

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received the period 12 summary financial and capital expenditure performance report for 2021/22.</p> <p>The Group forecast outturn for the year end is now £220.77m. This is a positive variance of £1.3m (0.59%) against the annual budget of £222.1m. The variance is to be added to general reserves due to the uncertainty of the economic climate.</p> <p>Pay and pension costs have underspent by £4.923m for the year. Police Officer pay has overspent by £0.540m (due to overtime), Police Staff costs (partly offset by agency staff costs) has underspent by £2.237m and PCSOs has underspent by £0.615m. The remainder of the underspend is attributable to Police Officer Pensions (£2.049m) and Other Employee Costs (£0.562m).</p> <p>Non-Pay, including contracted and capital financing costs, has overspent by £0.771m. This is driven by additional revenue contributions to capital in year which has resulted in no requirement to borrow to finance expenditure on short-life assets (IT, Fleet and Equipment) for the 2021/22 programme. The capital financing requirement (net debt) has fallen by c.£3m in year. This will be incorporated in to the MTFS refresh but will provide a new MTFS saving based on lower debt servicing costs.</p> <p>The Group savings target for 2021/22 was just over £2m of which 94% has been achieved. This gives the Panel added assurance that the finance management is robust.</p> <p>The Capital programme has spent £4.681m compared to an original plan of £21.548m A number of factors have had impact on the Capital and ETAP are in the process of starting a review to ensure the process is sound.</p> <p>The General Reserves are now £8.520m, 3.65% of the 2021/22 net revenue budget, in line with the commissioners reserves strategy.</p> <p>There are a number of transfers to earmarked reserves in 2021/22 taking the total value of earmarked reserves to £27.614m as at 31st March 2022. Covid, Border delays and War in Ukraine have all contributed to supply chain issues which has impacted on the receipting of goods in the financial year, necessitating higher than forecast revenue budget carry forwards.</p> <p>Significant amounts of unbudgeted income have been received in year, in part contributing towards the favourable financial position; this is common across the wider Local Authority sector (Police, Fire, Councils). In Staffordshire this includes, but is not limited to: Covid Support Grants, Safer Streets Funding, additional uplift funding from CT policing, COP26 support and a grant in Period 12 for the Tax Income Compensation Scheme.</p>	<p>The Panel welcomed the consistency of the year-end forecasts.</p> <p>There were concerns raised by Members over the impact of ongoing delays in implementing the capital programme. Also, the uncertainty of the impact of the increasing inflation</p> <p>The Panel will continue to closely monitor the underlying financial performance, the revenue reserves position and the changing demands of the capital programme with possible impact on service delivery</p>

External Audit of 2020/21 Annual Accounts	<p>Members picked up the issues raised at the special ETAP Meeting on 29<sup>th</sup> March and were disappointed to hear that the accounts had were still not been signed by EY</p> <p>Despite assurances from the External Auditor that there were no significant reasons for the annual accounts to be cleared by the</p>	The Members requested that the Chair of ETAP write to EY expressing the displeasure at the ongoing delay and also to have a public discussion at the next ETAP meeting
2021/22 Annual Accounts	<p>The Panel received a verbal update of the progress in preparing the 2021/22. Annual Accounts.</p> <p>The closedown procedures have commenced but the most significant item casing delay at present is the opening balances which have yet to be confirmed. These need to match the closing balances from the prior year which are awaiting the EY clearance.</p>	Members
Review of Capital Budget Process	<p>ETAP have set out the scope of the planed review of the capital budget process. This was however only received by the finance team a few days before the panel met in May.</p> <p>The officers are willing for the review to be undertaken but as the key individuals are heavily involved in the preparation of the annual accounts asked if the review could be deferred until the draft accounts are published.</p> <p>Meanwhile conformation of acceptance of the scope of the review would assist in planning the work for the ETAP team.</p>	Members accepted that the accounts staff have a demanding workload at present but hoped could start the review when the draft accounts are issued.
ICT progress	<p>The Panel received a copy of the project plan for the upgrades and implementation of the new finance system. The project manager explained the issues and the complexities involved and members queries were addressed. The plan is tight but has now identified all the issues in a single source. This document will be readily available for all Panel members to view.</p> <p>Members gained assurance that the project was being properly managed and were also pleased to hear additional posts such as financial systems accountant using experienced finance team members were now in place.</p>	The Panel members have access to the updated progress reports on Huddle and will need to monitor regularly.
SCO Annual Governance Statements	<p>The Panel were advised that the SCO are awaiting final details of the Annual Internal Audit assessment and draft annual account figures before making further changes to the 2021/22 Annual Governance Statement.</p> <p>Two ETAP members are actively involved in reviewing drafts of the SCO AGS and have had input on earlier drafts which have now all been incorporated.</p>	The Panel will continue to play an active role in relation to finalising final version of the AGS.
Force Annual Governance Statements	<p>The Force AGS is required to agree with the Management Statement and therefore the AGS was only at an early draft stage.</p> <p>Normally this would have been required for publication by end of May however this date has now been extended to the end of July</p>	The Panel leads on AGS were to receive copies of the Force draft AGS by mid-June.

SCO risk register	The Panel received a copy of the latest risk register and a verbal update on force risks. The panel agreed not to require additional work to prepare separate reports and in future printed copies of the register will be available for the Panel when they next review the risk register	The Panel will continue to review risks and their reporting.
IA Reports	There was a discussion on the position of some Internal Audit reports. The Section 151 Officer explained that some of the items linked into other documents such as the Inspectorate reports which have yet to be delivered. These documents needed to be reviewed together with the Internal Audit reports in order ensure proper context to avoid the need to revisit the topics again at a later date. A brief discussion was held by members and agreed to defer items to a later date	The Panel agreed to await availability of the relevant documents

**Bob Simpson**  
**ETAP Chair**