

| Issue | Panel Update | Actions/Recommendations |
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| 2017/18 annual accounts and audit | <p>The Panel reviewed the latest drafts of the 2017/18 annual accounts and annual governance statements (AGS) for the OPCC and the Chief Constable. The Panel welcomed the addition of reference to the 2018/19 financial sustainability plan in the AGS and suggested additional reference to the risks arising from the relatively low reserves in the annual accounts.</p> <p>The external auditor presented a draft summary set of conclusions. The Panel welcomed the expected unqualified audit and VFM opinions. The Panel discussed issues associated with the auditor's VFM tests and urged an earlier mid-point review of progress for 2018/19. In relation to the financial statements the Panel noted the relatively modest number of issues identified by the auditor despite the earlier closedown timetable and expressed thanks to the finance team.</p> | <p>The Panel's views will be relayed to ETAP as part of the formal consideration of the full auditor's report.</p> |
| Monthly Financial Monitoring | <p>The Panel received summary financial and capital expenditure performance reports for Q1 together with a fuller financial sustainability report and the 2017/18 treasury management report. The Panel welcomed this early sight of financial performance and noted that it was just two weeks after month end.</p> <p>The Panel expressed concern about the potential impact of</p> <ul style="list-style-type: none"> - An initial forecast overspend in 2018/19 - The relatively low level of general reserves - The size of the capital programme - The scale of borrowing relative to prudential debt limits <p>Several possible risks and opportunities related to these financial forecasts were explored. The Panel offered to assist with developing a narrative to support the case for enhanced controls around revenue and capital expenditure in 2018/19.</p> | <p>The Panel will continue to closely monitor the revenue reserves position and the development of revised 2018/19 capital and revenue plans.</p> |
| Internal Audit | <p>The Panel received a draft internal audit plan from the new auditors RSM. The plan focused on high risk areas and was developed to avoid duplication of assessments by other bodies and regulators.</p> | <p>Final plan to be shared with ETAP at their July 2018 meeting.</p> |

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| Finance structure, systems and processes | The Panel has received updates on progress with a new structure for the Force finance and commercial functions together with progress and risk reports on finance systems developments. The Panel has welcomed the plans to strengthen financial management and increase the number of qualified finance staff. | The Panel will continue to monitor plans to strengthen financial and commercial management and systems. |
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Alan Edwards**ETAP Finance Panel Chair**