

## General Circular Investment: No 11/03

**Subject:** 2009-12 NLTP – Year-end procedures for 10/11

**Circulation:** Asset Managers (all Approved Organisations)  
Local Government New Zealand  
Audit NZ

**Circulated by:** Bob Alkema – National Manager Investment

**Date of Issue:** 3 June 2011

---

### Purpose

To advise approved organisations (AO's) of the timeline and procedures for the end of the second year of the 3-year NLTP.

### Introduction

This time last year (in General Circular – Funding No. 10/05), we advised some changes to the end-of-year procedures within the 3 year NLTP. The main changes will continue as follows for the 2010/11 year-end:

- the due date for submission of final claims and supplementary requests will be **Wednesday 13 July**
- carry over of unexpended allocation within the 3-year programme will be accepted for block maintenance and PT programmes as well as for minor improvements, demand management and community programmes
- requests to carry over unexpended allocation from year 2 to year 3 will be automated in LTP Online.

### Final claims and supplementary requests

AO's are requested to submit their final claims (for expenditure within approved allocations) and any supplementary requests by **Wednesday 13 July**.

Supplementary review requests should only be for small amounts where final accrued expenditure has exceeded approved allocation. AO's are requested to try and anticipate any potential requests for additional allocations, or cash flows from year 3 to year 2, and submit these requests to the June review. This can be in conjunction with discussions with NZTA Planning and Investment managers. Processing those requests in the June review will take the pressure off the supplementary review process.

All supplementary requests are to be entered as cash flow advances except that, if no allocation exists in forward years, the request should be for a cost/scope adjustment.

The NZTA will consider the supplementary requests during the period 14 July to 18 July with the results being actioned in LTP Online no later than Tuesday 19 July. AOs will then have a two-day window of **Wednesday 20 – Thursday 21 July** to submit supplementary claims against the increased allocations, and will need to ensure that staff with knowledge of the LTP Online system are available at this time. This is the only opportunity AOs will have to submit their supplementary claims. Claims which are still outstanding at 5pm on Thursday 21 July will not be considered. Any AO that anticipates any difficulty in working to this timeframe should discuss its situation with the local NZTA Planning and Investment Manager.

A timeline for the year-end procedures is included as an attachment to this circular.

## **Claims on an Accrual Basis**

All claims must be based on accrued expenditure (the estimated value of approved activities completed to 30 June). While it is not necessary to hold a supporting invoice at the time of the claim, all amounts claimed must be supported by appropriate evidence in the form of certificates of the value of work done or progress reports certified by the Chief Executive or an approved delegate.

Please note that with the exception of investigation/design fees and land purchase associated with approved projects, expenditure against approved activities must be claimed in the year it has occurred.

## **End of Year Reconciliation (carry over of unexpended allocation)**

Reconciliation is the final year-end tidy-up review to carry over (hopefully small) unspent allocations to the next financial year, and will take place on 25-26 July immediately after supplementary claims are approved. This will enable the LTP Online roll over (from 2010/11 to 2011/12) to take place on Thursday 28 July.

Once again the LTP Online system will automatically create requests to cash flow the unclaimed allocation against all approved activities from 2010/11 over into 2011/12, thus eliminating the need for Approved Organisations to input carryover requests.

Prior to the 3-year programming, there had been some constraints on what may or may not be carried over from one financial year to the next, particularly in the regular and ongoing maintenance/operating and minor works activities where it was not prudent to accumulate unspent allocations year on year. While it is expected that annual allocations will be substantially spent each year, NZTA recognises the need for flexibility between financial years that the 3 year programme provides. Carryovers within the 3 year programme will, therefore, be automated for block maintenance and PT programmes as well as for minor improvements, demand management and community programmes.

It is not intended that the automated process will eliminate the need for normal cash flow requests in the final monthly review. AOs should still request cash flow adjustments in the June review which reflect the anticipated year-end expenditure. Reconciliation is intended to be the final tidy-up based on actual accrued spend.

Differing FARs across financial years for **emergency work** precludes fully automated carry over of unspent allocation in this work category. The process for emergency work activities will be that, where underexpenditure has occurred, the 2010/11 allocation will be automatically reduced by the unclaimed amount, with AOs then applying for the 2011/12 allocation to be increased accordingly at the first review of the 2011/12 year.

## **Annual achievement return – non financial information**

Annual achievement returns are required to be completed **by 19 August**.

## **Internal circulation**

Please ensure that this circular is also distributed to finance staff in your organisation who are involved in the NLTP claiming process.

## **Enquiries**

All enquiries relating to this circular should be directed to your NZTA Planning and Investment Manager.

## **Attachment**

Attachment 1: Timeline for year-end procedures



**Bob Alkema**  
**National Manager Investment**

## Attachment 1

### Timeline for 2010/11 year-end procedures

Date	Activity
Thursday 30 June	<ul style="list-style-type: none"> <li>End of financial year – Submit regular monthly claim for June in the normal manner. These need to be in by 13 July and could be combined with the final claim.</li> </ul>
<b>Wednesday 13 July</b>	<ul style="list-style-type: none"> <li>Final claim and supplementary review requests due and entered into LTP Online</li> </ul>
14-15 July	<ul style="list-style-type: none"> <li>NZTA staff evaluate and make recommendations for supplementary review requests</li> </ul>
Monday 18 July	<ul style="list-style-type: none"> <li>NZTA consideration of supplementary review requests</li> </ul>
Tuesday 19 July	<ul style="list-style-type: none"> <li>Supplementary review requests actioned in LTP Online</li> </ul>
<b>20-21 July</b>	<ul style="list-style-type: none"> <li>AO's to electronically submit supplementary claims up to the level of the increased allocations by 5.00pm 21 July</li> </ul>
Friday 22 July	<ul style="list-style-type: none"> <li>Regional and National NZTA staff to approve supplementary claims by noon 22 July</li> </ul>
Friday 22 July (overnight)	<ul style="list-style-type: none"> <li>Payment of approved supplementary claims</li> </ul> <p>(note that the regular payment cycle will continue during July for lodged claims)</p>
Monday 25-26 July	<ul style="list-style-type: none"> <li>Automated reconciliation takes place</li> </ul>
Thursday 28 July	<ul style="list-style-type: none"> <li>LTP Online rollover from 2010/11 to 2011/12</li> </ul>
19 August	<ul style="list-style-type: none"> <li>Annual achievement returns due</li> </ul>