



City of Westminster

Faster Closing of Local Authority Financial Statements

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How We Did It

Steve Muldoon



It's a Project!



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- So use project management techniques
 - Create a risk register and review it, take action to mitigate
 - Identify your Stakeholders – it's not just a list
 - 1,000 line plan – analyse all the tasks in detail
 - Put a name against everything
 - Trackers, trackers, trackers – notes, holiday, stakeholders,
 - Resources – people, time, equipment
 - Learn from the past – clear audit reco's, lessons learned
 - Contingency planning – scenarios, leeway
 - What gets measured gets done
 - Comms plan – Who? When? What? Why? Where? How?
 - Constraints – code changes

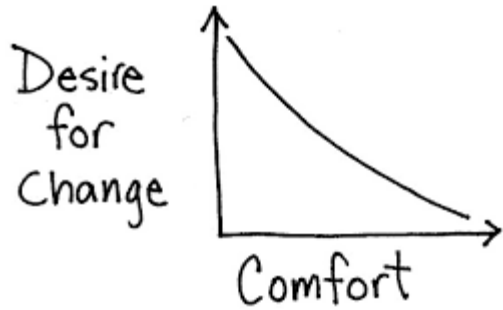


People are your best friends!



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- Share the load – not just Corporate Finance
- Be best friends with IT – fast response if issues arise, systems support over weekends, network outages. What downtime are they planning?
- Procurement – contract management support
- Property – links to valuers and managing agents
- Comms – Design team to work on the glossy
- Auditors – need to be on board, adjust their planning schedule
- Third parties – this can be a win-win, they will listen
- Who else do you need to know better?



People can't just be trusted!



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- Anyone not in the core project team could undermine you
 - Key third party contractors – list out, speak to, visit
 - Wider finance team – conflicting priorities
- Some people are afraid to ask, struggle on, don't believe it can be done, don't adhere to deadlines
- They get sick, go on holiday, leave, don't read emails
- But you can do something about it – what will you do?
- COMMUNICATE! Regularly, widely, in a variety of ways
- Chase up.
- Offer support – a problem shared...
- Don't assume all on track...



Do it more than once a year!



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- Significant gains require effort and practice
- At first, you won't succeed, so try try again
- Quality control – check the outputs, especially from newbies
- Log the issues encountered, get them addressed, do it again
- Measure and monitor – % completion, % QA'ed, issue resolution.
- Identify problem notes – focus on these, resolve stubborn issues
- Reconciliations – should be routine, consistent
- Identify inconsistencies and eliminate, use formatting standards
- Always room for improvement



Impossible is Nothing



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- The Obstacle is the Way – work the problem
- It's a mindset – whether you think you can...
- If you think you can't control or influence, stop and think again
 - Especially influencing third party dependencies (banks, custodians, valuers, members, transaction processing)
 - Potential audit issues – identify, work through, discuss, agree way forward before year end
 - Don't accept excuses. Resistance is futile!
- Flexibility and agile thinking are important – encourage creativity in managing, tracking, problem solving – new team members bring new ideas to build and improve upon the past



Just do it



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- Some tasks take time – so get on with it, early
- Get the easy stuff out of the way
- Don't let issues drag on – escalate before it is too late
- Identify the dependencies –
 - Notes production (before year end, final adjustments, other notes)
 - Front sections – AGS, Treasurer's statement
 - Dates – sign-off, audit, inspection period start, last journals
- Automate, streamline, continuous improvement – macros, links, QA



What can possibly go wrong?!



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- Murphy's Law applies – so plan for it!
- SharePoint gets overloaded and slows down, or stops
- File links get corrupted – e.g. for cashflow
- Network crashes, printers stop working, paper/ink stockout
- Fire alarm goes off – not a test
- Key contracts expire – on the critical path
- Windows upgrade not compatible with old systems
- Issues logged but not addressed
- People problems
- And during the skiing season leading up to year end...

The dangers of being an accountant



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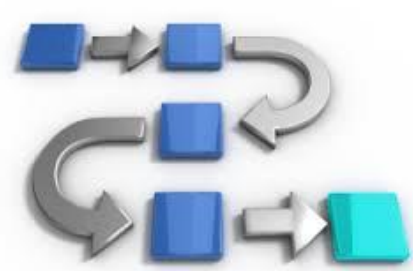


Getting over the finish line



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- Weekends required – flexible working practice
- Late nights – 3:30am!
- Identify all the boring tasks, all hands on deck:
 - Casting, cross-referencing checks
 - Proof-read sections
 - Re-read risk areas
 - Consistency of formatting
 - Pedantic = quality output!
- Roundings – order of precedence – the balance sheet rules
- Cash flow!



In Summary



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- Begin with the end in mind
- Plan backwards
- Share the load
- Communicate, communicate, communicate
- Engage stakeholders and third parties well in advance
- Streamline and automate processes
- Pre-empt issues
- Be able to track progress, know you are on course
- Stay positive – issues arise but they can and will be overcome



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The Technicalities

Peter Worth



Technical Issues

My Role

- Strengthen QA processes
- Deal with specific tasks
- Build in capacity to deal with technical issues
- De-clutter



Strengthen QA Processes

QA checklist tailored for each Note and Statement

- Purpose – what would auditors look for
- Consistency
- Evidence
- “Everything hangs together”
- “Checks built in not bolted on”



QA Review Meetings or “Star Chamber”

What did we do?

- Scheduled review of all Notes and Statements at P10 in March
- Intensive – back to back meetings for 8 working days

What did we get from this?

- Shared expectation of standards
- Dummy run for audit
- Flushed out effectiveness (or otherwise) of QA
- Flushed out issues not yet addressed
- Provided ACT with full understanding of all issues within the SoA



Deal with Specific Tasks

- Review case for not producing group accounts
- Manage production of pension fund accounts AND annual report
 - Investment data normally available 9 business days after period end i.e. close of play 15 April BUT a/cs due to go to audit 16 April
 - Liaise with custodian early
 - Set up skeleton pension fund accounts February
 - Agree A/Ps
 - Identify information required from whom and when
 - Contingency plan – close on P11 plus estimated P12

= fully Code and legislation compliant Pension Fund Accounts and Annual Report



Technical Issues

- Technical review of 2013/14 SoA to identify potential risks

- Review and recalculate CFR
 - Incremental or balance sheet approach

- Investment in companies
 - Capital financing
 - AfS accounting

- REFCUS loans
 - Unfinanced
 - Soft loans

- “Receipts in Advance”



De-Clutter

- Use of materiality to identify what needs to be disclosed and what doesn't
 - Inventory not material

- Focus on Code requirements (NOT) the guidance notes

- Focus Accounting Policies on the policies rather than the accounting entries
 - 7 A/Ps not relevant
 - 8 A/Ps were misstated

- Re-order and amalgamate Notes



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Any Questions

