

<b>Meeting</b>	<b>Public SPA Board Meeting</b>
<b>Date</b>	<b>25 May 2017</b>
<b>Location</b>	<b>Golden Jubilee Conference Hotel, Clydebank</b>
<b>Title of Paper</b>	<b>Committee Annual Report – Finance</b>
<b>Item Number</b>	<b>16.3</b>
<b>Presented By</b>	<b>Elaine Wilkinson</b>
<b>Recommendation to Members</b>	<b>For Noting</b>
<b>Appendix Attached:</b>	<b>No</b>

**PURPOSE**

The attached report provides the Board with an annual review of business conducted through the Finance & Investment Committee from 1<sup>st</sup> April 2016 – 31<sup>st</sup> December 2016, and Finance Committee from 1<sup>st</sup> January – 31<sup>st</sup> March 2017.

## 1. Background

In line with sound governance principles, an Annual Assurance Report is submitted from the Finance Committee to the Board. This follows the procedure for all Governance Committees and will provide the supporting document for the Finance Committee exert within the Governance Statement of the SPA Annual Report and Accounts 2016/17.

## 2. Overview

This report covers the period from 1 April 2016 to 31 March 2017 during which time the Finance Committee met formally eight times and held two workshops.

The Finance Committee exists to:

- Provide oversight, scrutiny and assurance to the Board on all significant financial matters, including financial planning and performance, stewardship, and service improvement; and
- Provide advice and assurance to the Board on these matters and any other specific items which the SPA Board requests of it in relation to financial sustainability; and
- Seek to ensure that continuous improvement is embedded within financial processes and procedures in line with Best Value principles.

Following approval and implementation of recommendations from the SPA Governance Review a number of changes were made during the year to the operation of the Finance Committee. From September 2016 Committee meetings moved to closed sessions only. From December 2016 the Committee's name changed from Finance and Investment to Finance Committee and the Terms of Reference were amended to make it a non-decision making committee and to provide greater clarity on the business of the Committee. From this date all financial decisions were taken by the SPA Board or appropriate senior executive in line with the revised SPA Scheme of Delegation. In order to ensure visibility of Committee business the Finance Committee provides a regular report to the SPA Board meeting.

## 3. Finance Committee Membership and Dates of Meetings

Membership of the Finance Committee for 2016/17 was made up of the following SPA Board members:

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- Elaine Wilkinson, Chair (Interim Chair until 15 December 2016)
- Iain Whyte
- David Hume
- Lisa Tennant (until 15 December 2016)
- Graham Houston (until 15 December 2016)

Other key attendees who reported to the Committee during the year were:

- Neil Richardson – Deputy Chief Constable
- David Page – Deputy Chief Officer, Police Scotland
- James Gray – Interim Chief Financial Officer, Police Scotland
- Karen Kelly – Interim Chief Financial Officer, SPA (until December 2016)
- Amy McDonald – SPA Director of Financial Accountability
- Colette Cherry – Head of Corporate Services, Police Scotland
- Gordon Downie – Head of Procurement, Police Scotland
- Alan Cormack – Senior Manager Estates, Police Scotland

Eight meetings of the Committee were held on:

- 11<sup>th</sup> May 2016
- 9<sup>th</sup> August 2016
- 7<sup>th</sup> September 2016
- 6<sup>th</sup> October 2016
- 15<sup>th</sup> November 2016
- 14<sup>th</sup> December 2016
- 10<sup>th</sup> January 2017
- 22<sup>nd</sup> February 2017
- 10<sup>th</sup> March 2017

Two Workshops were also held:

24 August - to carry out a mid-year deep dive into the 16/17 financial position and forecast; and

10 January - a 17/18 budget development workshop.

<b>Name of Board Member</b>	<b>Possible Number of Meetings</b>	<b>Number of Meetings Attended</b>
Elaine Wilkinson	8	8
Iain Whyte	8	
David Hume	8	
Graham Houston	5	
Lisa Tenant	5	

Public SPA Board Meeting  
Finance Committee Annual Report  
25 May 2017

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#### **4. Main Committee Business during 2016/17**

During the year the main work undertaken by the Committee, in line with the Committee Terms of Reference, is as follows:

- Scrutiny and challenge of financial expenditure, performance and results;
- Reviewing the revenue outturn for the 2015/16 financial year and assessment of any impact on 2016/17 year;
- Reviewing the capital plan for 2016/17 and considering remaining commitments from 2015/16;
- Reviewing and improving the financial reporting format so as to better enable effective budget monitoring;
- Focus on budget savings action plan and monitoring of progress to deliver financial balance;
- Reviewing the financial results against budget throughout the course of the year with a detailed review being conducted each quarter;
- Considering the 3 year and 10 year financial strategy of the organisation;
- Considering and reviewing the 2017/18 proposed budget, the assumptions contained within and financial options which can be considered for a financial balance in the future year;
- Assessing the organisations financial risks;
- Appraising the draft SPA Financial Regulations;
- Reviewing/approving significant contracts and procurement decisions ;
- Reviewing non-competitive actions prior to Scottish Government approval ;
- Considering proposed estate sales and acquisitions;
- Reviewing the charging for goods and services policy and review the charges for significant events.

#### **5. Annual Statement of Assurance**

The Finance Committee base their opinion for the year on:

- their review and scrutiny of financial performance reports presented;
- the information, explanation and assurances provided by Senior Officers;
- reports brought forward for Committee approval; and
- the longer term financial strategy.

It is the Finance Committee's opinion that during the year the SPA's governance in relation to financial matters is adequate. While the financial information provided to the committee has developed and

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improved during the year complete assurance cannot be provided regarding the efficient and effective achievement of financial objectives.

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