



Meeting	Fire & Rescue - Performance and Resources Board	Agenda Item	
Meeting Date		Report Number	
Report Author:	Beth Blackburn, Finance Business Partner		
Presented By	Neil Cross - Chief Finance Officer		
Subject	Budget Review - May 2022		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at May 2022 and identifies and comments on major budget variations. In addition the report includes key indicators that act as lead indicators for expenditure across the Authority.

RECOMMENDATIONS

Fire & Rescue - Performance and Resources Board is asked to:

- 1 - Note the position on income and expenditure for Year to Date compared to the Budget.
- 2 - Note the capital expenditure spend against budget for period to May 2022

Executive Summary



Results for the period to May 2022

Net Expenditure in the month was £77k below Budget, with a Core underspend to Budget of £40k. The overall position in the month shows a surplus of £158k, which is £36k higher than Budgeted position.

The variance to Budget for the Core YTD Net Expenditure before Funding is £253k. With actuals showing a surplus position of £1.1m (£300k above Core Budgeted position).

Core costs to date include £89k underspend in Pay costs and £128k underspend in Non pay costs (£159k Support cost overspends relate to unbudgeted mileage and Training, Premises and equipment costs are lower due to timing).

Funding offsets to a small variance in the month, this is due to the Council tax collection funding having a surplus which offset against the release of the Service grant funding. The service grant funding is being released in line with the specific costs allocated against the funding.

Balance Sheet Statement and Cashflow Forecast

The Balance Sheet report on page 6 shows the key monthly rather than year to date movements.

- Cash and cash equivalents increased to £20.0m from £19.1m in the month.
- The Cashflow Forecast on page 8 shows the forecast cash position of the Authority for the next twelve months.

Capital

The Capital Programme is actively monitored by several groups at the Authority, including the Asset Board and Strategic Sub-Groups. The budget for 2022-23 is £9.087m.

Other

There was one property sale in the month of £370k.

YTD Summary Income and Expenditure Statement to May 2022



Prior Year YTD Actuals £'000s	Prior year YTD Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	Core YTD Actual £'000s	COVID £'000s	Earmarked Projects £'000s	YTD Actual £'000s	Core YTD Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	YTD Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
5,816	6,054	238	Wholetime Firefighters	5,760	-	158	5,918	5,874	-	151	6,025	108	2%	115	2%
1,162	1,165	2	On Call Firefighters	1,347	-	-	1,347	1,187	-	-	1,187	(160)	(13%)	(160)	(13%)
253	261	8	Control	273	-	-	273	262	-	-	262	(11)	(4%)	(11)	(4%)
2,758	2,476	(281)	Support Staff	2,468	-	372	2,840	2,614	-	377	2,991	151	5%	145	5%
9,989	9,956	(34)	Total Employment Costs	9,848	-	530	10,378	9,937	-	528	10,465	87	1%	89	1%
363	357	(5)	Support Costs	426	0	19	445	267	-	50	317	(128)	(41%)	(159)	(50%)
1,652	1,671	18	Premises & Equipment	1,490	-	0	1,490	1,660	-	-	1,660	170	10%	170	10%
425	542	116	Other Costs & Services	462	1	26	489	524	-	42	566	77	14%	62	11%
390	406	16	Ill health pension costs	445	-	-	445	467	-	-	467	23	5%	23	5%
928	930	3	Financing Items	951	-	-	951	983	-	-	983	32	3%	32	3%
3,758	3,906	149	Total Other Costs	3,773	1	45	3,819	3,900	-	92	3,992	173	4%	128	3%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
13,747	13,862	115	Gross Expenditure	13,621	1	575	14,197	13,838	-	620	14,457	260	2%	217	1%
(183)	(162)	20	Operational income	(272)	-	(0)	(272)	(236)	-	-	(236)	36	(15%)	36	(15%)
13,564	13,700	135	Net Expenditure before Funding	13,349	1	575	13,925	13,602	-	620	14,222	296	2%	253	2%
			Funding												
(1,185)	(1,064)	121	Government Grants	(1,210)	-	-	(1,210)	(1,258)	-	-	(1,258)	(48)	4%	(48)	4%
(3,356)	(3,356)	-	Revenue Support Grant	(3,442)	-	-	(3,442)	(3,459)	-	-	(3,459)	(17)	0%	(17)	0%
(2,706)	(2,708)	(2)	National Non-Domestic Rates	(2,671)	-	-	(2,671)	(2,671)	-	-	(2,671)	-	-	-	-
(10)	(55)	(45)	Council Tax Collection Account	(111)	-	-	(111)	-	-	-	-	111	-	111	-
(6,587)	(6,498)	89	Council Tax Precept	(7,047)	-	-	(7,047)	(7,047)	-	-	(7,047)	0	(0%)	0	(0%)
-	(5)	(5)	Council Tax Collection Impact	(2)	-	-	(2)	-	-	-	-	2	-	2	-
(13,845)	(13,687)	159	Total Funding	(14,482)	-	-	(14,482)	(14,435)	-	-	(14,435)	47	(0%)	47	(0%)
(281)	13	294	Funding Gap / (Surplus)	(1,133)	1	575	(557)	(833)	-	620	(213)	344	(161%)	300	(141%)
(52)	-	52	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(493)	-	493	Cont'ns to/(from) Earmarked Reserves	-	(1)	(566)	(567)	-	-	(577)	(637)	(70)	-	-	-
(545)	-	545	Total Contribution to/(from) Reserves	-	(1)	(566)	(567)	-	-	(577)	(637)	(70)	-	-	-
(826)	13	839	Net Gap / (Surplus)	(1,133)	0	9	(1,124)	(833)	-	42	(850)	274	-	300	-

Period Summary Income and Expenditure Statement to May 2022



Prior Year Period Actuals £'000s	Prior year Period Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	Core Period Actual £'000s	COVID £'000s	Earmarked Projects £'000s	Period Actual £'000s	Core Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	Period Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
2,998	2,946	(52)	Wholetime Firefighters	2,924	-	80	3,004	2,904	-	89	2,993	(11)	(0%)	(21)	(1%)
582	566	(26)	On Call Firefighters	680	-	-	680	582	-	-	582	(98)	(17%)	(98)	(17%)
132	131	(1)	Control	145	-	-	145	129	-	-	129	(16)	(13%)	(16)	(13%)
1,228	1,240	11	Support Staff	1,232	-	40	1,272	1,282	-	37	1,319	47	4%	50	4%
4,940	4,872	(68)	Total Employment Costs	4,981	-	120	5,101	4,896	-	126	5,022	(79)	(2%)	(85)	(2%)
206	179	(28)	Support Costs	229	0	15	244	133	-	25	158	(85)	(54%)	(96)	(60%)
748	835	87	Premises & Equipment	701	-	0	702	830	-	-	830	128	15%	129	15%
230	276	46	Other Costs & Services	229	-	0	229	268	-	21	289	59	21%	39	13%
170	177	7	Ill health pension costs	172	-	-	172	172	-	-	172	(0)	(0%)	(0)	(0%)
464	465	1	Financing Items	473	-	-	473	491	-	-	491	18	4%	18	4%
1,818	1,933	114	Total Other Costs	1,804	0	16	1,820	1,894	-	46	1,940	120	6%	90	5%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
6,758	6,805	47	Gross Expenditure	6,785	0	135	6,921	6,790	-	172	6,962	41	1%	5	0%
(102)	(81)	21	Operational income	(153)	-	(0)	(153)	(118)	-	-	(118)	35	(30%)	35	(30%)
6,656	6,724	68	Net Expenditure	6,632	0	135	6,767	6,672	-	172	6,844	77	1%	40	1%
			Funding												
(558)	(532)	26	Government Grants	(579)	-	-	(579)	(629)	-	-	(629)	(50)	8%	(50)	8%
(516)	(516)	(0)	Revenue Support Grant	(515)	-	-	(515)	(532)	-	-	(532)	(17)	3%	(17)	3%
(1,471)	(1,471)	-	National Non-Domestic Rates	(1,405)	-	-	(1,405)	(1,405)	-	-	(1,405)	-	-	-	-
(1)	(1)	-	Council Tax Collection Account	(61)	-	-	(61)	-	-	-	-	61	-	61	-
(4,249)	(4,160)	89	Council Tax Precept	(4,238)	-	-	(4,238)	(4,238)	-	-	(4,238)	-	-	-	-
(97)	(3)	94	Council Tax Collection Impact	(1)	-	-	(1)	-	-	-	-	1	-	1	-
(6,893)	(6,684)	209	Total Funding	(6,799)	-	-	(6,799)	(6,804)	-	-	(6,804)	(5)	0%	(5)	0%
(237)	40	277	Funding Gap / (Surplus)	(167)	0	135	(32)	(132)	-	172	40	72		36	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	-	-	(126)	(126)	-	-	(137)	(137)	(11)	8%	-	-
-	-	-	Total Contribution to/(from) Reserves	-	-	(126)	(126)	-	-	(137)	(137)	(11)	8%	-	-
(237)	40	277	Net Gap / (Surplus)	(167)	0	9	(158)	(132)	-	35	(96)	62		36	

Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(5,630)	(5,002)	628	(13%)	(30,012)	
Childcare Vouchers	(3,895)	(10,000)	(6,105)	61%	(60,000)	
Canteen Income	(17,193)	(10,666)	6,527	(61%)	(63,996)	
Sale of Vehicle Spares	(17,663)	(4,166)	13,497	(324%)	(24,996)	
Aerial Sites	(21,162)	(21,666)	(504)	2%	(129,996)	
Solar Panel Income	(8,339)	(10,834)	(2,495)	23%	(65,004)	
Hydrant Tests	(17,276)	(13,334)	3,942	(30%)	(80,004)	
Lease Cars - Employee Contributions	(1,076)	(1,000)	76	(8%)	(6,000)	
Service Charges	(80)	(100)	(20)	20%	(600)	
Secondments	(63,028)	(27,452)	35,576	(130%)	(164,712)	
Community Safety General	(21,417)	(13,054)	8,363	(64%)	(78,324)	
Labour Credit	(13,715)	(9,166)	4,549	(50%)	(54,996)	
Section 13/16	(6,692)	(10,000)	(3,308)	33%	(60,000)	
Provision of Hire Vehicles & Equipment	0	0	0	0%	0	
Interest Received Short Term Investments	(3,085)	(1,666)	1,419	(85%)	(9,996)	
Community Safety Youth Work	(6,000)	0	6,000	0%	0	
Shared Services Income	(38,065)	(50,002)	(11,937)	24%	(300,012)	
Reimbursements from EFA(T)	0	0	0	0%	0	
Other Miscellaneous Income	(23,852)	(28,584)	(4,732)	17%	(171,504)	
Total Operational Income	(272,169)	(235,875)	36,293	(15%)	(1,415,252)	

Specific Government Grants Income

Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Addn Pens Grant Accr	(586,091)	(586,090)	1	(0%)	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2022-23	(234,058)	(234,058)	0	0%	(1,340,280)	Business Rate relief
USAR Grant 2022-23	(142,760)	(142,760)	0	0%	(856,560)	
Firelink Grant 2022-23	(102,834)	(103,914)	(1,080)	1%	(662,258)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant 2022-23	(77,666)	(77,666)	0	0%	0	Circa £500k to offset NI increase 1.25%
Services Grant 2022-23	(44,003)	(114,666)	(70,663)	62%	0	Circa £688k to support one off investment
Grenfell Grant release	(19,230)	0	19,230	0%	0	Grenfell grant released against ringfenced spend
Other Grant Income	(3,050)	0	3,050	0%	0	Redmond review grant (one off to be offset against audit fees £1.5k a month).
Subtotal-Govt Grants	(1,209,691)	(1,259,154)	(49,463)	(4%)	(6,375,643)	

Balance Sheet - 31st May 2022



Essex County
Fire & Rescue Service

	31st May 2022 £000's	30th Apr 2022 £000's	31st Mar 2022 £000's	Variance Month £000's	Variance YTD £000's
Property, plant & equipment					
Land and buildings	126,527	126,527	126,527	-	-
* Vehicles, plant & equipment	10,089	10,089	10,089	-	-
Assets under construction	2,634	2,371	1,985	263	649
Long term investments	-	-	-	-	-
Long term assets	139,250	138,987	138,601	263	649
Inventories	444	429	424	15	20
Short term debtors	9,955	11,237	7,295	(1,282)	2,660
Cash and cash equivalents	20,037	19,107	20,473	930	(436)
Assets held for sale	725	1,110	1,445	(385)	(720)
Current assets	31,161	31,883	29,638	(722)	1,523
* Short term borrowings	(1,000)	(1,000)	(1,250)	-	250
Short term creditors	(8,051)	(9,597)	(7,622)	1,546	(429)
Grants received in advance	(1,889)	(1,230)	(1,233)	(659)	(656)
Current liabilities	(10,941)	(10,827)	(10,106)	886	(835)
Long term borrowing	(23,500)	(23,500)	(23,500)	-	-
Provisions	(1,099)	(1,093)	(1,093)	(6)	(6)
* Pension liability - LGPS	(30,253)	(30,253)	(30,253)	-	-
Pension liability - FPS	(872,096)	(872,096)	(872,200)	-	104
Long term liabilities	(926,948)	(927,941)	(927,046)	(7)	98
NET LIABILITIES	(767,477)	(767,898)	(768,912)	421	1,435
Usable reserves					
General fund	4,977	5,721	4,756	(744)	222
Earmarked general fund reserves	12,129	11,318	11,759	810	369
Capital receipts reserve	13,871	13,501	13,151	370	720
Usable reserves	30,977	30,541	29,666	436	1,311
Unusable reserves					
Revaluation reserve	40,921	41,155	41,336	(234)	(415)
Capital adjustment account	67,413	67,194	66,978	219	435
* Holiday pay account	(1,269)	(1,269)	(1,269)	-	-
* Collection fund adjustment account	(3,170)	(3,170)	(3,170)	-	-
Pension reserve	(902,349)	(902,349)	(902,453)	-	105
Unusable reserves	(798,453)	(798,438)	(798,578)	(15)	125
TOTAL RESERVES	(767,477)	(767,898)	(768,912)	421	1,436

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

- Land & buildings have been restated for March and April to reflect the revaluation report received in May, with a total value of £127,972K. This has been split between 'land & buildings' in property, plant & equipment and 'assets held for sale' in current assets.

Current Assets:

- Short term debtors has reduced £1.3m, due to the movement in the pension fund for May and reductions in accrued grant income as grants are received.
- £0.9m increase in cash and cash equivalents as cash inflows exceeded outflows for the month, as seen in the cashflow on page 8.
- One property was sold in May for £370k.

Current Liabilities

- Short term creditors have reduced by £1.5m due to timing differences in April month end. The transfer to clear the firefighters pension liability was posted in May, after the end of the month.

Long-term Liabilities:

No movement in long -term liabilities in the month.

Reserves:

Movements in Usable Reserves:

The movements in General and Earmarked Reserves tie back to the summary Income & Expenditure statement on page 3.

The movement in the Capital Receipts Reserve is due to disposals of £370k in May.

Movements in Unusable Reserves:

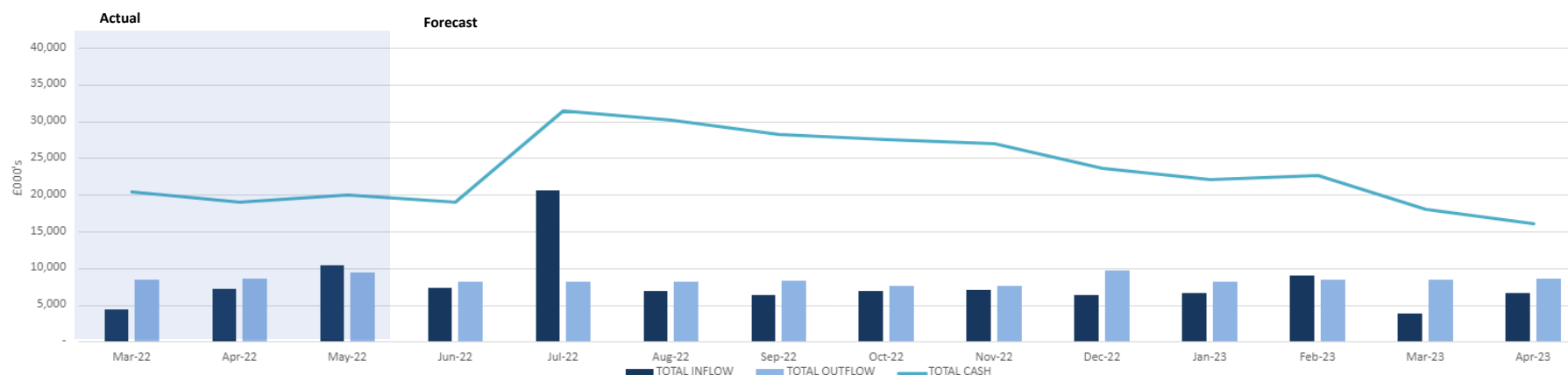
The movement in the Revaluation Reserve is to reflect a release of previously unrealised gains for property disposals (£234k).

The movement in the Capital Adjustment Account reflect adjustments for MRP and depreciation charges (£435k).

Cashflow Forecast



FORECAST CASH INFLOWS AND OUTFLOWS



COMMENTARY

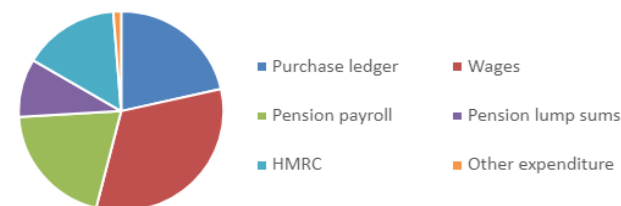
Total cash and investments at the end of May was £20.0m, up from £19.1m in April. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £5.7m and grants of £3.5m. Precepts included an overpayment of £0.9m, which was subsequently returned to the Council.
- Cash outflows include purchase ledger payments of £1.8m, which is within the expected range of between £1-2m.
- Investments remained at £13m as seen in the graph below.
- One day crewed house was sold in May totalling £0.37m.
- The first quarter of the year are key months for the Service, as the months with the lowest cash balances as a result of large annual grants paid later in the year. The Service holds money market fund investments of £6m, which ensures the availability of cash as these are highly liquid.

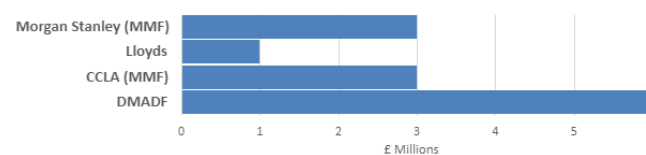
TREASURY MANAGEMENT INDICATORS

	<u>Actual</u>	<u>Explanation of Indicators</u>
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£20m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.11%	Change in interest received.
Price risk indicator	£nil	The limit on the amount that can be invested beyond 12 months.
Refinancing rate indicator:		
Under 12 months	0%	A large proportion of the Authority's debt expires within 5-10 years. The Finance team have reviewed the impact of early repayment, and found there would be no advantage of doing so. Public Works Loan Board (PWLB) debt requires full payment of interest up to the date of expiry.
12 months and within 24 months	4%	
24 months and within 5 years	8%	
5 years and within 10 years	61%	
10 years and within 15 years	27%	
15 years and above	0%	

EXPENDITURE ANALYSIS



INVESTMENTS



Essex County Fire & Rescue Service - Capital Expenditure as at 31st May 2022



Capital	Budget 2022/23	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend
New Premises	-	-	-	-	-
Service Workshops - New	-	-	-	-	-
Existing Premises					
Asset Protection	1,300	1,300	-	1,300	65
Asset Improvement Works Training Facilities Improvement	1,246	1,246	(32)	1,214	28
Asset Improvement Works - Shoeburyness	1,224	1,224	138	1,362	1
Total Property	3,771	3,771	105	3,876	94
Equipment	320	320	-	320	-
Information Technology					
Projects	3,792	3,792	-	3,792	100
Total Information Technology	3,792	3,792	-	3,792	100
Vehicles					
New Appliances	941	941	-	941	436
Other Vehicles	264	264	-	264	18
Total Vehicles	1,205	1,205	-	1,205	454
Total Capital Expenditure	9,087	9,087	105	9,193	649

Essex County Fire & Rescue Service - Capital Expenditure as at 31st May 2022



* To be agreed at asset board

** Provision for limited capacity limiting spend to agreed level of £1.7m

	Asset Life	Budget 2022/23	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Spend Brought Forward	Committed Orders
B113 - Vehicles								
Appliances (Pumping)	15	941,135	941,135	-	941,135	436,098	1,388,865	503,237
ICU Internals	6	-	-	-	-	-	-	-
Light Vehicles	6	79,647	79,647	-	79,647	-	-	27,895
Off Road Vehicles	6	-	-	-	-	-	-	-
Officers Cars (Principal Officers)	4	80,000	80,000	-	80,000	18,395	-	38,433
Specialist rescue vehicle	6	100,000	100,000	-	100,000	-	-	-
Light Vans	6	-	-	-	-	-	-	-
Ramps	12	-	-	-	-	-	-	-
Ladders	12	4,500	4,500	-	4,500	-	-	-
Total B113 - Vehicles		1,205,282	1,205,282	-	1,205,282	454,493	1,388,865	569,565
B116 - Operational Equipment								
Hose Reel Branch/Main Line Branch	8	160,000	160,000	-	160,000	-	-	-
BA Contamination machine	8	80,000	80,000	-	80,000	-	-	2,265
Method entry equipment	8	30,000	30,000	-	30,000	-	-	-
Smoke blocking curtains	8	30,000	30,000	-	30,000	-	-	-
Fog spikes (temperature reduction equipment)	8	20,000	20,000	-	20,000	-	-	-
Total B116 - Operational Equipment		320,000	320,000	-	320,000	-	-	2,265
B114 - ICT Equipment								
<i>Digital & Data Strategy</i>								
DEVICES	3	216,667	216,667	-	216,667	47,397	-	399
NETWORK	3	1,160,000	1,160,000	-	1,160,000	13,153	-	8,118
VOICE	3	47,197	47,197	-	47,197	39,932	-	5,139
Other Projects								
Station End Equipment	3	450,000	450,000	-	450,000	-	-	-
Control Project	7	1,917,732	1,917,732	-	1,917,732	-	-	1,846,124
Total B114 - ICT Equipment		3,791,596	3,791,596	-	3,791,596	100,482	-	1,859,780

Essex County Fire & Rescue Service - Capital Expenditure as at 31st May 2022



* To be agreed at asset board

	Asset Life	Budget 2022/23	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Spend Brought Forward	Committed Orders
B112 - Land & Building								
Lexden Workshops Relocation	20	-	-	-	-	-	-	-
Total B112 - Land & Building		-	-	-	-	-	-	-
B117 - Asset Improvements								
Asset Improvement Works - Shoeburyness	20	1,224,478	1,224,478	137,522	1,362,000	1,468	290,522	1,249,869
Asset Protection Works - Training Facilities:	20							
Phase 1 - Chelmsford, Greys, Southend, SWF		681,416	681,416	(416)	681,000	28,191	130,162	1,027,634
Phase 2 - Braintree, Brentwood		280,256	280,256	(47,256)	233,000	-	-	-
Phase 3 - Harlow, Safron Waldon and Clacton		284,365	284,365	15,635	300,000	-	-	-
Total B117 - Asset Improvement		2,470,515	2,470,515	105,485	2,576,000	29,658	420,684	2,277,503
B118 - Asset Protection								
Projects carried forward from 21/22:								
Dunmow Yard	20	166,000	166,000	(26,000)	140,000	-	-	161,065
Baddow boilers	20	90,000	90,000	-	90,000	-	-	97,185
Chelmsford TC boilers	20	24,500	24,500	-	24,500	-	-	-
Witham TC offices	20	7,000	7,000	14,000	21,000	18,009	116,932	3,880
Witham TC boiler	20	80,000	80,000	(35,000)	45,000	-	-	-
Appliance bay doors (Halstead, Tollesbury, Weeley)	20	117,600	117,600	-	117,600	-	52,618	195,118
Epping part refurbishment	20	60,000	60,000	-	60,000	-	-	-
Waltham Abbey drill yard	20	60,000	60,000	-	60,000	-	-	-
Orsett Fra (50%)	20	240,000	240,000	-	240,000	-	-	-
Chelmsford refurbishment	20	35,000	35,000	64,000	99,000	-	-	-
BA Compressor Installation works - Clacton	20	50,000	50,000	15,000	65,000	-	-	-
Retentions and small works	20	-	-	-	-	2	5,828	14,137
Projects for 22/23								
Harlow Boilers		-	-	47,000	47,000	46,587	-	28,957
Projects to be confirmed by Property Services		369,900	369,900	(79,000)	290,900	-	-	-
B118 - Asset Protection		1,300,000	1,300,000	-	1,300,000	64,598	175,378	500,341
TOTAL FORECAST 2021-22		9,087,393	9,087,393	105,485	9,192,878	649,230	1,984,927	5,209,454



BENEFITS AND RISK/ FINANCIAL IMPLICATIONS

The review of expenditure against the profiled budget is part of the overall financial control process of the Authority.

In exceptional circumstances it allows for budget virements to ensure that under spending against budget heads can be utilised to fund expenditure against other priorities.

If virements are not made there is a risk that the Authority will miss out on opportunities to improve performance and meet key objectives during the year.

The Authority's reserves are at the upper end of their target range and the Authority is able to fund short term fluctuations in activity from them when necessary.

The review of the management accounts is one control measure to mitigate the risk of overspending the Authority's budget for the year.

EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct Equality or Diversity implications within this report

LEGAL IMPLICATIONS

There are no direct legal implications within this report.

HEALTH & SAFETY IMPLICATIONS

There are no direct Health and Safety implications within this report.

ACTIONS / NEXT STEPS

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendices: Internal Audit Recommendations	
Proper Officer:	Chief Finance Officer to PFCC Fire & Rescue Authority
Contact Officer:	Neil Cross Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576020 Email: neil.cross@essex-fire.gov.uk



Appendices

Internal Audit Recommendations



Financial Year	Audit Report Title	Owner	Total Recommendations		Completed Recommendations		Recommendations Outstanding		Recommendations outside of due date		Months O/S
			High	Medium	High	Medium	High	Medium	High	Medium	
2019/20	GDPR	Assistant Director Performance and Data Management	2	7	1	6	1	1	1	1	24 Months
2019/20	Procurement	Chief Finance Officer	1	5	1	4	-	1	-	1	22 Months
2019/20	Non-Operational - H&S	Assistant Director, Prevention, Protection and Response	1	3	-	3	1	-	1	-	21 Months
2021/22	Medium Term Financial Strategy and Value for Money	Chief Finance Officer	-	2	-	1	-	1	-	1	1 Months
2021/22	Follow-up 2022	Chief Finance Officer	-	2	-	-	-	2	-	-	1 Months
THIS UPDATE			8	52	6	47	2	5	2	3	
			60		53		7		5		
			Percentage complete				88%		Percentage overdue		71%
LAST UPDATE			8	52	6	44	2	8	2	4	
			60		50		10		6		
			Percentage complete				83%		Percentage overdue		60%

External Audit Update

The Finance team are working to progress the year end accounts, with early engagement with the external auditors, Grant Thornton on key topics. The team attended workshops earlier in the year to ensure changes to accounting standards are fully considered.

The Audit Plan will be presented at the June audit committee, which sets out the audit methodology and key risks considered by the auditors. The plan also sets out the level of materiality applied to the audit, which is the level at which errors must be reported to management, or adjusted if the error is higher than the materiality level.

The audit is planned to commence at the start of July, and continue to the end of September.

Internal Audit Update

One action was completed this month, with a total of 10 outstanding.

Action owners have been reminded to progress their recommendations, and further meetings have been arranged with key stakeholders.

There are 7 overdue recommendations. 2 of these actions relate to the GDPR audit, which is advisory only.

The first audit for the new financial year is a review of Emergency Response Driving, which is expected to take place in September.

Please contact Austin Page for any questions relating to the internal audit programme.