

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance reports for periods 12 – in effect the year end management accounts. The Group’s financial outturn at £182.2m is some £1.2m lower than original budget.</p> <p>The outturn reflects a number of significant financial movements. These are primarily:</p> <ul style="list-style-type: none"> <li>- increased use of capital receipts to fund spending on long term transformational work and redundancies as allowed by relevant government financial regulations</li> <li>- additional income in a number of service areas compared to budget</li> <li>- lower than budgeted capital financing charges due to changes to MRP</li> <li>- offset by higher than budgeted costs for Boeing and other partners</li> </ul> <p>As a result, the Group’s reserve position has been strengthened. This will increase general reserves to £4.5m or 2.5% of expenditure.</p> <p>This represents a significant improvement compared to earlier projections for the year end. The Panel warmly welcomed the improvement in the Group’s financial position. In particular, the opportunity it provides to improve reserves.</p> <p>The Panel also debated the implications for 2019/20 and the years beyond and looked at the underlying financial position. In this regard the growing capital programme and its implications for revenue spending particularly from 2020/21 onwards was noted.</p>	<p>The Panel thanked the Force and Group staff for the improved 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>
Draft Annual Reports	<p>The Panel received draft annual reports and accounts for the Force and the Group for 2018/19.</p> <p>Recognising the complex nature of the detailed accounts the Panel felt the narrative in both reports was readable and easy to follow. Minor initial suggestions were made and the Panel and wider ETAP members were invited to send any comments to the S151 officers.</p> <p>The Panel thanked the finance team for producing the accounts and for their contribution towards a better financial performance.</p>	Panel and ETAP members to review and comment.
Draft Annual Governance Statements – OSC and Force	The Panel received draft copies of the Annual Governance Statement (AGS) for the Force and OSC. Two Panel members had already been involved in earlier discussions on format and content after past concerns about the narrative flow and language.	The final AGSs will form part of the Annual Reports presented to ETAP.

	The Panel welcomed the revised approaches that both have adopted and their readability. A small number of minor amendments were suggested. The key actions suggested in both reports were endorsed.	
Internal Audit annual report for 2018/19	<p>The Panel received the annual report from RSM.</p> <p>The Panel welcomed the Head of Internal Audit opinion that there are adequate and effective arrangements for risk management, governance and internal control. The Panel particularly noted the improvement in the financial management assurance level during the year which moved from partial to reasonable assurance.</p>	The Panel will continue to review Internal Audit reporting in 2019/20.
Commissioner Strategic Risk Register	The Panel received an update on risk management procedures and the latest risk register. The Panel welcomed the clarity of this risk register. The Panel discussed differences in risk management processes of FARS and Policing. The collaboration board currently considers risks to collaboration projects. The Panel suggested that risks across the whole Commissioner's portfolio should be considered at a strategic governance level.	The Panel will continue to review strategic risk management across the Commissioner's portfolio.
Boeing contract	The Panel was briefed on the latest discussions between the Commissioner's office, the Force and Boeing.	The Panel will continue to monitor this critical partnership.

**Alan Edwards**

**ETAP Finance Panel Chair**