it and some won’t
Hi Chris,

Hope your day is going on well. I need you to process a Faster payment or same-day CHAPS swiftly, let me know what details would be needed, to get it done as soon as possible.

Kind Regards,

Andrew Reid
Over to you

School-specific questions