

# General Circular Investment: No 18/01

<b>Subject</b>	<b>2015- 18 NLTP – Year- end Procedures for 2017/18 and Interim processes for funding and approvals prior to 2018- 21 NLTP adoption</b>
<b>Circulation</b>	All Approved Organisations Transport Agency (state highways) Local Government New Zealand Office of the Auditor General
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<b>Date</b>	14 May 2018

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## PURPOSE

To advise all organisations responsible for delivering the National Land Transport Programme (NLTP) of the year-end timeline, procedures and requirements for the final year of the 2015-18 NLTP.

To inform all organisations of the funding arrangements and process for funding approvals during the interim period from July 2018 until the 2018-21 NLTP is published (expected to be 31 August 2018).

## TIME LINE

A timeline setting out when submissions are to be provided to NZTA is set out in Attachment 1.

## FINAL CLAIMS AND SUPPLEMENTARY REQUESTS

Approved Organisations are required to create their final claims and submit any supplementary requests by Friday 6 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 2018/19, and submit these requests by Friday 6 July. This can be in conjunction with discussions with Transport Agency Investment Advisors. 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 other than where insufficient allocation exists in forward years, in which case the request should be for a cost/scope adjustment.

The Transport Agency will consider the supplementary requests from Monday 9 July, with the decisions actioned in TIO no later than 9am Thursday 12 July 2018. Approved Organisations will then have until 5pm Thursday 12 July to submit supplementary claims against the increased allocations, and will need to ensure that staff with TIO system experience are available at this time. This is the only opportunity Approved Organisations will have to submit their supplementary claims.

Claims submitted after 5pm Thursday 12 July will not be considered. Any Approved Organisation that anticipates any difficulty in working to this timeframe should discuss its situation with their NZTA Investment Advisor.

## END OF YEAR RECONCILIATION (CARRY-OVER OF UNCLAIMED ALLOCATION)

Reconciliation is the final year-end tidy-up review to carry over unspent allocations for improvement activities to the next financial year, and will take place during the period 16-27 July (inclusive) after supplementary claims are approved. This will enable the TIO rollover (from 2017/18 to 2018/19) and TIO will re-open 8am Monday 30 July.

The TIO system will automatically create requests to cash flow the unclaimed allocation against all approved improvement activities from 2017/18 over into 2018/19. However, if the unspent funds for the phase are less than \$1,000, they will be surplus instead. If Approved Organisations require additional funds in 2018/19, they can submit a request as per normal once TIO reopens.

Where transport programme activities are complete, Approved Organisations need to check that there are no residual allocations. 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. Any completed phase with remaining funds can be marked as "claiming complete" on the TIO phase page and a review request will automatically be created to surplus unclaimed funds. Note that if there is a submitted claim which has not been approved, the review item will not be created until after the claim is approved. If you are in doubt, as to how to perform this function in TIO then please contact your Investment Advisor.

The Emergency Works (E/W) policy may require some adjustments to the final claim for some Approved Organisations. This will be where they have E/W activities at the Higher FAR but have not claimed the correct amount (below 10% of their original maintenance allocation) at Normal FAR. See the P&I Knowledge Base (<http://nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/activity-classes-and-work-categories/road-maintenance/work-category-141-emergency-works/>) for all details of this policy. Any Emergency Works activities carried over into 2018/19 will have their FARs set up for next year by the system.

Unclaimed funds for improvement activities will be carried over into the 2018-21 NLTP, unless the unspent funds for the phase is less than \$1,000, which will be surplus. However, the Approved Organisation can request the additional funds in 2018/19 to complete the phase.

## TIO ROLLOVER TO 2018/19 YEAR

TIO will not be available for claims or reviews during the End Of Year reconciliation, but activity details can be updated during this period.

TIO will be rolled over to the 2018/19 year and will be available 8am Monday 30 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 13 July. The achievement return module can be accessed in TIO under the “More” tab and will be available from Monday 11 June.

## PROCEDURES FOR 2018- 21 NLTP - INTERIM PERIOD

### NZTA Arrangements for Continuous Programmes

The Board has approved an interim 2018/19 allocation to Approved Organisations and for State Highway activities for the two month transition period based on their endorsed 2018/19 indicative allocation. This interim allocation applies to the following activities:

- Maintenance Programmes
- Road Safety Promotion Programmes
- Public Transport Programmes
- Low Cost Low Risk Programmes

The TIO process for Approved Organisations to claim this interim allocation is as follows:

1. A single temporary activity will be set up in TIO for each Approved Organisation and the interim funds approved prior to TIO opening on Monday 30 July.
2. Approved Organisations can claim for their continuous programmes against this funding.
3. Once the Board adopts the 2018-21 NLTP, the funding for the continuous programmes will be approved in TIO.
4. Approved Organisations should then move the claimed funds to the appropriate programme and zero any claim against the temporary activity.
5. The temporary activities will then be removed from TIO.

### Funding Approvals for Improvement Activities

The following process is subject to NZTA Board ratification at its June 2018 meeting but assumes the same process adopted for previous NLTPs. If the Board does not ratify the process, no new funding approvals will be able to be made for improvement activities until the 2018-21 NLTP is adopted at the end of August.

Any improvement activities which require a new funding approval during the interim period will need to be legally included in the 2015-18 NLTP. Any approval will be subject to the following additional criteria:

- if required, public consultation by Approved Organisations as stated in the Land Transport Management Act 2003 has been completed;
- the activities have been included in the appropriate draft 2018-21 RLTP and the NZTA has been advised (in writing) that these activities will be included in the final RLTP; and
- the activities are assessed under the NZTA's 2018-21 Investment Assessment Framework and the NZTA considers that they demonstrate value for money.

Any activities approved under this interim arrangement will be deemed to be included in the 2018-21 NLTP once this is adopted by the NZTA Board.

### **TIO Process for Improvement Activities**

1. All improvement activities that meet the above criteria must have all 2018-21 NLTP mandatory fields completed in TIO.
2. If applicants need to get funding approval for an Improvement activities during the interim period, they must send a list of such activities to their NZTA Investment Advisor before 15 June 2018, together with written confirmation from the Regional Transport Committee (RTC) that the activities will be included in the 2015-21 RLTP.
3. The Investment Advisor will review the activities, check that the RTC has confirmed that they have been included in the draft RLTP and that the priority is correct. After assessment, if the Transport Agency agrees that the activity is to be included in the NLTP (in the interim period this is deemed to be the 2015-18 NLTP), then the applicant will be informed in writing and can proceed with developing the activity for funding approval.
4. Once TIO has re-opened (30 July 2018), and the applicant is ready for Funding Approval for any of these activities, they can request a review through TIO. Normal processing will apply from here on.

## **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 contact within the Transport Agency.

## **ATTACHMENT**

Attachment 1: Timeline for year-end procedures



John Coulter

Senior Manager, Operational Policy, Planning, & Performance (Investment & Finance)

New Zealand Transport Agency

# ATTACHMENT 1

## TIMELINE FOR 2017/18 YEAR-END PROCEDURES - UPDATE

Date	Activity
June	<b>Approved Organisations</b> should submit carry-over requests into TIO for regional P&I staff to action.
Friday 6 July	Approved Organisations final claims and supplementary review requests due and entered into TIO.  These could be combined with the supplementary claim (see below), note it is highly recommended that Approved Organisations should create their draft claim.
Friday 6 July	final claims for the following: <ul style="list-style-type: none"> <li>• Emergency works where the Approved Organisation has EW activities at the Higher FAR</li> <li>• LED activities where the Approved Organisation is getting a FAR greater than 85%</li> </ul>
Monday 9 to Wednesday 11 July	Transport Agency staff evaluate and make recommendations for supplementary review requests
Monday 9 to Wednesday 11 July	Supplementary review requests which are recommended for approval will be actioned in TIO within 24 hours of the recommendation
By 9am Thursday 12 July	Transport Agency actions supplementary review requests in TIO
By 5pm Thursday 12 July	Approved Organisations to electronically submit supplementary claims up to the level of the increased allocations
By 10am Friday 13 July	Transport Agency Regional staff to approve supplementary claims  (Note that the regular payment cycle will continue during July for lodged claims)
Friday 13 July	Approved Organisations annual achievement returns due
Thursday 26 July	Automated reconciliation completed
Friday 27 July	TIO rollover from 2017/18 to 2018/19
Monday 30 July	TIO reopens for 2018/19
August	Transport Agency follow-up on reconciliation issues