

Report to: Audit & Risk Assurance Committee
Agenda item: 4.1
Date: 3 March 2016
Subject: Finance Review Action Plan Update
Sponsor: Andrew Pollins
For: Information

1. Purpose of Paper

- 1.1 The purpose of this report is to inform the Audit and Risk Committee of significant developments regarding the Finance Review Action Plan since the last Audit and Risk Committee meeting.

2. Progress against the Action Plan

- 2.1 The paper to the last Audit and Risk Committee mapped the development of the action plan from the original plan submitted to DfT into a more detailed “to do” plan and then into a reprioritised plan that focuses firstly on what needs to be resolved to support a clean year-end outcome (latter plan attached at Appendix A).
- 2.2 Areas that are of particular focus in term of risk are:
- achieving “clean” balance sheet reconciliations by year end.
 - resolving the backlog present surrounding registering and payment of supplier invoices
 - the existence of aged accruals
 - recording of fixed asset items in the GL and Module and verification of unusual descriptions
- 2.3 The paper to the last Audit and Risk Committee also set out the process for receiving regular updates and for weekly review meetings chaired by Andrew Pollins and including the Chief Executive. This regular and vigorous level of scrutiny and oversight has been continued.
- 2.4 The latest version of the progress reporting slide pack is attached at Appendix B. It is now being produced fortnightly to allow more time to focus on delivery, although weekly review and update meetings continue to be held. This report summarises action taken in the previous week, targets for the following week, issues encountered and potential issues that may impact progress in the future. Metrics have been included in order to more succinctly evidence progress being made. From these metrics, targets have been set to measure level of progress.

- 2.5 When a milestone is complete, evidence to support completion will be provided to the Head of Finance then reviewed by BTPA and Andrew Pollins. Andrew is holding an evidence review session on Monday 29 February, and an oral update can be provided to Audit and Risk Committee on this.
- 2.6 Aggressive milestones, mainly for work on key account areas to be completed by end-February, have been set and vigorously managed against. There is some contingency in March prior to the year-end to deal with problems arising and additional work that is identified along the way.
- 2.7 The Authority Finance Director continues to appraise DfT of progress on a fortnightly basis. A review meeting involving the DfT Sponsor team and Finance rep, and the BTPA Chair, CEO and FD, was held on 22 February. DfT recognised the hard work done to date and the focus on year-end, and are content with the governance process and level of scrutiny involved. The key action arising from the meeting that we will be addressing as soon as possible is to develop the future plan and timeline for the delivery of the whole action plan, to cover everything out past year end, and then to be able to provide a progress dashboard for the whole plan.

3. Key issues and risks

- 3.1 Sustaining continuity in key roles supporting the action plan, and continuing to build the depth of resourcing to deliver the plan. Continued recruitment is being driven using all available avenues, and close support is being provided to business critical staff.
- 3.2 Accounts Payable backlog – almost all unprocessed invoices are now on the system, and close attention is being given to unblocking obstacles to moving them through the payments system as quickly as possible, and to the resourcing required in this area.

4. Recommendations

- 4.1 Members are asked to note the report and appendixes.