Year End Guide | Non - Branch Accounting Companies

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Introduction

We understand the overwhelming challenge of running a year end, having to ensure that the whole year's accounts are prepared correctly, and that your financial records are completed for auditing. We are therefore pleased to issue you with the Sage Evolution Branch Accounting Year End Guide for 2018. The guide highlights important steps in using your Sage Evolution software to ensure the successful completion of your financial Year End.

We have prepared this step-by-step Sage Evolution Year End Guide with easy-to-follow instructions and screen illustrations, to assist you in ensuring that your books are accurately balanced for a smooth rollover into the next financial year. This guide is produced exclusively for you, our Sage Evolution customers, because we want you to spend less time in support queues and more time managing your business efficiently.

If support is needed, always have your Customer Number handy when contacting Sage Evolution Support to ensure your call is routed correctly and efficiently.

Why run the Year End?

The following is only relevant to clients running on Evolution prior to version 7:

You have up to five financial years of General Ledger information in Sage Evolution. At the end of the 5th financial year, you will be required to purge the information contained in the 1st year. By completing the **First Year Purge** procedure, you can add an additional year to the system.

Purging can also be done to reduce the size of your company database and to increase processing speed.

The following is relevant to clients running on Evolution version 7 and higher:

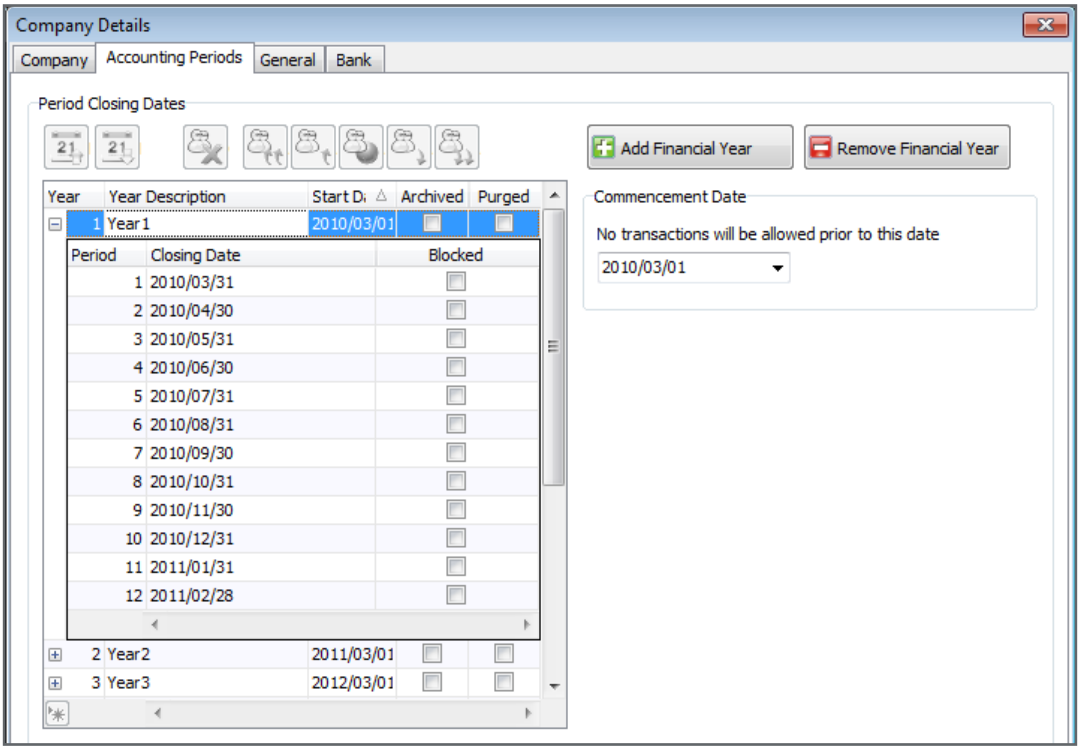
Since Sage Evolution version 7 it's possible to have a virtual, unlimited number of financial periods. That means you are not forced to purge financial years and can simply manually add another financial year at year end. Please also note that running a Purge First Year routine does not remove the actual accounting year that has been purged, only its transaction history.

A summary of the Year End procedure

Step	Procedures
1	Make a backup of your data
2	Do a Stock Take
3	Purging of transactions and accounts • Receivable and Payable transactions and accounts • Stock transactions
4	Print the relevant reports: Ensure that all the reports for Year 1 have been printed according to your auditor or company's requirements.
5	Purge First Year/ Archive Financial Year If working on Evolution prior to version 7 run a **Purge First Year** routine. For Evolution version 7 and higher, archive the first financial year or run a Purge First Year, if needed (not compulsory for Evolution version 7 or higher companies)
6	Adding a new accounting year If working in an Evolution version 7 or higher company, manually add a new accounting year, if needed.

Before running the Year End

Before commencing with the Year End procedure, you should establish which year you are currently in. To do so, go to **Maintenance | Common | Company Details.** Click on the **Accounting Periods** tab. All processing for Year 1 should be completed in its entirety, before purging or archiving the 1st Year.



If your current processing period is in Year 1 then you should **not run a Purge First Year or archive the first year.**

The Purge First Year or archiving routines of the first year can be performed at any point when working in Year 2, 3, 4 or 5. However, it is imperative that Year 1 should have been audited and cleared by your accountants prior to you completing a First Year Purge or first year archiving routine. It is therefore not necessary to wait until the last day of your financial year - it can be done right now!

Year End Procedure

Step 1: Backing Up your data

Data loss is an unforeseen but very real risk. Backups are therefore vital to retain the integrity of the data. Multiple backup sets will enable you to restore your data as recent or as old as you require.

In addition to manual backups by making use of MS SQL Management Studio, Sage offers all customers the ability to back up their data online to an independent, mirrored, data centre infrastructure. The facility, known as **Sage Pastel IronTree**, automates the full backup process and ensures that data is secure and accessible 24 hours a day, anywhere in the world. For more information on Sage Pastel IronTree, contact Sage Pastel Sales on **011 304 3600,** or alternatively Sage Pastel IronTree on **087 943 2278** or visit them at **www.irontree.co.za**.

When manually making a company backup, the complete company should be backed up. You should not choose to backup only specific files or perform a **differential** backup. The reason is that it may be easy to miss/misplace one or more backup files which could be detrimental for the backup restoration process, when needed. Please note that Sage strongly recommends using **only** MS SQL Management Studio or Sage Evolution Database Management to create or restore Evolution company backups.

Always make backups under the following circumstances:

- Before doing a Year End (this backup should be kept in a safe place, separate from normal backups).
- Before making an adjustment or purging data.
- Before running any of the relink options under the Maintenance menu.
- To prevent loss of valuable data and downtime due to hard disk failure, fire or theft.

Only restore backups if no other alternatives exist. Consider the following:

Relink options such as GL Relink, and others could recalculate transactions and balances but not necessarily fix severe data corruption instances.

Restore company backups under the following circumstances:

When significant capturing and processing errors have been made, or when extreme cases of data corruption have been discovered, a backup should be restored to bring the company back to the same state before the incorrect capturing/ processing or data corruption.

The restoring process will discard any changes that have been made following the backup that you have elected to restore, i.e. the data will be exactly as it was at that stage of the backup. It is also advisable to practice restoring to a TEST company until you're comfortable with the restore procedure in order to avoid inadvertently overwriting the wrong set of data.

Also ensure all users are completely logged out of the company before commencing with the restoration process.

Put together a Backup Plan

Before developing your backup strategy, you need to develop a plan of action. Evaluate your company and ask yourself what the maximum amount of downtime is that you can accept. This should be helpful to determine the frequency of backups per week or month. Once this is established, you can decide on the appropriate course of action by matching your company's needs to the appropriate level of database backups. Note that it's possible to automatically schedule backups using full MS SQL Server (as opposed to using MS SQL Express) or making use of the Iron Tree backup service.

Full Backups

A **full** backup type, as opposed to **Differential** backups, is the easiest type of backup to implement in SQL Server and highly recommended by Sage Evolution Support. It takes a complete image of your company database that also includes backing up all users and their permissions. Please ensure that all users are completely logged out of Sage Evolution before commencing the backup process.

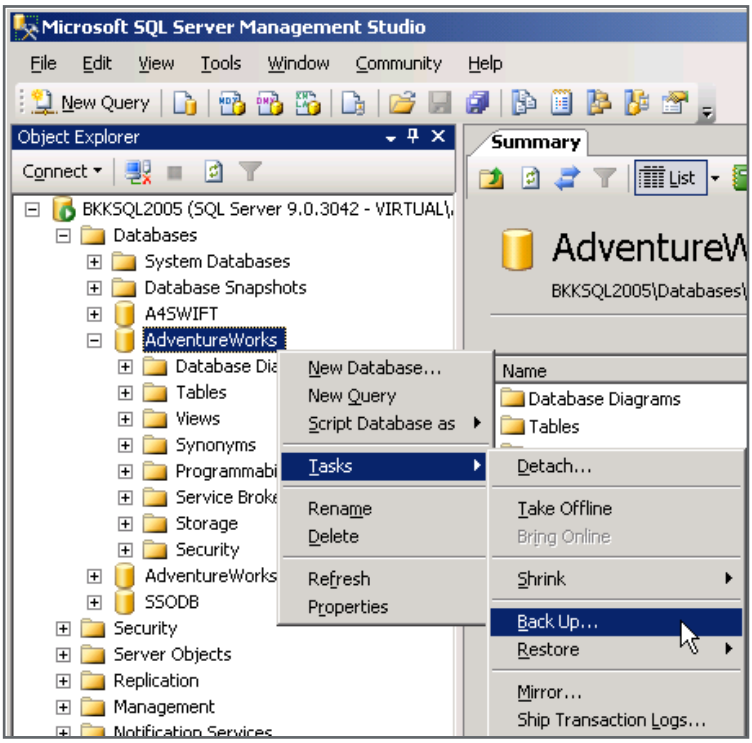
Backup Procedures using MS SQL Server Management Studio

1. Go to Start | All Programs | Microsoft SQL | SQL Server Management Studio

2. Select the relevant server name, Authentication = Windows Authentication (if working on the server PC) and then click on the Connect button

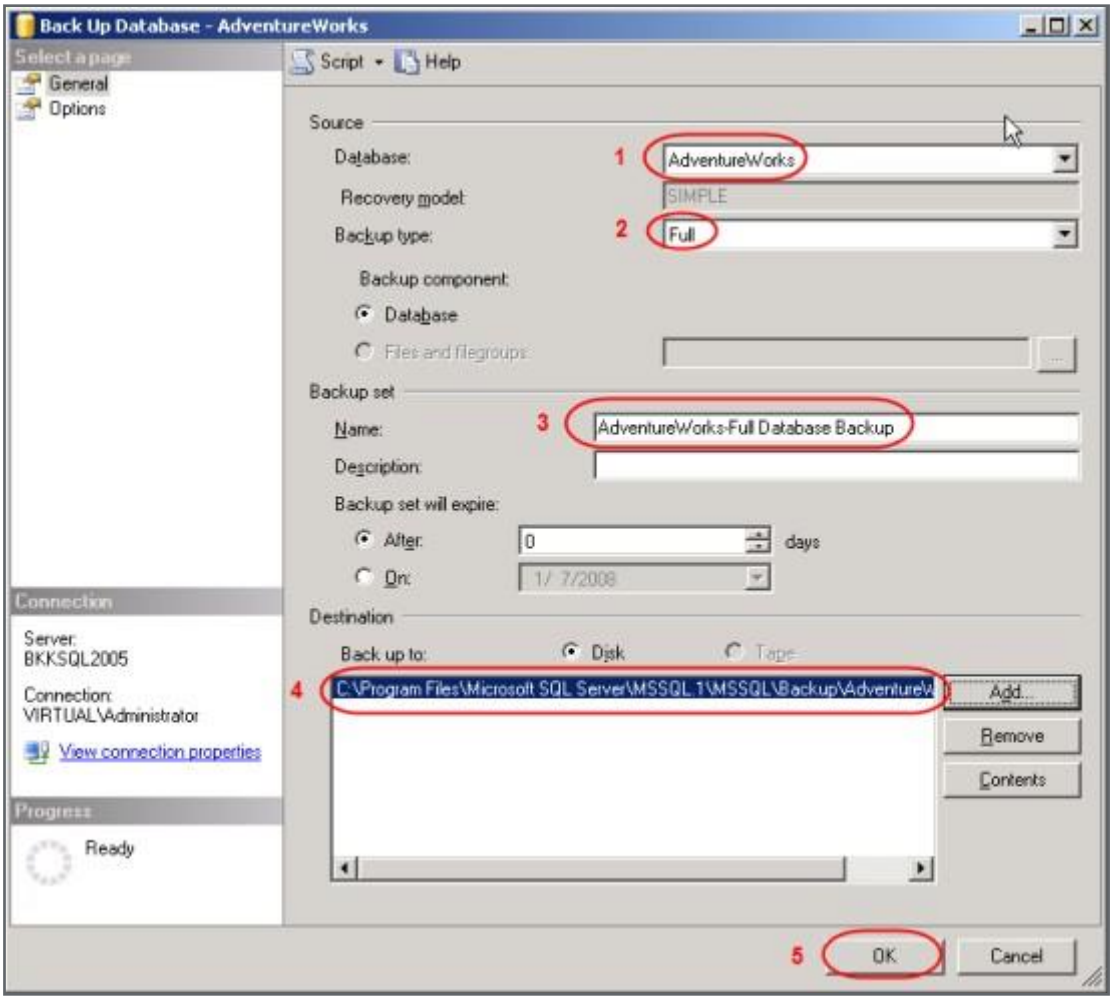
3. When opened, double click on the Databases folder on the top left to display the list of all the live databases

4. Right-click on the relevant database, e.g. Adventure Works and select Tasks | Back Up



5. Keep all the default settings on the top of the Backup screen. Here is an explanation of the most important options:

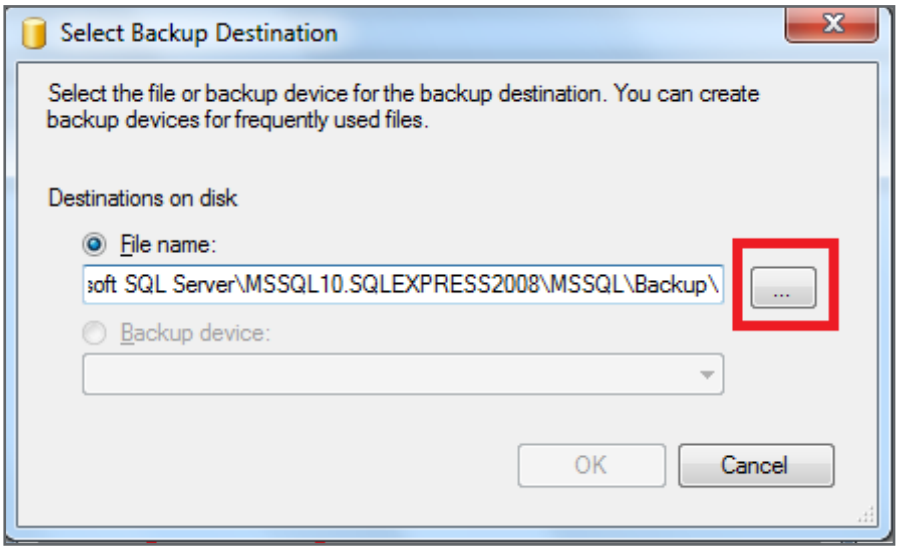
- Database – the database that you want to back up
- Backup type - you can select 2 options: Full and Differential. We always recommend using the **Full** option
- Name - Name of this backup. You can use any name but refrain from using special characters such as * : ; , % # etc
- Destination - the file path that you will be backing up to. You can leave this as default or browse to a specific location where the backup file needs to be created



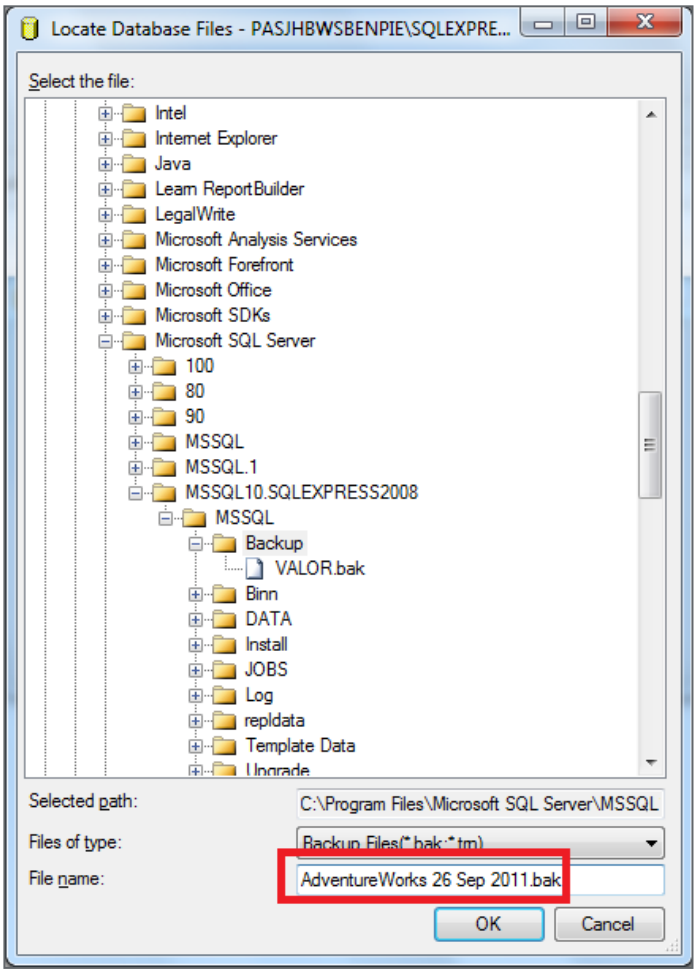
6. Click on the **Remove** button on the bottom right of the screen above

7. Click on the **Add** button on the bottom right of the screen above

8. Click on the browse button on the right of the screen as indicated below

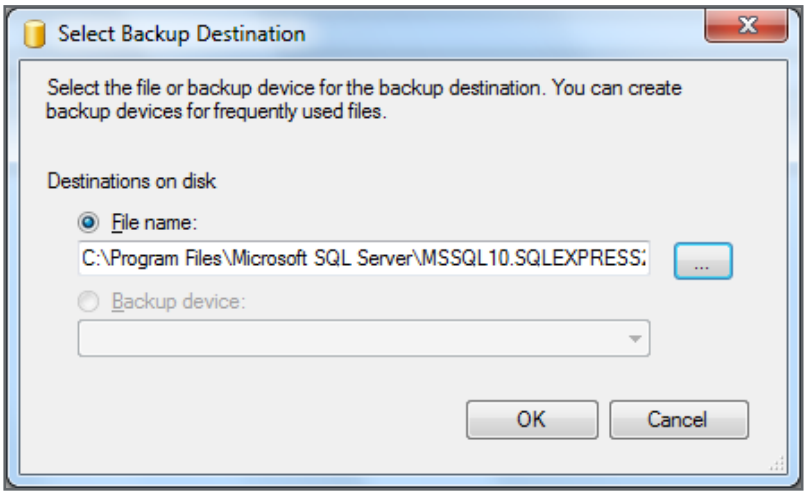


9. Browse to a valid location on your PC and enter the backup file name. It's recommended to always include the date. Always end the backup file name with **.bak** in the **File name**: as can be seen below

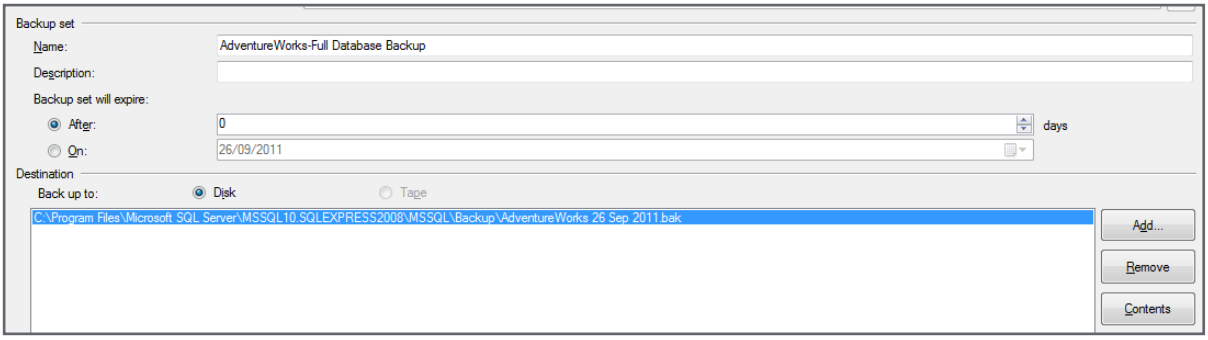


10. When done, click on the **OK** button

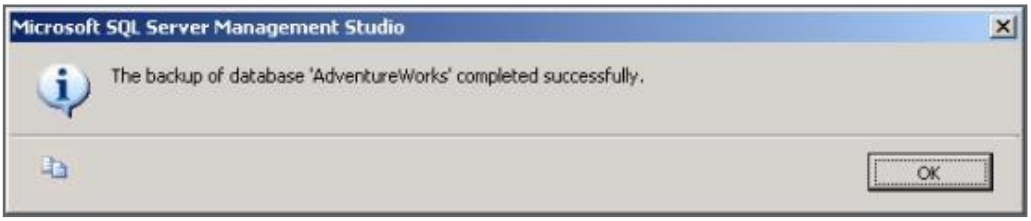
11. Click on **OK** on the following screen



12. Again, click on **OK** of the following screen to start the backup process



13. Wait while the backup process is busy and once completed, the message below should display as an indication that the backup has been completed successfully.



14. Browse to the selected destination as selected in step 9 above where you'll see the newly created backup file (in **.bak** format). This file should then be copied to another drive or written onto a CD/DVD as long as it's saved in a location away for the server PC.

Step 2: Stock Take

It's important to physically count your stock on hand as part of your Year End procedures. This is to ensure that if there are any variances between your physical stock and the theoretical stock levels on hand, you have adequate time to correct this. In so doing, accurate stock values can be determined and provisions for the relevant general ledger accounts' updates can be made for the relevant financial year to be finalised.

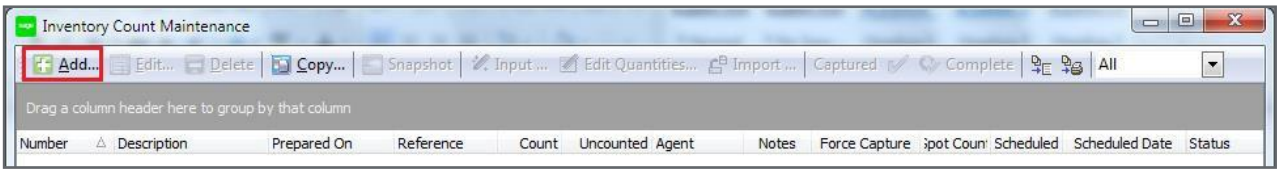
Please note that performing a stock take is not necessarily a compulsory activity as part of the official Evolution year end procedure and is entirely dependent on your company's local policies and procedures.

It should however still be considered to run a stock take as at the end of your current financial year, **regardless if running the Purge First Year routine or not**. Doing this should give you surety about the company's actual stock valuation at current year end. As a result, this also ensures the correct stock control account balance at year end.

Follow these steps to complete the stock take (Inventory Count):

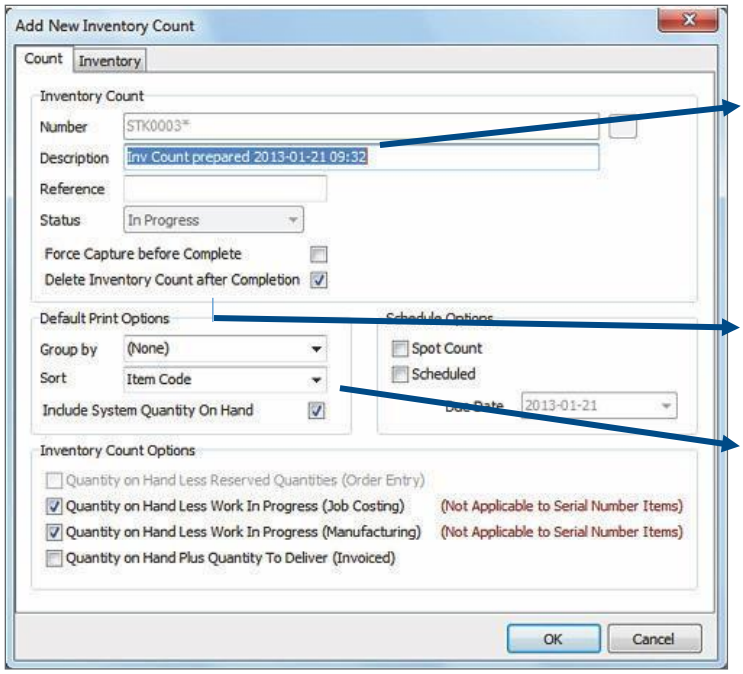
1. Backup the company if you haven't yet done so, or a significant amount of time has passed since the previous backup

2. Create a new **Inventory Count** session by going to **Transactions**, select **Inventory** and then the **Inventory Count** option, then click on the **Add** button below:



3. On the **Add New Inventory Count** screen, enter a **Description** and **Reference** value which will allow you to identify which report belongs to which person, if you have multiple people counting different groups of inventory items per separate Inventory Count session

4. You are also able to select how you would prefer the items on the report to be grouped and sorted. Also note the option to print the theoretical quantity on hand, as it's currently on the system. If you are not counting the inventory yourself, we suggest you **do not include** this quantity, eliminating the temptation for the individuals counting the items (while using the Inventory Count report to determine which items to count) to simply enter a similar or fraudulent counted quantity.

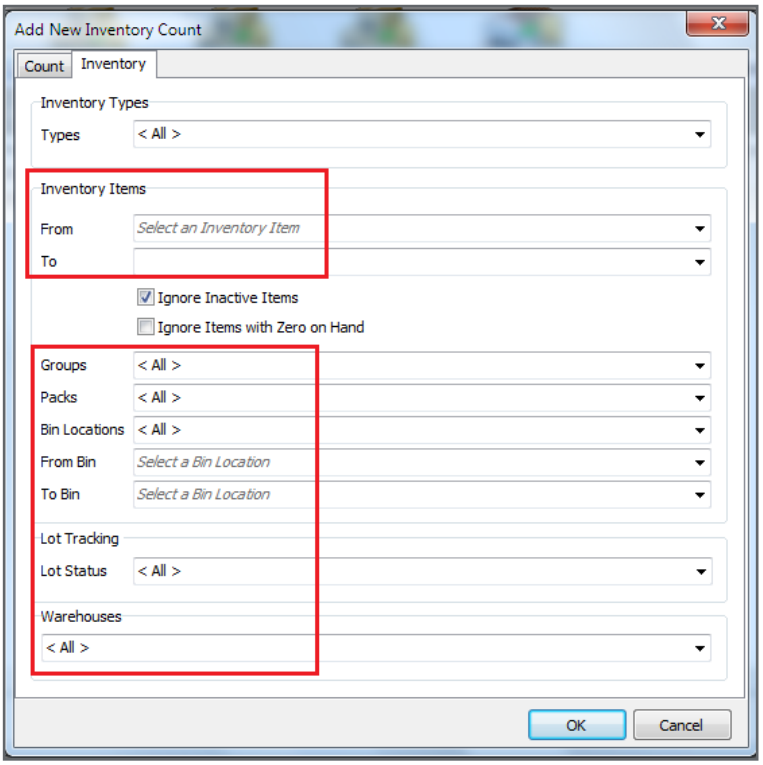


Enter a description and reference for your report

Select how you would like to see the items grouped and sorted on the report

You can select to include or exclude the theoretical quantity on hand as it is on the system

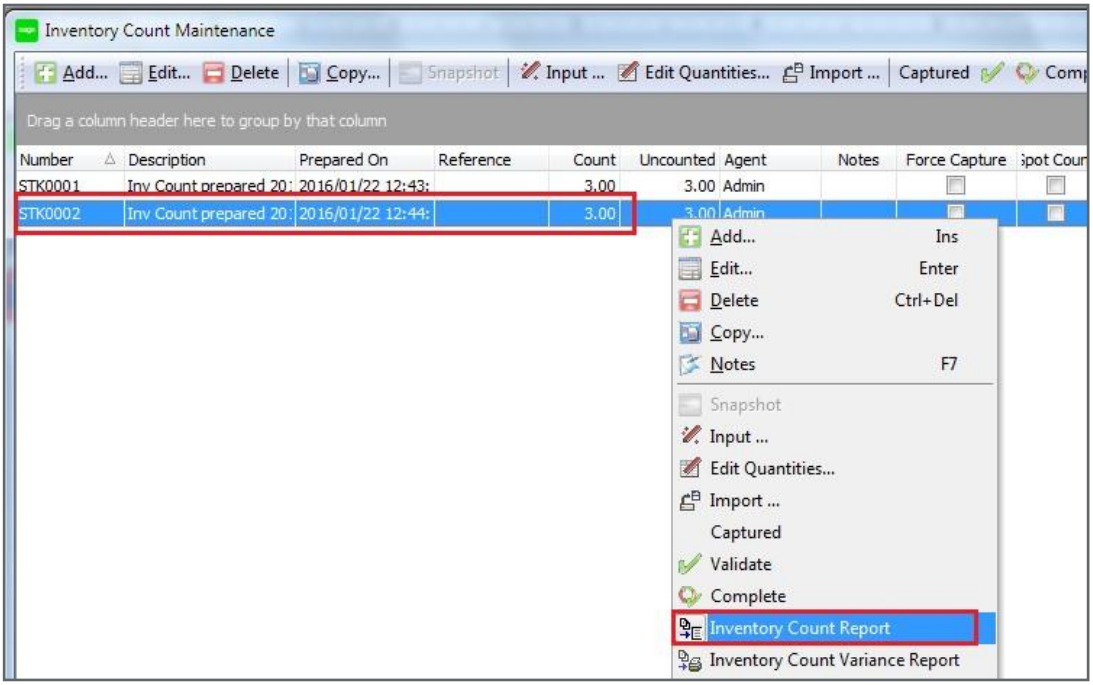
5. On the Inventory tab, you can select which **Items, Groups, Packs, Bin Location, Lot Status** and **Warehouses** you want to include in and perform a count for



6. To shorten the task of your inventory count, you can select the **Ignore Inactive Inventory Items** option above**,** to ensure only your active items are included in the count

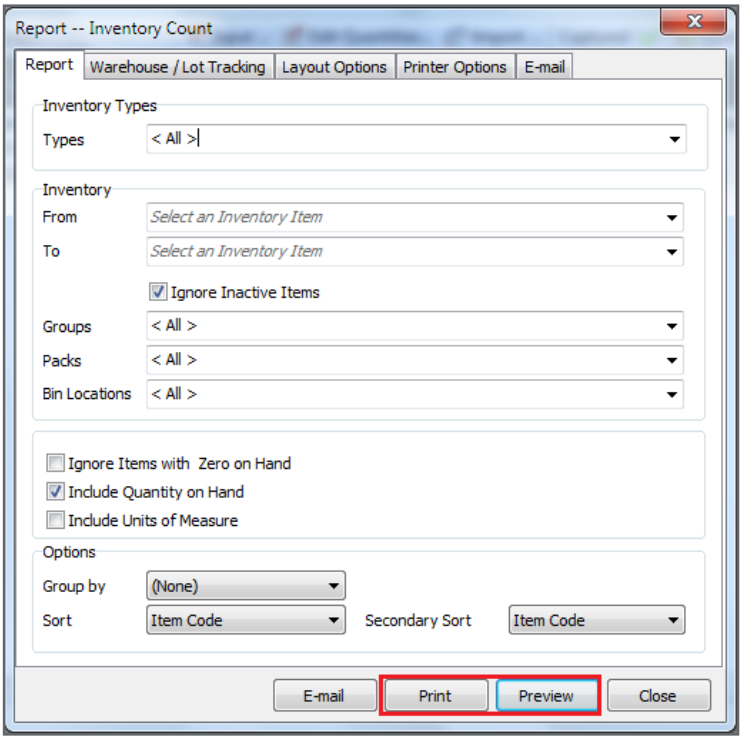
7. When all the fields have been completed click on the **OK** button to create the inventory count session

8. To print the Inventory Count report, right click on the specific inventory count session and select the **Inventory Count Report** option below



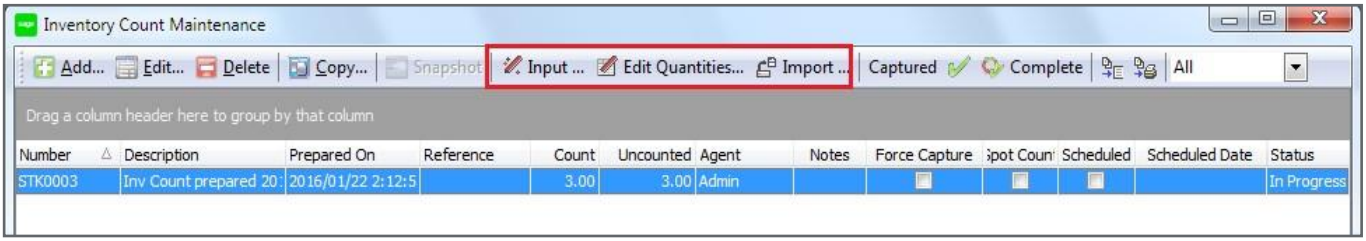
All the options you selected on the **Add New Inventory Count** screen should automatically pull through on the **Inventory Count Report** filter screen, e.g. **Ignore Inactive Items** and the inventory related filters

9. Click on **Print** (or Preview first) to print out the Inventory Count report and hand it to the staff member/s doing the physical count. He/she should now count the physical stock on hand of your inventory items

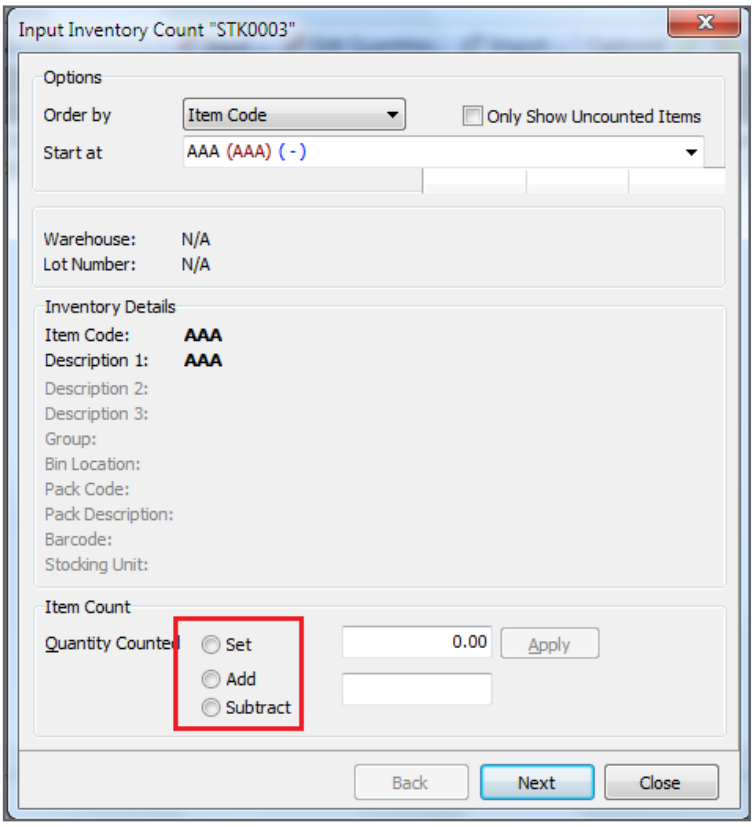


If you have multiple stock counters, print different Count reports based on different report filters applied above and hand each report to separate counters. For example, report 1 should include all items with item code A – D, report 2 with item codes E – H etc. You should obviously organise and separate this in the best way suitable for your company by considering all the filter fields above (item-, group-, packs-, warehouses-, etc. ranges).

10. After completing a physical count of your stock items, you can use one of three ways to enter the actual counted quantities:



- **Input:**
  On the **Input Inventory Count** screen, you can set the order in which items should be displayed and to either **Set, Add or Subtract** from your item quantity.

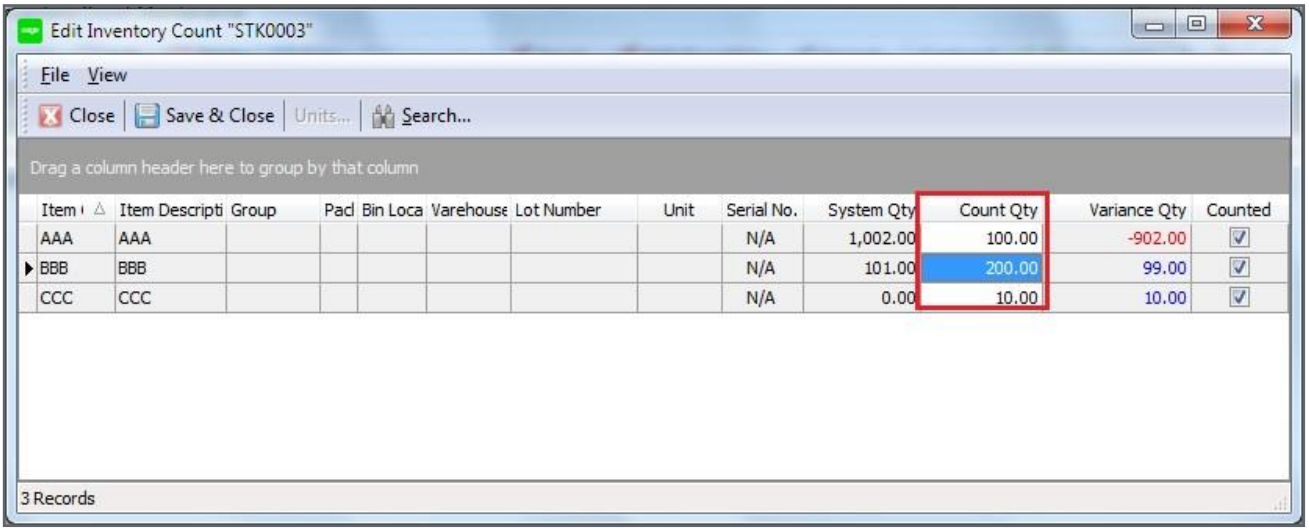


  - Choosing to **Set** the quantity counted will adjust the current system quantity to the quantity entered
  - Choosing to **Add,** will increase your system quantity with the quantity entered
  - Choosing to **Subtract,** will decrease the system quantity with the quantity entered

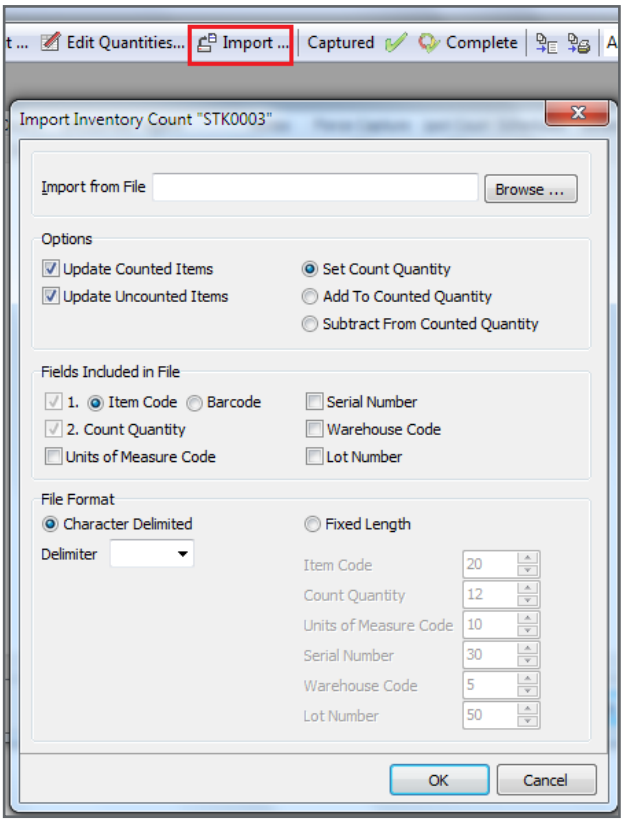
- **Edit Quantities:**
  When using the **Edit Quantities** option, a grid screen should open in which you can enter the counted quantity in the **Count Qty** column

This screen also reflects the current system quantity as well as calculate and display the variance to be posted.

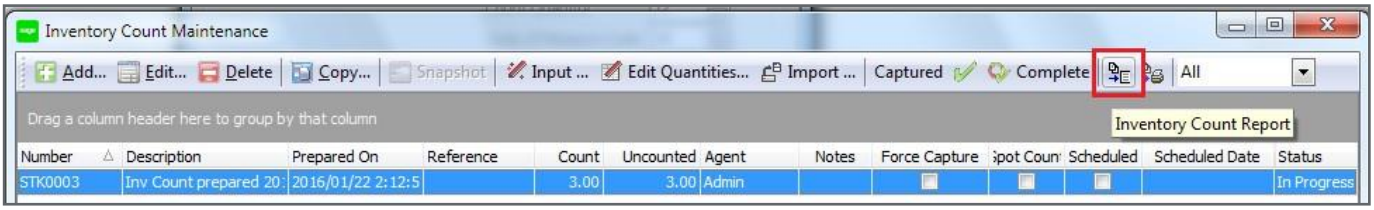
Always click the **Save & Close** button once all quantities have been entered



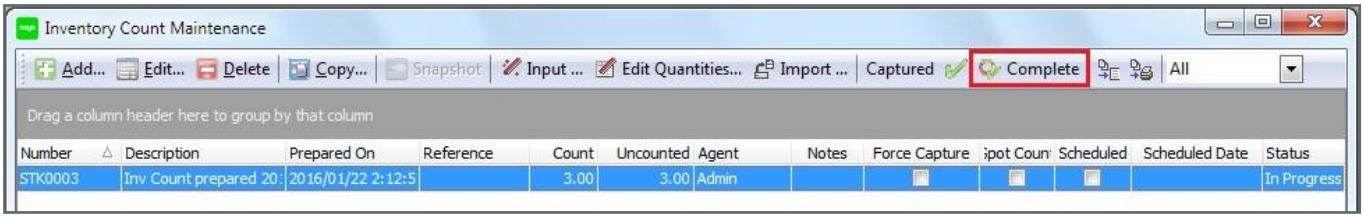
- **Import:**
  The **Import** option will be used when you have captured your physical count into another system or by making use of a barcode hand held scanning device. This option requires a CSV file which you can import into Sage Evolution.



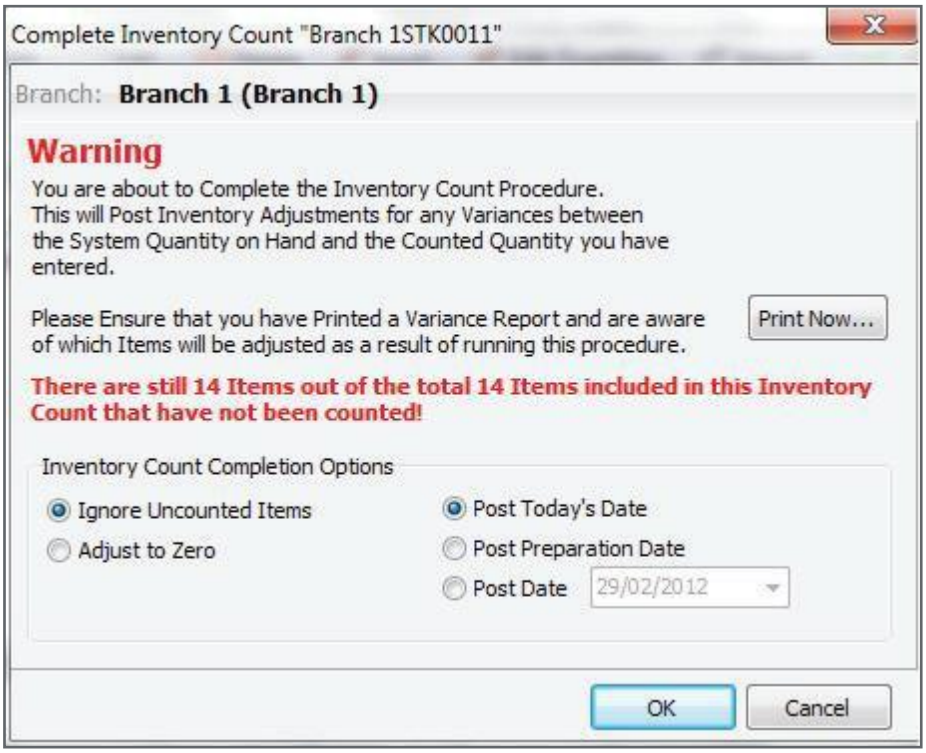
11. After the quantities have been entered, print and analyse the **Variance Report**



12. After ensuring the correct quantities have been entered, and final adjustments have been made, click on the **Complete** button to finalise the stock take. Note that this will post entries to the relevant GL accounts as set up on the Inventory Groups (if relevant) and/or stock adjustment transaction type (as set up on the Inventory Defaults | Adjustment tab | Transaction Type field)



13. Carefully read and consider the **Complete Inventory Count** screen that needs to be properly completed before finally accepting and processing the inventory count



Inventory Count Completion Options

- Select one of the 3 date options on the bottom right of the screen upon which you wish to post the adjustments
- Select to either ignore uncounted items or adjust them to zero

Step 3: Purging transactions, accounts and inventory Items

Please note that the purging of customer, supplier and inventory transactions as well as customer and supplier accounts, in your Sage Evolution Company, **is not a compulsory** step as part of the Year End routine but may assist in reducing the size of your Evolution company database and even increase processing speed.

The procedure described below is therefore only included to advise on how to accomplish the above when you are considering removing older transaction history (no longer needed), in order to free up space and improve database efficiency.

The following points should be taken into consideration when attempting to purge or delete history on any of the relevant account types:

Receivable and Payable Transactions and Accounts

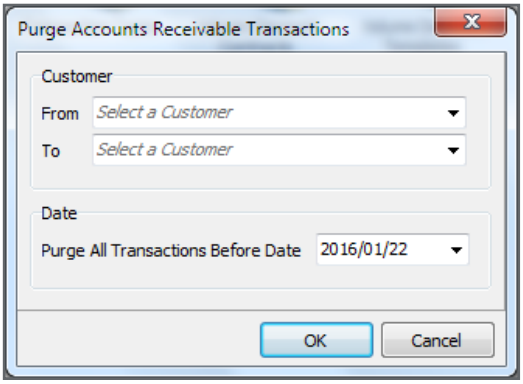
No Receivables (customer = debtor) or Payable (supplier = creditor) accounts can be deleted if there is any existing transaction history. Furthermore, transactions can only be purged (deleted) if all those transactions (e.g. invoices, payments, journal debits/credits) are fully allocated.

Ensure that all debtor/creditor account transactions have been fully allocated (i.e. Maintenance | Receivables/Payables | Allocation Utilities) before attempting the steps below. Also note that even if you don't intend to delete any customer or supplier accounts, it's still advisable to purge old and archaic transaction history on them in order to improve general processing and reporting speed in the company.

Steps to purge Receivables/Payables transactions and accounts:

1. If a reasonable period has elapsed since making the first company backup as discussed above, please make another **full** company backup

2. Click on **Maintenance** and select the option **Accounts Receivables** or **Accounts Payable**. Now choose the **Purge Transactions** option (Note: below is the Purge Accounts Receivable Transactions screen as an example but the same also applies to the Purge Accounts Payable Transaction screen):

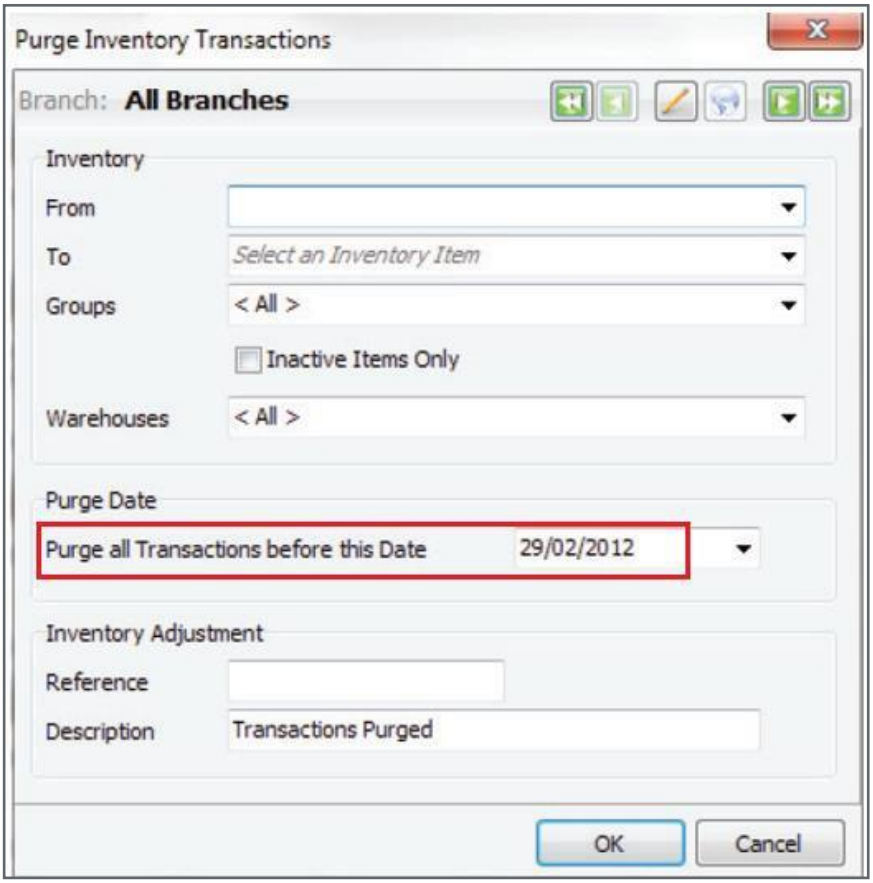


3. Specify the account(s) **From** and **To** and Date range options. Please note that you are only able to purge **fully allocated transactions**. After the purge you cannot retrieve the data unless you restore a backup. If the objective is to delete all transactions in the screen above in order to delete the actual debtor or creditor account, select the earliest date that you know cover all transaction history
4. Once completed, go to **Maintenance | Accounts Receivables | Customers** or **Maintenance | Accounts Payables | Suppliers.** In here the relevant, specifically required customer or supplier records can be individually deleted for those that have no transaction history, after performing the above-mentioned transaction history purge

Steps to purge Inventory transactions:

1. If needed, make another reliable backup of your company data and ensure no users are logged into the company until the steps below are completed

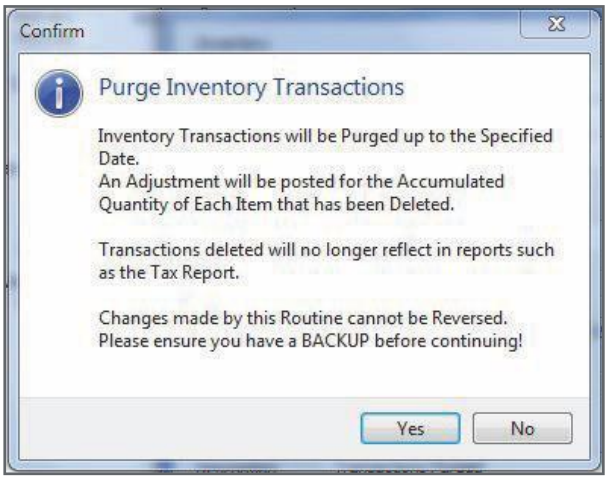
2. Go to **Inventory Maintenance | Purge Transactions**. The Purge Inventory Transactions window allows you to delete stock transactions by filtering on specific Inventory Items, Inventory Groups, Warehouses, Active or Inactive items as well as transactions before a certain date



Be sure that you make the correct selection. After the purge you cannot retrieve the data unless you restore a backup

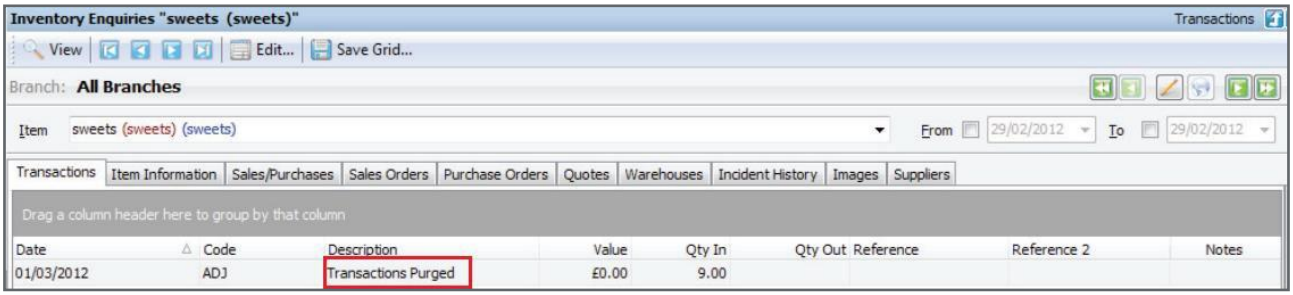
3. The date specified in the **Purge all Transactions before this Date** field above cannot be a date in the current year. If you inadvertently select a date in the current year, you will receive the message as indicated below. Click on **OK** and re-enter the correct date.

4. Once you enter a valid date and click on **OK**, the message below should be displayed to confirm that the purging of stock transactions will occur. Click on **Yes** if you have made a reliable backup. As this routine cannot be reversed, should you encounter any other error, or should you have selected the incorrect date, you will have to restore your backup



5. The following message should be displayed as confirmation, once the purge has been completed successfully

6. As the selected stock transaction history is removed, an entry for the consolidated purging of transactions is also posted on the affected inventory items, as can be seen on the Item Enquiry screen:



The difference between the purging of stock and customer/supplier transactions is that a stock item cannot be deleted even if all its stock transaction history has been deleted.

If a specific customer's or supplier's transactions have all been deleted (via respectively either the Accounts Receivable or Accounts Payable Purge Transactions functionality), the relevant account can be deleted afterwards.

Step 4: Print Relevant reports and reconcile the ledger with sub-ledger

If you are going to run a **Purge First Year** routine (not compulsory for Evolution version 7 or higher), ensure that at least the reports below for Year 1 and as at the end of your current financial year, have been printed according to your auditor or company's requirements. Make sure that these reports balance (i.e. branch 1 Trial Balance + branch 2 Trail Balance = consolidated Trial Balance at Head Office).

Run these reports for Year 1 after ensuring that all transactions have been received (for Year 1 and thereafter) from all branches and that there are no outstanding sync files that still need to be synced up or down. When this is in place, stop all sync monitors across the network.

Regardless if running a Purge First Year routine or not, with regards to your current financial year:

Ensure that the relevant ledger accounts' balances, are reconciled with the respected sub-ledger accounts' total balances. For instance, the total Stock Control Account balance should agree with your total Stock Valuation as on your current Financial Year end. The same goes for total AP/AR Control account balance to agree with the total AP/AR age Analysis balance, VAT Control vs Tax Report totals etc.

Minimum required reports to be printed at Head Office as well as at all Branches, for the Current financial year, and Year 1 if purged:

- Trial Balance
- Income Statement
- Balance Sheet
- Ledger Accounts (if required)
- Account Balances (if required)
- Project Profit & Loss (if required)
- Inventory Management (if required)
- AP and AR Age Analysis
- Stock Valuation
- Tax Report
- Any additional reports that may be required by the business

Ensure that the relevant report values, between Year 1 closing and Year 2 opening values, as well as for your current financial year, balance prior to starting the purge. Also, carefully analyse and compare, among others, the Trial Balance vs the Balance Sheet and Income Statement reports.

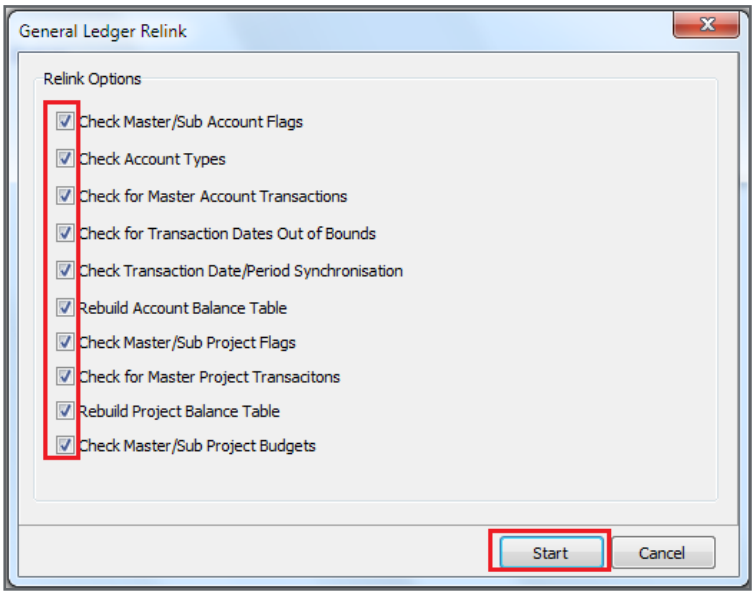
If the reports do not balance, do the following:

1. Ensure you have reliable backups (See Backing Up your Data as detailed in Step 1). This is essential to ensure that you can return to the same starting position prior to beginning any of the steps listed below

2. Also ensure all other users are completely logged out of the company

3. At Head Office, run a **General Ledger Relink** by going to **Maintenance | General Ledger | General Ledger Relink**. This will recalculate the balances in your General Ledger Balance table and make sure the data integrity is kept intact

   Ensure that all options below are selected and click on the **Start** button to run the relink

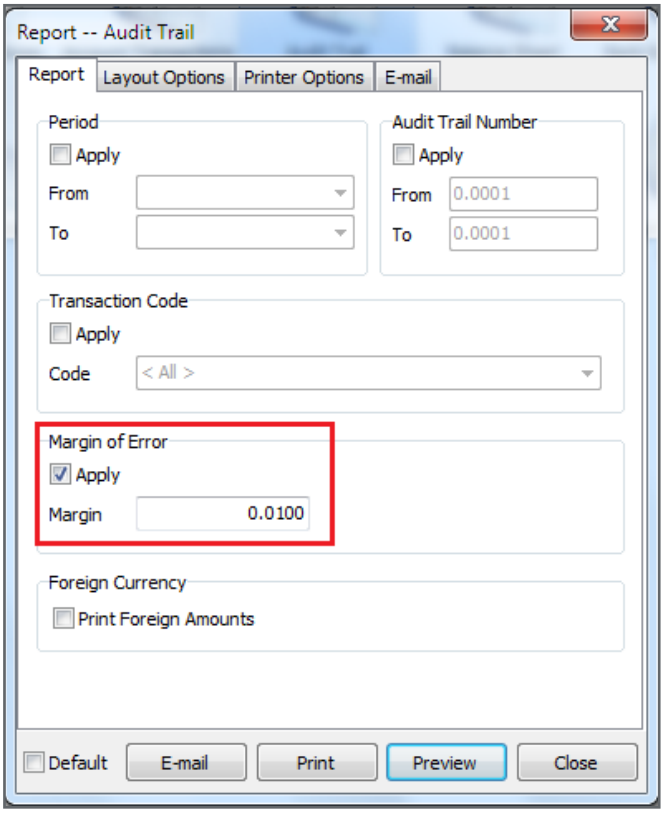


4. Re-run the reports

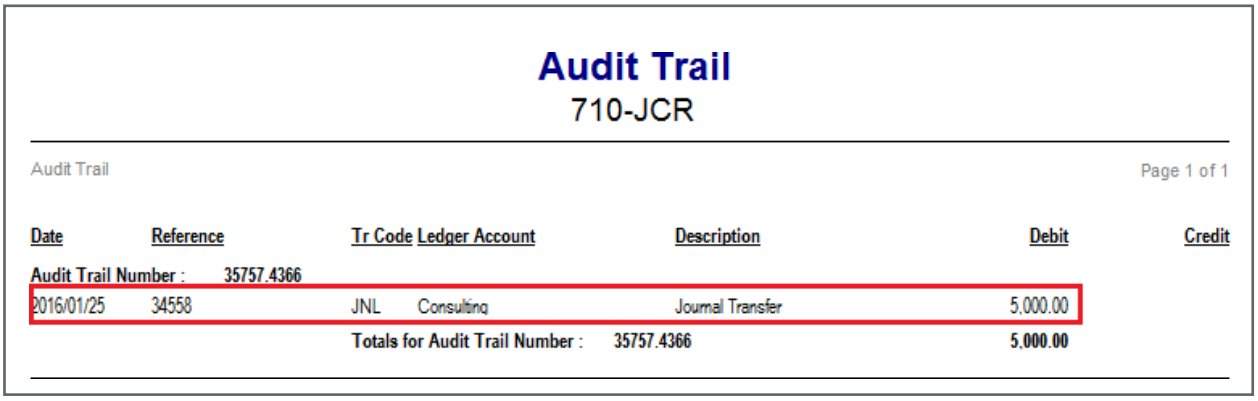
5. Should they still be out of balance, do the following:
   - At head office run a General Ledger Relink
   - Allow the sync to go through from head office to all the branches and vice versa
   - Print and analyse the same reports again

6. If your reports are still out of balance, run an Audit Trail report for the relevant time frame. Go to the **General ledger | Reports | Audit Trail** report for the relevant time frame

7. On the Audit Trail report setup screen, ensure that only the **Margin of Error** option is selected, and the value is set to **0.01**



8. Analyse the report results. For example, in this case the Audit Trail report has picked up an out of balance transaction of R5 000 on the **Consulting** GL account



Audit Trail
710-JCR

Audit Trail — Page 1 of 1

Date	Reference	Tr Code	Ledger Account	Description	Debit	Credit
Audit Trail Number : 35757.4366						
2016/01/25	34558	JNL	Consulting	Journal Transfer	5,000.00	
		Totals for Audit Trail Number : 35757.4366			**5,000.00**	

9. Refer to the **Sage 200 Evolution Year-end Centre** on Sage City for a wide variety of Year End related troubleshooting documents (in addition to the Year End guide).

   Open this link to access the Evolution Year-end Centre:

   https://www.sagecity.com/za/sage-evolution-south-africa/sage-200-evolution-year-end-centre/?utm_medium=resourcepage

   The list of available documents includes among others:

   - Year-end guides for Branch Accounting and non-Branch Accounting companies
   - Accounts Receivable / Accounts Payable Control Account vs AR / AP Age Analysis discrepancy troubleshooting + solutions
   - Stock Control vs Stock Valuation discrepancy troubleshooting + solutions
   - VAT Control account vs Tax Report discrepancy troubleshooting + solutions
   - Diagnostic Tool guide
   - Backup and Restore using MS SQL Management Studio
   - Bank Reconciliation Guide
   - Control Account Reconciliation Utility
   - Inventory Valuation by Date Utility
   - Where to access the latest Evolution software

9. If you still need further assistance to correct/balance your General Ledger reports with each other, or General Ledger and sub-ledger, contact your business partner or the Sage Evolution Support Team for further assistance.

Date Formats

It's highly recommended that the head office and all branches should always use the same Regional Settings, especially having the same **Short Date Format.** Also, should a date format problem exist, (your date displays as **yy/mm/dd** as opposed to the required 8-digit format **dd/mm/yyyy**) this may cause report problems. The following may assist to correct this:

1. On the relevant branch PC, go to **Start | Settings | Control Panel**
2. Double click on **Regional Settings**
3. Click on the **Date** tab and change short date to **dd/mm/yyyy** (or yyyy/mm/dd according to the same setting at HO)
4. Click on **Apply** and then on **OK**

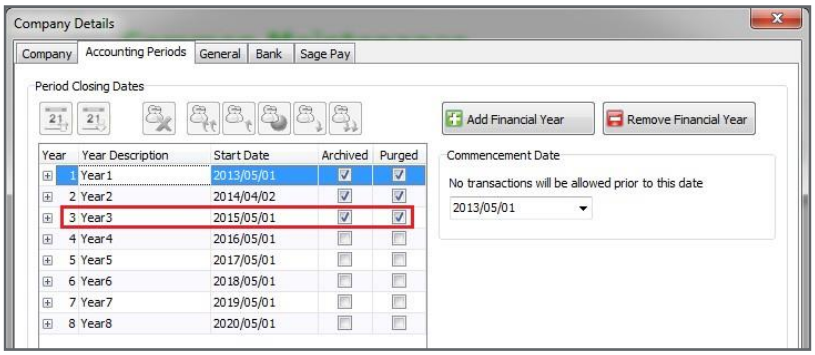
Evolution only accepts short date formats of either **dd/mm/yyyy** or **yyyy/mm/dd**

Step 5: Purge First Year / General Ledger Purge Procedure

As mentioned earlier, the **Purge First Year** routine is only compulsory if running an Evolution company prior to version 7 **and** you've reached the end of your last financial year in your company.

In Evolution 7 and higher companies, the old **Purge First Year** utility has been renamed to the **General Ledger Purge** utility.

Users in companies on Evolution version 7 and higher don't have to run the **GL Purge** utility and can opt for the General Ledger Archive instead (but this is still not compulsory as part of the Year End process). Also note you once an accounting year has been **purged**, it's also **automatically archived** as can be seen below (refer to Year 3 below):



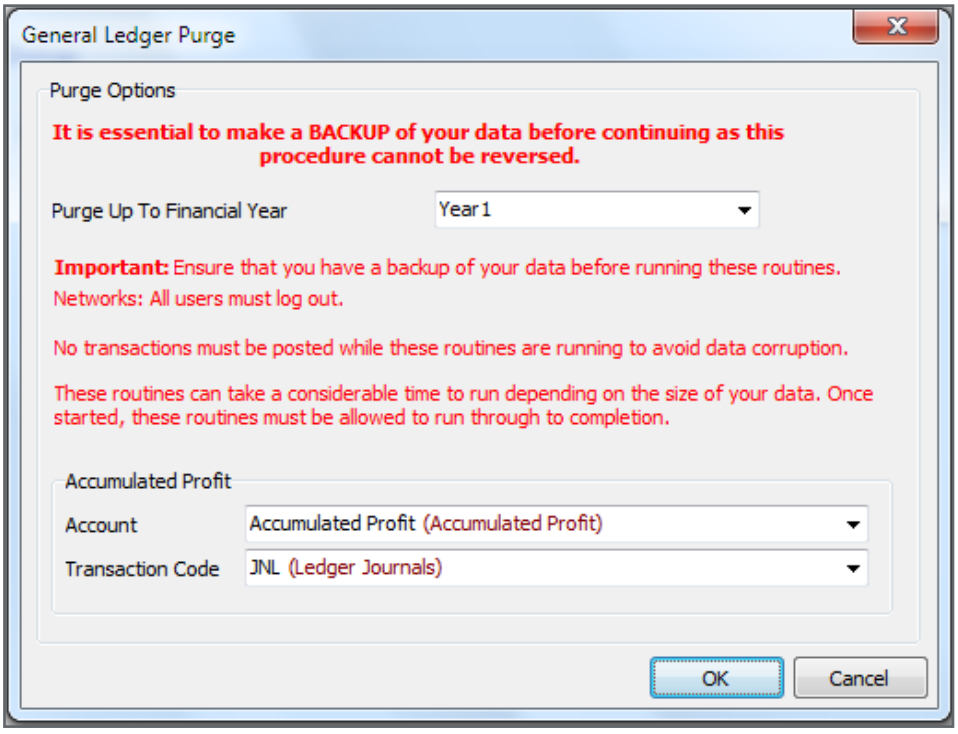
What happens during the First Year Purge?

- All transactions of non-**Cash and Cash equivalent** account type GL accounts'-, and reconciled **Cash and Cash equivalent** account type accounts in Periods 1 to 12 of Year 1 will be deleted.
- The current Year 2 will become the new Year 1
- All transactions in Year 2 will therefore be moved to the new Year 1

- The above applies for all current years (from 2 to 5). For instance, Year 3 becomes Year 2, 4 becomes 3 etc
- The net profit or loss will be calculated (for income and expenses type GL accounts) and the balance transferred into the Accumulated Profit account as specified during the first-year purge procedure
- All the Period 12 closing balances of Balance Sheet type accounts as at the end of the old Year 1, will be brought forward as opening balances of the new period 1, of the new Year 1
- On your financial reports, the account balances for the purged Periods 1 to 12 will be displayed as the previous year's figures
- A new accounting year with 12 accounting periods will be created and added to the current list of accounting years

Running the Purge First Year

1. If needed, make another company backup
2. Ensure all network users are logged off before starting the purge process
3. The **Purge First Year Procedure** is processed by selecting **Maintenance | General Ledger | General Ledger Purge**. Select an **Accumulated Profit** type account**.** Should none be available, press the **Insert** key to create an account
4. Alternatively cancel this screen. Go to **Maintenance | General Ledger | Accounts** and click on **Add** to create an account with the account type as **Accumulated Profit**
5. Select a **Transaction Code** (i.e. JNL) and click on **Start**



Once this procedure has been started, it cannot be interrupted. Should any kind of interruption occur, restore your backup and re-start the Year End process

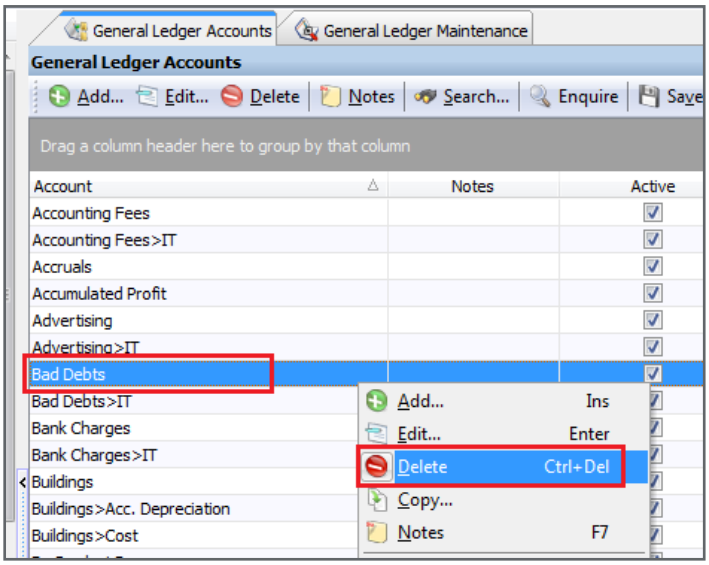
6. Once this procedure has completed, you will be provided with a confirmation message and your company period table will have moved to create the new accounting year

Deletion of General Ledger Accounts:

- Once any transaction has been allocated to a General Ledger account (e.g. posted), the account cannot be deleted
- Should the account be an expense or income type account, it can only be deleted after the First Year Purge procedure has been completed (and no more transactions remain in any period), as the system deletes all transactions for these accounts and brings forward a balance in the new accounting year to the nominated Accumulated Profit and Loss account (as an accumulated profit or loss)
- If there is no transaction history for a GL account that you want to delete, do the following:

1. Go to the **Maintenance | General Ledger | Accounts**

2. Highlight the specific account and click on the **Delete** button



- Balance Sheet accounts have a brought forward balance if an amount exists to be brought forward from the old year 1. If this is the case, they cannot be deleted

Changes in Evolution version 7 and higher

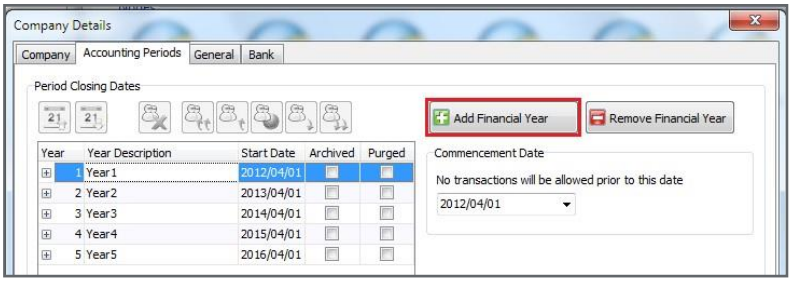
Unlimited number of financial years

Since Sage Evolution version 7, we have introduced unlimited financial years / periods. Transactional records can now be kept for more than 5 years

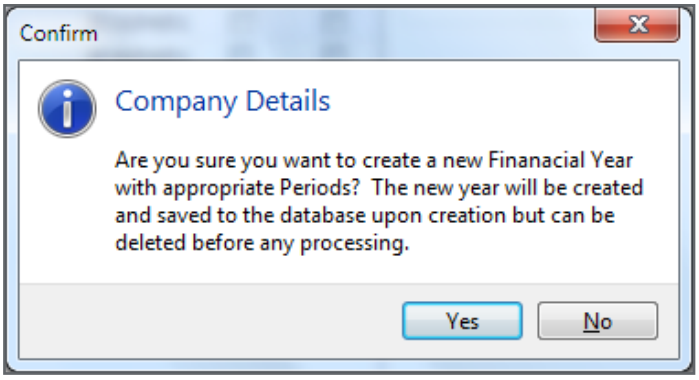
Add Financial Year:

A financial year(s) can be manually added to allow processing without having to run a purge after 5 years by doing the following:

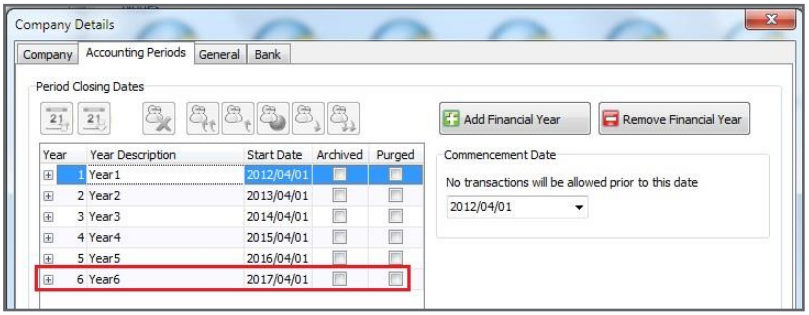
1. On **Company Details | Accounting Periods**, click on Add Financial Year button as can be seen below



2. Then click on the **Yes** button:



3. Notice the new accounting year that has been added:



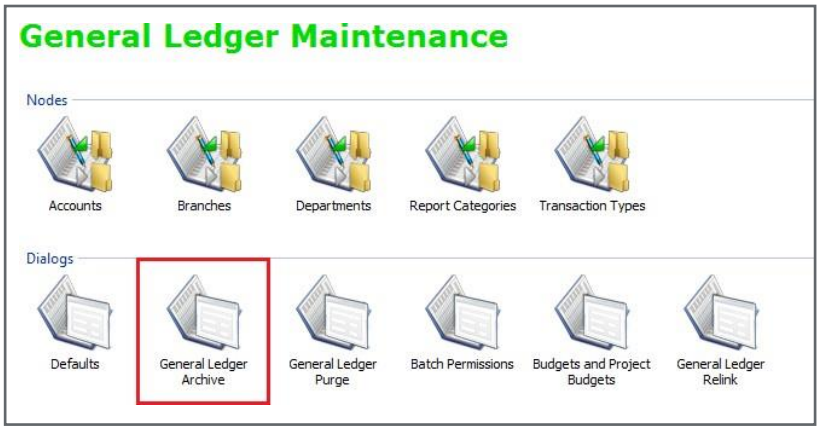
Also note that the new financial year that has been added has automatically incremented the periods from the last financial year

General Ledger (GL) Purge:

Before Evolution version 7 the **Purge First Year** utility was used. Since Evolution version 7 and higher, this has now been renamed to the **General Ledger Purge** utility. Running this utility is not compulsory, but can still be used if you want to remove old GL transaction history and increase the company's general efficiency

General Ledger (GL) Archive:

The GL Archive is accessed under **General Ledger | Maintenance | General Ledger Archive**

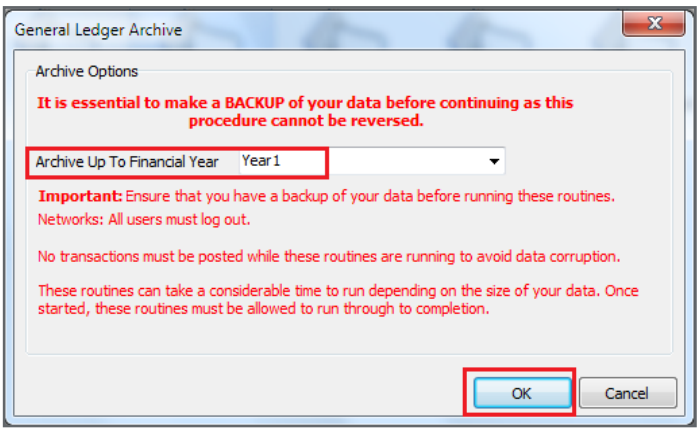


The following events occur when running a General Ledger (GL) Archive:

- All transactions in the current Year 1 will be archived and not deleted.
- These transactions are still available on the GL related reports such as the Trial Balance, Income Statement, etc.
- No transactions can be processed in Year 1 (or any archived years) after the GL Archive.
- All transactions in Year 1 is moved out of the POSTGL table to the _etblPostGLHist table in order to increase the processing speed and general efficiency in the company.

To perform a GL Archive, do the following:

1. Perform a full backup if needed (e.g. if a reasonable time has elapsed since your last backup)
2. Ensure all other users are logged out of the Evolution company
3. Go to **General Ledger | Maintenance | General Ledger Archive**
4. Select the correct year below (usually Year 1) and click on the **OK** button to start the process



After the General Ledger Archive:

- The archived year will be indicated as such on the **Common | Company Details | Accounting Periods** screen

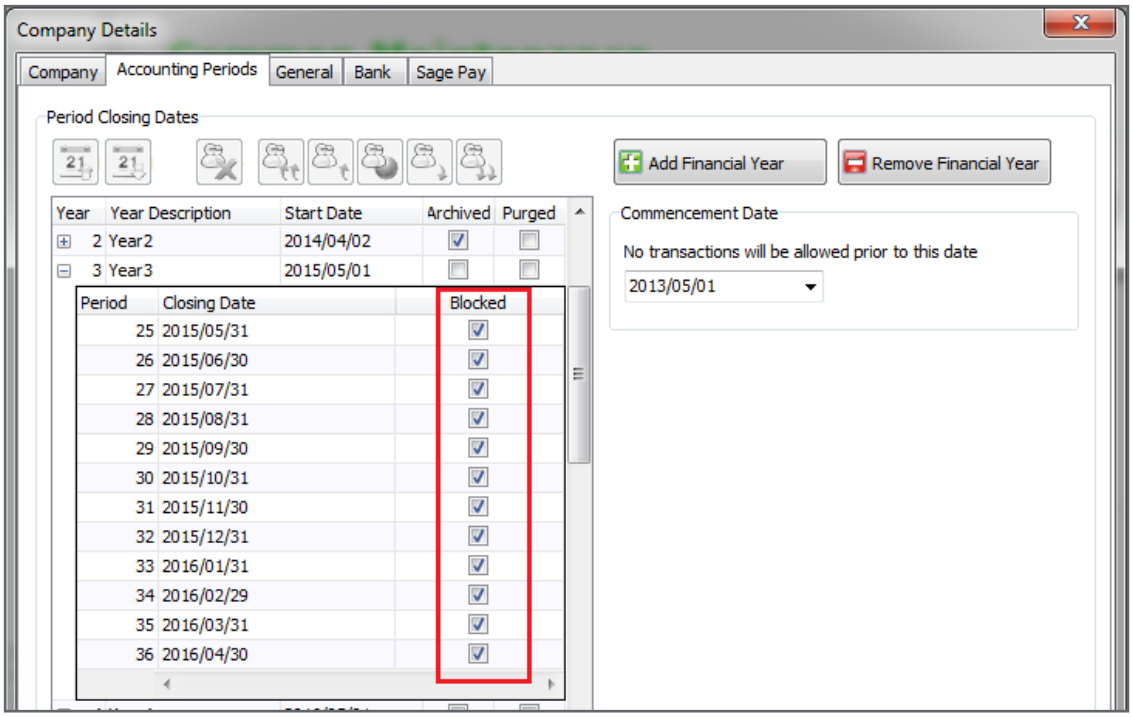
- No transactions will be allowed in any of the Year 1 (archived) year's periods

In Evolution version 7 and higher, you may also consider running a Purge First Year (after backing up) after or without having to first run a GL Archive, but it's still not compulsory.

After Year End

After the Purge First Year and/or GL Archive routines, reprint all your financial reports at HO and branches as mentioned above to ensure all reports are still balancing and their values are in order.

Prior to version 7, Sage Evolution retained financial history for only five financial years. It is possible to post transactions in both the new financial year (Year 5) and previous financial years (when using any Evolution version) but always consider the following:

If the new current Year 4 has already been audited and the financial reports finalized and accepted, any transactions (e.g. Journals, Cashbook, Customer or Supplier documents) processed in Year 4 (and earlier years) should require that financial reports for Year 4 to be reprinted, re-accepted and restated by the company's auditor.

You should therefore ensure that all prior years' accounting periods are blocked to prevent any unauthorised users from posting any transactions in these periods. This can only be done in the **Head Office** company.