

Report to: Audit & Risk Assurance Committee
Agenda item: 5.1
Date: 26 January 2016
Subject: Finance Review Action Plan Update
Sponsor: Charlotte Vitty, 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 regarding the Finance Review Action Plan since the last Audit and Risk Committee meeting.

2. Action taken against original plan submitted to the DfT

- 2.1 The Audit and Risk Committee have reviewed the original plan sent to the DfT at previous committee meetings. (Appendix A)
- 2.2 As a result the Finance and Transformation teams prepared a more detailed “to – do” plan in order to more easily track the achievement of milestones communicated to the DfT.
- 2.3 This plan and the mapping back to the original DfT plan has been reviewed by the Authority Executive to ensure completeness.
- 2.4 Progress updates on a weekly, and often daily, basis have been provided by BTP to the Authority Executive.
- 2.5 This progress was summarised on a monthly basis in a slide pack highlighting risk areas, delays occurring and future expected delays. The slide pack was presented to the December Audit Committee.¹
- 2.6 It was noted at the December Committee that Andrew Pollins would take the Assurance lead role on this area of work on behalf of the Members . He, the Chief Executive and Authority Finance Director have been holding weekly meetings in 2016 with BTP to review and challenge progress being made.

¹ Item 11a , Audit and Risk Committee 03 December 2015

3. Year - End focus

- 3.1 A reprioritisation of the milestones on the plan has been actioned in order to focus more heavily on issues that need to be resolved before year end. The intention of this is to improve the external audit process; to allow the opportunity for BTP to evidence action being taken in response to recommendations from internal audit papers and to improve the wording of the Governance Statement in the year end accounts.
- 3.2 A new detailed, year-end focussed, plan has therefore been prepared from which a slide pack is prepared on a weekly basis summarising progress made that week. (see Appendix B – update as at 18 January 2016).
- 3.3 This slide pack, in a similar format as the previous slide pack, 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.
- 3.4 When a milestone is complete, evidence to support completion will be provided to the Head of Finance then reviewed by BTPA and Andrew Pollins.
- 3.5 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
- 3.6 At the meeting with Andrew Pollins on 18 January ‘16 a summary of the reprioritisation was provided and agreed. (Appendix C). This highlights the areas that will be rescheduled to post year end.
- 3.7 The Authority Finance Director has agreed with the DfT to now update them on a fortnightly basis in 2016 on progress made against the plan. Communication to explain the reprioritisation of the plan to focus on year end issues was provided to the DfT in the previous week.

4. Recommendations

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