Business Operations Agreement

Schedule 2

Finance
Statement of Requirements

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STATEMENT OF REQUIREMENTS

This document, along with its appendices, is part of Schedule 2 (Statement of Requirements) of the Business Operations Agreement. Schedule 2 provides the requirements for the Business Operations, MIS, Finance, Interoperability, VoSI and General Service Elements.

This document should be read in conjunction with other component documents of the Agreement as these play an integral part in understanding the requirements set out in this document.

Definitions of terms used in this document are contained in Schedule 1 (Definitions).

In meeting the Requirements set out in this Schedule 2: Statement of Requirements (Finance) the Service Provider shall at all times ensure that the Requirements are delivered in accordance with Clause 4 *(TfL Objectives)* of this Agreement.

The structure and layout of this document is ordered into sections. Each section has a heading with an introductory statement. This is followed by sub-headings containing requirements. Each requirement has two rows containing the following information (see example of layout of Statement of Requirements):

- Requirement number;
- Mandatory; and
- Requirement detail.

Example of Layout of Statement of Requirements

F1.1.1		Mandatory
Individual requirements are located from here onwards.		

The Requirement number indicates the number of the individual Requirement and is made up of one (1) letter and three (3) numbers. The letter indicates the Statement of Requirements to which this requirement relates to (e.g. F= Finance). The first number relates to the section number, the second number relates to the sub-section and the third number relates to the Requirement number within that sub-section.

The Service Provider shall ensure that a mandatory Requirement is met.

Where a new requirement has been created it may have a letter added at the end of the requirement number, for example F 4.1.1b. The letter has been added to the requirement to ensure correct sequencing; it does not indicate a sub-requirement.

Introduction

The finance requirements outlined in this document relate to the management, recording and reporting of cash flows, income and debtors generated through the Schemes. The finance requirements specify both the management and financial accounting requirements to enable TfL effective management control over the income generated by the Schemes.

This section is applicable to Business Operations and outlines the requirements for the provision of financial services to TfL, including but not limited to:

- Audit

- Banking & Fraud

- MIS

- Process & Control

- Reporting

- Security

- Staff and Training

- Standard and Policy

- Systems

- Testing

In addition to the requirements set out in this document, the Service Provider is also required to comply with all applicable Law, including any additional statutory financial requirements.

1 FINANCE

1.1 Audit

Access is required by internal and external TfL auditors to the Service System(s) and the Service Provider's systems and documents. Regular audits need to be carried out by the Service Provider in order to give assurance on the creditability of its operations, reporting and financial statements.

F1.1.1		Mandatory

The Service Provider shall (at no cost to TfL) co-operate fully with any TfL audit pursuant to Clause 36 (Audit and Inspection) including providing access to all relevant Service Provider documentation and personnel.

F1.1.2		Mandatory

The Service Provider shall allow TfL access to all audit data, reports and results from audits commissioned by the Service Provider which relate (in whole or in part) to the Services.

F1.1.3		Mandatory

The Service Provider shall use a risk-based approach to routinely carry out internal audits to provide assurance that effective controls are in place. The Service Provider shall submit a plan for its audit programme to TfL for Assurance and provide TfL with access to the final report.

F1.1.4		Mandatory

The Service Provider shall provide access to the Service System(s) and the Service Provider's systems and documents to TfL's internal and external Auditors when requested by TfL and such access shall be provided at the Service Provider's cost.

1.2   Banking & Fraud

This section details the minimum requirements for the prevention and detection of fraud related to payments, and the controls required for authorising and securing cash receipts. This section is further supported by Schedule 32: Revenue Collection and Payment.

F1.2.1		Mandatory
The Service Provider shall deposit all Revenue into and make all payments from the Collection Accounts in accordance with Schedule 32: Revenue Collection and Payment.		

F1.2.2		Mandatory
The Service Provider shall ensure the Finance System(s) can record all Revenue deposited into the Collection Accounts.		

F1.2.3		Mandatory
The Service Provider shall match Dishonoured Cheques to the source transaction(s).		

F1.2.4		Mandatory
The Service Provider shall ensure the Finance System(s) can match Dishonoured Cheques to the source transaction(s).		

F1.2.5		Mandatory
The Service Provider shall match Chargebacks to the source transaction(s).		

F1.2.6		Mandatory
The Service Provider shall ensure the Finance System(s) can match Chargebacks to the source transaction(s).		

F1.2.7		Mandatory
The Service Provider shall (as necessary) process Refunds by BACs, credit and debit card, and as a backup solution via system and manual cheque.		

F1.2.8		Mandatory

The Service Provider shall ensure the Finance System(s) can process Refunds made via the following payment methods:

- BACs;
- Credit and debit card;
- System cheque;
- Manual cheque; and
- Direct debit.

F1.2.9		Mandatory

The Service Provider shall comply with the latest version of the Payment Card Industry Data Security Standard (PCI/DSS) or, where such standards have been amended and/or superseded, by the latest revisions or superseding standards. Any changes to the Services or Finance System(s) required to ensure compliance as a result of the PCI/DSS being amended or superseded will be borne by the Service Provider. All such changes will be completed to ensure compliance is maintained at all times and shall be completed within the implementation time specified by the Merchant Acquirer.

F1.2.10		Mandatory

The Service Provider shall comply with the latest version of the Merchant Acquirer Best Practice and Guidance (the current version as at the date of this Agreement is described in Appendix 8: Finance Best Practice).

The Service Provider shall, where the Merchant Acquirer Best Practice and Guidance has been amended and/or superseded by later revisions or superseding versions, obtain all correct later versions on the Merchant Acquirer's website.

F1.2.11		Mandatory

The Service Provider shall ensure that all debit and credit card payments are processed through the Merchant Acquirer.

F1.2.12		Mandatory
The Service Provider shall ensure that the Finance System(s) process all debit and credit card payments via the Merchant Acquirer.		

F1.2.13		Mandatory
The Service Provider shall design and implement the Finance System(s) to interact with the Merchant Acquirer.		

F1.2.14		Mandatory
The Service Provider shall be liable for any direct and indirect loss or expense as a result of failing to process transactions in accordance with the Merchant Acquirer Best Practice and Guidance. If the loss or expense is first charged to TfL, it shall be recharged to the Service Provider for payment.		

F1.2.15		Mandatory
Prior to confirming payment with a Customer, the Service Provider shall authorise the transactions with the Merchant Acquirer.		

F1.2.16		Mandatory
The Service Provider shall ensure that prior to confirming payment with a Customer the Finance System(s) authorises the transactions with the Merchant Acquirer.		

F1.2.17		Mandatory
Not used		

F1.2.17A		Mandatory
The Service Provider shall ensure that the Finance System(s) can assign multiple Merchant Identifiers per payment channel and Scheme.		

F1.2.18		Mandatory
The Service Provider shall ensure it has a comprehensive process approved and agreed by TfL for debt recovery.		

F1.2.19		Mandatory
The Service Provider shall implement the Account Updater Service.		

F1.2.20		Mandatory
The Service Provider shall ensure that direct debits are processed in accordance with Appendix 8: Finance Best Practice.		

F1.2.21		Mandatory
In the event of failure of a single Payment Authorisation, the Service Provider shall: (A) not accept the Payment; and (B) for such Customer, only allow one more attempt of another Payment Authorisation for that payment that day.		

F1.2.21A		Mandatory
In the event of failure of a security check, the Service Provider shall: (A) not accept the Payment; and (B) for such Customer, only allow one more attempt of another Payment Authorisation for that Payment that day.		

F1.2.22		Mandatory
The Service Provider shall explain all secure validation methods used in relation to payments on the TfL's Website.		

F1.2.23		Mandatory
The Service Provider shall retain the confirmation of receipt of the complete APACS file of authorisations for all transactions from the Merchant Acquirer.		

F1.2.24		Mandatory
The Service Provider shall ensure that the Finance System(s) retains the complete APACS file of authorisations for all transactions from the Merchant Acquirer.		

F1.2.25		Mandatory
The Service Provider shall have a manual process for the banking of cash and cheques.		

F1.2.26		Mandatory
The Service Provider shall ensure that the Finance System(s) accepts the manual input of cash and cheques and assigns such payment against a VRM.		

F1.2.27		Mandatory
The Service Provider shall design and operate a process to control the handling, issue, authorisation, audit and secure storage of manual cheques.		

F1.2.28		Mandatory
The Service Provider shall ensure that the Service System(s) alerts Customers fourteen (14) days in advance of the Customers credit and debit card expiry date.		

F1.2.29		Mandatory
The Service Provider shall ensure that the Service System(s) allows Customers to update their payment card details.		

F1.2.30		Mandatory
The Service Provider shall process Chargebacks and requests for information regarding Chargebacks within the timescales specified by the Merchant Acquirer.		

F1.2.31		Mandatory
The Service Provider shall ensure the Finance System(s) can process Chargebacks received from the Merchant Acquirer.		

F1.2.32		Mandatory
The Service Provider shall maintain a fraudulent activities log ensuring that all fraudulent activities are recorded as soon as the fraudulent activity is detected.		

F1.2.33		Mandatory
The Service Provider shall ensure that the Finance System(s) can log all fraudulent activities immediately upon detection.		

F1.2.34		Mandatory
The Service Provider shall ensure that the Finance System(s) can link a fraudulent activity to a Customer and Customer Account.		

F1.2.35		Mandatory
The Service Provider shall use the information in the fraudulent activities log before processing Chargebacks and Refunds for an account.		

F1.2.36		Mandatory
The Service Provider shall ensure the provision and management of a fraud risk management process and must submit a Fraud Reduction Plan in accordance with Annex D of Schedule 32: Revenue Collection and Payment.		

F1.2.37		Mandatory
The Service Provider shall ensure that the Service System(s) can block the authorisation of individual debit and credit card numbers and ranges of card numbers as fraud preventative measures.		

F1.2.38		Mandatory
The Service Provider shall employ robust fraud screening software and system processes with business specific fraud rules tailored for TfL. The Service Provider shall ensure that all debit and credit card transactions are screened by this software before a payment is		

accepted.

F1.2.39		Mandatory
The Service Provider shall ensure the Service System(s) can prevent payment authorisation after a Parameterised number of Chargebacks are requested on the same card within a Parameterised period.		

F1.2.40		Mandatory
The Service Provider shall ensure the Service System(s) maintains an audit trail of all transactions processed.		

F1.2.41		Mandatory
The Service Provider shall ensure the Service System(s) records the Customer's system IP address for all online transactions for fraud analysis.		

F1.2.42		Mandatory
The Service Provider shall comply with the fraud prevention best practices set out in Appendix 8: Finance Best Practice.		

F1.2.43		Mandatory
The Service Provider shall conduct security checks on all debit and credit cards including cardholder address verification, in accordance with Schedule 32: Revenue Collection and Payment.		

F1.2.44		Mandatory
The Service Provider shall ensure that Service System(s) have the functionality to activate and deactivate the cardholder address verification when directed by TfL by a direct command from the Service System(s) command control interfaces.		

F1.2.45		Mandatory
The Service Provider shall ensure that the Finance System(s) can switch off the		

cardholder address verification as requested by TfL.

F1.2.46		Mandatory
The Service Provider shall ensure the Finance System(s) shall process recurrent transactions in accordance with Appendix 8: Finance Best Practice.		

F1.2.47		Mandatory
The Service Provider shall ensure the Finance System(s) uses the Account Updater Service on a daily basis to support processing of recurring transactions.		

F1.2.48		Mandatory
The Service Provider shall ensure the Finance System(s) allocates a unique Merchant Identifier to each originating merchant so that transactions can be traced to the originating merchant and such merchant's service system.		

F1.2.49		Mandatory
The Service Provider shall record all Chargebacks on the Service System(s) and, where the Chargeback is related to a Customer Account, it shall also be recorded against the Customer Account in such a way that these accounts can be readily identified and reported on.		

F1.2.50		Mandatory
The Service Provider shall conduct financial credit checks for each new Customer registering to a Fleet Auto Pay Account Service before it can be set up for that Customer to minimise TfL's debt exposure, and such processes and procedures shall be documented by the Service Provider and submitted to TfL for Approval (prior to implementation).		

1.3 MIS

The Service Provider shall ensure that comprehensive financial data is accessible through the Management Information System solution, to enable ad hoc access to data for decision support and reporting.

F1.3.1		Mandatory

The Service Provider shall ensure that the Master Key(s) included in financial transactions are made available in the MIS.

F1.3.2		Mandatory

The Service Provider shall integrate all Financial Data contained in the Service Provider's systems into the MIS.

F1.3.3		Mandatory

The Service Provider shall notify TfL and resolve any reconciliation differences between Financial Data in the MIS and Financial Data in the Finance System(s) immediately.

F1.3.4		Mandatory

The Service Provider shall ensure that Financial Data sourced from the Finance System(s) is synchronised with the MIS.

F1.3.5		Mandatory

The Service Provider shall ensure that the Finance System(s) reconcile all Financial Data with MIS at the Parameterised frequency specified by TfL from time to time.

F1.3.6		Mandatory

The Service Provider shall reconcile Financial Data with the MIS at the request of TfL.

1.4   Process & Control

The Service Provider shall obtain TfL Approval of the design of any finance procedures, processes and controls for assurance purposes. This section details the specific controls and processes required in order to operate each Scheme effectively.

F1.4.1		Mandatory

The Service Provider shall ensure that all Financial Data provided to TfL is complete, correct and consistent with the underlying operational activity.

F1.4.2		Mandatory

The Service Provider shall produce and maintain an issues log detailing all discrepancies in the Financial Data. This shall be provided to TfL at the end of each Period.

F1.4.3		Mandatory

The Service Provider shall submit the design of all procedures, processes and controls relating to Financial Data to TfL for Assurance (prior to implementation).

F1.4.4		Mandatory

The Service Provider shall maintain a system of internal controls to provide the right level of checks and balances to verify reconciliation of Financial Data.

F1.4.5		Mandatory

The Service Provider shall ensure that the Finance System(s) contain a system of internal controls to provide the right level of checks and balances to verify reconciliation of Financial Data

F1.4.6		Mandatory

The Service Provider shall document and perform Periodic checks and reconciliations to prove the completeness and integrity of Data entered into the Finance System(s).

F1.4.7		Mandatory
The Service Provider shall operate a system of control accounts for the Debtors and Creditors ledgers, and shall reconcile the details in the subsidiary ledgers to the control accounts at each Period end. This reconciliation shall be documented, and made available to TfL on request (at no cost to TfL).		

F1.4.8		Mandatory
The Service Provider shall keep a log of all Customers who regularly make payments under or over the requested amount. The frequency and amount of the difference shall both be system configurable. This log shall be made available to TfL on request (at no cost to TfL).		

F1.4.9		Mandatory
The Service Provider shall ensure the Finance System(s) shall maintain a log of Customers who have made a Parameterised number of payments above a Parameterised value.		

F1.4.10		Mandatory
The Service Provider shall ensure the Finance System(s) shall maintain a log of Customers who have made a Parameterised number of payments below a Parameterised value.		

F1.4.11		Mandatory
The Service Provider shall use the log as described in F1.4.8 for monitoring money laundering and shall ensure that all irregularities are thoroughly investigated and actioned.		

F1.4.12		Mandatory
The Service Provider shall design and implement processes, procedures and controls to ensure that Revenue is recorded against the correct Customer with the Revenue banked completely and accurately.		

F1.4.13		Mandatory
The Service Provider shall ensure the Finance System(s) shall record the receipt of payments against a Customer.		

F1.4.14		Mandatory
The Service Provider shall ensure that appropriate procedures, which shall be documented by the Service Provider and submitted to TfL for Assurance (prior to imlementation) are implemented to ensure: - Segregation of Duties between staff with any input into Financial Data; - internal independent review of the Financial Reports; and - appropriate supervision of staff, to safeguard the integrity of the financial processes.		

F1.4.15		Mandatory
The Service Provider shall ensure the Finance System(s) shall restrict security permissions based on User roles in accordance with Schedule 14: Security.		

F1.4.16		Mandatory
The Service Provider shall (at no cost to TfL) amend Financial Reports to correct all inaccuracies and missing data as requested by TfL from time to time (including re-issuing Period end accounts reports where required).		

F1.4.17		Mandatory
The Service Provider shall document the 'Camera to Cash' processes within their remit, showing end to end process flows and key controls as designed and implemented by the Service Provider. This documentation shall be provided to TfL to support the annual external audit process, and shall be updated by the Service Provider annually to include all updates and changes.		

F1.4.18		Mandatory
The Service Provider shall produce finance user guides and finance process documents on how they will assure their operation and submit such guides and process documents to TfL for Assurance, and (when Assured) comply with such guides and process documents		

F1.4.19		Mandatory
The Service Provider shall design and implement processes and procedures that ensure that the policies and controls relating to all Finance System(s) meet the terms of this Agreement and minimise Financial Risks and Operational Risks.		

F1.4.20		Mandatory
The Service Provider shall ensure that there are robustly designed controls for all batch processing. This will include the use of batch totals and Segregation of Duties applied to ensure the completeness and accuracy of Financial Data.		

F1.4.21		Mandatory
The Service Provider shall ensure all processed payments are traceable to a Vehicle Usage Record and to a Customer and the associated Customer Data.		

F1.4.22		Mandatory
The Service Provider shall ensure the Finance System(s) shall associate a processed Payment, with the following: - a Customer; and - a Vehicle Usage Record.		

F1.4.23		Mandatory
The Service Provider shall design and operate processes to recover outstanding debts in the event of the following: - Dishonoured Cheques; - Chargebacks;		

		- failed credit and debit card transactions; and
		- failed direct debit transactions.

F1.4.24		Mandatory
The Service Provider shall ensure the Finance System(s) shall identify outstanding debts which have resulted from the following events: - Dishonoured Cheques; - Chargebacks; - failed credit and debit card transactions; and - failed direct debit transactions.		

F1.4.25		Mandatory
The Service Provider shall ensure that all transactions in a Customer Account are cross referenced to related documents, transactions, and authorisations in order to provide a full audit trail for all Customer related transactions.		

F1.4.26		Mandatory
The Service Provider shall ensure the Service System(s) can record partial payments against debts.		

F1.4.27		Mandatory
The Service Provider shall ensure the Service System(s) can link a partial payment to a debt incurred by a Customer.		

F1.4.28		Mandatory
Not Used		

F1.4.29		Mandatory
Not Used		

F1.4.30		Mandatory

The Service Provider shall completely and accurately record the following:

- Refunds;

- Write-Offs; and

- Adjustments,

for each Scheme against the correct receivable account in the Finance System(s).

F1.4.31		Mandatory

The Service Provider shall ensure that the Finance System(s) posts an entry to a general ledger account as specified by TfL for the following:

- Refunds;

- Write-Offs; and

- Adjustments.

F1.4.32		Mandatory

The Service Provider shall design and operate processes to ensure that Refunds can be made for the following:

- overpayments;

- duplicate payments; and

- payment errors.

F1.4.33		Mandatory

The Service Provider shall ensure that the Finance System(s) shall record the reason for a Refund as being due to one of the following:

- overpayment;

- duplicate payment; and

- payment error.

F1.4.34		Mandatory

The Service Provider shall ensure Refund statements reference in all cases the Refund reason, amount and unique references that apply to each specific transaction.

F1.4.35		Mandatory
The Service Provider shall ensure that the Finance System(s) link a unique reference number to each transaction.		

F1.4.36		Mandatory
The Service Provider shall ensure that the Refund statement produced by the Finance System(s) to be sent to the Customer displays the unique Refund reference number, amount and the reason for the Refund for each transaction.		

F1.4.37		Mandatory
The Service Provider shall implement a process which has been Approved by TfL for dealing with unbanked refund cheques greater than six (6) months from when they were issued and the stopping of issued cheque payments.		

F1.4.38		Mandatory
The Service Provider shall ensure that the Finance System(s) can identify unbanked refund cheques that are greater than six (6) months from when they were issued.		

F1.4.39		Mandatory
The Service Provider shall ensure that the Finance System(s) can prevent new cheques from being issued to a Customer if the previous issued cheque was not banked within six (6) months of issue.		

F1.4.40		Mandatory
The Service Provider shall not process any Goodwill payments without obtaining prior authorisation from TfL. The Service Provider shall record any Goodwill payments which have been made. If TfL authorises (or requires) Goodwill payments in connection with a		

breach of this Agreement by, or negligence of, the Service Provider, the Service Provider shall bear the cost of all such payments (and shall reimburse TfL for the same).

F1.4.41		Mandatory
The Service Provider shall ensure the Debtor control account in the balance sheet will be the net of all recognised income, less the Revenue from all Customers.		

F1.4.42		Mandatory
The Service Provider shall ensure that the Finance System(s) allocates all recognised income minus Revenue from all Customers to the Debtor control account in the balance sheet.		

F1.4.43		Mandatory
The Service Provider shall ensure that all monitoring and controls are subject to a continued review throughout the Term at no additional cost to TfL. The Service Provider shall provide a report containing the key Financial Risks and mitigating controls to TfL on a quarterly basis for Assurance.		

F1.4.44		Mandatory
The Service Provider shall not process Customer Refunds if the amount to be refunded is greater than the Parameterised Refund Threshold without first obtaining written authorisation from TfL.		

F1.4.45		Mandatory
The Service Provider shall ensure that the Finance System(s) only processes a Customer Refund if prior written authorisation is obtained from TfL where the amount to be refunded is greater than the Parameterised Refund Threshold.		

F1.4.46		Mandatory

The Service Provider shall process Refunds to Customers from different Collection Accounts configurable by Scheme.

F1.4.47		Mandatory
The Service Provider shall ensure that the Finance System(s) shall process Refunds to Customers from different Collection Accounts configurable by Scheme.		

F1.4.48		Mandatory
The Service Provider shall ensure the Auto Pay payment collection is triggered in relation to a Customer by the issue of an Auto Pay Statement to that Customer.		

F1.4.49		Mandatory
The Service Provider shall ensure a paperless process for all correspondences related to manual payments.		

F1.4.50		Mandatory
The Service Provider shall allow Customers to select the billing date for any recurrent transactions (and shall implement such selection).		

F1.4.50A		Mandatory
The Service Provider shall ensure that the Finance System(s) allows Customers to select the billing dates for any recurrent transactions (and implements such selection).		

F1.4.51		Mandatory
The Service Provider shall ensure that the Finance System(s) allocates a payment reference on the Customer's Account for all recurrent transactions. This payment reference is to be passed to the Merchant Acquirer so that the Customer can recognise the recurrent transaction.		

F1.4.52		Mandatory
The Service Provider shall ensure the Finance System(s) provides the Customer with a		

notification of the amount due for the recurrent transaction at least fourteen (14) days in advance of the payment being taken.

F1.4.53		Mandatory
The Service Provider shall contact the Customer to obtain alternative account billing details if any recurrent transaction is declined.		

F1.4.54		Mandatory
The Service Provider shall ensure the Finance System(s) assigns a unique code to each payment channel, and shall record this code against all transactions using this payment channel.		

F1.4.55		Mandatory
The Service Provider shall ensure the Finance System(s) assigns a unique code to each payment method, and shall record this code against all transactions using this payment method.		

F1.4.56		Mandatory
The Service Provider shall ensure that the Finance System(s) assigns a unique code to each type of Payment, including separate codes for Refunds of payments where appropriate.		

F1.4.57		Mandatory
Not Used		

F1.4.58		Mandatory
Not used		

F1.4.59		Mandatory

The Service Provider shall actively manage the Debtors account structure, and shall ensure there are no duplicate or ambiguous Customer Accounts, and that VRMs are accurately mapped to the correct Customer.

F1.4.60		Mandatory

The Service Provider shall ensure that the Finance System(s) shall modify the Debtors account structure when required by TfL (at no cost to TfL).

F1.4.61		Mandatory

The Service Provider shall migrate any Data history to the Service Provider's system, including any financial or operational Data necessary to support the ongoing operation of each Scheme in accordance with the Migration Strategy

F1.4.62		Mandatory

The Service Provider shall provide TfL access to the Service Provider's Systems to investigate accounts, transactions and images on a read only basis in accordance with Schedule 34: TfL Policies.

F1.4.63		Mandatory

The Service Provider shall ensure selected TfL users have read only access to the Finance System(s).

F1.4.64		Mandatory

The Service Provider shall ensure that it designs and submits to TfL for Assurance, then (when Assured) implements and audits an appropriate financial control structure.

F1.4.65		Mandatory

The Service Provider shall ensure that recurring transactions are offered in accordance with Appendix 8: Finance Best Practice.

1.5 Reporting
Management and financial reporting requirements (including frequency and scope) are detailed in this section which is supported by Schedule 32, Annex A (Financial Reports).

F1.5.1		Mandatory
The Service Provider shall ensure that Service Provider Personnel responsible for managing the Finance Function attend Periodic meetings with TfL during the Operational Phase.		

F1.5.2		Mandatory
The Service Provider shall communicate all limitations, errors, missing data and anomalies in the underlying Financial Data to TfL immediately.		

F1.5.3		Mandatory
The Service Provider shall ensure that all accounting journals are at all times created using the latest version of the TfL journal upload template and in a format compatible with uploading to TfL SAP FI/CO system (which as at the date of this Agreement is a CSV file). The TfL journal upload template will be provided by TfL to the Service Provider from time to time.		

F1.5.4		Mandatory
The Service Provider shall ensure that the Finance System(s) shall import journal entries from a journal upload template which is at all times in the latest version of the TfL upload		

template and in a format compatible with uploading to TfL SAP FI/CO system(which as at the date of this Agreement is a CSV format).

F1.5.5		Mandatory
The Service Provider shall ensure that the Finance System(s) shall maintain all previous versions of journal upload templates for back up purposes.		

F1.5.6		Mandatory
The Service Provider shall ensure that all Financial Data is recorded in the Functional Currency of TfL which as at the date of this Agreement is pounds sterling (GBP).		

F1.5.7		Mandatory
The Service Provider shall ensure that the Finance System(s) records all Financial Data in the Functional Currency of TfL which as at the date of this Agreement is pounds sterling (GBP).		

F1.5.8		Mandatory
The Service Provider shall provide TfL with a detailed breakdown of income and debtor figures to enable management control and analysis in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.9		Mandatory
The Service Provider shall perform a daily Bank Reconciliation for each Collection Account, and shall explain and resolve any reconciling differences, and post any necessary journals to account for differences identified.		

F1.5.10		Mandatory
The Service Provider shall ensure that the Finance System(s) generates a daily Bank Reconciliation for each Collection Account.		

F1.5.11		Mandatory
The Service Provider shall provide each Bank Reconciliation to TfL daily in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.12		Mandatory
The Service Provider shall append an electronic copy of the relevant TfL bank statement to each Bank Reconciliation.		

F1.5.13		Mandatory
The Service Provider shall ensure the Finance System(s) appends an electronic copy of the relevant TfL bank statement to each Bank Reconciliation.		

F1.5.14		Mandatory
The Service Provider shall ensure the Risk Register includes financial risks and documented mitigations and controls from time to time.		

F1.5.15		Mandatory
The Service Provider shall provide a summary and detailed report of aged Debtors including bad debt report on the first Working Day after the end of each Period in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.16		Mandatory
The Service Provider shall ensure that the Finance System(s) generates a summary report of aged Debtors including bad debt and provides this to TfL on the first Working Day after each Period end.		

F1.5.17		Mandatory
The Service Provider shall ensure that the Finance System(s) generates a detailed report of Debtors and provides this to TfL on the first Working Day after each Period end.		

F1.5.18		Mandatory
The Service Provider shall provide Financial Reports and journals relating to each Period to TfL by the end of the first Working Day following the end of the Period, in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.19		Mandatory
The Service Provider shall ensure that the Finance System(s) generates all Financial Reports and journals and provides them to TfL by the end of the first Working Day following the end of the Period.		

F1.5.20		Mandatory
The Service Provider shall provide Financial Reports separating each different Scheme in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.21		Mandatory
Not Used		

F1.5.22		Mandatory
Not Used		

F1.5.23		Mandatory
The Service Provider shall provide the Financial Reports in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.24		Mandatory
The Service Provider shall ensure that the Finance System(s) shall generate Financial Reports in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.25		Mandatory
The Service Provider shall ensure Financial Reports are provided in the format specified in Schedule 32: Revenue Collection and Payment.		

F1.5.26		Mandatory
The Service Provider shall ensure that the Finance System(s) shall generate all Financial Reports in the format specified in Schedule 32: Revenue Collection and Payment.		

F1.5.27		Mandatory
The Service Provider shall ensure that amounts held in Suspense Accounts are identified and resolved in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.28		Mandatory
The Service Provider shall record Gross Income separately from any expenses and bank charges incurred by debit and credit card clearing organisations and debt collection agencies.		

F1.5.29		Mandatory
The Service Provider shall provide TfL ad-hoc extracts of the Financial Reports within two (2) Working Days of the request being issued by TfL.		

F1.5.30		Mandatory
The Service Provider shall adopt the accounting periods of TfL and shall complete period end reporting by the end of one (1) Working Day following each Period end.		

F1.5.31		Mandatory
The Service Provider shall ensure that the Finance System(s) shall adopt the Periods, in accordance with Schedule 32: Revenue Collection and Payment.		

F1.5.32		Mandatory
The Service Provider shall use the migrated Data in accordance with the Migration Strategy to explain accounting results for years prior to the date of this Agreement where requested by TfL.		

F1.5.33		Mandatory

The Service Provider shall incorporate Data history into Financial Reports, where requested by TfL and in accordance with Annex A of Schedule 32: Revenue Collection and Payment.

F1.5.34		Mandatory

The Service Provider shall make changes to the Financial Reports (including reporting classifications) where requested by TfL from time to time (at no cost to TfL).

F1.5.35		Mandatory

The Service Provider shall provide operating cash flows for each Scheme which include the following:

- receipts from payments;
- receipts from charge prepayments;
- payments to Scheme Customers for Refunds; and
- other relevant cashflow transactions including Chargebacks.

F1.5.36		Mandatory

The Service Provider shall ensure that the Finance System(s) shall generate an operating cash flow statement which includes:

- receipts from payments;
- receipts from charge prepayments;
- payments to Scheme Customers for Refunds; and
- other relevant cashflow transactions including Chargebacks.

F1.5.37		Mandatory

The Service Provider shall ensure that the Finance System(s) generates and provides to TfL a report of Customer Refunds, in accordance with Schedule 32: Revenue Collection and Payment.

F1.5.38		Mandatory

The Service Provider shall identify and investigate unusual Refund patterns and shall immediately notify TfL of such events.

F1.5.39		Mandatory
The Service Provider shall generate and provide to TfL an exception report to confirm receipt of Bailiff and EDRA files.		

F1.5.40		Mandatory
The Service Provider shall ensure that the Finance System(s) shall confirm receipt of files from the Bailiffs and EDRA.		

F1.5.41		Mandatory
The Service Provider shall ensure Bailiff and EDRA files can be accessed by TfL.		

1.6 Security

The requirements in this section are additional to the Security Requirements outlined in Schedule 14: Security.

F1.6.1		Mandatory
The Service Provider shall submit to TfL for Assurance, and (when Assured) comply with, security procedures to safeguard all books and records in accordance with Schedule 14: Security.		

F1.6.2		Mandatory
The Service Provider shall ensure the Finance System(s) conforms to Schedule 14: Security.		

F1.6.3		Mandatory
The Service Provider shall ensure that staff are assigned appropriate levels of access to the Service System(s), and that Personnel access to Data is revoked for a Supplier Person when that Supplier Person leaves or changes roles, in accordance with Schedule 14: Security.		

F1.6.4		Mandatory
The Service Provider shall review User system access to Data in accordance with Schedule 14: Security.		

1.7   Staff and Training

The Service Provider shall ensure that all Service Provider Personnel have all relevant and required skill and knowledge through training and experience to enable them to perform their duties competently.

F1.7.1		Mandatory
The Service Provider shall ensure that Service Provider Personnel responsible for managing the Finance Function are Qualified Accountants holding a current recognised Chartered Accounting Qualification and (at no additional cost to TfL) are fully trained to enable them to perform their duties competently. The Service Provider shall ensure that such Service Provider Personnel are fully involved during the Implementation Phase and the Operational Phase.		

F1.7.2		Mandatory
The Service Provider shall nominate a dedicated Qualified Accountant who is responsible for managing the financial deliverables under this Agreement in accordance with Schedule 11: Employees and Key Personnel.		

F1.7.3		Mandatory
The Service Provider shall (at no additional cost to TfL) provide annual internal fraud detection and prevention training to all Service Provider Personnel involved in processing payments, Refunds and Chargebacks.		

F1.7.4		Mandatory
The Service Provider shall (at no additional cost to TfL) provide anti-money laundering		

training to all new staff, and shall provide refresher training for existing staff.

F1.7.5		Mandatory
The Service Provider shall maintain and provide to TfL upon request a training log, to demonstrate that all Service Provider Personnel have received the appropriate training.		

1.8   Standard and Policy

These requirements outline the standards and policies to be used for the preparation of financial statements, recording and processing of transactions, and other financial management activities.

F1.8.1		Mandatory
The Service Provider shall adopt the Chart of Accounts for all record keeping in accordance with Annex B of Schedule 32: Revenue Collection and Payments.		

F1.8.2		Mandatory
The Service Provider shall ensure that the Finance System(s) use the Chart of Accounts for maintaining general ledger account hierarchies in accordance with Annex B of Schedule 32: Revenue Collection and Payments.		

F1.8.3		Mandatory
Not Used		

F1.8.4		Mandatory
The Service Provider shall process all accounting transactions within the relevant Periods. Where transactions are missing the reason(s) and value shall be disclosed to TfL in writing by the Service Provider immediately.		

F1.8.5		Mandatory

The Service Provider shall ensure that the Finance System(s) processes all accounting transactions in accordance with the Periods.

F1.8.6		Mandatory

The Service Provider shall comply with International Financial Reporting Standards (IFRS).

F1.8.7		Mandatory

The Service Provider shall comply with changes to accounting policies as required by TfL in accordance with the Change Control Request Procedure.

F1.8.8		Mandatory

The Service Provider shall ensure that the Finance System(s) is updated with changes to accounting policies as required by TfL in accordance with the Change Control Request Procedure.

F1.8.9		Mandatory

The Service Provider shall comply with ISA 402 and where such standards have been amended and/or superseded, by the latest revisions or superseding standards and working practices.

F1.8.10		Mandatory

The Service Provider shall comply with ISAE3402 and where such standards have been amended and/or superseded, by the latest revisions or superseding standards and working practices.

F1.8.11		Mandatory

The Service Provider shall ensure that Charge Income is recognised on the day the eligible vehicle enters the Charging Zone(s). The additional income for Pay Next Day is recognised on the day the payment is made.

F1.8.12		Mandatory
The Service Provider shall ensure that all Charge Income will be deferred if purchased in advance of the date when such charges apply.		

F1.8.13		Mandatory
The Service Provider shall ensure that Administration Charges for each Scheme are recognised when the Service Provider receives the associated administration charge payments.		

F1.8.14		Mandatory
The Service Provider shall calculate the Bad Debt Provision at each Period end, using a method Approved by TfL.		

F1.8.15		Mandatory
The Service Provider shall ensure that the Finance System(s) calculates Bad Debt Provisions at each Period end using a method Approved by TfL.		

F1.8.16		Mandatory
The Service Provider shall submit a process for the Write-off of bad debts in the Debtors control account to TfL for Approval and (when Approved) comply with such process.		

F1.8.17		Mandatory
The Service Provider shall ensure that the Finance System(s) shall Write-Off bad debts to Debtors control account in accordance with the process Approved by TfL.		

F1.8.18		Mandatory
The Service Provider shall not Refund more than was originally paid by the Customer, unless the Refund is a Goodwill Payment which has been authorised by TfL in advance.		

F1.8.19		Mandatory
The Service Provider shall ensure that the Finance System(s) prevents a Refund from		

being issued to a Customer where the value is greater than the original amount paid, unless the Refund is a Goodwill Payment which has been authorised by TfL in advance.

F1.8.20		Mandatory
The Service Provider shall define a separate functionality to make Goodwill payments to Customers.		

F1.8.21		Mandatory
The Service Provider shall ensure that the Finance System(s) shall process Goodwill payments to Customers.		

F1.8.22		Mandatory
The Service Provider shall ensure that the Finance System(s) logs all Data provided to the Metropolitan Police Authority.		

1.9   Systems

The Service Provider shall provide an accounting system with ledger, complimentary to the payments and operations systems, with functionality as stipulated in the below requirements.

F1.9.1		Mandatory
The Service Provider shall ensure that all summarised financial and operational Data can be traced back to the original transactions.		

F1.9.2		Mandatory
The Service Provider shall provide an accounting system with general ledgers.		

F1.9.3		Mandatory
The Service Provider shall ensure that the Finance System(s) provides the ability to manage general ledgers.		

F1.9.4		Mandatory
The Service Provider shall ensure that all Data is retained in accordance with Appendix 11: Data Retention.		

F1.9.5		Mandatory

The Service Provider shall ensure the Finance System retains all data in accordance with Appendix 11: Data Retention.		

F1.9.6		Mandatory
The Service Provider shall ensure the operation of the Finance System(s) does not have any impact on performance of the Service System(s).		

F1.9.7		Mandatory
The Service Provider shall ensure that the Finance System(s) can identify the credit and debit card details of a Payment Transaction made on a credit and debit card.		

F1.9.8		Mandatory
Not used		

F1.9.9		Mandatory
The Service Provider shall ensure the Finance System(s) transfers data via a secure method to other Systems in accordance with Schedule 14: Security.		

F1.9.10		Mandatory
The Service Provider shall ensure the Finance System(s) can allocate payment files against Customer Accounts for Bailiffs and EDRA.		

F1.9.11		Mandatory
The Service Provider shall ensure that the Finance System(s) prevents Refunds being issued to expired credit and debit cards.		

F1.9.12		Mandatory
The service provider shall ensure that the Finance System(s) provides the functionality to Refund to a Customer's bank account for Customers with a direct debt indemnity claim.		

F1.9.13		Mandatory

The Service Provider shall ensure the Finance System(s) shall export Data when requested by TfL (and at no cost to TfL) to a format specified by TfL where Data cannot be easily viewed within the Service Provider's System and/or where Data volumes are high.

1.10 Testing

These requirements are to provide assurance that a comprehensive testing of the operation has been undertaken before operational commencement.

F1.10.1		Mandatory
The Service Provider shall Test the Finance Systems in accordance with Schedule 4: Testing Regime.		

F1.10.2		Mandatory
The Service Provider shall ensure that the Finance Systems(s), including relevant test data, is made available to the TfL team at least two (2) months prior to the Planned Operational Commencement Date to allow time for acceptance testing of financial outputs.		

F1.10.3		Mandatory
The Service Provider shall provide a sufficient dedicated finance resource to the TfL team throughout Testing of the Finance System(s) in order for such testing to be executed and completed.		