

**Report to:** Audit & Risk Assurance Committee  
**Agenda item:** 4  
**Date:** 18 September 2013  
**Subject:** Authority Finance Issues - Quarterly Update  
**Sponsor:** Authority Finance Director  
**For:** Information

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## 1. Purpose of Paper

- 1.1 The purpose of this report is to inform the Audit and Risk Committee of significant developments within the Executive since the last Audit Committee in May 2013.

## 2. Annual Accounts

- 2.1 The 2012/13 Accounts were laid before parliament on time.
- 2.2 Planning has now started for the 2013/14 audit. An event is being run by the DfT to look at lessons learned from the 2012/13 year end, which I will attend although with BTP Finance.
- 2.3 Nick Bateson, our NAO Director is moving to work on the Treasury. I would like to thank Nick for the support that he has given us over the past three years. A new Director, Paul Oliffe has been appointed and we look forward to working with him during 2013/14. The rest of the audit team is expected to remain the same.
- 2.4 The Management Assurance Return (MAR) for the six months to September 2013 is due to be submitted to the DfT. No formal instructions have been received from the DfT and the any revisions to the format are as yet unknown. We have therefore assumed there will be no changes and the draft MAR is presented at agenda item 6.

## 3. PSAs

- 3.1 The PSA approved by DfT Ministers effective from 1 April 2013 was issued to core PSA holders for signature in March. Since the last meeting we continue to have issues with one PSA holder refusing to sign their PSA as they do not like the direct debit clause. We have sought advice from Weightmans and have proposed a number of strategies for dealing with Virgin. These

are with the DfT for instruction. The Chief Executive is arranging to see Claire Moriarty to try and progress this issue. Virgin West Coast continues to pay their charges. .

- 3.2 Apart from Virgin, all direct debits are in place and the cashflow and debtors' position is much stronger.
- 3.3 The risk to the Authority that the model will be challenged through arbitration has not yet materialised. ATW have promised to send a letter but as of 12 September, nothing has been received.
- 3.4 The TfL PSA agreement has been stalled while the DfT lawyers have been involved. However despite the PSA being sent for approval in January 2013, we are finally close to being able to have an agreed version to share with TfL. The major changes proposed by the DfT have been shared with TfL and it is not expected to cause any further delay. Once the wording is finalised, we will ensure that the appropriate financial information is updated.

#### **4. Budget 2013/14**

- 4.1 The DfT letter of delegation for 2013/14 was finally received in July 2013. Subsequent letters of Delegation have been sent from the Chief Executive as Accounting Officer to the Chief Constable, as additional Accounting Officer and to the Authority Finance Director over expenditure limits on the Authority Member and Executive budget.
- 4.2 Work is ongoing with the acting Head of Finance to ensure that the delegations set out in the DfT letter are achievable, given the additional provisions set up at the year end and the restructuring project. Care will also be required around the Capital DEL of £11.2m. As at period 5, only £1.85m of the £11.2m had been spent. This rate of spend is being reviewed by BTP and will be scrutinised by the Finance Committee at the end of quarter two.
- 4.3 The DAC approval process continues. There is a very long lead time from request to approval.
- 4.4 The Voluntary Severance Scheme, as approved by the Authority, for the restructure was agreed by the DfT, having been informed by the Cabinet Office that no approval was required from them as it was not a civil service scheme.
- 4.5 The grant in aid cash settlement have now been finalised and a repayment of £300k will required for monies forecast to be spent at period 11 for both the Olympics and the cable theft initiative, which did not materialise. This has been notified to the DfT but no request for payment has yet been received. The DfT

Sponsorship team have indicated that provided it could be accommodated in the DEL, it could be used for supporting the cable theft initiative.

## 5. Pension Issues

- 5.1 Real time information and Auto enrolment have now been put in place by BTP. The work in recovering debtors regarding the pension's contribution errors is almost completed and as at 5 September, of the 193 cases of existing staff who have underpaid pension contributions and owe money, there are 7 cases where no repayment plans have been agreed (all police staff). These are being actively pursued by the HR team. All other cases have agreed repayment plans and deductions have started. Payroll has completed the work to ensure that this situation does not happen again with additional controls now in place. Internal Audit will look at controls around payroll as part of their programme this year.
- 5.2 The assumptions in the police officers pension scheme valuation will be presented to the Authority in September.
- 5.3 The structure of the Police Officer scheme was presented to the Authority in June after a number of scenarios were discussed at the Pensions Working Group in April.
- 5.4 The tax liability agreed to be paid on behalf of the 18 members in receipt of unauthorised pension payments is being progressed. Most of the cheques relating to 2012/13 and prior have now been issued to HMRC. A number of queries with HMRC on individual cases still remain and Roffe Swayne, the tax accountants appointed by BTPA, are supporting the individuals and the Executive. It continues to be very time consuming. All matters relating to the unauthorised pensions are now being dealt with directly by the Authority Finance Director.
- 5.5 The issue of grossing up the penalty payments on unauthorised pensions is being pursued by the Chief Executive with HMRC Technical. Prudent assumptions have been made with providing for the outstanding liability at the year end.

## 6. Internal Audit

- 6.1 Two internal audits have taken place since the last Audit and Risk Assurance meeting. These are presented at agenda item 10. Unfortunately the Audit Senior who was working with us is now leaving and a new member of the team will need to be inducted. There has also been an issue around vetting, which Corporate Resources are pursuing but which will lead to a delay in work

starting on the next scheduled audits. However this is not expected to lead to a delay in delivering the full year plan.

- 6.2 Actions are in place to look at the recommendations and ensure they are completed on a timely basis.

## **7. Gifts and Hospitality Register**

- 7.1 In line with good governance in public bodies, a copy of the Gifts and Hospitality which have been received, accepted or declined by BTPA Members and BTPA Executive Senior Staff for oversight is prepared. Appendix A lists the full details for the BTPA.
- 7.2 The Authority Finance Director, in the absence of the Chief Executive, has also reviewed the BTP Gifts and Hospitality Register with the Deputy Chief Constable which is attached at Appendix B.
- 7.3 Members are asked to note the gifts and hospitality register.

## **8. Recommendations**

- 8.1 Members are asked to note this report.

## BTPA Gifts and Hospitality Register

Date of Event	Offered To	Additional/Other Recipients	Offered By	Brief Description of offer	Purpose of Offer	Estimated/actual value of gift/hospitality	Accepted / Declined / Returned
10/07/2013	Millie Banerjee	N/A	Harvey Nash Plc	Summer Inspire Board Event	Networking		Declined
19/06/2013	Liz Pike	N/A	Punter Southall	Attend Tennis at Hurlingham	Networking and advice on Pensions	£100	Accepted but being invoiced for cost of ticket to see tennis - Agreed by Andrew Figgures
25/06/2013	Millie Banerjee	N/A	Cabinet Office - The Rt Hon Francis Maude MP	Women on Public Boards	Networking		Declined
30/09/2013	Millie Banerjee	N/A	Michael Roberts/ATOC	The Future of Rail Reception - Manchester	Networking		Declined

AREA	RECIPIENT	POLICE NUMBER	DATE	Year	Month	DESCRIPTION OF GIFT/ HOSPITALITY	Formatted Description	COMPANY/ ORGANISATION/ INDIVIDUAL OFFERING GIFT/ HOSPITALITY	EXPLANATION OF GIFT/ HOSPITALITY (WHY IS IT BEING OFFERED)	VALUE OF GIFT/ HOSPITALITY	ACCEPTED /DECLINED	APPROVED BY (MUST BE COMPLETED)	COMMENTS
NW	Area HQ Staff	various	02/05/2013	2013	May	Biscuits	Food and Drink	Prospect Plants	Thank you for continuing custom	£3.00	ACCEPTED	Stuart Holmes	
FHQ	Julie Onwukegu	6206	03/05/2013	2013	May	MUGS, STATIONARY AND BISCUITS	Misc Item	KEY FORENSICS	WELCOME PACK FOR NEW CONTRACTS	£5.00	ACCEPTED	Dave Tyrrell	
FHQ	Simon Baker	5391	03/05/2013	2013	May	MUGS, STATIONARY AND BISCUITS	Misc Item	KEY FORENSICS	WELCOME PACK FOR NEW CONTRACTS	£5.00	ACCEPTED	Dave Tyrrell	
FHQ	Vijay Vekaria	8721	03/05/2013	2013	May	MUGS, STATIONARY AND BISCUITS	Misc Item	KEY FORENSICS	WELCOME PACK FOR NEW CONTRACTS	£5.00	ACCEPTED	Dave Tyrrell	
FHQ	Sam Collins	6391	03/05/2013	2013	May	MUGS, STATIONARY AND BISCUITS	Misc Item	KEY FORENSICS	WELCOME PACK FOR NEW CONTRACTS	£5.00	ACCEPTED	Dave Tyrrell	
FHQ	Kirsty Lake	7015	03/05/2013	2013	May	MUGS, STATIONARY AND BISCUITS	Misc Item	KEY FORENSICS	WELCOME PACK FOR NEW CONTRACTS	£5.00	ACCEPTED	Dave Tyrrell	
FHQ	Chad Wright	6644	08/05/2013	2013	May	BISCUITS/MUGS/COASTERS/NOTE BOOKS/POSTER/PENS	Misc Item	KEY FORENSICS	WELCOME PACK/FIRST COLLECTION	£20.00	ACCEPTED	f>Nanji	Gift was listed as being for the entire SOCO office
NW	Ch Supt Holden	2659	13/05/2013	2013	May	Invitation to Awards Ceremony, including meal	Conference/Awards/Social Function/Reception	Northern Rail	Invitation to join Northern as a guest at an Awards Ceremony	£50.00	DECLINED		
NW	T/Supt McKinnon	1165	13/05/2013	2013	May	Invitation to Awards Ceremony, including meal	Conference/Awards/Social Function/Reception	Northern Rail	Invitation to join Northern as a guest at an Awards Ceremony	£50.00	ACCEPTED	Ch Supt Holden	
NW	T/Insp Ashbridge	4434	13/05/2013	2013	May	Invitation to Awards Ceremony, including meal	Conference/Awards/Social Function/Reception	Northern Rail	Invitation to join Northern as a guest at an Awards Ceremony	£50.00	ACCEPTED	Ch Supt Holden	
FHQ	Mark Smith	8653	16/05/2013	2013	May	Attendance at Network Rail Creative Thinking Event which included overnight accommodation at NWR facility Westwood, Evening meal and breakfast/lunch on second day.	Invitation to Development Event	Network Rail	I am a member of the National Suicide Prevention Steering Group chaired by Network Rail. This was their creative thinking event to explore new suicide prevention methods with industry and Samaritans representatives. My presence was required to support the event and input ideas on behalf of BTP.	Unknown	ACCEPTED	Chief Supt Flood	
LN	Liz Dales	0698	16/05/2013	2013	May	Small Bouquet of Flowers	Misc Item	Victim of crime in relation to NSPIS 212 of 12/05/13	Flowers delivered - following assistance to a victim of Crime - inc 212 12.05.2013 Assistance - due to three UK nationals passports being stolen, prior to their return to home address in France - they were advised by Passport Agency that they would not get replacement passports for at least two weeks- liaison with Police Aux Frontier and Eurostar and the PAF allowed them to travel on the two childrens birth certificates. The flowers were sent to BK Office, with a note of thanks. Refusal would have caused offence.	£20.00	ACCEPTED	M. FRY C/ Supt.	Low value gift given in gratitude for good work by the officer.
LS	Insp Gary Ancell	920	17/05/2013	2013	May	Hosted event with lunch and coffee	Conference/Awards/Social Function/Reception	Public Service.co.uk	Conference on railway improvements relevant to the role performed by Inps Ancell and colleagues	£0.00	ACCEPTED	CI CLARK	
LS	Special Sergeant Walder	8459	17/05/2013	2013	May	13 postcards	Misc Item	Mr Philip DUNN	see comments	£0.00	ACCEPTED	PS Mackay 0769	Mr DUNN lost his wife as a result of being struck by a train at Hassocks Station on 25/4/13. He states that he is grateful for the way that Police had dealt with this incident at the time and since then
NE	Marcus Robinson	3489	18/05/2013	2013	May	one bottle of ALBINONI 2011 GARGANEGA PINOT GRIGIO 750ML	Food and Drink	Leeds Samaritans	Was a guest speaker at AGM - gift given in good faith to show appreciation for hard work and efforts in building relations with the Samaritans and supporting the work that they do.	£6.00	ACCEPTED	PS 0278 Snowden	£6.00 approx
NW	T/Insp Ashbridge	4434	20/05/2013	2013	May	Hotel room at the Manchester Adobe Hotel	Accommodation	Northern Rail	To enable attendance at Regional Adopters Conference	£80.00	ACCEPTED	T/Supt McKinnon	£80.00 approx
SCOT	Ch Supt Ellie Bird	702	20/05/2013	2013	May	ORR Stakeholder Dinner which will take place on 24 June in the Glasgow Hilton Hotel	Meal	Anna Walker, Chair of ORR	BTP Scotland meet regularly with ORR - this is an excellent opportunity to enhance networking opportunities and an insight into developments within ORR	£50.00	ACCEPTED	ACC McCall	
NW	T/Insp Ashbridge	4434	22/05/2013	2013	May	Hotel room at the Leeds Crowne Plaza Hotel	Accommodation	Northern Rail	To enable attendance at Regional Adopters Conference	£90.00	ACCEPTED	T/Supt McKinnon	£90.00 approx
NW	Ch Supt Holden	2659	23/05/2013	2013	May	National Rail Museum Dinner, York	Conference/Awards/Social Function/Reception	RAIL Magazine	As a guest of the Chief Constable at the BTP table	Unknown	ACCEPTED	Chief Constable	
NW	T/Ch Supt Mason	2370	23/05/2013	2013	May	National Rail Museum Dinner, York	Conference/Awards/Social Function/Reception	RAIL Magazine	As a guest of the Chief Constable at the BTP table	Unknown	ACCEPTED	Chief Constable	
FHQ	CC Andrew Trotter	4560	23/05/2013	2013	May	National Rail Museum Dinner	Meal	National Rail Museum	stakeholder engagement	Unknown	ACCEPTED	BTPA	
FHQ	John Stockdale	1408	23/05/2013	2013	May	Tee Shirt, Tankard, and Belgian beer set	Misc Item	Intake 13A Recruit Training	Thank you for 21 weeks training and guidance	£30.00	ACCEPTED	PS J. STURGE	Approx. £30.00 but not sure as it is a gift and real value not ascertained.
FHQ	Phil Trendall	2567	25/05/2013	2013	May	Dinner Buffet Lunch	Meal	Network Rail Level Crossing Community Launch	Attending & presenting at NWR facility Westwood which included buffet lunch & dinner	£20.00	ACCEPTED	DC/Supt Miles Flood	Approx £13 per head for dinner Approx £7 per head for buffet lunch
FHQ	Andy Smith	7059	25/05/2013	2013	May	Dinner Buffet Lunch	Meal	Network Rail Level Crossing Community Launch	Attending & presenting at NWR facility Westwood which included buffet lunch & dinner	£20.00	ACCEPTED	DC/Supt Miles Flood	Approx £13 per head for dinner Approx £7 per head for buffet lunch
FHQ	Simon Peel	7607	25/05/2013	2013	May	Dinner Buffet Lunch	Meal	Network Rail Level Crossing Community Launch	Attending & presenting at NWR facility Westwood which included buffet lunch & dinner	£20.00	ACCEPTED	DC/Supt Miles Flood	Approx £13 per head for dinner Approx £7 per head for buffet lunch
FHQ	Supt Paul Shrubsole	3484	27/05/2013	2013	May	Watch	Misc Item	Italian state police	As a gift for attending Railpol Strategic analysis Conference in Rome	£0.00	ACCEPTED	DCS Flood	Each attendee was given the watch and is branded within the box as Italian State Police. Not kept Passed to DCI Taylor
FHQ	DCC Paul Crowther	2309	28/05/2013	2013	May	Dinner	Meal	London Underground Ltd	Business meal	Unknown	ACCEPTED	Chief Constable	
FHQ	CC Andrew Trotter	4560	30/05/2013	2013	May	bunch of flowers	Misc Item	Unreliable Evidence Team - Radio 4	To thank Chief Constable for his contribution to the programme	Unknown	ACCEPTED	BTPA	



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FHQ	Alan Shrimpton	5962	30/05/2013	2013	May	Dinner with Marcus Harris (MD of Incite Insight)	Meal	Incite Insight. A specialist supplier of ITIL Process Consultancy and Interim Programme and Project Management Services. Marcus recommended our current IT Programme Manager (Stephan Gehring) but does not supply his services to the Force – we use a standard framework contract for that – so there is no contractual relationship between Incite Insight and BTP.	Marcus is an old friend from my Avon & Somerset days and Incite Insight is a new venture for him. He wanted to catch-up.	£25.00	ACCEPTED	Self approved.	I am logging this dinner on the advice of Alistair Lawson because, even though Marcus is a friend and this was a personal meeting, there is a possibility that his company may wish to supply services to BTP at some point in the future. £25.00 – food only. I paid for the wine (out of my own pocket).
LU	Ch Supt Paul Brogden	2070	01/06/2013	2013	June	Defence Animal Centre Open Day	Event (Attendance Only)	Ministry of Defence	Opportunity to maintain stakeholder relationships between the British Transport Police and the Defence Animal Centre	Nominal	ACCEPTED	ACC Steve Thomas	
FHQ	Densie Hamilton-Harris	439	04/06/2013	2013	June	Taking Ownership of Suicide on The Railway Conference Overnight stay with evening meal, breakfast and buffet lunch	Conference/Awards/Social Function/Reception	Network Rail	Invited in my role as Situational Prevention Officer and member of the Suicide Prevention Team to gather an insight on what work is being carried out on the infrastructure and looking at a way forward	Unknown	ACCEPTED	Chief Supt Flood	
FHQ	Mark Smith	8653	04/06/2013	2013	June	Attendance at Network Rail National Suicide Prevention Conference which included overnight accommodation at NWR facility Westwood, Evening meal and breakfast/buffet lunch on second day.	Conference/Awards/Social Function/Reception	Network Rail	I am a member of the National Suicide Prevention Steering Group chaired by Network Rail. This was their national conference with the rest of the industry from TOC and NWR routes. My presence was required to support the conference and answer questions on behalf of BTP.	Unknown	ACCEPTED	Chief Supt Flood	
FHQ	David Howell	2641	04/06/2013	2013	June	Overnight accommodation, evening meal and breakfast at Westwood, Coventry. Network Rail training facility.	Accommodation/Meal	Network Rail	I am a member of the National Suicide Prevention Working Group chaired by Network Rail. This was their 'Taking ownership of suicide' conference. I was on the organising team and presentation team delivering the BTP suicide prevention strategy to conference. My presence overnight was required for the final planning and run-through of the event and to represent BTP.	Unknown	ACCEPTED	Chief Supt Flood	Unknown, all costs were Network rail in house costs.
FHQ	Supt Paul Shrubsole	3484	10/06/2013	2013	June	Charitable Donation	Money/Voucher	Visa International	Charitable doantion made for taking part in a survey for Visa International . All partners took part in the survey	£20.00	ACCEPTED	DCS Flood	Charitable donation made by Visa Internatioanl to Medicine Sans Frontier for taking part in a survey on Payment card industry
LU	Donna Augustus	8545	13/06/2013	2013	June	Attendance at the leaving celebration for the London Underground Chief Operating Officer, Howard Collins	Conference/Awards/Social Function/Reception	London Underground	Networking opportunity with key Area stakeholders	Nominal	DECLINED	Donna Augustus	
LU	Ch Supt Paul Brogden	2070	13/06/2013	2013	June	Attendance at the leaving celebration for the London Underground Chief Operating Officer, Howard Collins	Conference/Awards/Social Function/Reception	London Underground	As Area Commander for L Area, the LU COO is one of my primary stakeholders. Attendance at this event allowed me the opportunity to network with his colleagues and direct reports. This was an excellent opportunity to further key stakeholder relationships	£30.00	ACCEPTED	ACC Steve Thomas	Approx £30
SCOT	Ch Supt Ellie Bird	702	13/06/2013	2013	June	Chamber of Commerce Dinner	Conference/Awards/Social Function/Reception	Steve Montgomery, Managing Director of ScotRail	Stakeholder event which will provide an excellent networking opportunity	£50.00	DECLINED		
FHQ	Ch Supt Mark Newton	4146	17/06/2013	2013	June	Pre-conference Drinks Reception	Conference/Awards/Social Function/Reception	GovNet Communications	Networking Purposes pre-Modernising Justice conference	£0.00	DECLINED		
FHQ	Scott Phillips	7611	17/06/2013	2013	June	Pre-conference Drinks Reception	Conference/Awards/Social Function/Reception	GovNet Communications	Networking Purposes pre-Modernising Justice conference	£0.00	ACCEPTED	T/ACC Newton	Drinks & Canapes complimentary - unknown amount
FHQ	Jonquil Chapman	5037	17/06/2013	2013	June	Pre-conference Drinks Reception	Conference/Awards/Social Function/Reception	GovNet Communications	Networking Purposes pre-Modernising Justice conference	£0.00	ACCEPTED	T/ACC Newton	Drinks & Canapes complimentary - unknown amount
LS	PC Weston-Collinson	7336	22/06/2013	2013	June	One nights accommodation - Hotel room	Accommodation	De Veres Venues Sunningdale Park Ascot	BTP was offered additional night accommodation free as had prviously booked several nights for officers re Ascot races	£75.00	ACCEPTED	CI Little	I authorised this on the basis that he had worked a long / late shift the night before and worked another long / late finish on the Saturday and had difficulties in getting home afterwards
WW	PC Philip Whitehouse	4948	04/07/2013	2013	July	Discount on food	Food and Drink	Midway Truckstop Café, Whitchurch, Shropshire.	Discount given to emergency service workers	£1.11	ACCEPTED		Discount was taken by cashier automatically without officers prior knowledge.
FHQ	DCC Paul Crowther	2307	10/07/2013	2013	July	Dinner	Meal	BTP Federation	Dinner	Unknown	ACCEPTED	Chief Constable	
LU	PC Mary Hartrey	980	19/07/2013	2013	July	a large box of Nougat and a card	Food and Drink	Wana Marouas, Flat 10 Bronwen Court, Grove End Road, London NW89HH 07530 243541.	she was so pleased with service she has received recently. PC Hartley assisted her regarding a lost/stolen handbag. Having had a discussion with the female she appears genuinely delighted with the service and was insistent about leaving the gift.	Approx £5	ACCEPTED	PS 7297 Martin Grayton	
FHQ	ACC Alan Pacey	2274	24/07/2013	2013	July	National Rail Awards (Dinner and Awards Ceremony)	Conference/Awards/Social Function/Reception	Network Rail	Fusion Intelligence Unit shortlisted for an award and ACC Pacey invited to attend on behalf on Network Rail.	Unknown	ACCEPTED	Chief Constable	
NW	A/Insp David Rams	4579	31/07/2013	2013	July	free VIP tickets to Liverpool Gay Pride event	Event (Attendance Only)	Liverpool Gay Pride event	due to the amount of LGBT work both on and off duty that I have done both for the event and the LGBT community	Unknown	DECLINED		