

General Circular Funding: No 10/05

Subject: 2009-12 NLTP – Year-end procedures for 09/10

Circulation: Asset Managers (all Approved Organisations)
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Purpose

To advise approved organisations (AO's) of a revised timeline and procedures for the end of the first year of the 3-year NLTP.

Introduction

The introduction of a 3-year NLTP brings with it some changes to the end-of-year procedures for years 1 and 2. The main changes are:

- the due date for submission of final claims, supplementary requests and non-financial information has been advanced from 31 July to **14 July**
- carry over of unexpended allocation within the 3-year programme will be accepted for block maintenance and PT programmes as well as for minor improvements, demand management and community programmes
- requests to carry over unexpended allocation from year 1 to year 2 will be automated in LTP Online.

Final claims and supplementary requests

AO's are requested to submit their final claims (for expenditure within approved allocations) and any supplementary requests by **14 July** rather than 31 July as in previous years. This will assist AO's in preparing their own annual reports, and will also assist NZTA in meeting its obligations to government for completion of Annual returns, reports and accounts.

It is intended that the supplementary review requests should only be for small amounts where final accrued expenditure has exceeded approved allocation. AO's are requested to try and anticipate any potential requests for additional allocations or cash flows from year 2 to year 1, and submit these requests to the June review. This can be in conjunction with discussions with NZTA Programme and Funding

Managers. Processing those requests in the June review will take the pressure off the supplementary review process.

All supplementary requests are to be entered as cash flow advances except that, if no allocation exists in forward years, the request should be for a cost/scope adjustment.

The NZTA will consider the supplementary requests during the period 15 July to 22 July with the results being actioned in LTP Online no later than Friday 23 July. AOs will then have a two-day window of **Mon 26 – Tues 27 July** to submit supplementary claims against the increased allocations, and will need to ensure that staff with knowledge of the LTP Online system are available at this time. This is the only opportunity AOs will have to submit their supplementary claims. Claims which are still outstanding at 5pm on Tuesday 27 July will not be considered. Any AO that anticipates any difficulty in working to this timeframe should discuss its situation with the local NZTA Programme and Funding Manager.

A timeline for the year-end procedures is included as an attachment to this circular.

Claims on an Accrual Basis

All claims must be based on accrued expenditure (the estimated value of approved activities completed to 30 June). While it is not necessary to hold a supporting invoice at the time of the claim, all amounts claimed must be supported by appropriate evidence in the form of certificates of the value of work done or progress reports certified by the Chief Executive or an approved delegate.

Please note that with the exception of investigation/design fees and land purchase associated with approved projects, expenditure against approved activities must be claimed in the year it has occurred.

End of Year Reconciliation (carry over of unexpended allocation)

Reconciliation is the final year-end tidy-up review to carry over (hopefully small) unspent allocations to the next financial year, and will take place on 29-30 July immediately after supplementary claims are approved. This will enable the LTP Online roll over (from 2009/10 to 2010/11) to take place on 2-3 August.

We are currently developing new functionality in the LTP Online System to enable automatic reconciliations at year end. With automatic reconciliation, the system will automatically create requests to cash flow the unclaimed allocation against all approved activities from 2009/10 over into 2010/11, thus eliminating the need for Approved Organisations to input carryover requests.

In previous years there have been some constraints on what may or may not be carried over from one financial year to the next, particularly in the regular and ongoing maintenance/operating and minor works activities where it was not prudent to accumulate unspent allocations year on year. While it is expected that annual allocations will be substantially spent each year, NZTA recognises the need for

flexibility between financial years that the 3 year programme provides. Carryovers within the 3 year programme will, therefore, be automated for block maintenance and PT programmes as well as for minor improvements, demand management and community programmes.

It is not intended that the automated process will eliminate the need for normal cash flow requests in the final monthly review. AOs should still request cash flow adjustments in the June review which reflect the anticipated year-end expenditure. Reconciliation is intended to be the final tidy-up based on actual accrued spend.

Differing FARs across financial years for emergency work precludes fully automated carry over of unspent allocation in this work category. The process for emergency work activities will be that, where underexpenditure has occurred, the 2009/10 allocation will be automatically reduced by the unclaimed amount, with AOs then applying for the 2010/11 allocation to be increased accordingly at the first review of the 2010/11 year.

Annual achievement return – non financial information

Annual achievement returns are also required to be completed by 14 July.

Some minor changes are currently being made to the annual achievement return (AAR) in LTP Online and it is intended that these will be completed by mid June. This will allow the return to go 'live' at that time. Further details relating to the changes will follow at a later date.

Internal circulation

Please ensure that this circular is also distributed to finance staff in your organisation who are involved in the NLTP claiming process.

Enquiries

All enquiries relating to this circular should be directed to your NZTA Programme and Funding Manager.

Attachment

Attachment 1: Timeline for year-end procedures



Bob Alkema
National Manager Programmes, Funding and Assessment

Attachment 1

Timeline for year-end procedures

Date	Activity
Wednesday 30 June	<ul style="list-style-type: none"> End of financial year – Submit regular monthly claim for June in the normal manner. These need to be in by 14 July and could be combined with the final claim.
Wednesday 14 July	<ul style="list-style-type: none"> Final claim and supplementary review requests due and entered into LTP Online Annual achievement returns due
15-20 July	<ul style="list-style-type: none"> NZTA staff evaluate and make recommendations for supplementary review requests
21/22 July	<ul style="list-style-type: none"> NZTA consideration of supplementary review requests
Friday 23 July	<ul style="list-style-type: none"> Supplementary review requests actioned in LTP Online
26-27 July	<ul style="list-style-type: none"> AO's to electronically submit supplementary claims up to the level of the increased allocations by 5.00pm 27 July
Wednesday 28 July	<ul style="list-style-type: none"> Regional and National NZTA staff to approve supplementary claims by 5.00pm 28 July
29-30 July	<ul style="list-style-type: none"> Automated reconciliation takes place
2-3 August	<ul style="list-style-type: none"> LTP Online rollover from 2009/10 to 2010/11
Wednesday 4 August	<ul style="list-style-type: none"> Payment of approved supplementary claims <p>(note that the regular payment cycle will continue during July for lodged claims)</p>