

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received a summary financial and capital expenditure performance report for the last 12 months.</p> <p>The Group's financial performance for the year at £39.9m shows an underspend of £1m against the 2019/20 budget.</p> <p>The underspend is largely the result of lower than budgeted staff costs - £0.7m less than budget. This in part reflects a lower than expected number of ill health retirements. There are savings on a number of non-pay headings partly offset by higher than budgeted cost of other support services. Pleasingly income and interest receivable are some £0.4m more than budgeted and capital financing costs are some £250k lower than budget.</p> <p>The outturn is better than forecast during the year and has meant that the service is able to avoid the planned £0.5m use of reserves this year.</p> <p>In relation to capital the Group spent £1.9m which was significantly less than the original capital programme. As a result, some £4m of capital projects will be carried forward into 2020/21.</p> <p>The service ends 2019/20 in a strong cash position at £15.5m. This is £8m more than forecast.</p> <p>Looking ahead the Panel was briefed on additional funding for 2020/21 to cover extra costs arising from the current crisis.</p> <p>The Panel warmly welcomed this healthy financial position and thanked the service for ongoing strong financial management.</p>	The Panel will continue to closely monitor the underlying financial performance in 2020/21.
External Audit	<p>The Panel received a letter from the external auditor explaining some of the pressures on the audit firms from regulators, staffing and market challenges and the potential implications for the audit timetable and fees. A verbal update on the changed year end reporting timetable was also received from the SCO Director of Finance, alongside a commitment to maintain the current year end reporting arrangements.</p> <p>The Panel welcomed the finance team's commitment to maintaining the original year end timetable.</p>	The Panel noted the update on the external audit market
Internal Audit	The Panel discussed the progress on changing internal audit arrangements for 2020/21 and the year-end head of internal audit opinion for 2019/20.	The Panel will review the head of internal audit opinion and the new auditor's initial audit plan.

Alan Edwards

ETAP Finance Panel Chair