

## Warwickshire Joint Audit and Standards Committee Report Summary

**Meeting Date:** 6<sup>th</sup> July 2021

**Subject:** 2020-21 Outturn position

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### **Purpose of the Report:**

The purpose of this report is to present the outturn report for 2020-21 for Warwickshire Police and the OPCC.

### **Recommendation:**

For the JASC to note the outturn position for 2020-21 and feedback any comments.

### **Background:**

The force produce monthly budget monitoring reports for the PCC known as Money Matters. Reports tend to be more detailed on a quarterly basis, with slightly lighter touch documents produced in the intervening months. The report is discussed at the monthly Force Governance Board meetings, and interim and more regular discussion takes place on a weekly basis between the Treasurer and Director of Finance and his staff on topical issues. The report is comprehensive, covering revenue, capital and reserves, and includes a detailed commentary on variances. The report has been provided to JASC so that they are fully informed on the outturn position which will be used to determine year end reserve transfers and the basis of the Statement of Accounts for the PCC and Warwickshire Police which will be brought to this Committee for consideration later in the year.

### **Executive summary**

The final 2020-21 outturn shows an improved position compared to the previous forecast. The position at the end of January 2021 had indicated an outturn of £10.186m above the core funding of £107.734m, (after using £0.100m of S106 funding), but the actual outturn is £116.213m requiring £8.312m to be transferred from reserves, after applying S106 and ESN grant at year end. £4.111m of reserve usage has been previously approved as part of the budget, and therefore the additional approval for reserve transfers at year end was £4.201m.

JASC has specific responsibilities in regard to financial reporting, but the following also appear in their terms of reference with specific regard to financial management, which it is felt support the requirement to report the outturn position to the Committee:

On a timely basis report to the PCC and Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.

Report to the PCC and the Chief Constable its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

The attached reports is lengthy and comprehensive, however, it also contains its own executive summary at section 3 which is an informative overview of the year end position, and for that reason is not reproduced here. As a result of the improved outturn, the year end reserve balance shows a healthier position than previously forecast with total reserves at year end being £12.688m. This includes the general reserve of £5.000m. The outturn position on capital is one of underspending, but budget will be slipped into 2021-22 to meet costs as they fall due.

The overspend has resulted in an additional £4.201m of reserves being used, and the reserve transfers and other sources of funding approved by the Commissioner at year end are included within the recommendations shown on the report.

The 2021-22 budget been set with no routine reliance on reserves as a move to deliver on the financial strategy of setting a good and balanced budget. This will help to ensure that despite the financial challenges the force should remain resilient and sustainable across the medium term financial plan.