

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received a final year end summary financial and capital expenditure performance report for 2020/21.</p> <p>The Group outturn for the year was £211.6m. This is an underspend of £0.8m (0.37%) against the annual budget of £212.4m.</p> <p>The performance was primarily driven by:</p> <ul style="list-style-type: none"> - Non-pay spend delays due to COVID - Police Staff pay underspends due to vacancies - Increased income from grants and reimbursements - The impact of Covid on planned spend, recruitment and capital delivery <p>Pay was underspent by £3.6m for the year. Whilst Police Officer pay was slightly overspent, there were underspends in Police Staff costs (partly offset by agency staff costs) and PCSOs. Non-Pay, including contracted and capital financing costs, was underspent by £0.4m, within this figure was £0.470m spend relating to the national procurement of PPE for which a reimbursement was received.</p> <p>The Group delivered £2.9m (87%) of its savings target for the year of £3.4m.</p> <p>The Group spent £11.3m on capital schemes to the end of the financial year.</p> <p>The year-end underspend was added to general reserves, meeting the requirement of 3% of future net revenue budget. At the end of the year the General Reserves were £7.2m, 3.37% of the 2020/21 net revenue budget. There were a number of transfers to earmarked reserves in 2020/21 taking the total value of earmarked reserves to £20.2m for the Group. These reserves include provision for response to risks such as Covid-19, IT transformation and future pension risk.</p> <p>The Panel warmly welcomed the outturn picture in particular the opportunity to strengthen reserves given significant emerging uncertainties. Also welcome was the stronger cash and borrowing position. The Panel requested some comparative analysis of financial KPIs in relation to reserves, cash and borrowing etc.</p>	<p>The Panel welcomed the year-end review of the Group's financial performance.</p> <p>Looking ahead the Panel will continue to closely monitor the underlying financial performance, the revenue reserves position and the demands of the capital programme.</p>
Financial reporting	<p>The Panel was briefed on progress in relation to the finalisation of accounts for audit. A first complete draft of the accounts is expected shortly which should assist Panel members with an early review prior to external audit. The auditors are expected to commence their work in mid-June with the completion now anticipated in September. Alterations to the ETAP timetable were discussed to react to this new audit target completion date.</p> <p>The Panel also discussed the impact of the new VFM audit requirements and the impact on its work.</p>	<p>The Panel will support changing external audit reporting arrangements and timetable.</p>

Role and involvement of S151 officer	<p>The Panel received a paper summarising a discussion between the External Auditor and the Chief and Deputy Chief Constables regarding force governance and the involvement of the S151 officer.</p> <p>In the meeting the Chief Constable outlined and addressed the governance arrangements in place and provided assurance that the force is complying with the CIPFA guidance most recently published. At the conclusion of the meeting, the auditor was content both that the required arrangements are in place, and that the force fully understands the role of the Section 151 Officer.</p> <p>The Panel welcomed the conclusion of this discussion.</p>	The Panel will review the External Auditors report on VFM and governance.
SCO and Force Annual Governance Statements	<p>The Panel received draft Annual Governance Statements for both the SCO and the force.</p> <p>Two ETAP members have already been involved in reviewing earlier drafts of the SCO AGS and will now review in detail the force AGS. The Panel welcomed the comprehensiveness and readability of both documents. The clarity of the governance charts was welcome.</p> <p>The Panel noted that there was little information in relation to social and environmental issues and that this was an area that could look to be strengthened in future years given the importance of climate change and ESG reporting.</p>	The Panel will continue to play an active role in relation to annual reporting.
SCO risk register	The Panel received a copy of the latest risk register and a verbal update on force risks. The Panel again welcomed the clarity of the analysis.	The Panel will continue to review risks and their reporting.

Alan Edwards
ETAP Finance Panel Chair