

Report to: Audit & Risk Assurance Committee
Agenda item: 4
Date: 3 March 2016
Subject: Authority 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 Authority Executive since the last Audit and Risk Committee meeting.

2. BTPA 2015/16 Year End Plan

- 2.1 The interim external audit took place across 2 weeks in February. KPMG have concluded that they can not place significant reliance on controls across the year, and will be undertaking significant substantive testing as part of the year end audit process in May. This additional volume of work does bring a risk to the ability to complete the audit process within the expected time scales.
- 2.2 The internal year end close timetable is being presented by the BTP at agenda item 5.2. The DfT have confirmed their consolidation reporting deadlines as well as their estimated date for laying of their accounts as the 23rd June. Our final drafted accounts are due to be presented to the Authority on the 16th June with the aim of laying them in advance of the DfT filing date.
- 2.3 The statutory accounts are being overhauled with the objective of them being far more accessible to the end user, transparent and understandable. A project is currently underway with Orla (Communications Manager BTPA) to work on the content and design of the accounts. Particular focus is being given to the Strategic report and Governance statement. Early drafts will be circulated out of committee when available.

3. Financial review

- 3.1 This is covered in paper 4.1

4. PSA Cost Allocation update

- 4.1 The wash up charges have now been finalised, in addition following the budget approval at the Authority meeting in January the 2016/17 charges have also been calculated.
- 4.2 The 2016/17 charges have been calculated on the same basis as the washup charges for 2014/15 as approved by the Authority. The budget to defray the cost of policing is on a straight line basis from 2015/16 to 2016/17 plus the additional element in relation to the recovery of the reserves draw down of £1.59m that was approved in 2014/15. This was approved by the Authority to be recovered via the PSA charges across a 3 year period. This has resulted in the total PSA charge for 2016/17 being increased by £530k (0.55%).
- 4.3 The PSA charge letters have been issued to the industry, see appendix 1 for an example of the correspondence. The Finance Committee will be updated on any communications received from the industry as a result.

5. Pension Update

- 5.1 The Pension Committee are focusing on the review of the staff pension scheme during 2016/17 with the view to have this delivered for 1 April 2017.
- 5.2 The BTPFSF Management Committee has initiated the Valuations Working Party to discuss the 31 December 2015 actuarial valuation. Meetings will be held across the year, and Punter Southall are attending these as advisers for the employer. Regular updates will be taken to the Pension Committee.

6. Internal Audit

- 6.1 An update from Internal Audit is being given at agenda item 8.

7. Gifts and Hospitality Register

- 7.1 In line with good governance in public bodies, a copy of the offers of Gifts and Hospitality which have been received, accepted or declined by BTPA Members and BTPA Executive Senior Staff has been prepared for oversight. Appendix A lists the full details for the BTPA.

8. Recommendations

- 8.1 Members are asked to note the report