



# **BOROUGH SPENDING PLANS 2004-2005**

## **FINANCIAL AND REPORTING GUIDANCE FOR LONDON LOCAL AUTHORITIES**

*The purpose of this advice is to inform London local authorities of the financial and reporting arrangements for the payment of TfL funding for Borough Spending Plan schemes and transport programmes supported by the Mayor.*

**Borough Funding, Borough Partnerships,**  
Finance & Planning,  
Transport *for* London

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**Table of Contents**

<b>1</b>	<b>INTRODUCTION.....</b>	<b>2</b>
<b>2</b>	<b>PROGRAMMING (BASELINE AND BIMONTHLY REPORT FORMS).....</b>	<b>3</b>
<b>3</b>	<b>OUTCOME REPORTING.....</b>	<b>7</b>
<b>4</b>	<b>TFL BUSINESS IMPROVEMENT PROGRAMME (BIP) .....</b>	<b>7</b>
<b>5</b>	<b>CONTROL AND RELEASE OF FUNDS ..ERROR! BOOKMARK NOT DEFINED.</b>	<b>7</b>
<b>6</b>	<b>SLIPPAGE &amp; CARRY-OVER.....</b>	<b>10</b>
<b>7</b>	<b>DELEGATION.....</b>	<b>11</b>
<b>8</b>	<b>TIMETABLE OF KEY EVENTS.....ERROR! BOOKMARK NOT DEFINED.</b>	<b>12</b>
<b>9</b>	<b>AUDIT .....</b>	<b>13</b>
<b>10</b>	<b>BOROUGH PARTNERSHIPS CONTACTS .....</b>	<b>14</b>
<b>11</b>	<b>LIST OF FORMS.....</b>	<b>14</b>

**1 INTRODUCTION**

1. London authorities will already be aware of the conditions applying to the Borough Spending Plan 2004/05 funding announcement made on 25 November 2003. This note gives Borough Spending Plan financial and reporting guidance for the 2004/05 year. It is an update and consolidation of guidance issued during the 2003/04 financial year.
2. There are no major changes to the guidance or to the Bimonthly Progress Reporting and Invoice Claim Statement forms, although the forms have been modified to improve ease of use and they will be issued pre-populated with the respective agreed programme schemes.
3. This year, for the first time, scheme programming data provided by boroughs in their baseline programme submissions has been automatically uploaded into LondonWorks (Clearview) for mapping and to enable project co-ordination between BSP and TfL projects and, in some cases, utilities. TfL and the boroughs need to work together to ensure that borough and TfL priorities are both adhered to and there are no conflicts.
4. As a result, TfL scheme approval is also based on the project co-ordination analysis. Boroughs should therefore note any further information and notification about the traffic disruption impact of specific schemes from the Agreed Baseline Programme forms that are being issued. The process of

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

approving any (other) outstanding or updated Baseline Programme Forms for Borough programmes is progressing.

5. For 2004/05, the progress reporting requirements are based on the Bimonthly Progress Report Form (previously "Form A"), with a greater emphasis on the provision of sufficient information to assist co-ordination between borough and TfL programmes and to monitor delivery at scheme level. The 2004/05 Baseline and Bimonthly report forms again share the same format and the associated guidance notes have been updated. Boroughs and partnerships should provide sufficient accurate and timely information to give assurance as to the managed delivery of all schemes.
6. The reporting interval remains bimonthly with timing consistent with the processes within TfL systems. However, to ease the reporting burden for authorities in 2004/05, there is the option that the 1st Bimonthly Progress Report needs to cover only those schemes with spend activities taking place, or works beginning, before July 2004, unless otherwise advised. The 6<sup>th</sup> bimonthly report is not required.
7. The arrangements for the release of TfL funding are unchanged. Payments will continue to be made following the submission of completed Invoice Claim Statements (ICS).
8. Release of funds continues to be based on a process of notification by boroughs that they have certified the payment of invoices for approved schemes and projects in their programme, up to the set limit of allocated expenditure for each scheme within each transport area. Further details are given in paragraphs 33 to 42 (pages 8 and 9).
9. The following sections and paragraphs set out in more detail the reporting and financial claims arrangements associated with TfL funding. Also included is a timetable to help guide the process (Table 1, page 12).
10. This guidance may need to be modified during the year. The sections on the 'TfL Business Improvement Programme (BIP)' and 'Audit' have also been included so that boroughs and partnerships are aware of how arrangements may further develop.

### **2 PROGRAMMING AND PROFILING (Baseline Programme and Bimonthly Progress Report Forms)**

11. To maintain understanding of the progress being made on programmes and to increase both the opportunities to support schemes and to provide the confidence that schemes are being delivered on time, TfL again seeks reporting information at scheme level for each project receiving funding in the 2004/05 allocation.
12. The 2004/05 Baseline and Bimonthly report forms share the same format. They have therefore been used by TfL as Baseline Programme forms in the first instance, to provide individual authorities with sets of forms that were

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

pre-populated with the detail of their schemes to be supported in 2004/05. Authorities were requested to indicate to TfL their proposals for the implementation of their programmes by completing these forms.

Following the re-issue of the forms as part of TfL's approval of an authority's complete BSP 2004/05 programme, their second role begins. This involves using them as the basis for subsequent bimonthly progress reports. Following their receipt, boroughs and partnerships should copy the forms therefore to create a set that is then used for the completion of the authority's first Bimonthly Report.

14. This copy set is therefore to be updated with the latest programming and expenditure details to create the completed forms for the authority's first Bimonthly Report. When all revisions have been included in this updated version, a copy is to be submitted to TfL, together with any accompanying commentary. At each subsequent bimonthly reporting stage, a copy of the previously submitted set of forms can then be similarly updated and be submitted to TfL at the subsequent relevant date.

### **2.1 Baseline Programme Form - Agreed Programmes.**

15. The layout of this form is standardised across transport topics and provides Boroughs, Sub-Regional, Cross Borough Partnership and Pan-London Programmes (i.e. LCN+ and Bus Priority) lead authorities with details of all schemes or programmes allocated funding through the 2004/05 BSP process. The form is also used for recording borough support programmes (e.g. staff training) where allocations have also been made by TfL.
16. Guidance for the completion of Baseline Programme Forms, together with copies of Forms populated with scheme names and their specific allocations, were initially sent to boroughs on 19 February 2004.
17. In addition, the Baseline Programme form is designed to collect information on working arrangements and predicted traffic disruption during construction. It is important that TfL and the borough works are carefully co-ordinated to minimise disruption to road-users.
18. As in 2003/04 authorities have needed to agree with TfL the detail of the works, the programmes and the spend profiles for all schemes to be taken forward using the 2004-05 BSP funding. Approvals are given on the basis of the Baseline Programme form information, amended where appropriate to reflect discussions between TfL and the authority contacts. TfL approval is required for the baseline programmes before authorities can claim against the BSP allocation for schemes in those programmes.
19. Each lead authority for a Partnership or pan-London programme should identify the allocation for each scheme per borough within the partnership in order that scheme codes are allocated for each scheme/borough allocation and that TfL can process individual borough ICS claims for schemes supported via partnerships. For 2004/05 this should be done using the Partnership allocation form which is included with the set of Baseline

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

Programme forms provided to lead authorities. The maximum allocations can be updated at any time by notifying [bsp@tfl.gov.uk](mailto:bsp@tfl.gov.uk).

20. Subsequent notifications of funding through the BSP process in 2004/05 may require some authorities to update information to include the new schemes and/or additional funding. This should be done on the latest set of Bimonthly Progress Report forms. Authorities whose 2004/05 programmes are affected in this way should consider how they wish to take forward the new /affected projects. If necessary they should contact the appropriate TfL officer listed in the contacts of the Baseline Programme Form guidance to agree the most effective way to amend their forms.

### **2.2 Subsequent Bimonthly Reports**

21. Authorities will need to submit updated versions of the Bimonthly Progress Report forms (for boroughs and partnerships) and the partnership allocation form (partnerships only), including the traffic disruption sheet, on a bi-monthly basis unless arranged otherwise by the BSP programme manager or Partnership lead authority. Dates for the submission of completed reports to [bsp@tfl.gov.uk](mailto:bsp@tfl.gov.uk) are given in Table 1, page 12.
22. Should any borough or partnership encounter difficulty in providing a bi-monthly report, the first of which is due by 24 June (later than usual to allow for the delayed issue of agreed baseline programme forms), they should notify [bsp@tfl.gov.uk](mailto:bsp@tfl.gov.uk) immediately.
23. The reports provide key inputs to TfL's own resource planning systems and budget and cost reporting requirements allowing TfL to forecast the amounts needed each month to meet ICS claims during the year. It is therefore essential that reporting authorities provide accurate, up to-date and sufficiently detailed information in the bimonthly reports on the progress of their schemes and of all changes from the baseline programmes. This will enable TfL to understand what has been achieved, any problems encountered or forecast and what is planned for each scheme. Particular attention should be paid to the return of information where highway works are programmed in the following two bimonthly periods. This will allow potential co-ordination problems to be identified and, where appropriate, remedial action considered.
24. It is recognised that during the year the need for changes to a scheme or to its works can become necessary and TfL would wish to be as flexible as possible when determining whether to approve such changes. Where an increased (or decreased) level of scheme allocation would be required to implement the revised scheme, authorities are, in the first instance, expected to propose an offsetting reduction (or increase) to the allocation for another scheme within the same transport heading. Where this is not possible other options for revisions to allocations can be proposed.
25. For each scheme where funds have been allocated, the information provided on the previous report should be updated where appropriate to

## Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance

provide details on the latest position on:

- Progress made - measured against the agreed programme baseline.
- Programmed works/activities for the coming months.
- Changes to programmes. Where revisions result in changes to forecast dates and times of the construction works.
- Identification of changes involving transfers of allocation between schemes, within and between transport areas, provided that the projects are progressing in accordance with programme and to the agreed.
- deliverables and are within the limit of an authority's delegation as indicated in section 7 (pages 10 and 11).
- Reference to proposals for changes to scheme allocations beyond the limit of an authority's delegation and/or where the scope of works varies

in comparison to the scheme as originally approved. Although being identified in the Bimonthly Progress Report form, it is expected that the

details and associated supporting information is separately provided in the form of a request for approval in order to draw attention to the proposals (See also paragraph 26 for proposals for changes when a Bimonthly Progress Report is not due for submission). **These changes to schemes need to be approved by the respective TfL programme managers, who will consider the need and be as flexible as is reasonably practical.**

- Identification of any schemes that have been deferred (with the reasons) and where appropriate any proposed substitute or amended schemes for consideration as a possible alternative. **These changes to schemes need to be approved by the respective TfL programme managers.**
- Revised spending profiles, to be based on actual expenditure incurred and forecast expenditure for the remainder of the year. Authorities may

include an estimate for actual expenditure in a period immediately preceding the submission of a report.

26. Explanations should be given in the comments column, or separately, of:

- The reason(s) for any slippage in the programme.
- Changes to working hours.
- Changes, or proposed changes, to scheme allocations.
- Other problems encountered or foreseen.
- A scheme being 'on programme'.

27. There may be occasions due to timing where programme revisions requiring TfL approval for changes to a scheme or to its works occur, such that they cannot practically be advised through the Bimonthly Progress Report prior to the start of works. In such cases an e-mail request, enclosing an amended Bimonthly Progress Report form highlighting the changes, should be sent immediately to [bsp@tfl.gov.uk](mailto:bsp@tfl.gov.uk). The e-mail should include a subject heading giving the borough/partnership name followed by "urgent update".

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

28. Updating the Scheme information on the Bimonthly Progress Report forms is expected to be an iterative process throughout the year. In evaluating the Bimonthly reports, TfL programme managers will assess progress against the agreed baseline programmes and, where requested, consider proposals for variations to programmes that require formal TfL approval.
29. Where the returned data does not provide sufficient detail, TfL programme managers will contact the Borough Spending Plan contacts to obtain further information including, where necessary, a re-submission of the bimonthly report. Boroughs should note that where TfL's agreement to scheme changes is required the provision of inaccurate or inadequate information may delay approval.

### **OUTCOME REPORTING**

Full monitoring reports for 2003/04 schemes are now to be submitted to TfL via the BSP 2005/06 submission, as described in the BSP Guidance for 2005/06. The schemes to be monitored for 2004/05 have been advised to the boroughs and partnerships. The BSP Guidance for 2005/06 also provides full detail on the requirements for BSP monitoring in 2004/05 and 2005/06. If you have any queries concerning outcome monitoring please contact Reena George, [reenageorge@tfl.gov.uk](mailto:reenageorge@tfl.gov.uk). If you require advice on surveys / data collection please contact Andrew Smith, [andrewsmith@tfl.gov.uk](mailto:andrewsmith@tfl.gov.uk).

### **4 TfL BUSINESS IMPROVEMENT PROGRAMME (BIP)**

31. The recommendations from TfL's review of its borough reporting requirements have led to the introduction of the new BSP forms. The forms also take account of preparations being made to further automate BSP data flow. TfL is also implementing a Project Governance framework alongside its development of SAP, TfL's corporate management information system.
32. BSP bimonthly and financial data will be aggregated and uploaded, where appropriate, into the programme reporting part of this framework beginning in Autumn 2004. Eventually, we expect the BSP spreadsheets to be replaced by interfaces, probably extranet based, between TfL's SAP and boroughs' own systems. Any further developments that involve the BSP process will be the subject of a separate discussion with borough representatives before any announcement is made.

### **5 CONTROL AND RELEASE OF FUNDS**

#### **5.1 General**

33. TfL will monitor progress in accordance with the paragraphs in this document and the conditions set out when funding was announced. However, the objective is to release funds to boroughs for expenditure as

## Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance

soon as possible after it is incurred. Funding will be subject to boroughs providing TfL with timely, up-to-date, actual and forecast expenditure details in their Bimonthly Progress reports. Boroughs will be advised when payments are to be withheld due to the absence of these details. The level of payments requested must also be in line with allocations by scheme and transport area, including variations allowed by delegation (section 7, page 11), as set out in the most recent TfL approved Bimonthly Progress Report.

34. TfL funding will be released on receipt of an Invoice Claim Statement (ICS) to meet boroughs' cash payments on the named schemes shown in their reports. Boroughs are reminded that TfL funding will not be made available in excess of the amounts announced in notification letters unless subsequently amended by TfL or modified by delegated authority (section 7, page 11). The overall total of allocations to an authority is therefore a fixed amount. There should also be no presumption that funding will be automatically available to cover contractual or other commitments in future financial years unless this has been specifically agreed by TfL in advance.
35. TfL Borough Funding will generally authorise payment to the boroughs based on a properly completed and submitted ICS within 24 hours of receipt. TfL will contact a borough submitting an incorrect or inadequate ICS within 1 working day of receipt.
36. Any completed ICS should be sent to the TfL e-mail address, [bsp@tfl.gov.uk](mailto:bsp@tfl.gov.uk). It would be helpful if an e-mail subject heading identifying each specific claim is used on each separate occasion an ICS is submitted, for example 'Borough name, ICS .. ' or 'Borough name, Part 2 –Accrued Expenditure ..', using the next consecutive number as appropriate.

### 5.2 Release of Funds

37. Invoice Claims Statements are to be submitted by boroughs for completed works where a contractor's invoice has been certified by a borough for payment, or where works have been certified for payment for a borough in-house organisation (e.g. DLO) or for borough staffing costs. An ICS can be submitted at any time, although once the first ICS has been submitted by September 2004, subsequent claims should be submitted at least once a month (even if this is a nil return). TfL Borough Funding will contact boroughs where no ICS has been received for work done. Guidance on their completion is included in the notes on within, the pre-populated ICS forms that TfL provides.
38. For 2004/05, Boroughs must include details against individual schemes as recorded on the pre-populated ICS forms. The ICS format has been modified and automatic summing of totals has been included. Similarly, for partnership schemes, these will be separately listed on a Part 2 ICS for the LBPN, the Bridge Strengthening and the Cycling - LCN+ transport areas, along with sub-regional and cross-borough partnership schemes.
39. Each ICS submitted must be properly completed and signed by an authorised borough officer. It is a borough responsibility to ensure the list of

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

officers and specimen signatures is reissued or changes notified to TfL as necessary. Care should be taken to ensure the forms are completed in accordance with this guidance as well as the notes on and attached to the forms. TfL will notify the borough officer who submitted the ICS when a payment transfer to the authority has taken place. Borough officers are therefore asked to ensure their Treasurers are informed.

40. Funds will only be released for works on approved schemes/projects that will be completed in the current financial year and for approved advance design work and activities carried out in 2004/05 that are required for approved schemes to be taken forward in the following year. This excludes funds held for possible retention, which would fall to the following financial year. The forecasts to be included in the January 2005 Bimonthly report should include estimates for amounts likely to be invoiced too late for payment within financial year 2004/05.
41. In the event of the need for the recovery of a TfL overpaid or incorrectly paid amount, an equivalent deduction will be made from the succeeding claim, or claims, wherever possible. TfL will provide a written notification to the borough to this effect or, where it is not possible to make the deduction, will request the return of the overpaid or incorrectly paid amount.
42. Partnerships need to inform TfL and their borough partners of the maximum funding that should be released to each scheme and therefore to each borough within the partnerships' overall total allocation, taking account of the delegated authority provisions where applicable (paragraph 19, page 4 and paragraphs 53 to 56, page 10). Within the delegation limits, lead authorities can vary these amounts at any time by advising the borough and providing TfL with an updated partnership allocation form. However, should transfers beyond the delegation limits be proposed, the procedures set out in the 'Subsequent Bimonthly Reports' section (paragraphs 21 to 1), should be followed. Funding will be released against a borough's correctly submitted ICS up to the respective approved limits. The responsibility for controlling the overall partnership programmes and keeping within the TfL allocations for 2004/05 remains with the lead authority.

### **5.3 End of Year Arrangements**

43. All works and activities are to be charged to the financial year in which they are carried out. It should be noted that in the ICS, the stated allocation for the year should include the retention amount (which is to be identified separately in the column headed retention).
44. TfL must receive the last ICS for 2004/05 by 24 March 2005. Boroughs may not receive some invoices until after this date and some invoices received before this date may not have been included in compiling the last ICS. Arrangements will therefore be put in place to enable such late invoices to be included in the funding period 2004/05. Boroughs should fill in the relevant details in the "Accrued Expenditure" column by entering the expected total amount needed for each applicable scheme. The last possible date for revisions to previously advised accrued expenditure values

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

is 6 working days into the new financial year – unless otherwise agreed with TfL, i.e. on or before 10 April 2005.

45. There is no separate Accrued Expenditure Statement form for 2004/05. Boroughs should claim immediately outstanding invoices have been received and certified for payment by boroughs, by completing the next available “Accrued Expenditure claim” column of the ICS form and submitting to TfL. If undue delays occur in receiving all outstanding invoices, interim “Accrued Expenditure” ICS claims may be submitted before the final claim submission due to TfL by 31 August 2005 (paragraph 48). In such cases an indication of when remaining outstanding invoices are expected should also be provided to TfL.
46. Boroughs are expected to supply accurate 2004/05 accrued expenditure values at the end of the financial year. However, should any changes in accruals values arise, compared to the values previously advised, an updated ICS form must be submitted with the revised values shown in the Accrued Expenditure column, even if no claim is then being made to meet the payment of invoices. In the event of an increase compared to a previously reported value, TfL will prioritise meeting justified increases but cannot guarantee that funds will be available in all circumstances.
47. To enable provision to be made in 2005/06 for payment of retention amounts boroughs should, when known, enter expected values in the column headed ‘Reported Retention Sums’ of the 2004/05 ICS. At the appropriate time, a retention payment claim is made by entering the relevant values in the ‘Retention Claimed’ column of the 2004/05 ICS and then submitting to TfL.
48. As also advised in relation to the 2003/04 financial year-end, it is a requirement that all final claims for the payment of 2004/05 accruals expenditure must be submitted via a completed 2004/05 ICS so that TfL receives them no later than 31 August 2005. An indication of the date by which any outstanding claims for 2004/05 retention sums are expected to be claimed must also be provided to TfL by that date. Failure to comply with this may result in the funds being deployed elsewhere. Should there be circumstances that prevent submission by this date, these should be communicated to [bsp@tfl.gov.uk](mailto:bsp@tfl.gov.uk) by 1 August 2005.

## **6 SLIPPAGE & CARRY-OVER**

49. Slippage is where schemes will not be completed in the funding year. Boroughs should request agreement for slippage from TfL as soon as it is identified and provide justification and reasons within the next Bimonthly Progress Report form that is due and no later than the end-January 2005 Bimonthly Progress report. Unused funding may be re-allocated to other approved BSP schemes that are part funded, or where possible TfL and the borough will identify a new replacement scheme. Such changes will need approval in the normal way. In the event that these options are not possible and TfL cannot transfer the funds elsewhere the borough should prepare a case for carry-over of funding. However, boroughs should be aware that in

## **Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance**

future carry-over is likely to be deducted from the succeeding year's BSP allocation.

50. Carry-over is where boroughs have received specific TfL agreement for funding for schemes to move from the year originally agreed on the Baseline Programme form to a later year. TfL will approve such movement only in exceptional circumstances, mainly where these are beyond the control of the borough. Should carry-over agreement be approved for a specific 2004/05 scheme, TfL will provide the borough or partnership with a revised 2005/06 Agreed Baseline form that includes details relating to that specific scheme.
51. Any final payments 'retained' from contractors by the boroughs that will be paid in 2005/06 will be treated in the same way as accruals.
52. TfL may be unable to provide carry-over in future. Boroughs are reminded that scheduling and delivering BSP projects to time and budget is a key objective and essential from a number of perspectives.

### **7 DELEGATION**

53. Delegated financial authority is given to enable boroughs to vary allocations as described in these paragraphs. This provides latitude for boroughs to move funds between agreed projects, both within and between transport areas, provided that the projects are progressing in accordance with the programme and to the agreed deliverables. This will reduce the financial and administrative tasks linked to movement of funds. Boroughs can therefore take account themselves of cost variations within the delegation limits, but must still deliver the agreed schemes.
54. The maximum limits, for variations to allocations for individual schemes or projects, are a single movement of plus or minus 15% or £30k, whichever is smaller, from the initial agreed TfL allocation. The limits between transport topics are a single movement of plus or minus 15% or £50k whichever is smaller as previously. Further movements by the borough require TfL to approve a revised allocation explicitly.
55. Lead authorities for partnerships are similarly able to move funding between schemes and from borough to borough within the partnership's overall approved allocation level provided the net of any total changes is within the delegation limits of paragraph 54.
56. The notification to TfL of all movements of funds under delegated powers shall either be the subject a separate notification, or be included as part of the submission of the Bimonthly Progress report form (updated TfL agreed Baseline Programme form or updated Bimonthly Progress report form), with the revised values being recorded on the submitted report. The resulting figures in the "Borough Revisions" column should be recorded in both Bimonthly Progress Reports and Invoice Claim Statements. Where a borough is not surrendering funds they should ensure that the total of the "Borough Revisions" columns agree with the total of the "Revised TfL

## Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance

Allocation” columns. TfL programme manager approval is required for any changes in excess of these limits.

### 8 TIMETABLE OF KEY EVENTS

57. A timetable for the financial and reporting activities is set out in the following Table 1:

**Table 1 Key Events 2004/ 2005**

Date	Event / Activity	Action	Cross Reference
4 <sup>th</sup> June	Issue of outstanding agreed Baseline Programme Forms	TfL	
25 <sup>th</sup> June*	1 <sup>st</sup> Bimonthly Progress Report of expenditure and updated programme/spending profiles to TfL	Borough	Paragraphs 5, 6 and 21 to 26, Agreed Baseline Programme Form
16 <sup>th</sup> July*	BSP 2005/06 Bid submissions	Borough	N/A
30 <sup>th</sup> July*	2 <sup>nd</sup> Bimonthly Progress Report of expenditure and updated programme/spending profiles to TfL	Borough	Paragraphs 21 to 26, updated Bimonthly Progress Report Form
31 <sup>st</sup> August*	Final date for submission of 2003/04 accrued expenditure claims	Borough	Completed 2003/04 Accrued Expenditure Statement
30 <sup>th</sup> September*	3 <sup>rd</sup> Bimonthly Progress Report of expenditure and updated programme/spending profiles to TfL	Borough	Paragraphs 21 to 26, updated Bimonthly Progress Report Form
30 <sup>th</sup> November*	4 <sup>th</sup> Bimonthly Progress Report of expenditure and updated programme/spending profiles to TfL, including indication of scheme slippage	Borough	Paragraphs 21 to 26, updated Bimonthly Progress Report Form
28 <sup>th</sup> January 2005*	5 <sup>th</sup> Bimonthly Progress report of expenditure and updated spending profiles to TfL	Borough	Paragraphs 21 to 26, updated Bimonthly Progress Report Form
24 <sup>th</sup> March 2005*	Final 2004/05 in-year ICS to Borough Partnerships	Borough	Paragraph 44, updated Invoice Claim Statement (ICS)
8 <sup>th</sup> April 2005*	Updated 2004/05 ICS, if appropriate, notifying TfL of revisions to previously advised accrued expenditure values	Borough	Paragraph 44, updated Invoice Claim Statement (ICS)
11 <sup>th</sup> April 2005 onwards	Updated ICS forms to claim 2004/05 Accrued Expenditure <sup>1</sup> to TfL (immediately following borough receipt of all invoices).	Borough	Paragraphs 45 to 47, updated Invoice Claim Statement (ICS)
31 August 2005*	Final updated ICS forms to claim 2004/05 Accrued Expenditure to TfL and statement of outstanding claims for retention sums.	Borough	Paragraph 48, updated Invoice Claim Statement (ICS)
Note: * represents latest date for completion of activity.			

<sup>1</sup> Representing value of work done not invoiced and invoices received yet to be paid for 2004/05.

### **9 AUDIT**

58. Authorities will have their own requirements for auditing. In due course TfL intends to exercise its right to carry out random audits in respect of TfL funded projects. TfL will provide further details about such audit arrangements in due course.
59. In compliance with general audit requirements, boroughs should ensure that invoices can readily be associated with the schemes for which expenditure was incurred. Similarly work carried out by in-house borough organisations and staff time spent on approved projects should be supported by a document certifying the amounts claimed and identifying the relevant schemes.

#### **9.1 Objective of futures BSP audits**

60. TfL intends to adopt a risk-based approach to audits and use them to develop both best practice for BSP and to confirm to TfL whether:
- BSP funds paid are used for the projects, schemes or purposes intended and agreed by TfL.
  - ICS claims for BSP funds are supported by the necessary certified invoices and/or statements of in-house resource expenditure.
  - Works or infrastructure installed with the benefit of TfL funding have been removed or substantially altered without prior consent of TfL.
  - Borough transport activities are conducive to the provision of safe, integrated, efficient and economic transport facilities or services to, from or within Greater London and to the implementation of the policies and proposals of the Mayor's Transport Strategy.

#### **9.2 Scope of Audits**

61. Most audits will be limited to the first two objectives listed above and will be 'financial' audits. Full audits covering the full set of objectives may be performed from time to time when circumstances merit, in TfL's opinion. A financial audit may be extended to a full audit upon the discovery of relevant findings or exceptions.
62. A BSP audit may cover the whole or part of a borough's current BSP. A borough's current BSP is defined as those schemes for which ICS claims are not yet complete and also those schemes which are in the process of delivery and approval, including those forming part of a BSP bid. A BSP audit may be extended to complete schemes on the basis of exceptions or findings against current schemes that may extend to such earlier schemes.

#### **9.3 Frequency of Audits**

## Borough Spending Plans 2004- 2005 – Finance & Reporting Guidance

63. TfL intends to perform up to a total of three financial audits per year as a routine, using a combination of judgement and random selection for the auditee borough. Further audits may be performed in response to identified risks or significant potential exceptions arising.

### 9.4 Action for 2004/05

64. It is proposed that later this year, in September/October, TfL will enquire of boroughs and their auditors as to the extent of checks that are made on the relevant BSP areas, including the submission of claims. Boroughs are also requested to inform TfL of significant exceptions or findings applicable to the BSP areas.
65. TfL considers that boroughs should bring the paragraphs in this section to the attention of their auditors.

## 10 BOROUGH PARTNERSHIPS CONTACTS

66. The following is a list of the relevant contacts within Borough Partnerships by subject heading. Please contact Mark Bennett in case of difficulty or for matters not listed below.

**Table 2 Contacts**

Name	Subjects	e-mail	Telephone
Mark Bennett	Head of Group Borough Funding	<a href="mailto:Markbennett@tfl.gov.uk">Markbennett@tfl.gov.uk</a>	020 7941 4915
Colin Mann	Head of Borough Programmes	<a href="mailto:Colinmann@tfl.gov.uk">Colinmann@tfl.gov.uk</a>	020 7941 4086
Denis Sutton	Manager - ICS and BSP Reporting, Borough Funding	<a href="mailto:Denissutton@tfl.gov.uk">Denissutton@tfl.gov.uk</a>	020 7941 4595
Borough Partnerships, Transport for London	Bi-monthly reports / Invoice Claim Statements / general contact	<a href="mailto:Bsp@tfl.gov.uk">Bsp@tfl.gov.uk</a>	Fax number - 020 7941 4275 - for the delivery to TfL of a signed ICS when a corresponding unsigned ICS has been sent to the e-mail address
Other contacts are given in the relevant forms.			

## 11 LIST OF FORMS

Bimonthly Progress Report forms (Excel Spreadsheets).

Invoice Claim Statement (ICS) forms (Excel Spreadsheet).