



Subject	2015–18 NLTP – Year–end Procedures for 2016/17 – updated supplementary claim date
Circulation	All Approved Organisations Transport Agency (state highways) Local Government New Zealand Office of the Auditor General
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PURPOSE

To advise all organisation that are responsible for delivering the National Land Transport Programme (NLTP) of the timeline, procedures and requirements for the year–end procedures for the second year of the 2015–18 NLTP.

INTRODUCTION

To optimise investment opportunities from the available cash flow, the Transport Agency will continue to encourage a tighter and more active management approach for the 2015–18 NLTP. This will involve an increased level of engagement with Approved Organisations towards year–end to ensure that allocations for "programme–based activities" are adjusted in line with their March 2017 forecasts such that final claims better align with approved allocations. Justification will be required to support carryover requests.

The key points for the 2016/17 year–end procedures are as follows:–

- carry–over of "programme based activities" will need to be justified
- the due date for submission of final claims and supplementary requests is Friday 7 July 2017
- the due date for submission of final claims including approved supplementary funding is noon Thursday 13 July 2017
- unless previously agreed otherwise with the Transport Agency, all approved supplementary requests for "programme–based activities", will be treated as advanced work with the 2017/18 allocation being reduced accordingly
- any activity marked as "claiming complete" will have remaining funds surplused out
- the due date for completion of annual achievement returns Friday 14th July

A timeline for the year–end procedures is included as Attachment 1 to this circular.

CONFIRMATION OF FORECAST OUTTURNS

During the coming weeks, Transport Agency regional staff will engage with Approved Organisations to ensure that any year–end underspends signalled in the March quarterly forecast are confirmed, with carryover requests being lodged in TIO. This needs to be done no later than Friday 7th July 2017 to allow time for regional

Transport Agency staff to process these requests before Approved Organisations submit their end of year claims. For "programme based activities" such as Road Safety Promotion, Public Transport programmes, Maintenance programmes and Minor Improvements programmes, regional Transport Agency staff will need to be satisfied, after discussion with the Approved Organisation, that sufficient justification exists to support the requested carryover. If a full or partial carryover is not approved, the Transport Agency will declare the residual allocation as surplus and TIO will be updated accordingly.

This process should result in the final claimed expenditure being closely aligned to updated budget allocations thus ensuring "minimal" residual carryovers for the automated reconciliation. Where minor over spend occurs relative to a reduced allocation, this will be treated as "partial reinstatement of a previous surplus" rather than advanced work. If the automated carryover is found to be more than "minimal" or was not forecast in the recent Programme Monitor submission (i.e. something that comes as a surprise to Transport Agency regional staff), Approved Organisations will be unlikely to get approval for the cashflow adjustment.

FINAL CLAIMS AND SUPPLEMENTARY REQUESTS

Approved Organisations are requested to submit their final claims (for expenditure within approved allocations) and any supplementary requests by Friday 7 July.

Supplementary review requests should only be for small amounts where final accrued expenditure has exceeded the approved funds for the year. Approved Organisations are requested to anticipate any potential requests for additional allocations, or cash flows from 2017/18, and submit these requests by Friday 7th July. This can be in conjunction with discussions with Transport Agency Regional Planning and Investment Managers. Note that the earlier these supplementary requests are submitted, the earlier they can be approved and the final claims submitted.

All supplementary requests are to be entered as cash flow advances except that, if insufficient allocation exists in forward years, the request should be for a cost/scope adjustment.

The Transport Agency will consider the supplementary requests from 10 July, with the results being actioned in TIO no later than noon Wednesday 12 July. Approved Organisations will then have a one-and-a-half day window of noon Wednesday 12 to end Thursday 13 July to submit supplementary claims against the increased allocations, and will need to ensure that staff with knowledge of the TIO system are available at this time. This is the only opportunity Approved Organisations will have to submit their supplementary claims. Claims which are still outstanding at on the morning of Friday 14 July will not be considered. Any Approved Organisation that anticipates any difficulty in working to this timeframe should discuss its situation with the local Planning and Investment Manager.

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 during the period 17–26 July after supplementary claims are approved. This will enable the TIO rollover (from 2016/17 to 2017/18) to take place on Wednesday 26 July 2017.

The TIO system will automatically create requests to cash flow the unclaimed allocation against all approved activities from 2016/17 over into 2017/18, thus eliminating the need for Approved Organisations to input carryover requests post supplementary claims.

It is not intended that the automated process will eliminate the need for normal cash flow requests in the final monthly review. Approved Organisations 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.

Approved Organisations need to check their transport programmes to ensure there are no residual allocations assigned to activities which are now complete. These residual allocations need to be identified and declared surplus before year-end to ensure they are not needlessly carried over into the forward year.

The revised Emergency Works policy may require some adjustments to the final claim for Approved Organisations that have not claimed the correct amount at Normal FAR. See the P&I Knowledge Base (<https://www.pikb.co.nz/activity-classes-for-2015-18/local-road-and-state-highway-maintenance/work-category-141-emergency-works-2/>) for details of the new policy. Where possible, automatic processes will adjust the Emergency Works cost profiles and create a new claim to make final adjustments to the 2016/17 claims, but this will only apply to transfers of funds between the phases of a single activity. Any Emergency Works activities carried over into 2017/18 will have their FARs set up for next year by the system.

TIO ROLLOVER TO 2016/17 YEAR

TIO will be rolled over to the 2017/18 year on Wednesday 26 July after which time Approved Organisations will be able to submit claims and review requests for the new financial year.

ANNUAL ACHIEVEMENT RETURN – NON FINANCIAL INFORMATION

Annual achievement returns are required to be completed by Friday 14th July. The achievement return module can be accessed in TIO under the “more” tab and will be available from Friday 30 June.

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 local Transport Agency Planning and Investment Manager.

ATTACHMENT

Attachment 1: Timeline for year-end procedures



Bob Alkema

National Manager Investment

TIMELINE FOR 2016/17 YEAR-END PROCEDURES – UPDATE

Date	Activity
June	Approved Organisations should submit carry-over requests into TIO for regional P&I staff to action.
Friday 7 July	Approved Organisations final claims and supplementary review requests due and entered into TIO. These could be combined with the supplementary claim (see below).
10–12 July	Transport Agency staff evaluate and make recommendations for supplementary review requests
Monday 10 July	Transport Agency consideration of supplementary review requests
By noon Wednesday 12 July	Transport Agency actions supplementary review requests in TIO
From noon Wednesday 12 - end Thursday 13 July	Approved Organisations to electronically submit supplementary claims up to the level of the increased allocations by end 13 July
By noon Friday 14 July	Transport Agency Regional and National staff to approve supplementary claims by noon Friday 14 July (Note that the regular payment cycle will continue during July for lodged claims)
Friday 14 th July	Approved Organisations annual achievement returns due
Tuesday 25 July	Automated reconciliation completed
Wednesday 26 July	TIO rollover from 2016/17 to 2017/18
August	Transport Agency follow-up on reconciliation issues