

Mr. N. R. Page

P. R. Pattinson

PRP/AIW/2A

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ACCOUNTS STAFFING

I feel that I should communicate my concern over the pressures building up within the accounts function as the result of the structural changes in 1976, combined with a steady increase in workload over the last twelve months.

You will remember that when we set up our own accounts payable and banking routines in October 1976, I estimated that an additional 1½ clerks were needed to cope with the extra work. Subsequently, we were authorised to recruit one clerk only - to effectively take over a member of UK & E's staff who was resigning from their Accounts Payable Section and who was not being replaced. I pointed out that, in my opinion, one clerk was only sufficient to cope with the additional work on the GR & DC Accounts Payable Section and that we could have problems in covering associated work areas (e.g. banking and VAT routines, audit controls, etc.), where a corresponding volume of work would be transferred from UK & E, but without the 'notional' staffing arrangements.

Between 1976 and 1977, the number of invoices rose by 16%, inter-departmental charges (inwards) increased by 50% and programme cost areas jumped from approximately 50 to over 200 as a consequence of the new funding arrangements. Additionally, overseas visits have risen by 46%, there has been a marked increase in the volume of sales of equipment and materials and VAT legislation has become more complex and time consuming. The pressures being felt now are likely to become far more marked when the holiday season arrives.

As you know, we work to a strict monthly timetable laid down by Accounting Department, Millbank, and it is essential that month-end closing dates are met, that financial returns (e.g. cash flow forecasts, inflation accounting returns, etc.) are produced on time and that charges on Head Office and associated companies are processed promptly. Additionally, it is important that suppliers invoices are settled in accordance with their terms, particularly when discount is deductible.

It is essential that the R & D Department accounting function continues to operate at the current high level of efficiency and to ensure this, I recommend that an additional clerk is recruited without delay. In addition to relieving the pressures outlined above, this arrangement would give an acceptable degree of holiday cover and sufficient operational flexibility to allow me to introduce a training programme, which the present situation precludes.

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