



Closure of Accounts 2023/24

Notes to **Schools Operating a Bank Account**

Headteachers of Nursery, Primary, Secondary, Special
and Short Stay



1. INTRODUCTION

These closure notes have been written specifically for schools operating a local bank account during the 2023/24 financial year.

Authority external auditors have significantly increased their recent demands for evidence to substantiate school accounting transactions and there is therefore additional responsibility on all schools to correctly follow the operational guidance and retain appropriate supporting documentation.

It is important that schools note the following deadlines which are required to meet statutory financial deadlines given the timing of school holidays.

Monday 25 March 2024	Period 12 Journal Audit Trail, Trial Balance, Cash & Bank rec, Unreconciled Items and electronic bank statements
Friday 5 April 2024	Analysis of bank movement and electronic bank statements as at 31 March 2024

No amendments to Oracle can be made after midday Thursday 28 March 2024.

1.1 Oracle Financial Reports

The automated reports will be issued on the following dates over the year end period.

Date	Period 12 Transaction report	Period 12 Payroll Report	Adj. Per Transaction report
Monday 25 March 2024	Yes		Yes
Wednesday 27 March 2024	Yes		Yes
Thursday 28 April 2024		Yes	

This year you will receive an ADJ period report which will include:

- Accruals
- CFR corrections (these will net nil)
- De-delegated journal (this will net nil)

During the closure process it is advisable to check the Schools Portal each morning to ensure that your reports are downloaded and viewed as soon as they are received.



2. WEEK COMMENCING 18 MARCH 2024

2.1 Processing of Invoices

- Schools should input as many invoices as possible. By doing this you will reduce the number of creditors which will need to be accounted for manually.

2.2 Reconcile Bank

- Bank reconciliation to 25 March 2024 needs to be carried out as soon as possible.

2.3 Period 12 Journal Audit Trail and other Electronic Submissions

- As soon as the final bank reconciliation has been completed (and balanced) the following files, for period 12 2023/24, must be sent electronically via the Portal:
 - ✓ the monthly journal audit trail file
 - ✓ cash & bank reconciliation as at 25 March 2024
 - ✓ trial balance by ledger code
 - ✓ un-reconciled payments and receipts to 25 March 2024 (no later)
 - ✓ electronic copy of bank statement showing balances as at 25 March 2024 for each account you hold including money market balances etc.

JOURNAL AUDIT TRAIL AND ELECTRONIC SUBMISSIONS MUST BE SUBMITTED BY END OF PLAY Monday 25 MARCH 2024

- Once this file has been processed there will be no further journal audit feeder file processing in 2023/24. Therefore, any 2023/24 transactions carried out in Finance 6 after this submission will not be picked up and transferred to Oracle automatically.
- This should be borne in mind when carrying out any further work on the old year. If further work is required in Finance 6 it is essential to inform Schools Finance Team.
- This will be done by schools running an additional journal audit trail report and emailing as soon as possible to: ctcypsabt@lancashire.gov.uk
- A new Trial Balance, Cash and Bank Reconciliation and Unreconciled items list will also need to be sent via the portal.
- Deadline for any changes is mid-day Thursday 28 March 2024.

2.4 Salary Commitments

- Clear any staffing commitments in Finance 6 which are no longer valid. Such corrections cannot be carried out once a preliminary closure has been undertaken.

2.5 Capital Codes

- Schools that have incurred capital expenditure during the year should ensure that capital expenditure and all capital income is correctly recorded on Oracle against expenditure range 11091 to 11096 and income codes 26156, 26030 and 26067.
- Please ensure that details of any capital invoices received for work completed by 31 March 2024 but not actually paid are included on your outstanding expenditure return.



- The above codes will be the only codes used to calculate the capital balance for each school.
- The in year surplus or deficit for capital will then be carried forward to the next financial year in a similar way to the current method of calculating revenue balances.
- Capital balances will not impact on clawback policy for excess balances which will only be calculated from revenue balances.

2.6 Year end Accruals - Debtors/Creditors & Payment/Receipt in Advance

- This year we will request supporting schedules in respect of Year End Accruals for the following:

Expenditure – Creditors	Goods and services received before 31 March 2024 but not yet paid for
Income - Debtors	Income outstanding that was due to school for services before 31 March 2024
Receipts in Advance	Income received before 31 March 2024 relating to goods/service delivered after 1 April 2024 e.g. lettings, school trips
Payments in Advance	Payments made before 31 March 2024 for goods/service that will be received after 1 April 2024 e.g. deposit for school trips

- The Year End Accrual workbook will be available to schools w/c Monday 11 March with full guidance on how to complete it.
- Accruals can be made for unspent NTP (School-Led Tutoring Grant academic year 22/23 funding) which is to be clawed back by the ESFA, a separate tab is available on the accruals form template for this purpose. Accruals cannot be made for other unspent grant funding at year end (e.g. PE Sports Grant and Recovery Premium), such balances held at 31st March should be added to budget allocations in the new financial year, these balances should also be identified on the committed balances return.

It is important that this form is returned via the schools portal by midday Tuesday 26 March

- The Authority has now set a minimum value of £1,000 per transaction for all schools accruals. Entries cannot be added together to achieve this value

Details to enter for 2023/24

The Auditors have asked us to request some additional information:

- Supplier/Customer Name
Who provided the good/service or who are you owed income from
- Invoice/Order No
If available any information to identify the invoice
- Date Goods/Services Received
- Whole Government Accounts – CPID
To enable us to comply with government requirements we need to identify transactions with other "government bodies".
- Please do not include any amounts owed to/from Lancashire County Council. Journals that have interdepartmental transactions will not be entered.
- All accrual entries will show on the ADJ period Oracle transaction report.



2.7 Items not required on return of outstanding accruals

- Internal Invoices
Arrangements have been made to ensure that all internal recharges (or estimates if appropriate) will be charged to school accounts in 2022/23. Consequently, no entries should be included on the debtor & creditor form for internal items e.g. recharges in respect of digital services, grounds maintenance, cleaning, catering etc.
- Supply Teachers (Including LTA payments)
The costs of supply teachers charged to the 2023/24 accounts will reflect payments for the period 1 March 2023 to 28 February 2024. March 2024 supply costs paid in April will be charged to the new financial year 2023/24.

February 2024 LTA costs will be shown on the P12 Oracle report on 31 March.

Schools currently completing Supply Cover Insurance forms need to ensure that all forms have been submitted to the Payments Team for absences up to 28 February 2024 by the 5 March to enable credits to be actioned. Payment of claims which require queries to be resolved may be delayed, but all valid claims submitted by the deadline will be reimbursed. Schools are encouraged to submit all valid claims as they arise throughout the year to avoid payment delays at year end. In particular, maternity claims should be made when they arise and not held until the return of the post holder. March claims should be submitted at the start of the new financial year. Late claims may not be paid. Please refer to the Supply Scheme details for further information.

For any queries in relation to the completion of the forms please email:

supplyinsuranceclaims@lancashire.gov.uk

2.8 Schools Leases – IFRS 16

- Schools will be required to submit details of schools' leases (further information and template to follow from the Corporate Accounting Team) by the same date as the accruals, **Tuesday 26 March**. An opening position at 31 March is required as IFRS 16 comes into effect from 1 April 2024.

2.9 Audit

- Our external auditors pay particular attention to scrutinising and verifying creditor and debtor details so local information must be available to support the figures you have included in the accounts. External audit use sampling techniques to identify transactions for testing which means that you could be asked to provide supporting evidence for any transaction. Schools must be prepared to submit evidence and are advised to keep a file with supporting documentation.

2.10 For schools not using LCC payroll

- All schools must ensure that the full cost of March salaries, including on costs are posted against the old financial year therefore Payroll journals and not accruals must be posted to reflect provisional payroll data before 23 March.
- Any adjustments required to reflect actual payroll costs can be made in the new financial year.
- Information will be requested again for remuneration in excess of £50,000 per annum and exit packages. Further details will be issued through the schools portal.



- The Auditors have also requested an additional breakdown of the total payroll costs. Further details will be issued through the schools portal.
- The Auditors will sample evidence from a number of schools and may request detailed evidence of payroll reconciliations, staff payslips and contracts.

2.11 For schools using LCC payroll

- For schools using LCC payroll, March salaries can be reconciled as normal from the Oracle Payroll report due Monday 1 April.

2.12 Reconcile Petty Cash

- Actual petty cash held should be counted by 1 April 2024. Any un-posted expenditure relating to 2023/24 should be posted into the old year.
- Petty cash in hand in Finance 6 should be reconciled to actual cash in hand.



3. 1 APRIL 2024 ONWARDS

3.1 Analysis of Bank Movement after Period 12 Cash & Bank reconciliation

- Schools will need to analyse the movement in the bank following submission of the period 12 returns on 25 March to demonstrate that material amounts have been accounted for on Oracle in the correct financial year.
- Schools will need to complete the analysis for each bank account held.
- The Analysis of Bank Movement template will be available on the schools portal in March.
- Schools will need to report any item that is shown on the Bank statement for the period 26 March to 31 March that was not included in the list of unreconciled items or the Accruals form.
- Schools must send the analysis of bank movement and electronic bank statement as at 31 March.
- Please submit by Friday 5 April 2024 through the same route that you send the monthly files (Cash & Bank rec etc.).

3.2 De delegated coding correction

- A journal will be seen on the Oracle Adj period transaction report which is to adjust the de-delegated funding.
 - Debit expenditure codes (E10, E23 and E27) for each individual de-delegation amount, as identified on the funding statement for that financial year.
 - Credit code 21049 for the total de-delegation amount (to net the above individual amounts to nil) with a description of "De-delegated adjustment".
- Schools will need to replicate this adjustment in Finance 6 as a central adjustment.

3.3 Preliminary Closure

- A preliminary closure should be carried out after 1 April. Please refer to the Digital Services Year End guidance notes 2023/24.

3.4 Reconciliation to the Old Financial Year

- Schools should reconcile Finance 6 to Oracle on each ledger code.
- This can only be achieved after:
 - The input of March LCC salary payments
 - The reconciliation of all centrally paid items in 2023/24
 - The input into 2023/24 of accruals
 - The input of de-delegated and CFR coding corrections
- All of the above can be carried out in the old year even though a preliminary closure has been carried out.

3.5 Final Statement

- The Authority will send schools a final statement (CFR) showing the reserves to be carried forward to the new financial year. The statement will show the amount of school reserves held in the bank account. Schools should report the final outturn position to Governors based on this CFR statement.



Date	Key Action Point
Tue 05/03/2024	Deadline for Supply claim forms up to end of Feb, March claims will go through in following year
Thu 21/03/2024	Final date for entries on school codes by internal teams (except Schools Accountant)
Mon 25/03/2024	Deadline for receipt of period 12 electronic files, Journal Audit Trail, cash & bank rec, unreconciled items & trial balance
Mon 25/03/2024	Oracle Transaction reports available Period 12 and ADJ per report with Accruals
Tues 26/03/2024	Deadline for outstanding accrual form to be sent through the schools portal
Tues 26/03/2024	Deadline for school lease data submissions
Wed 27/03/2024	Oracle Transaction reports available Period 12 and ADJ per report with Accruals
Thu 28/03/2024	final day for schools to notify Schools Accountant of any changes
Thu 04/04/2024	Send through electronic bank statements and analysis of bank movement as at 31 March 24
Thu 04/04/2024	External pay provider schools - Staff in Salary bandings (remuneration)
Thu 04/04/2024	External pay schools breakdown of total salary & monthly FTE numbers

