

Year End Health Check Guidance



FINANCIAL CHECKS

Balance Sheet Codes

Start by running a Trial Balance and check the codes listed below:

- *CR01 - Creditors List Accruals*
Please ensure this code is currently zero and all of last year's creditors have been cleared, unless there is a genuine reason why this is not zero. This will change when you enter your 2021/2022 year-end creditors.
- *DR01 – Debtors List Accruals*
Please ensure this code is currently zero and all of last year's debtors have been cleared, unless there is a genuine reason why this is not zero. This will change when you enter your 2021/2022 year-end debtors.
- *FC01 – School Budget Share Control*
This code should be zero.
- *FD01 – School Budget Share*
This code should currently represent the balance that you brought forward from 2020/2021 as per your previous year-end final balances letter. Please check these figures match.
- *PY codes – Payroll*
Please ensure you are up to date with posting your payroll. These codes should be zero after you post each month's payroll. If they are not, you will need to check back, something could either have been over or under reconciled.
- *VAT codes*
When each month is closed check the total balances on the VAT codes (VO01 – VI07 are equal to the VAT being claimed and any VAT awaiting reimbursement (which should only be the previous month, if any). Check it matches the codes on your submittals, and if not investigate as to why the VAT is wrong and use a VAT transfer journal to correct.

Income & Expenditure Codes

- *Income codes*
Please ensure you have coded your income correctly. I01 – I05, I18 and CI01 should match the cash advance schedule you receive monthly from the Schools Finance Team. Check by individual ledger codes on the Trial Balance.

- All income should be recorded on your system and banked.
- Please ensure you have all your known commitments on your systems.
 - Cancel old purchase orders that will not be delivered.
 - Cancel any salary commitments for prior months.
- Please check Capital. If you are going to be overspent on your capital headings not including Devolved Capital you will need to carry out a direct revenue transfer i.e. transfer revenue to capital (Debit E30 and Credit CI04).
- Community Focused School Activities are not permitted to be overspent at the year-end. This will need to be addressed if this is the case (Check total of codes: B06+I16+I17-E31-E32)
- Please ensure that expenditure codes do not have credit balances showing against them and income codes do not have debit balances showing against them. If they do and they are genuine please inform the Schools Finance Team.




Other Checks

- Any cheques, which are more than six months old and have not been cashed need to be cancelled on your system. If a cheque is not going to be re-issued remember to also cancel the invoice or it will reappear on the next cheque run. Any cheques more than a month old, which have not been cashed, should have reminders sent to people to bank these cheques.
- You may wish to consider reducing the number of orders you issue.
- Contact suppliers from whom you are awaiting invoices.
- Make sure bank reconciliations are up to date.
- Check the unreconciled listing for old items and clear if necessary.
- Check any outstanding items from your Three Way Reconciliation (3WR) and action/clear. There should be no recurring items each month. (If you do not complete your own 3WR you will need to check if there are any items for you to action).
- Please make sure you have enough cash in your bank account to honour any commitments you may have up to the year-end, and contact Schools Finance immediately if necessary.
- Please make sure you are up to date with submitting the following documents to the Schools Finance team:
 - Trial Balances
 - Three Way Reconciliations
 - Bank Statements (if not with NatWest pooling scheme)
 - Unreconciled listings

- Signed Vat Submittals
- Bank Reconciliation (a signed hard copy will need to be retained by the school)

ADMINISTRATIVE CHECKS

- The Scheme of Delegation should be reviewed annually to ensure it is up to date.
- Any workers not on payroll within the school have been checked against the online IR35 checker. Guidance can be found [here](#)
- Schools with voluntary funds must complete an audit within 6 months of the year-end which has to be sent to Schools Finance once completed.
- Devolved Formula Capital must be spent within three years of receiving it.

2017/18 DFC	2018/19 DFC	2019/20 DFC	2020/21 DFC	2021/22 DFC
 2017/18 DFC allocation must be fully spent or committed by 31 March 2020				
	 2018/19 DFC allocation must be fully spent or committed by 31 March 2021			
		 2019/20 DFC allocation must be fully spent or committed by 31 March 2022		

COMPLETION

This must be completed by **Friday 11th March 2022** in preparation for closure of accounts. The health check form will be available on the LMS [website](#). Please ensure these checks have been completed and send a copy of the completed and signed healthcheck to Schools Finance by this date.

