

Report to: Finance Committee
Agenda: 3
Date: 31 May 2013
Subject: Terms of Reference and Work Plan for
13/14
Sponsor: Authority Finance Director
For: Approval

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1. Purpose of paper

- 1.1 To provide the committee with the new agreed terms of reference and to review and approve the proposed work plan for 13/14.

2. Background

- 2.1 At the March 2013 Authority meeting the new Corporate Code of Governance was approved which included the new meeting structure within the Authority and revised terms of reference for the committees.

3. Terms of Reference

- 3.1 The revised terms of reference (TOR) for the committee can be found in Appendix A. The TOR sets out the membership of the committee, its role and responsibilities on behalf of the Authority.
- 3.2 A new additional to the TORs is the Finance Committee's responsibility to review and scrutinise the Force's performance and progress on Force level projects. The Force will provide the Finance Committee with quarterly updates on the progress of Force Level Project and highlight areas of concern. The Finance Committee will be able to escalate any governance concerns to the Audit Committee.

4. Work Plan for 2013/14

- 4.1 The below sets out the work plan for the forthcoming business cycle within the Authority.

Mid July Meeting

- Quarter 1 budget performance
- Key issues identified by BTP and the Authority Analysts.
- Analysis of risks against contingency reserves
- Workforce planning
- Pensions
- Service Improvement Board update

Mid October Meeting

- Quarter 2 budget performance
- Key issues identified by BTP and the Authority Analysts
- Initial budget proposal review
- Service Improvement Board update
- Analysis of risks against contingency reserves

Early December Meeting

- Approval of final budget proposals for recommendations to the Authority for both the Force and BTPA.
- Review and update on the PSA Charging Model run for 14/15

Mid January Meeting

- Quarter 3 budget performance
- Key issues identified by BTP and the Authority Analysts
- Review progress of the PSA Charging Model Run for 14/15
- Service Improvement Board update
- Capital Programme - Presentation of proposed budget
- Proposed London Underground Budget
- Analysis of risks against contingency reserves

Mid March Meeting

- Review and approval of the PSA charges for 2013/14
- Report on the process and verification performed during the calculations of the charges
- Final Review of the BTP Revenue Budget and allocation to Areas and FHQ Departments including a workforce profile
- Analysis of Total cost to be used for calculating core PSA charges in 2013/14 onwards.

5. Impact Assessment

- 5.1 An assessment has been made as to what is required for the committee to fulfil its duties to the Authority and in support of

the Accounting Officer in the development of the proposed work plan.

6. Diversity issues

6.1 None in relation to this.

7. Recommendations

7.1 It is recommended that the Finance Committee discuss and agree which items are to be covered at each meeting in 2013 and whether any other items should be added in this years programme.

Appendix A

Terms of Reference for Finance Committee

Membership

The members of the Finance Committee are:

Jeroen Weimar (Chair)

Bill Matthews

Wendy Towers

Anton Valk

Other attendees may be:

Authority Finance Director (Executive lead)

Authority PSA Manager (minutes)

Director of Corporate Resources (Force Executive Lead)

BTP Head of Finance

Reporting

The Finance Committee will formally report in writing to the Authority after each meeting providing a quarterly budget report and highlighting any other significant matters arising.

The Finance Committee will provide the Authority and Accounting Officer with an Annual Report, timed to support finalisation of the annual PSA charges, summarising and explaining any significant movements for individual PSA holders.

The Finance Committee will provide a report to each December Authority meeting presenting and recommending the final budget for the next financial year.

Responsibilities

- Advising on the preparation of the annual budget
- Ensuring appropriate consultation in the preparation of the budget
- Assessing financial reports and ensuring the effective review by the Authority of financial performance
- Reviewing the annual PSA charges and understanding the reasons for any significant the movements
- Assessing progress against delivery and spend on capital projects and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- Examining post completion reports for all capital and major revenue schemes approved by the Authority in accordance with the scheme of delegation

Milestones

- Quarterly summary of spend versus budget to be prepared and sent to the Authority members for review and comment
- In setting its strategy in December the Authority will also set a strategic framework within which the next budget will be prepared

Meetings

The Finance Committee will meet at least 6 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.