

BROADS AUTHORITY
STATEMENT OF ACCOUNTS

2008-09

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Explanatory Foreword

Introduction:

The purpose of the foreword is to offer interested parties an easily understandable guide to the most significant matters reported in the accounts. It contains a commentary on the major influences affecting the Authority's income and expenditure and cash flow, and information on the financial needs and resources of the authority.

The Background to the Accounts 2008-09:

The Statement of Accounts represents the financial transactions of The Broads Authority. The Broads Authority was set up under the Norfolk and Suffolk Broads Act 1988.

The Natural Environment and Rural Communities Act, which was enacted on 30 March 2006. The Authority's amended duties are to manage the Broads for the purpose of:

- Conserving and enhancing the natural beauty, wildlife and cultural heritage of the Broads;
- Promoting opportunities for the understanding and enjoyment of the special qualities of the Broads by the public; and
- Protecting the interest of navigation.

This brought the first two purposes into line with those of the English National Park Authorities, as recommended in the Defra report 'Review of English Park Authorities' published in July 2002.

In respect of its navigation area the Authority is required to:

- Maintain the navigation area for the purpose of navigation to such a standard as appears to it to be reasonably required; and
- Take such steps to improve and develop it as it thinks fit.

In discharging its function, the Authority should have regard to:

- The national importance of the Broads as an area of natural beauty and one which affords opportunities for open air recreation.
- The desirability of protecting the natural resources of the Broads from damage; and
- The needs of agriculture and forestry and the economic and social interests of those who live and work in the Broads.
-

On the 2nd of July the Broads Authority Act 2009 received Royal Assent. The Broads Authority Act 2009 is primarily concerned with augmenting the Authority's powers to ensure safety on the Broads. These provisions have no financial implications for the Authority apart from the costs associated with enforcement. In addition, the Act contains a small number of provisions amending and updating the 1988 Act. These include removing the need for the Authority to maintain a separate navigation account. The Act does however contain provisions which ensure that, taking one year with another, expenditure on navigation matters is equal to navigation income. The Authority has also agreed with national boating organisations how the combined accounts will be reported in the future. The new powers also allow for tolls to be collected from vessels which use certain waters connected to the Authority's navigation area.

Current Borrowing Facilities and Capital Borrowing

On 20 November 2007 the Authority took out a £290,000 loan from the Public Works Loan Board. The repayment period of the loan is 20 years at a fixed interest rate of 4.82%, repayable by equal instalments of principal. The Public Works Loan Board has advised that the fair value of the debt as at 31 March 2009 is £306,090 (for more details please see note 17)

The Accounting Statements:

The Broads Authority's accounts for the year 2008-09 are set out on pages 35 to 39. They consist of:-

- A Statement of Responsibilities for the Statement of Accounts.
- A Statement of Corporate Governance.
- The Income and Expenditure Account, covering income and expenditure on all functions including navigation.
- Statement of Movement on the General Fund Balance, reconciling the differences between the outturn on the income and expenditure account and the general fund balance.
- A Statement of Total Recognised Gains and Losses, which considers all gains and losses recognised for year ending 31 March 2009.
- The Balance Sheet, which sets out the financial position of the Authority as at 31 March 2009.
- A Cash Flow Statement, which focuses on the flow of cash through the Authority between 1 April 2008 and 31 March 2009.

These accounts are supported by the Statement of Accounting Policies, which follows this foreword and various notes to the accounts.

The information included in these accounts incorporates spending relating to the Broads Navigation Account. The Navigation Account has separate accounting records to ensure the proper control of income from tolls payers and to ensure it is spent primarily to benefit the users of the navigation. The Navigation Account income and expenditure account is shown in full at note 3 on page 20.

Changes to the 2008-09 Accounts:

The Broads Authority Accounts are now presented rounded to the nearest thousand pounds; this is purely to help with presentation. A review of compliance with the SORP was also carried out during 2008-09 and as a result the format of some of the notes to the accounts have been changed.

Whilst reviewing the fixed assets at the 31 March 2009 some minor anomalies were discovered and these have now been corrected. The figures for 2007-08 have been adjusted to provide comparative information.

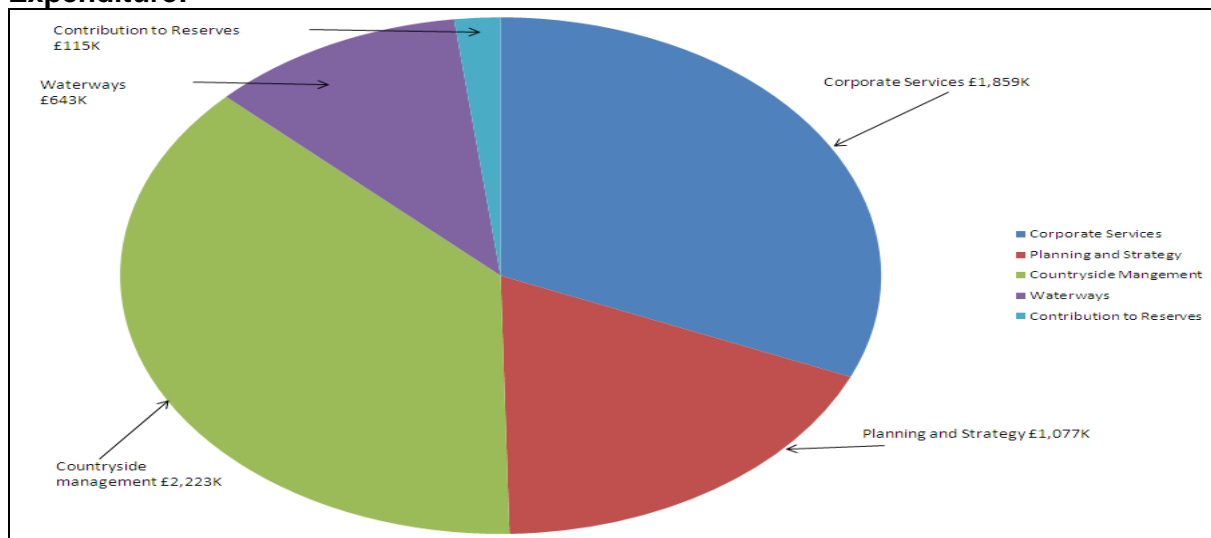
Review of the Year:

General Account:

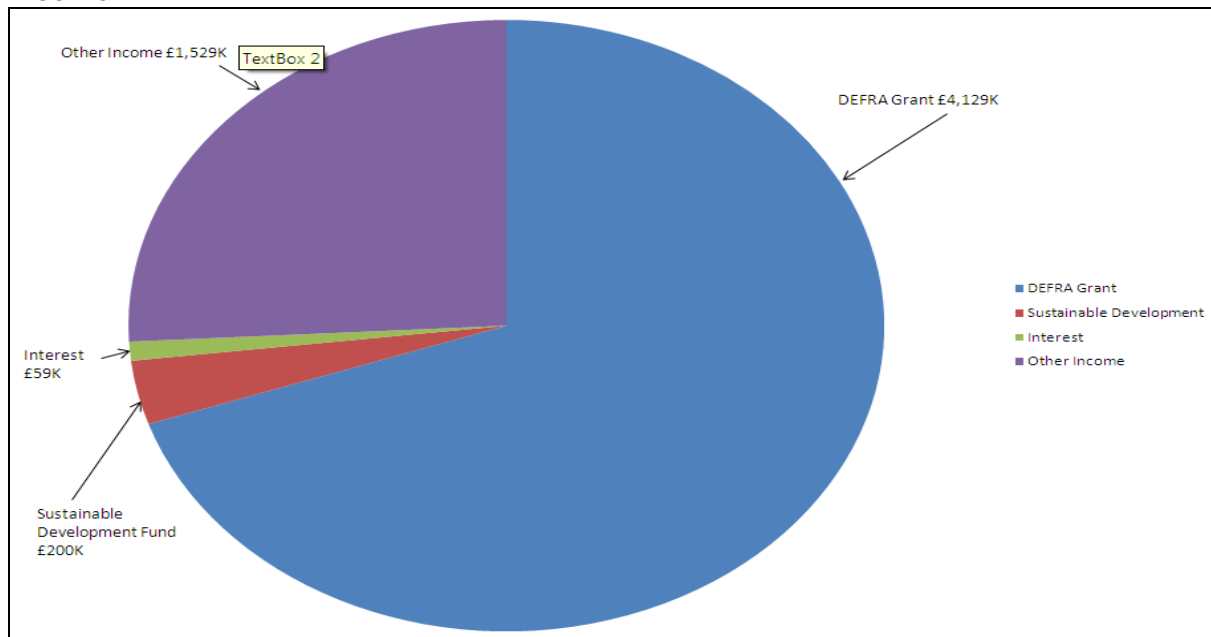
In addition to the National Park Grant of £4,129,337 (£3,926,763 in 2007-08) income received for the year from external grants support, sales, fees and charges and interest totalled £1,528,671 (£1,048,430 in 2007-08). Specific purpose grant of £200,000 (£200,000 in 2007-08) was also received from DEFRA for the continuation of the Sustainable Development Fund (SDF). Total income for 2008-09 was £5,917,184 (£5,175,193 in 2007-08).

The Authority initially set a budget with a forecast deficit of £243,478 for 2008-09 (£305,700 for 2007-08). The actual outturn saw a surplus of £115,497 (a favourable variance of £358,975). After applying the Authority's carry forward policy, the net under-spend against the revised budget was £5,724 for 2008-9 (£34,117 for 2007-08).

Expenditure:



Income:

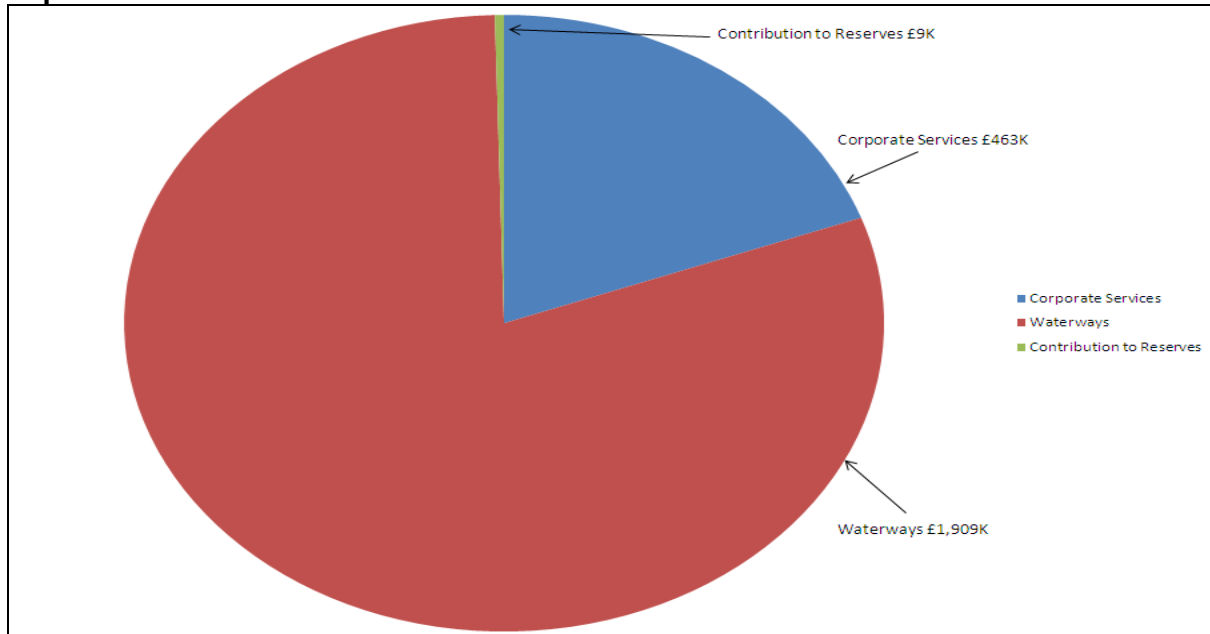


Navigation Account:

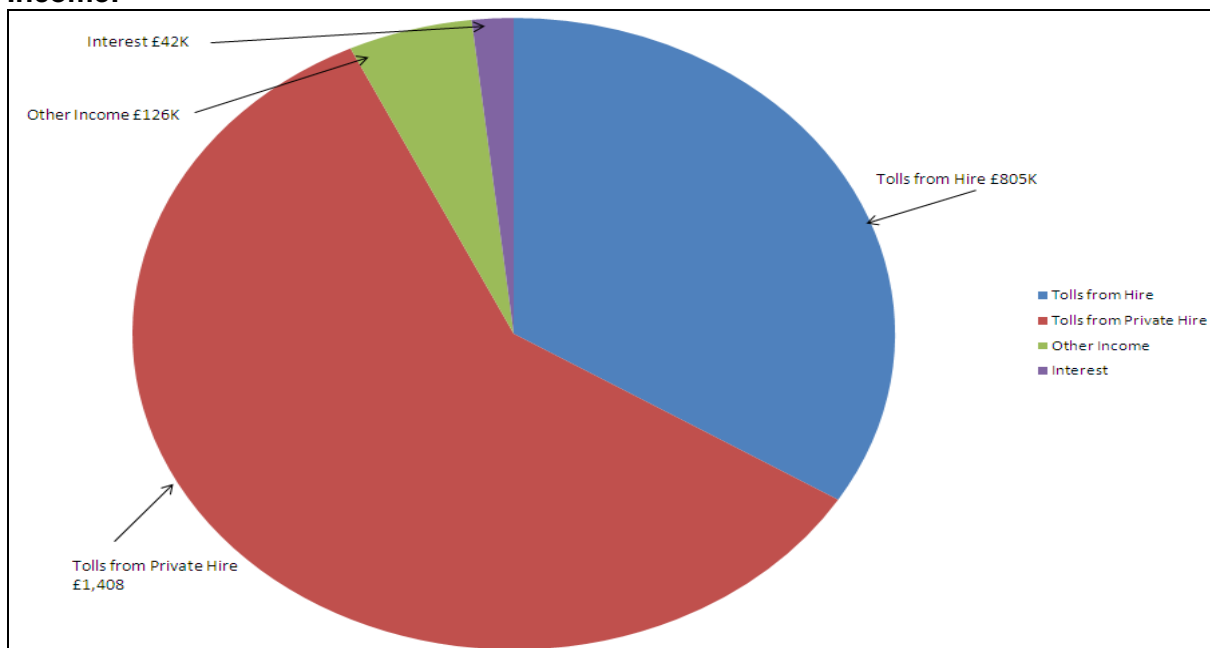
Income from tolls was £2,213,286 (£2,055,772 in 2007-08), other income received for the year from yacht stations charges, sales of tide tables, works licences, sales of dredging services, provision escort services, and interest was £167,790 (£205,768 in 2007-08). Total income for 2008-09 was £2,381,076 (£2,261,540 in 2007-08).

The Authority initially set a budget with a forecast deficit of £234,053 (£115,200 for 2007-08). The actual outturn saw a surplus of £9,240. After applying the Authority's carry forward policy the net over spend against the revised budget was £30,283 for 2008-09 (£110,454 under spend for 2007-09).

Expenditure:



Income:



Financial Outlook:

General Account:

The Authority has received a three year grant settlement for 2008-09 to 2010-11; this guarantees an inflation increase and additional grant funding of £400,000 per annum (reduced from £500,000 in 2008-09) over the next two financial years. This provides the Authority with some financial stability and enables it to plan medium term expenditure over that period with a degree of certainty.

Navigation Account:

The level of toll increase is set on an annual basis. The key issues regarding the Navigation Account are the need to balance the income and expenditure and to maintain reserves at an acceptable level. The additional national park grant means that extra dredging works can be undertaken, for the benefit of the Broads ecosystems. However the continuation of this grant beyond 2010/11 is very uncertain and its cessation will present a major challenge to the attainment of the Authority's targets. There has been no additional borrowing from the public works loan board in the year, and there is no foreseeable need to increase borrowing next year.

Explanation of the Pension liability:

The Broads Authority is a member of the Norfolk Pension Fund. The Norfolk Pension fund has had a triennial valuation as at the 31 March 2007. The pension reserve and corresponding liability shown in the Authority's balance sheet are prepared on a FRS17 basis. Recent Actuarial advice has indicated that a long-term potential pension fund shortfall of £2,568,000 (£632,000 2007-08) should all pensions liabilities arise. This is not an uncommon position in local government. The pension liability is being actively managed by the Norfolk Pension Fund and should be viewed as a long term commitment. The Authority has taken the advice of the Norfolk Pension fund when setting the level of employer's contributions over the next three year's, hence the level of general reserves has not been set to cover any potential shortfall in the pension provision. It is believed that the level of employer's contribution is sufficient to cover 100% of the perceived liability over the long term.

Further Information:

Further information about the accounts is available from the Senior Accountant, Dragonfly House, 2 Gilders Way, Norwich, NR3 1UB. This is part of the Authority's policy of providing full information about its affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.

Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:-

- (a) Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer and Financial Adviser;
- (b) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- (c) Approve the statement of accounts.

The Treasurer and Financial Adviser's Responsibilities

The Treasurer and Financial Adviser is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice').

In preparing this Statement of Accounts, the Treasurer and Financial Adviser has:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Treasurer and Financial Adviser has also:-

- kept proper accounting records which were up-to-date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Treasurer and Financial Adviser's Certificate

I certify that the Statement of Accounts presents fairly the financial position of the Broads Authority at 31 March 2009 and its income and expenditure for the year ended 31 March 2009.

John Duvall (Treasurer and Financial Adviser)
22 January 2010

Chairman's Statement

I confirm that these accounts were approved by The Broads Authority at its meeting held on 26 June 2009.

Signed on behalf of The Broads Authority:

Dr JS Johnson (Chair of meeting approving the accounts)
22 January 2010

Independent Auditor's Report to the Members of the Broads Authority

Opinion on the financial statements

I have audited the Authority's accounting statements and related notes for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General & Navigation Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of The Broads Authority in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Financial Officer and auditor

The Chief Financial Officer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Authority and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the Authority's financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Qualified Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice. In so doing, I was unable to obtain sufficient appropriate evidence that the Broads Authority had:

- regularly reviewed its risk register;
- identified its significant partnerships and ensured that it has appropriate governance arrangements in place for each of them; and
- a corporate capital strategy which is linked to its corporate objectives and medium-term financial strategy, or an asset management plan.

Having regard to relevant criteria specified by the Audit Commission for other local government bodies, published by the Audit Commission in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, The Broads Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009 except that it did not put in place:

- adequate arrangements to manage its risks and maintain a sound system of internal control; and
- adequate arrangements for the management of its assets effectively to help deliver its strategic priorities and service needs.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Andy Perrin

Officer of the Audit Commission

Audit Commission
Regus House
1010 Cambourne Business Park
Cambourne
Cambridge
CB23 6DP

25 January 2010

Annual Governance Statement

Broads Authority

Annual Governance Statement 2008/09

1 Scope of Responsibility

- 1.1 The Broads Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.2 The Authority has approved and adopted a framework of measures to ensure strong and effective corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.
- 1.3 This statement explains how the Authority has implemented that framework of measures, and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2 The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it is accountable to and engages with the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the Broads Authority for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.

3 Key Elements of the Governance Framework

- 3.1 Key elements of the system and processes that comprise the Authority's governance arrangements are set out in Appendix 1b.

4 Review of Effectiveness

- 4.1 The Broads Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The Authority does not operate through an Executive. All matters are dealt with by the full Authority, which is the prime decision maker, and its service committees. The Authority monitors the effectiveness of internal control systems through the consideration of regular performance management and budget monitoring reports, and through the receipt of reports from the Audit Commission and internal auditors.
- 4.3 The Chief Executive is responsible for day to day management and maintenance of internal controls within the Authority, with advice and support from the Treasurer and Financial Adviser, Monitoring Officer and other senior officers. The Treasurer and Financial Adviser and Monitoring Officer have provided an assurance that, subject to the weaknesses already identified and addressed in the Action Plan, the Authority's governance arrangements are adequate and are operating effectively and that there have been no significant control issues that have required the need for formal action in their respective roles, significant additional funding, had a material impact on the accounts or resulted in significant public interest, damaging the reputation of the Authority. Any issues which have been identified by the Treasurer and Financial Adviser and Monitoring Officer for improvement are set out in the Action Plan.
- 4.4 The Authority's Standards Committee has been asked to provide an annual ethical assessment of the activities of the Authority and what, if necessary, the Authority could do to improve its ethical standards. In its annual report to the Broads Authority on 26 September 2008 the Committee concluded that 'the ethical standards of the Authority 'continue to be very high and that it has not encountered any problems in this respect'.
- 4.5 Internal audit reports are considered by the Director of Corporate Services and other officers as appropriate, and a management response is submitted in respect of each recommendation, setting out whether the recommendation is accepted, what action will be taken, which officer is responsible and the timetable for action. Each audit report contains an independent assurance of opinion on the adequacy and effectiveness of controls in place to mitigate risks. The agreed actions are followed up subsequently to ensure implementation, thus ensuring that the Authority's risks are properly managed. A summary report of the internal audit work carried out during the year is received annually by the Broads Authority.
- 4.6 The Authority has developed a strategic five year audit plan for the Authority, using a risk based approach, supplemented by an annual audit plan.
- 4.7 The 2006 Audit and Accounts Regulations require that a review of the effectiveness of internal audit be carried out by either a committee of the audited body (in this case the Broads Authority) or by that body meeting as a whole. The aim is not only to

make the Authority more aware of the work of Internal Audit and their key role in governance but also to make those charged with governance more able to understand the connection between, and the Authority's responsibility for, risk management, internal control and the function of internal audit. The result of this review will help to inform the Annual Governance Statement.

- 4.8 In order for the Broads Authority to be able to place reliance on the opinions contained within this report, the Head of Internal Audit has in place a performance management and quality assurance framework to demonstrate that the Internal Audit Service is:
- meeting its aims and objectives;
 - compliant with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006;
 - meeting internal quality standards;
 - effective, efficient and continually looking to improve service delivery; and
 - adding value and assisting the Authority in achieving its objectives.
- 4.9 Additionally the Authority is informed of the work of Audit Commission appointed auditors and inspectors, including receipt of the Annual Governance Report and annual audit and inspection letter. In its Annual Governance Report for 2007/08 the Audit Commission qualified its value for money conclusion on the grounds that:
- the Authority had not put in place some of the necessary arrangements to maintain a sound system of internal control (namely to identify its significant partnerships and ensure that it had appropriate arrangements in place for each of these); and
 - the Authority had not put in place appropriate arrangements for the management of its asset base.
- 4.10 The annual report on risk management will be presented to the Authority at its November meeting. The Strategic Risk Register is reviewed annually by the Management Forum so that the Management Team can provide assurance that key strategic and operational risks have been identified, monitored and reviewed during the year and that key controls to mitigate the identified risks have operated effectively throughout the year.
- 4.11 The Head of Internal Audit is required to provide a Written Report and Opinion on the overall adequacy and effectiveness of the Authority's internal control environment, and of its corporate governance framework and risk management arrangements, identifying any weaknesses that qualify this opinion and highlighting significant issues.
- 4.12 On the basis of the internal audit work carried out during 2008/09 it is the opinion of the Head of Internal Audit that the overall standards of internal control were adequate at the Authority for the year ended 31 March 2009.
- 4.13 On the basis of internal audit work undertaken during 2008/09, and the completion of a more recent audit into the Authority's Corporate Governance and Risk Management processes, it is the opinion of the Head of Internal Audit that a limited assurance level can be given to the corporate governance framework and risk management arrangements within the Authority for 2008/09.
- 4.14 This opinion results from the number of high and medium priority recommendations arising out of the recent internal audit report. These are incorporated into the attached Action Plan.

5 Significant Governance Issues

- 5.1 An Action Plan has been developed in order to address those significant governance issues which have been identified and to secure continuous improvement in the Authority's governance arrangements. This is set out at Appendix 1c.
- 5.2 This Action Plan has also been informed not only by the results of audit and other reports, but also by the results of a self assessment assurance statement which has been circulated to all senior managers, inviting them to assess the Authority's performance across a range of governance issues, in order to identify any gaps and weaknesses in the Authority's governance arrangements.
- 5.3 The Authority is disappointed that it has, for the first time, received a limited assurance in respect of its corporate governance and risk management arrangements. However priority is now being given to addressing these matters, and in particular the high priority recommendations, as a matter of urgency. The Authority is satisfied that the steps identified in the Action Plan will, once implemented, further enhance its governance arrangements and will address the need for improvements which were identified in the review of effectiveness. The implementation and operation of these arrangements will be reviewed as part of the Authority's next annual review.

Signed
Dr J S Johnson, Chairman

Signed.....
Dr J Packman, Chief Executive

Date

Date

Annual Governance Statement 2008/09

Objective 1: Establishing principal statutory obligations and organisational objectives

Mechanism established to identify principal statutory obligations	
Examples of Assurance	Broads Authority Evidence
1. Responsibilities for statutory obligations are formally established	<ul style="list-style-type: none"> • Powers have been reserved to the Broads Authority and its committees • Powers have been delegated to officers under the Scheme of Delegated Powers, supported by a schedule of officers who are authorised to exercise these powers • All officers have job descriptions which are issued on appointment • Staff structure charts set out reporting arrangements
2. Record held of statutory obligations	<ul style="list-style-type: none"> • The Authority holds copies of all key legislation which affects its activities
3. Effective procedures to identify, evaluate, communicate, implement, comply with and monitor legislative change exist and are used	<ul style="list-style-type: none"> • Suitably qualified and experienced staff are employed, including a Solicitor, to monitor and evaluate the implications of legislative change • Reports are provided to members and senior officers where appropriate on the implications of legislative change
4. Effective action is taken where areas of non-compliance are found in either mechanism or legislation	<ul style="list-style-type: none"> • Action Plans are drawn up following areas of non-compliance identified as a result of internal/external audit reports

Mechanism in place to establish organisational objectives	
1. Consultation with stakeholders on priorities and objectives	<ul style="list-style-type: none"> • Stakeholders and members of the public were consulted on the development of the Authority's strategy and management plan, the Broads Plan 2004, and are consulted on strategic documents such as the Local Development Framework • A Broads Forum has been established, representing over 50 local interest groups, to act as the key consultative body to the Authority on all significant strategic and policy issues
2. The Authority's priorities and organisational objectives have been agreed (taking into account	<ul style="list-style-type: none"> • The Broads Plan includes a series of 20 year aims and 5 year priority objectives • The management plan is supported by a 5-Year

feedback from consultation)	Action Plan which sets out the actions which need to be taken by the Authority and its partner organisations to implement the Broads Plan
3. Priorities and objectives are aligned to principal statutory obligations and relate to available funding	<ul style="list-style-type: none"> • The Authority's medium term strategy, including key priority objectives and financial planning over a three year timescale, is set out in the annual Business Plan • An Annual Action Plan is developed from the 5-Year Action Plan • The Authority identifies a rolling three year programme of key priority areas, having regard to its objectives and the funding available, and publishes these in the Business Plan
4. Objectives are reflected in departmental plans and are clearly matched with associated budgets	<ul style="list-style-type: none"> • Directorate work programmes and targets are produced by managers, based on the Annual Action Plan and budget, and link service priorities to the overall objectives of the Authority
5. The Authority's objectives are clearly communicated to staff and to all stakeholders, including partners	<ul style="list-style-type: none"> • Objectives and progress are reported to all members of staff through a weekly newsletter from the Chief Executive, notes of the weekly Management Team meetings (posted on the Intranet), regular team meetings and Staff Development Days to which all staff attend • Copies of the Business Plan, Annual Report and other strategic documents are sent to all stakeholders
Effective corporate governance arrangements are embedded within the Authority	
1. Code of corporate governance established	<ul style="list-style-type: none"> • A framework of measures are in place which together constitute the Authority's governance arrangements
2. Review and monitoring arrangements are in place	<ul style="list-style-type: none"> • An annual report on compliance with the governance framework is submitted to members, incorporating an action plan to address any significant identified weaknesses • A Head of Internal Audit Opinion on the adequacy of the governance framework is obtained and reported to members
3. Committee charged with governance responsibilities	<ul style="list-style-type: none"> • Overall responsibility for effective governance lies with the Broads Authority • Standards Committee is responsible for governance arrangements in respect of member behaviour
4. Governance training provided to key officers and all members	<ul style="list-style-type: none"> • Training is provided to all members of the Authority and its committees, as well as to key officers where appropriate, on the

	<p>Members Code of Conduct and Code of Conduct for Members on the Planning Committee and Officers</p> <ul style="list-style-type: none"> • Senior officers have received training on corporate governance and its application to the Broads Authority
5. Staff, public and other stakeholders awareness of corporate governance	<ul style="list-style-type: none"> • The Members Code of Conduct and Code of Conduct for Members on the Planning Committee and Officers are published on the Authority's website
Performance management arrangements are in place	
1. Comprehensive and effective performance management systems operate routinely	<ul style="list-style-type: none"> • Members of staff receive an annual Individual Performance Review (appraisal) and regular 1:1 Discussions with managers as part of the Authority's Performance Management Framework, to monitor progress and ensure priority objectives are being satisfactorily progressed • Periodic service reviews are carried out • A five yearly strategic internal audit programme has been agreed, together with an annual programme of audit and review
2. Key performance indicators are established and monitored	<ul style="list-style-type: none"> • Performance is measured through a series of statutory, family (national park) and local performance indicators, with benchmarking against national park authorities on the family indicators
3. The Authority knows how well it is performing against its planned outcomes	<ul style="list-style-type: none"> • Progress against key priority objectives is monitored regularly by the Management Team and reported to the Broads Authority using a traffic light system • The Broads Authority receives an annual report from its internal auditor on reports carried out during the previous year together with their findings and recommendations • The Business Plan measures and analyses performance against both key objectives and targets and performance indicators on an annual basis • The Broads Authority and Navigation Committee receive regular reports of income and expenditure against profiled targets, with explanations for any significant variances
4. Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes	<ul style="list-style-type: none"> • Action Plans are drawn up and implemented where appropriate in respect of recommendations from auditors and service reviews

5. The Authority continually improves its performance management	<ul style="list-style-type: none"> Objectives and performance indicator targets are regularly monitored and updated with a view to improving performance
Focusing on the purposes of the Authority and on outcomes for the community and creating and implementing a vision for the local area	
1. Develop and promote the Authority's purpose and vision	<ul style="list-style-type: none"> The Authority's purpose and vision are set out in the Broads Act and Broads Plan respectively, and promoted in the Business Plan and other publications
2. Review on a regular basis the Authority's vision for the local area and its impact on the Authority's governance arrangements	<ul style="list-style-type: none"> The vision is based on a 20 year timeframe. This will be reviewed when the Broads Plan is reviewed and updated
3. Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	<ul style="list-style-type: none"> Guidance for officers being developed in partnership working Service level agreements established with the Whittingham Charitable Trust and How Hill Trust Legal agreement drawn up with partner agencies responsible for the management of the Trinity Broads
4. Publish an annual report on a timely basis to communicate the Authority's activities and achievements, its financial position and performance	<ul style="list-style-type: none"> An annual report is published, setting out achievements over the past year A rolling three year Business Plan containing financial information is published annually Annual Statement of Accounts is published and advertised through the media and on the Authority's website
5. Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	<ul style="list-style-type: none"> Three yearly survey carried out of all applicants for planning permission, to assess the quality of the service Views of residents have been sought through use of Norfolk County Council's Citizens Panel Survey of all toll payers carried out periodically to obtain their views of the Authority's management of the navigation area
6. Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> Failure to achieve key objectives is reported to the Broads Authority through the traffic light system, and mitigating measures discussed and agreed where appropriate A complaints procedure has been developed and is published on the website
7. Decide how value for money is to be measured and make sure that the	<ul style="list-style-type: none"> Benchmarking of performance indicators carried out with national park authorities

<p>Authority has the information needed to review value for money and performance effectively Measure the environmental impact of policies, plans and decisions</p>	<ul style="list-style-type: none"> • Periodic service reviews carried out to assess value for money and challenge service provision and delivery • Analysis of service costs carried out, eg amount of dredging undertaken, lengths of moorings maintained
<p>Members and officers working together to achieve a common purpose with clearly defined functions and roles</p>	
<ol style="list-style-type: none"> 1. Send out a clear statement of the respective roles and responsibilities of the executive and of members individually and the Authority's approach towards putting this into practice 2. Set out a clear statement of the respective roles and responsibilities of other members and of senior officers 	<ul style="list-style-type: none"> • The principles of decision making and conduct at meetings are governed by the Authority's Standing Orders • Members and officers have clearly defined roles, including a job description for members which is communicated to them at the time of their appointment, with clear channels of reporting • A Protocol on Member and Officer Relations in the Broads Authority has been adopted • Members of the Authority, in their individual capacity, have no executive powers and cannot individually make decisions. They have a role to play in contributing to the decision making process of the Authority by: <ul style="list-style-type: none"> ○ determining the Authority's policies, and approving and monitoring programmes to implement these policies; ○ participating in policy development, strategic thinking and innovation within the Authority, including through the development and maintenance of a good working relationship with officers; and ○ representing the Authority, individually and corporately
<ol style="list-style-type: none"> 3. Determine a scheme of delegation and reserve powers with the constitution, including a formal schedule of those matters specifically reserved for collective decision of the Authority taking account of relevant legislation and ensure that it is monitored and updated when required 	<ul style="list-style-type: none"> • The Terms of Reference of Committees sets out the powers reserved to the Broads Authority and its committees • A formal adopted Scheme of Delegation sets out the powers delegated to named officers, and is supported by internal arrangements which specify those officers who are authorised to exercise the powers delegated to the Chief Executive on his behalf
<ol style="list-style-type: none"> 4. Make a chief executive or equivalent responsible and accountable to the Authority for all aspects of operational management 	<ul style="list-style-type: none"> • Chief Executive appointed, with appropriate job description
<ol style="list-style-type: none"> 5. Develop protocols to ensure that the Chairman and Chief Executive negotiate their respective roles early in the relationship and that a shared 	<ul style="list-style-type: none"> • Regular briefing meetings held between Chairman and Chief Executive

	understanding of roles and objectives is maintained	
6.	Make a senior officer responsible to the Authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control	<ul style="list-style-type: none"> An officer, and deputy, has been appointed with responsibility for the proper administration of the Authority's financial affairs, in accordance with Section 17 of the Norfolk and Suffolk Broads Act 1998
7.	Make a senior officer (other than the Responsible Financial Officer) responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	<ul style="list-style-type: none"> A Monitoring Officer has been appointed under the provisions of the Local Government and Housing Act 1989, with specific responsibilities which are set out in a job description
8.	Develop protocols to ensure effective communication between members and officers in their respective roles	<ul style="list-style-type: none"> Protocol on Member and Officer Relations adopted
9.	Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel	<ul style="list-style-type: none"> Scheme of Members Allowances adopted, following recommendations of an independent panel Pay structure adopted for the remuneration of officers, following a comprehensive job evaluation review, with an ongoing review and appeal process Comprehensive conditions of service adopted for officers
10.	Ensure that effective mechanisms exist to monitor service delivery	<ul style="list-style-type: none"> Regular reporting to Broads Authority of progress against key priorities, by use of a traffic light system Annual Individual Performance Reviews and regular 1:1 Discussions held by all managers with their staff
11.	Ensure that the Authority's vision, strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and key stakeholders, and that they are clearly articulated and disseminated	<ul style="list-style-type: none"> Strategic plans and policies – in the Broads Plan – were developed following consultation with stakeholders and the local community The Broads Forum is consulted on annual priorities and targets
12.	When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority	<ul style="list-style-type: none"> Protocol on Member and Officer Relations includes guidance on the role and responsibilities of members Guidelines produced for Broads Authority appointees on outside bodies
13.	When working in partnership: <ul style="list-style-type: none"> ensure that there is clarity about 	<ul style="list-style-type: none"> Guidance for officers being developed in partnership working

<ul style="list-style-type: none"> ○ the legal status of the partnership ○ ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions 	<ul style="list-style-type: none"> • Service level agreement drawn up with How Hill Trust and Whitlingham Charitable Trust • Legal agreement drawn up with partner agencies responsible for the management of the Trinity Broads
Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	
<p>1. Ensure that the Authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</p>	<ul style="list-style-type: none"> • All agendas, reports and minutes are published on the Authority's website
<p>2. Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols</p>	<ul style="list-style-type: none"> • The Authority has adopted a Code of Conduct for Members, and a Code of Conduct for Members on the Planning Committee and Officers • A Code of Conduct for Employees has been adopted, which forms part of the Authority's Scheme of Local Conditions of Service and is communicated to all members of staff on appointment • Code of Conduct training provided to all members on appointment • Protocol on Member and Officer Relations includes guidance on the conduct of meetings
<p>3. Put in place arrangements to ensure that members and employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice</p>	<ul style="list-style-type: none"> • Code of Conduct for Members • Code of Conduct for Members on the Planning Committee and Officers • Code of Conduct for Employees
<p>4. Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners</p>	<ul style="list-style-type: none"> • A Communication Strategy has been developed and approved by the Authority
<p>5. Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</p>	<ul style="list-style-type: none"> • Monitoring by Standards Committee and annual ethical assessment by the Committee of the activities of the Authority
<p>6. Develop and maintain an effective standards committee</p>	<ul style="list-style-type: none"> • A Standards Committee has been established to oversee the Authority's ethical standards, including a majority of

	<p>independent members one of whom chairs the Committee, with appropriate terms of reference</p> <ul style="list-style-type: none"> The minutes of the Committee are received by the Broads Authority with a verbal report from the Chairman of the Committee
7. Use the Authority's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority	<ul style="list-style-type: none"> Induction programme for members Protocol on Member and Officer Relations
8. In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	<ul style="list-style-type: none"> Chief Executive is a member of Norfolk County Strategic Partnership Board
<p>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</p>	
1. Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible	<ul style="list-style-type: none"> Navigation Committee and Standards Committee have scrutiny roles in respect of management of the waterways and member behaviour respectively Broads Forum has oversight of the Authority's programmes and priorities
2. Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	<ul style="list-style-type: none"> Full minutes are produced of all formal meetings, approved and signed by the Chairman at the subsequent meeting and published on the Authority's website
3. Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> Members Code of Conduct Interests are declared verbally by all members at the beginning of each meeting and recorded in the minutes
4. Develop and maintain an effective audit committee (or equivalent) which is independent or make other appropriate arrangements for the discharge of the functions of such a committee	<ul style="list-style-type: none"> The Authority has agreed that overall responsibility for financial matters should lie with the Broads Authority itself A lead member has been appointed with responsibility for finance, audit and risk management
5. Put in place effective transparent and accessible arrangements for dealing with complaints	<ul style="list-style-type: none"> A complaints procedure has been developed and is published on the website
6. Ensure that those making decisions are provided with information that is fit for the purpose – relevant, timely and gives	<ul style="list-style-type: none"> Full and appropriate reports are presented to members in respect of all matters for which decisions are needed

	clear explanations of technical issues and their implications	
7.	Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	<ul style="list-style-type: none"> The views of the Solicitor and Monitoring Officer and/or Treasurer and Financial Adviser are sought in respect of all matters for which specialist legal and/or financial advice is required, and where appropriate is recorded
8.	Ensure that risk management is embedded into the culture of the organisation, with members and managers at all levels recognising that risk management is part of their job	<ul style="list-style-type: none"> Strategic Risk Register drawn up, regularly reviewed and updated by senior officers and received by the Broads Authority
9.	Ensure that arrangements are in place for whistle blowing which staff and all those contracting with the Authority have access	<ul style="list-style-type: none"> A Whistle Blowing Policy, which forms part of the terms and conditions of employment of all employees, has been adopted and is posted on the Authority's Intranet
10.	Actively recognise the limits of lawful activity, for example the ultra vires doctrine, but also strive to utilise powers to the full benefit of communities	<ul style="list-style-type: none"> The views of the Solicitor are sought in respect of all significant matters, including committee reports and new initiatives/operations, and where appropriate are recorded
11.	Recognise the limits for lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law	
12.	Observe all specific legislative requirements, as well as the requirements of general law, and in particular integrate the key principles of good administrative law – rationality, legality and natural justice – into procedures and decision making processes	
Developing the capacity and capability of members and officers to be effective		
1.	Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.	<ul style="list-style-type: none"> Induction training, including an individual briefing from the Chief Executive and attendance at a New Members Induction Day, is provided for all new members
2.	Ensure that statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood through the organisation	<ul style="list-style-type: none"> Job descriptions drawn up Appropriate training provided where necessary
3.	Assess the skills required by members and officers and make a commitment to	<ul style="list-style-type: none"> Member appraisal process includes identification of training and development

<p>develop those skills to enable roles to be carried out effectively</p>	<p>needs</p> <ul style="list-style-type: none"> • Annual Individual Performance Review process for officers includes identification of training and development needs • Corporate and Directorate Training Programmes drawn up on an annual basis
<p>4. Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</p>	<ul style="list-style-type: none"> • Induction programme for members
<p>5. Ensure that effective arrangements are in place for reviewing the performance of the Authority as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs</p>	<ul style="list-style-type: none"> • Member appraisal process developed and introduced
<p>6. Ensure that effective arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority</p>	<ul style="list-style-type: none"> • All Secretary of State appointments to the Broads Authority and appointments to the Navigation Committee are advertised through the media • Toll payers have been invited to apply for membership of the Navigation Committee through an advert in the local press and their newsletter, 'Broad Sheet'
<p>7. Ensure that career structures are in place for members and officers to encourage participation and development</p>	<ul style="list-style-type: none"> • A staff grading structure is in place, providing for gradual progression • Staff are encouraged to undertake appropriate training, including financial support for continuing professional development
<p>Engaging with local people and other stakeholders to ensure robust public accountability</p>	
<p>1. Make clear to staff and the community to whom the Authority is accountable and for what</p>	<ul style="list-style-type: none"> • Powers and responsibilities of the Authority are set out in Broads Act • Briefings on accountability and responsibilities given to staff as part of induction and training programmes • Annual Report, Broadcaster, Broad Sheet and other publications are used to inform the public of the Authority's accountability and responsibilities
<p>2. Consider those institutional stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required</p>	<ul style="list-style-type: none"> • Memorandum of Understanding in place with the Environment Agency in respect of Broadland Flood Alleviation Project • Chief Executive has joined Norfolk Chief

	Executives Group
3. Produce an annual report on scrutiny function activity	<ul style="list-style-type: none"> Annual report from Standards Committee on the Authority's ethical standards
4. Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively	<ul style="list-style-type: none"> Annual visitor newspaper 'Broadcaster' made available to all visitors and residents through boat hire organisations and visitor centres Annual toll payer newsletter 'Broad Sheet' sent to all toll payers with toll reminder Annual report and other publications are available at visitor centres, libraries and on the Authority's website
5. Hold meetings in public unless there are good reasons for confidentiality	<ul style="list-style-type: none"> All meetings are held in public with the exception of items which are deemed to be confidential under the provisions of the Local Government Act 1972 Annual public meeting held at a central venue, and advertised extensively
6. Ensure arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	<ul style="list-style-type: none"> The Communication Strategy identifies the Authority's key audiences and stakeholders and how it will communicate with them
7. Establish a clear policy on the types of issues the Authority will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result	<ul style="list-style-type: none"> Communication Strategy
8. On an annual basis, publish a performance plan giving information on the Authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period	<ul style="list-style-type: none"> Annual Report and Business Plan published annually
9. Ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	<ul style="list-style-type: none"> All meetings of the Authority and its committees are held in public, the details of which are advertised and published on the Authority's website The agendas and minutes of all meetings are published on the website An annual public meeting is held to enable members of the public to question members and hold the Authority to account for its actions

	<ul style="list-style-type: none"> The Authority has a Public Question Time Scheme of Operation whereby members of the public are able to ask formal questions, make a statement or present a petition at meetings of the Broads Authority and its committees
10. Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	<ul style="list-style-type: none"> Members of staff and the recognised trade unions are consulted on all changes to their terms and conditions of employment A Staff Representative Group has been established to represent the views of staff on all key issues which might affect their employment

Objective 2: Identify principal risks to the achievements of objectives

The Authority has robust systems and processes in place for the identification and management of strategic and operational risks	
<ol style="list-style-type: none"> There is a written strategy and policy in place for managing risk The Authority has implemented clear structures and processes for risk management which are successfully implemented The Authority has developed a corporate approach to the identification and evaluation of risk which is understood by staff The Authority has well defined procedures for recording and reporting risk The Authority has well-established and clear arrangements for financing risk The Authority has developed a programme of risk management training for relevant staff The corporate risk management board (or equivalent) adds value to the risk management process A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice Managers are accountable for managing their skills 	<ul style="list-style-type: none"> A strategic risk register has been established, following a workshop involving senior members of staff and one member facilitated by Zurich Municipal The risk register is reviewed annually by the Authority's group of senior managers and reported on an annual basis to the Broads Authority The risk register is published on the Authority's Intranet and is reviewed and updated regularly by responsible officers The Director of Corporate Services is responsible for coordinating the strategic risk register

10.	Risk management is embedded throughout the organisation	
11.	Risks in partnership working are fully considered	
12.	Where employed, risk management information systems meet users' needs	

Objective 3: Identify and evaluate key controls to manage principal risks

The Authority has a robust system of internal control which includes systems and procedures to mitigate principal risks		
1.	There are written financial regulations which have been formally approved, regularly reviewed and widely communicated to all relevant staff	<ul style="list-style-type: none"> Financial regulations have been adopted which set out the overall framework which governs the management of the Authority's finances
2.	There are written contract standing orders in place which have been approved, regularly reviewed and widely communicated to all relevant staff	<ul style="list-style-type: none"> Standing Orders relating to Contracts have been adopted which set out procedures for letting and management of contracts and which ensure competition for all contracts over a specific value
3.	There is a whistle blowing policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	<ul style="list-style-type: none"> A Whistle Blowing Policy has been adopted for staff, and is posted on the Authority's Intranet
4.	There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed and widely communicated to all relevant staff	<ul style="list-style-type: none"> A Counter Fraud and Corruption Policy has been developed, and is posted on the Intranet
5.	There are codes of conduct in place which have been formally approved and widely communicated to all relevant staff	<ul style="list-style-type: none"> The Authority has adopted a Code of Conduct for Members, and a Code of Conduct for Members on the Planning Committee and Officers A Code of Conduct for Employees has been adopted, which forms part of the Authority's Scheme of Local Conditions of Service and is communicated to all members of staff on appointment

<p>6. A register of interests is maintained, regularly updated and reviewed</p>	<ul style="list-style-type: none"> • A Register of Members Interests is maintained, regularly updated and reviewed on an annual basis
<p>7. A scheme of delegation has been drawn up, formally approved and communicated to all relevant staff</p>	<ul style="list-style-type: none"> • The scheme of delegation has been posted on the Authority's Intranet and communicated to senior officers as appropriate
<p>8. A corporate procurement policy has been drawn up, formally approved and communicated to all relevant staff</p>	<ul style="list-style-type: none"> • A procurement policy has been developed and posted on the Authority's Intranet
<p>9. Business/service continuity plans have been drawn up for all critical service areas and are subject to regular testing and review</p>	<ul style="list-style-type: none"> • Included in Action Plan
<p>10. The risk register includes expected key controls to manage principal risks</p>	<ul style="list-style-type: none"> • The risk register includes key controls already in place, assesses the adequacy of these controls and sets out required management action
<p>11. Key risk indicators have been drawn up to track the movement of key risks and are regularly managed and reviewed</p>	<ul style="list-style-type: none"> • Risks have been assessed according to their impact and likelihood of occurrence • This level of risk is reviewed on an annual basis and if necessary amended
<p>12. The Authority's internal control framework is subject to regular independent assessment</p>	<ul style="list-style-type: none"> • Regular audit reports are prepared for the Authority, using a risk based approach, by both internal and external auditors • An independent assessment of the internal control framework is carried out by the Head of Internal Audit
<p>13. A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all relevant staff</p>	<ul style="list-style-type: none"> • A corporate Health and Safety at Work Policy has been adopted (and was reviewed in 2008/09) and is posted on the Authority's Intranet • The policy is subject to regular review by the Safety Committee, has been communicated to all members of staff and is drawn to the attention of all new staff on appointment • The policy is supplemented by Codes of Practice which are posted on the Intranet
<p>14. A corporate complaints policy/procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other stakeholders and is regularly reviewed</p>	<ul style="list-style-type: none"> • A formal complaints policy has been developed, and is published on the Authority's website

APPENDIX 2

Annual Governance Statement: 2009/10 Action Plan

Action	Responsibility	Target Date	Priority
Asset Management			
Develop an Asset Management Plan, identifying future costs of maintenance and replacement for BA assets using GIS to map structures	Director of Waterways (lead officer)	By 31 March 2010	H
Develop an Asset Management Strategy, including policies and procedures for the acquisition and disposal of assets, authorisation levels and responsibility.	Director of Corporate Services	By 31 July 2009	H
Prepare a capital replacement budget/plan for BA assets, linked to the Authority's corporate objectives and Business Plan	Management Team	By 31 March 2010	H
Business Continuity			
Document all major business critical systems and put in place a Business Continuity Plan to address/mitigate risks	Director of Corporate Services (lead officer)	By 31 July 2009	H
Develop an IT Disaster Recovery Plan	Head of Information Technology and Collector of Tolls	By 31 July 2009	H
Business Planning			
Develop and publish 3 year Business Plan	Director of Corporate Services	By 31 August 2009	H
Introduce MS Project throughout the Authority as a means of planning and programming work	Management Team	By 31 March 2010	M
Code of Corporate Governance			
Develop and maintain a local Code of Corporate Governance	Solicitor/Director of Corporate Services	By 30 November 2009	H
Communications			
Review and update the Authority's Communication Strategy, to take into	Director of Corporate Services/Communications	By 30 November	H

account any recent guidance/developments	Manager	2009	
Draw up Emergency Communication Plan setting out how the Authority will respond to emergencies and major incidents	Director of Corporate Services/Communications Manager	By 31 December 2008	H
Develop guidance for officers on external partnerships	Solicitor/Director of Corporate Services	By 30 September 2009	M
Data Management			
Formalise a data quality policy	Director of Corporate Services	By 31 December 2009	L
Employment Policies			
Review and update the Authority's Scheme of Local Conditions of Service	Head of Human Resources	By 31 July 2009	M
Review and update the following policies: <ul style="list-style-type: none"> • Electronic Communications • Unsatisfactory Work Performance and Related Matters • Whistle Blowing 	Head of Human Resources	By 31 January 2010	M
Financial Management			
Review and update the Anti-Fraud and Corruption Policy, and ensure that all members of staff are aware of the contents of the policy	Head of Finance/Director of Corporate Services	By 31 January 2010	M
Health and Safety at Work			
Introduce standardised site specific risk assessment forms	Director of Corporate Services/Safety Committee	By 30 September 2009	M
Ensure that all field based have received health and safety awareness training	Director of Corporate Services	By 31 March 2010	M
Membership Issues			
Introduce a comprehensive induction programme for all new members when they join the Authority, tailored to their individual requirements	Head of Administration and Executive Assistant	By 31 July 2009 (for newly appointed members in	M

		May/June 2009)	
Partnerships			
Identify significant partnerships and ensure that appropriate governance arrangements are in place	Director of Corporate Services (lead officer)	By 30 September 2009	H
Procurement			
Review and update the Procurement Policy to ensure that the Authority is securing value for money in its purchasing arrangements	Director of Corporate Services/Head of Finance	By 31 October 2009	M
Risk Management			
Strengthen risk management procedures by ensuring that: <ul style="list-style-type: none"> all new risks are identified and added to the Strategic Risk Register as promptly as possible through the introduction of a Risk Assessment Form; and improve monitoring of risks by managers through adding review dates to all identified risks. 	Director of Corporate Services	By 30 September 2009	H
Toll Income			
Compile written procedures for all aspects of the new Tolls Management System	Head of Information Technology and Collector of Tolls/Assistant Collector of Tolls	By 31 October 2009	M
Training and Education			
Provide training for selected members and senior officers in dealing with the press and media	Head of Communications/Press Officer	By 31 December 2008	M

Annual Governance Statement: 2008/09 Action Plan

Summary of Progress to Date

Action	Responsibility	Progress to Date
Asset Management		
Develop an Asset Management Plan, identifying future costs of maintenance and replacement for BA assets using GIS to map structures	Director of Waterways (lead officer)	Work in progress. Initial officer meeting held to discuss scope of project. New GIS Officer commencing work on 22 June 2009. Work commenced on Asset Management Strategy.
Prepare a capital replacement plan for BA assets, linked to the Authority's corporate objectives and Business Plan	Management Team	To be developed as part of Asset Management Plan.
Business Continuity		
Document all major business critical systems and put in place a Business Continuity Plan to address/mitigate risks	Director of Corporate Services (lead officer)	Initial officer meeting being held on 23 June to scope project.
Develop an IT Disaster Recovery Plan	Head of Information Technology and Collector of Tolls	No progress to date due to other pressures of work.
Communications		
Review and update the Authority's Communication Strategy and Action Plan, to clarify how best to represent the status of the Authority and engage with local residents and communities outside the executive area	Chief Executive/Director of Corporate Services	Deferred pending the appointment of a Communications Manager (interviews being held on 24/25 June 2009).
Draw up Emergency Communication Plan setting out how the Authority will respond to emergencies and major incidents	Director of Corporate Services	Deferred pending the appointment of a Communications Manager.
Data Management		
Establish a set of appropriate	Management	New set of performance

national and local performance indicators which can be used to monitor the Authority's performance	Team/Broads Strategy Officer	indicators adopted for 2009/10, including reduced set of national indicators agreed with national park authorities.
Formalise a data quality policy	Director of Corporate Services	No progress to date due to pressures of other work.
Document Management		
Develop a Retention and Disposal Policy to provide guidance to officers in the retention and disposal of documentation	Director of Corporate Services/ Solicitor	Document Management, Retention and Disposal Policy produced October 2008.
Membership Issues		
Introduce a comprehensive induction programme for all new members when they join the Authority, tailored to their individual requirements	Chief Executive/Director of Corporate Services	Work in progress. To be refined following attendance by officers at NPAs Member Services Workshop in July 2009.
Develop a protocol to ensure effective communication between members and officers in their respective roles	Director of Corporate Services/ Solicitor	Protocol on Officer and Member Relations adopted by BA on 8 May 2009.
Partnerships		
Identify significant partnerships and ensure that appropriate governance arrangements are in place	Director of Corporate Services (lead officer)	Work in progress. Key partnerships identified by Management Team. Draft list of questions prepared to assess current working relationships and identify strengths/weaknesses.
Procurement		
Review and update the Procurement Policy to ensure that the Authority is securing value for money in its purchasing arrangements	Director of Corporate Services/Head of Finance	No progress due to other pressures of work. Review to be undertaken in consultation with Sustainability Exchange, to ensure that sustainability is at the heart of the new strategy.
Training and Education		
Provide training for selected members and senior officers in dealing with the press and media	Head of Communications/Press Officer	Deferred pending appointment of new Communications Manager.

Provide training to staff as appropriate on the implementation and exercise of powers set out in the Broads Authority Bill	Solicitor	Presentation on the Broads Authority Bill given to all staff at Development Day on 27 April 2009.
Provide general corporate governance training for staff	Solicitor	Presentation on Corporate Governance and its Application to the Broads Authority given to senior managers on 9 February 2009.
Provide training guidance for staff on the implications of the Freedom of Information Act and how to respond to requests	Solicitor	Staff Guidance produced and published on the Intranet. Revised Guidelines on dealing with Freedom of Information Act and Environmental Information Regulations requests being produced.
Increase staff awareness of the Authority's Anti-Fraud and Corruption and Whistle Blowing policies	Director of Corporate Services	Note sent to staff drawing attention to the Whistle Blowing Policy on 3 November 2008. Both Anti-Fraud and Corruption and Whistle Blowing policies to be reviewed.
Work Planning		
Introduce MS Project throughout the Authority as a means of planning and programming work	Management Team	Partially introduced.

Statement of Accounting Policies

1. General

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2008 Statement of Recommended Practice (SORP), the recommendations issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and also with guidance notes issued by CIPFA on the application of Statement of Standard Accounting Practices (SSAPs) and Financial Reporting Standards (FRSs) and Urgent Issues Task Force (UITF's).

2. Fixed Assets

Fixed Assets aged over five years are revalued following broadly the principles stated in the Statement of Recommended Accounting Practice (SORP). The Broads Authority adopted the following valuation and accounting treatment.

Operating assets are valued at the lesser of:-

- (a) net current replacement cost; and
- (b) net realisable value in existing use.

The difference between the revalued amount and the historic cost of fixed assets is credited to the Revaluation Reserve. There is therefore, no effect on the revenue account.

A de minimis limit of £5,000 is used to recognise fixed assets.

Revaluation and impairment reviews are conducted in accordance with FRS15 Tangible fixed assets. Land and buildings are revalued by NPS Consultants Ltd every five years, with annual impairment reviews performed by Broads Authority Directors in the intervening years.

Depreciation is charged in accordance with FRS15 and each class of asset is considered separately. Assets (excluding land) are depreciated at cost or revalued amount less estimated residual value. The depreciable amount (i.e. cost, or revalued amount, less residual value) of a tangible fixed asset is recognised in the Income and Expenditure Accounts, on a systematic basis that reflects as fairly as possible the pattern in which the assets economic benefits are consumed by the entity, over its useful economic life. The Broads Authority has a policy of not depreciating assets in the first year of ownership.

3. Debtors and Creditors

The Income and Expenditure Accounts of the Authority are maintained on an accruals basis in accordance with the Code of Accounting Practice and adopted in accordance with FRS18. That is, sums due to or from the Authority during the year are included whether or not the cash has actually been received or paid in the year. Specific bad debts are provided for when it becomes evident that funds are unlikely to be received. Specific bad debt provisions are reviewed annually.

4. Stocks

Stock is included in the Balance Sheet at the lower of cost or net realisable value in accordance with SSAP9.

5. Reserves

Reserves can be cash or non-cash backed, and cash backed reserves can be used to meet general or earmarked future expenditure. Non cash backed reserves are the Fixed Asset Restatement Account, the Capital Financing Account, the Revaluation Reserve, Capital Adjustment Account, the Government Grants Deferred Account and the Pension Reserve. Earmarked reserves are held for fulfilling specific projects, see note 20, at page 59.

6. Investment Interest

Surplus revenue funds are invested with Broadland District Council and interest is credited to the General, Navigation and specific reserve accounts based on the average level of their balances throughout the year.

7. Investments

Investments are shown in the Balance Sheet at cost.

8. Defra Grant

Grants are essential to enable the Broads Authority to achieve its strategic aims and objectives as defined by the Norfolk and Suffolk Broads Act 1988 (as amended by the Natural Environment and Rural Communities Act 2006).

Grants are credited to the Authority's Income and Expenditure Accounts and matched with related expenditure in accordance with SSAP4, i.e. when:-

- (a) Conditions for receipt have been complied with;
- (b) There is reasonable assurance that the grant will be received.

9. Segmental Reporting

In accordance with the Norfolk and Suffolk Broads Act 1988 and SSAP25 the Broads Authority keeps the General Account funds and Navigation Account funds separately. Under the Local Authorities 2008 SORP the Authority has prepared a single income and expenditure account for 2008-09, however in note 3 to the accounts the Navigation Account is shown in full.

10. Allocation of Costs

Salary, vehicle and other revenue costs are reallocated within the General Account to major projects that are grant aided partially or wholly by sources other than Defra grant. The method of allocation is kept as simple as possible and is either made on usage, such as number of hours spent on a project, or estimated on a percentage basis.

Recharges between the General and Navigation Accounts are made on a percentage basis of the service or goods consumed.

11. Leasing

Leases are classified in accordance with SSAP21 "Accounting for Leases and Hire Purchase Contracts". Leases are appropriately classified as finance leases or operating leases. Finance leases are recorded in the balance sheet as an asset and as an obligation to pay future rentals. Operating lease obligations are not recorded in the balance sheet, but information of the obligation is disclosed by way of note to the financial statements. Operating lease rental is charged on a straight-line basis over the lease term to the revenue account.

12. Retirement Benefits

Retirement benefits are included in the financial statement in accordance with Financial Reporting Standard 17 (FRS17). The objectives of FRS17 are:

- the assets and liabilities arising from the employer's retirement benefit obligations are to be reflected at fair value;
- the operating costs of providing retirement benefits are to be recognised in the accounting periods in which the benefits are earned by the employees;
- the related financing costs and other charges in the value of assets and liabilities are to be recognised in the accounting period in which they arise;
- there is adequate disclosure in respect of the above.

13. Capital Grants

Government grants and other contributions of a capital nature are accounted for on an accruals basis and recognised in the Balance Sheet when conditions for their receipt have been complied with, and there is reasonable assurance that the grant or contribution will be received. Capital grants when received in the future, will be initially credited to the Capital Grants and Contributions Account, from where they are transferred to the Government Grants Deferred Account when used to finance capital expenditure. Grants are then released to the Income and Expenditure Account so as to offset the appropriate amount of depreciation on the assets to which they refer.

14. Long Term Loans

Long term loans are shown in the balance sheet as the capital element outstanding at the year end, split between amounts due within the current year and amounts due outside the year. Any interest paid is taken directly to the income and expenditure account. The 'fair value' of any loans is disclosed in the notes to the accounts with accompanying explanations.

15. Financial Instruments

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and includes the most straightforward financial assets and liabilities such as trade receivables and trade payables and the complex ones such as derivatives.

Financial liabilities are initially measured at fair value and carried at their amortised cost.

Financial assets are classified into two types:

- Loans and Receivables – assets that have a fixed or determinable payments but are not quoted on an active market
- Available for Sale Assets – assets that have a quoted market price and/ or do not have fixed or determinable payments.

(The authority has not made any Loans neither does it have any available for sale Financial Assets).

General and Navigation Fund Income and Expenditure Account

2007-08	Note			2008-09
Net Expenditure £000		Gross Expenditure £000	Income £000	Net Expenditure/ (Income) £000
Corporate Services				
291		259	(6)	253
185		224	0	224
82		108	(1)	107
184		201	0	201
230		198	0	198
185		227	0	227
138		145	(1)	144
196		464	0	464
(58)		281	(200)	81
Countryside Management				
101		135	(16)	119
374		493	(145)	348
77		84	(30)	54
260		252	0	252
104		119	(1)	118
335		363	(56)	307
72		67	(2)	65
170		249	(77)	172
70		497	(436)	61
Planning and Strategy				
116		118	0	118
42		45	0	45
92		103	0	103
18		193	(158)	35
27		36	(1)	35
Waterways				
20		20	0	20
5		40	(47)	(7)
173		258	(2)	256
250		6	0	6
22		0	0	0
30		10	0	10
44		69	(8)	61
27	3	2,428	(2,341)	87
<u>3,862</u>		<u>7,692</u>	<u>(3,528)</u>	<u>4,164</u>
Net Cost of Services				
0				0
16				31
(176)				(140)
(64)	9			45
<u>3,638</u>				<u>4,100</u>
Net Operating Expenditure				
(3,927)				(4,104)
<u>(289)</u>				<u>(602)</u>
(Surplus)/Deficit for the year				
				<u>(606)</u>

Statement of Movement of the Fund Balance

The income and expenditure account shows the Authority's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Authority is required to account for the general fund on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.
- The General Fund Balance compares the authority's spending against the DEFRA grant for the year, taking into account the use of reserves built up in the past and reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

2007-08 <u>Statement of Movement of the Fund Balance</u>		2008-09		
£000		General Account	Navigation Account	Consolidated Account
(289)	(Surplus)/Deficit on General and Navigation Fund I&E a/c	(675)	69	(606)
(227)	Depreciation and impairment of fixed assets	(88)	(92)	(180)
63	Amortisation of government grants deferred	32	30	62
(400)	Net charge made for retirement benefits in accordance with FRS17	(330)	(200)	(530)
402	Employers contributions to the Norfolk Pension Fund & benefits payable direct	269	163	432
48	Capital financed from Revenue	113	56	169
	Repayment of Loan Principal		24	24
300	Net transfer to or (from) earmarked reserves	314	188	502
	Earmarked Reserves Transfer			
<u>(103)</u>	Sub total	<u>(365)</u>	<u>238</u>	<u>(127)</u>
	Transfer from General to Navigation Account	250	(250)	0
(103)	Decrease/(Increase) in Fund Balances for the year	(115)	(12)	(127)
<u>(1253)</u>	Balance b/f	<u>(850)</u>	<u>(506)</u>	
<u>(1356)</u>	Balance c/f	<u>(965)</u>	<u>(518)</u>	

Statement of Total Recognised Gains and Losses

2007-08 (Restated) £000	2008-09 £000
(289) (Surplus)/Deficit for the year on the General and Navigation Fund Income and Expenditure Account	(606)
(272) (Surplus)/Deficit arising on the revaluation of fixed assets	(26)
(1,293) Actuarial (gains)/losses on the pension fund assets and liabilities	1,837
(1,857) Total recognised (gains)/losses for the year	1,205
1,850 Balance sheet as at 1 April	3,707
3,707 Balance sheet as at 31 March	2,502
1,857	(1,205)

Balance Sheet

As at 31 March 08 (Restated) £000		Note	£000	As at 31 Mar 09 £000
<u>Fixed Assets</u>				
1,265	Land and Buildings - Operational Assets	11	1,238	
323	Land and Buildings - Community Assets	11	323	
229	Infrastructure Assets	11	214	
670	Vehicles and Vessels	11	695	
92	Computer and Office Equipment	11	124	
2,579				2,594
12	Long Term Debtors	12		15
<u>Current Assets</u>				
151	Stock		167	
656	Debtors	13	790	
2,665	Investments	14	3,031	
313	Cash at Bank & Hand		465	
3,785			4,453	
<u>Current Liabilities</u>				
(632)	Pension Liability	8	(2,568)	
(1,296)	Creditors	15	(1,328)	
(15)	Public Works Loan	17	(15)	
(1,934)			(3,911)	
1,851	Net Current Assets/(Liabilities)			542
<u>Long term Creditors</u>				
(458)	Government Grants Deferred	16		(395)
(268)	Public Works Loan	17		(254)
3,707				2,502
<u>Represented by:-</u>				
1,620	Capital Adjustment Account	19b		1,714
208	Revaluation Reserve	19a		215
(632)	Pension Reserve	8		(2,568)
1,155	Earmarked Reserves	19c		1,658
<u>Fund Balances</u>				
850	General Account Fund Balance	19		965
506	Navigation Account Fund Balance	19		518
3,707				2,502

John Duvall (Treasurer and Financial Adviser)
22 January 2010

Cash Flow Statement

2007-08 £000	Note		£000	2008-09 £000
		Revenue Activities		
132	23	Net Cash Outflow/(Inflow) from Revenue Activities		(560)
		Returns on Investments & Servicing of Finance		
(180)		Interest Received	(173)	
16		Interest Paid	31	
<u>(32)</u>				<u>(142)</u>
		Capital Activities		
342		Purchase of Fixed Assets		169
<u>310</u>		Net Cash Outflow/(Inflow) Before Financing		<u>(533)</u>
		Managing of Liquid Resources		
175	24	Net Increase/(Decrease) in Short Term Deposits		366
		Financing		
7		Repayment of amounts borrowed	15	
(290)		New Long-term loans raised.	0	
<u>(283)</u>				<u>15</u>
<u>202</u>		Net Decrease/(Increase) in Cash		<u>(152)</u>

Notes to the Statement of Accounts

1. Consolidated Income and Expenditure Account in Best Value Account Code of Practice Format

The Broads Authority is a special statutory authority created under the provisions of the Norfolk and Suffolk Broads Act 1988. This note presents the accounts in the Best Value Accounting Code of Practice format for National Parks, to comply with the 2008 SORP requirement and to enable comparison between the Authority and other National Parks.

<u>2007-08</u>		<u>2008-09</u>		
<u>Net Expenditure</u> £000s		<u>Gross Expenditure</u> £000s	<u>Income</u> £000s	<u>Net Expenditure / (Income)</u> £000s
1,180	Conservation of the Natural Environment	1,211	(496)	715
276	Conservation of Cultural Heritage	884	(231)	653
627	Recreation Management and Transport	835	(169)	666
668	Promoting Understanding	807	(90)	717
419	Rangers Estates and Volunteers	444	0	444
176	Development Control	332	(158)	174
136	Forward Planning and Communities	141	(1)	140
0	Non Distributed Costs	87	0	87
340	Corporate and Democratic Core	523	(42)	481
40	Broads Navigation Account	2,428	(2,341)	87
3,862	Net cost of Services	7,692	(3,528)	4,164
0	Profit/Loss on disposal of fixed assets			0
16	Interest payable and similar charges			31
(176)	Interest and investment income			(140)
(64)	Pensions interest cost and expected return on pensions assets			45
3,638	Net Operating Expenditure			4,100
(3,927)	Defra Grant			(4,104)
	CLG Grant			(602)
(289)	(Surplus)/deficit for the year			(606)

2. Navigation Fund Income and Expenditure Account

The Broads Authority is also required to maintain a separate navigation account. Due to this requirement this note shows a Navigation Fund income and expenditure account for information.

<u>2007-08</u>		<u>2008-09</u>		
<u>Net Expenditure</u>		<u>Gross Expenditure</u>	<u>Income</u>	<u>Net Expenditure / (Income)</u>
£000s		£000s	£000s	£000s
Corporate Services				
45	Management and Admin Support	51	0	51
87	Finance	89	0	89
21	Human Resources and Staff Training	27	0	27
29	Information and Design	29	0	29
34	Information and Technology	38	0	38
61	Legal Services	80	0	80
12	Member Services	11	0	11
81	Navigation Tolls	85	(2)	83
48	Premises and Property Matters	49	0	49
Waterways				
108	Management and Admin Support	109	0	109
100	Dredging	69	(1)	68
331	Dockyard Operation	579	0	579
130	Moorings and Yacht Stations	194	(86)	108
108	Navigation Safety and Policy	124	(3)	121
351	Navigation Works and Maintenance	389	(15)	374
537	Patrolling	509	(25)	484
<u>2,083</u>	Net cost of Services	<u>2,432</u>	<u>(132)</u>	<u>2,300</u>
7	Interest payable and similar charges			19
(82)	Interest and investment income			(54)
(21)	Pensions interest costs and expected return on pensions assets			17
<u>1,987</u>	Net Operating Expenditure			<u>2,282</u>
(2,056)	Tolls Income			(2,213)
<u>(69)</u>	(Surplus)/Deficit for the year			<u>69</u>

3. Publicity

Section 5 of the Local Government Act 1986 requires the Broads Authority to maintain a separate account of expenditure on publicity. The Broads Authority has incurred the following fees relating to publicity:

	2007-08	2008-09
	£000s	£000s
Staff Recruitment	29	49
Other Advertising & Public Relations Activities	48	46
Total	77	95

4. Disclosure of Audit Costs

The Broads Authority has incurred the following fees relating to external audit and inspection:

	2007-08	2008-09
	£000s	£000s
• Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor	23	27

5. Staff Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £10,000 were:

	2007-08	2008-09
	Number of Staff	Number of Staff
50,000 – 59,999	-	-
60,000 – 69,999	-	-
70,000 – 79,999	1	1

6. Members Allowances

The total of members allowances paid in the year was £33,202 (£23,799 in 2007-08).

7. Related Party Transactions

The Broads Authority is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the authority or to be controlled or influenced by the authority. Disclosure of these transactions allows readers to assess the extent to which the authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

Central government has effective control over the general operations of the authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties.

Members of the Broads Authority have direct control over the Authority's financial and operating policies. The Authority wrote to all members requesting details of any related party transactions.

- Miss Alexandra Steven is a member of the Broads Authority and the Navigation Committee. She is employed by Henry Cator, a director of Salhouse Farms, who in turn has received a Sustainable Development Fund grant of £1,685.
- Mr Paul Greasley is a member of the Broads Authority and is a director/owner of Norfolk Broads Direct Ltd. During the year Norfolk Broads Direct Ltd paid £172,855 in river tolls to the Authority (£160,424 in 2007-08) and Norfolk Broads Direct was the landlord of the Potter Heigham Tourist Information Centre charging a rent of £3,354 (including VAT).
- Mr Martin Broom is a member of the Broads Authority and the Chairman of the Navigation Committee. He is also a Director/owner of Broom Boats which supply fuel and services to the Authority's boats totalling £518 (including VAT).

8. Pensions and Retirement Benefits

Participation in Pensions Schemes

As part of the terms and conditions of employment of its officers and other employees, the Broads Authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make future payments and thus these need to be disclosed as a future entitlement. The Authority participates in one pension scheme:

- The Norfolk Pension Fund for civilian employees, administered locally by Norfolk County Council. This is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Change to Accounting Policy

Under the 2008 SORP quoted securities held as assets in the defined benefit pension scheme are now valued at bid price rather than mid-market value. The effect of this change is that the value of the scheme assets at 31 March 2008 has decreased by £9,000 from £10,767,000 to £10,758,000.

Transactions Relating to Retirement Benefits

The authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the authority is required to make against tolls and Defra grant is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Statement of Movement on the General Fund Balance. The following transactions have been made in the Income and Expenditure Account and Statement of Movement on the General Fund Balance during the year:

	2007-08	2008-09
	£000s	£000s
Income and Expenditure Account		
Net Cost of Services:		
• current service cost	464	346
• past service cost	-	139
Net Operating Expenditure:		
• interest cost	655	799
• expected return on scheme assets	(719)	(754)
Net Charge to the Income and Expenditure Account	400	530
Statement of Movement in the General Fund Balance		
• reversal of net charges made for retirement benefits in accordance with FRS17	(400)	(530)
Actual amount charged against the General Fund Balance for pensions in the year:		
• employers contributions payable to the scheme	388	417
• contributions in respect of unfunded benefits	14	15
• retirement benefits payable to pensioners (including transfer values)	402	432

In addition to the recognised gains and losses included in the Income and Expenditure Account, actuarial losses of £1,847,000 (gains of £1,305,000 in 2007-08) were included in the Statement of Total Recognised Gains and Losses. The cumulative amount of actuarial gains and losses that have been recognised in the Statement of Total Recognised Gains and Losses has been £1,229,000.

Assets and Liabilities in Relation to Retirement Benefits

Reconciliation of present value of the scheme liabilities:

	2007-08 (restated) £000s	2008-09 £000s
1 April	11,980	11,390
Current service cost	464	346
Interest cost	655	799
Contributions by scheme participants	147	182
Actuarial losses/(gains)	(1,531)	(1,217)
Benefits paid	(311)	(262)
Unfunded benefits paid	(14)	(15)
Past service costs	-	139
31 March	11,390	11,362

Reconciliation of fair value of the scheme assets:

	2007-08 (restated) £000s	2008-09 £000s
1 April	10,041	10,758
Expected rate of return	719	754
Actuarial gains and losses	(226)	(3,055)
Employer contributions	402	432
Contributions by scheme participants	147	182
Benefits paid	(325)	(277)
31 March	10,758	8,794

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £2,303,000 (£361,000 in 2007-08)

Scheme History

	2004-05 £000s	2005-06 £000s	2006-07 £000s	2007-08 (restated) £000s	2008-09 £000s
Fair value of assets in the pension scheme	7,124	9,020	10,041	10,758	8,794
Present value of liabilities in the pension scheme	(9,657)	(11,850)	(11,980)	(11,390)	(11,362)
Surplus/(deficit) in the pension scheme	(2,533)	(2,830)	(1,939)	(632)	(2,568)

The Authority has elected not to restate fair value of scheme assets for 2004-05 and 2005-06 as permitted by FRS17 (as revised).

The liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. The total liability of £2,568,000 has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in an overall balance of £2,439,000.

However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary

The total contributions expected to be made to the Local Government Pension Scheme by the Broads Authority in the year to 31 March 2010 is £430,000.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Broads Authority Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2007.

The principal assumptions used by the actuary have been:

	Year Ended 31/03/2008	Year Ended 31/03/2009
Long term expected rate of return on assets in the scheme:		
Equity investments	7.0%	7.7%
Bonds	5.4%	5.7%
Property	4.9%	5.7%
Cash	4.0%	4.8%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	19.6	19.6
Women	22.5	22.5
Longevity at 65 for future pensioners:		
Men	20.7	20.7
Women	23.6	23.6
Rate of inflation	3.6%	3.1%
Rate of increase in salaries	5.1%	4.6%
Rate of increase in pensions	3.6%	3.1%
Rate for discounting scheme liabilities	6.9%	6.9%
Take up of option to convert annual pension into retirement lump sum	50%	50%

Assets in the Norfolk Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the total assets held by the Fund.

	31 March 2008	31 March 2009
	%	%
Equity investments	64	62
Bonds	18	21
Property	14	10
Other assets	4	7
	100	100

History of experience gains and losses

The actuarial gains and losses identified as movements on the Pensions Reserve in 2008-09 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2009.

	2004-05	2005-06	2006-07	2007-08 (restated)	2008-09
	%	%	%	%	%
Differences between the expected and actual return on assets	3.8	14.1	(0.5)	10.0	34.8
Experience gains and losses on liabilities	(2.9)	(0.1)	(2.3)	(8.1)	0.0

Movement on the Pension Reserve

The movement on the Pension Reserve has two elements, the appropriations to/from revenue, and the actuarial gain as explained above. The net effect is a movement on the Pension Fund Reserve of £1,936,000.

9. Leasing

Vehicles, Plant & Equipment – the Broads Authority uses cars, telephone equipment, photocopiers and franking machines financed under the terms of an operating lease. The amount paid under these arrangements in 2008-09 was £122,000 (£114,000 in 2007-08).

Land & Buildings – the authority leases various moorings, land and buildings, including its head office Dragonfly House, which have been accounted for as an operating lease. The rentals payable in 2008-09 were £89,000 (£85,000 in 2007-08).

Commitments under Operating Leases – the Authority was committed at 31 March 2009 to making payments of £399,000 under operating leases in 2009-10, comprising the following elements:

	Leases expiring in 2009-10 £000s	Leases expiring between 2010-11 and 2014-15 £000s	Leases expiring after 2014-15 £000s
Vehicle, Plant & Equipment			
- Vehicle Contract Hire	12	104	-
- Telephone Equipment	-	1	-
- Photocopiers	-	11	-
- Franking Machine	-	2	-
Total	12	118	-
Land & Buildings			
- Buildings	-	9	244
- Land	1	-	15
Total	1	9	259

Some building and land operating leases have conditions which will require revisions in later years. These future commitments are stated above at current value.

10. Financing of Capital Expenditure

	2007-08 £000s	2008-09 £000s
<i>Capital Investment</i>		
Land & Buildings –Operational	263	-
Vehicles and Vessels	65	107
Computer and Office Equipment	13	62-
Total	341	169
<i>Sources of Finance</i>		
Government grants and other contributions	(263)	-
Sums set aside from revenue	(78)	(169)
Total	(341)	(169)

11. Fixed Assets

The Code of Practice on Local Authority Accounting required fixed assets be recorded in the balance sheet at current value. The basis of valuation for the various categories of assets is set out below

Category of Asset	Basis of valuation
Operational Land and Buildings	Existing use value or depreciated replacement cost. Professionally revalued every 5 years.
Community Land	Historical Cost
Infrastructure Asset	Historical Cost
Vehicle and Vessels	Purchase price or net realisable value Directors valuation every five years.
Computer Equipment	Purchase price

An independent valuation of the following assets as at 31 March 2009 (and at 31 March 2008 see below) was carried out by Mr T Beeden FRICS of NPS Property Consultants Limited at

- Launch Boat Shed, Horsefen Road, Ludham, Norfolk

The Launch Boat Shed was valued at £118,000 as at 31 March 2009. This item has not previously been included within the accounts although the Broads Authority had ownership of the boat shed prior to the 2007-08 financial year.

The 2007-08 balance sheet has been restated to reflect the Boat Shed's value as at 31 March 2008 of £130,000, thus Operational land and Buildings have been restated from £1,135,000 to £1,265,000 for the year ended 2007/08. During 2008-09 the Boat Shed was then impaired by £12,000 thus leaving a valuation of £118,000 for the year ended 2008/09

It came to light in 2008-09 that a boat – Sunny1 Motor Craft – was scrapped in 2007-08, as it required too much work to pass the Boat Safety Scheme. Therefore the 2007-08 balances and relevant accumulated depreciation have been adjusted to reflect this.

During the year the Authority moved offices to Dragonfly House, as part of the move the Authority purchased a new telephone system for £62,000. This has been capitalised and included within Computer and Office Equipment, and depreciation will be charged over the next 5 years.

During the year the Directors reviewed the net realisable value of the vehicles and vessels, in accordance with the Authorities policy of revaluing all assets every five years. This resulted in the Wetland Harvester and Blower being revalued upwards by £21,500 to £121,500. This is the depreciated replacement cost of the Wetland Harvester and Blower. The revaluation was taken to the new revaluation reserve in the balance sheet.

An annual impairment review has been undertaken by the Directors in accordance with FRS15. As at 31 March 2009 one asset belonging to the Authority was written down due to impairment, the Launch Boat Shed as detailed above.

In accordance with the Code of Practice on Capital Accounting in Local Authorities, depreciation has been charged to the Income and Expenditure Accounts to represent the cost of using assets. Depreciation has been charged on the following basis:

Category of Asset	Depreciation method	Depreciation Period
Operational Land and Buildings	Straight line. (20% assumed land value, where no split available)	Between 8 to 55 years as per professional advice
Community Land	Not depreciated	Not depreciated
Infrastructure Asset	Straight line	20 years
Vehicles and Vessels	Straight line	7 years
Computer Equipment	Straight line	5 years

Receipts below £5,000 arising from the sale of fixed assets are allocated to revenue. The Broads Authority has a policy of not depreciating assets in the first year of ownership.

Fixed Asset Schedule

	Land and Buildings Operational Assets £000s	Land and Buildings Community Assets £000s	Infrastructure Asset £000s	Vehicles and Vessels £000s	Computer Equipment £000s	Total £000s
Audited Gross Book Value as at 31 March 2008	1,159	323	302	911	149	2,844
Boatshed	130					130
Sunny Motor Craft Disposal				(15)		(15)
Revised Gross Book Value as at 31 March 2008	1289	323	302	896	149	2,959
Additions	-	-	-	107	62	169
Donated Assets	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluations	-	-	-	21	-	21
Gross Book Value as at 31 March 2009	1,289	323	302	1,024	211	3149
Accumulated Depreciation at 31 March 2008	24	-	73	229	57	383
Sunny Motor Craft Disposal				(2)		(2)
Revised Accumulated Depreciation at 31 March 2008	24		73	227	57	381
Depreciation for the year	27	-	15	108	30	180
Depreciation eliminated on disposal.	-	-	-	-	-	-
Depreciation eliminated on revaluation	-	-	-	(5)	-	(5)
Accumulated Depreciation as at 31 March 2009	51	0	88	330	87	556
Net Book Value 31 March 2008	1,135	323	229	682	92	2,461
Revised Net Book Value 31 March 2008	1265	323	229	670	92	2,579
Net Book Value 31 March 2009	1,238	323	214	695	124	2594

12. Long Term Debtors

	2007-08	2008-09
	£000s	£000s
Initial vehicle rental paid in advance	12	15
	12	15

13. Debtors due within 1 year

	2007-08	2008-09
	£000s	£000s
Sundry debtors and prepayments	793	928
Provision for bad debts	(141)	(141)
Initial vehicle rental paid in advance	4	3
	656	790

Consideration has been given for bad and doubtful debts. A provision has been made for a specific debt; the Authority is pursuing the amount outstanding through the courts.

14. Investments

Surplus revenue funds are invested with Broadland District Council and are shown in the Balance Sheet at cost adjusted for accrued interest.

15. Creditors and Receipts in Advance

	2007-08	2008-09
	£000s	£000s
Creditors and accruals	570	648
Tolls received in advance	726	680
	1,296	1,328

16. Government Grants Deferred

All capital grants received are amortised over the same period as the asset they finance. The Government Grants Deferred Account represents the balance of grants received not yet amortised and can be explained as follows:

Asset	Funding	Audited Balance at 31/03/2008	Sunny Motor Craft Disposal	Revised Balance at 31/03/2008	Balance at 31/03/2009
		£000s			£000s
Tolls System	Implementing Electronic Government Funding	53		53	35
Barton Board Walk	Millennium Commission	229		229	214
Dockyard Equipment	Donated Assets	188	(12)	176	146
	Total	470	(12)	458	395

17. Public Works Loan

On 20 November 2007 the Authority took out a £290,000 loan from the Public Works Loan Board. The purpose of the loan was to finance the purchase of the Dockyard Operation from May Gurney to enable the Authority to continue to dredge the Broads in an economical and efficient manner. The repayment period of the loan is 20 years at a fixed interest rate of 4.82%, repayable by equal instalments of principal.

The Public Works Loan Board has advised that the fair value of the debt as at 31 March 2009 is £306,090. The fair value has been calculated by reference to the 'premature repayment' set of rates in force on 31 March 2009. No adjustment has been made in the accounts to reflect the fair value of the loan, as the Authority does not anticipate early repayment of the debt.

18. Contingent Liability

The Authority has made payments since 1998-99 for Conservation Management Agreements. These payments fall within the European Union's definition of State Aid in relation to farming support and the authority has received funding in support of these payments.

The Authority has also made payments since the year 2000 for Public Access Agreements which used to fall within the European Union's definition of State Aid. Based on advice received from the England National Parks Agriculture Group, details regarding payments made to landowners for public access are no longer recorded for State Aid purposes as they do not relate to agricultural production.

A new project has been set under the approved National Parks State Aid for Agriculture scheme, whereby farmers can apply for 40% funding for the installation of a pesticide bio-bed. The Authority has a maximum of £6,000 available for 2009-10.

These State Aid payments require retrospective approval from the European Union. Should this approval not be forthcoming, this may result in a liability for the Authority to repay the government funding it has received in respect of the payments made. The expected timing and the anticipated outcome is unknown.

19. Reserves

Reserve	Opening Balance £000s	Net Movement £000s	Closing Balance £000s	Description	Note
Revaluation Reserve	208	7	215	A revaluation reserve compliant with FRS15 (financial reporting standard 15 on Tangible Fixed Assets)	20a
Capital Adjustment Account	1,620	(36)	1,714	Represents the amount of capital expenditure finance from revenue, depreciation charged, and impairments not taken to the revaluation reserve.	20b
Pension Reserve	(623)	(1,945)	(2,568)	Represents overall liability of the Authority for pension payments to employees who are or have been members of the Norfolk Pension Fund	9
General Fund	850	115	965	To be spent on general fund activities	
Navigation Fund	506	12	518	To be spent on navigation activities	
Earmarked Reserves	1,155	503	1,658		20c

a) Revaluation Reserve

	2007-08 £000s	2008-09 £000s
Balance brought forward		78
Launch Boat Shed (missed from fixed asset register)	-	130
Revised Balance as at 01/04/2008		208
Land and Buildings Revaluations and impairments	38	(12)
Vehicles and Vessels Revaluations	40	21
Transfer of depreciation on revalued assets		(2)
	78	215

b) Capital Adjustment Account

	2007-08	2008-09
	£000s	£000s
Balance brought forward	0	1,619
Transfer from the Fixed Asset Restatement Account	1,754	-
Transfer from the Capital Financing Account	(82)	-
Depreciation for the year	(164)	(168)
Amortisation of Government Grants Deferred	64	62
Capital Financed from Revenue	48	169
Government Grants Deferred additions	(4)	
Impairment of Fixed Assets	(63)	
Accumulated Depreciation written out on Revaluation	66	6
Depreciation charged on revalued assets		2
Repayment of loan principal		24
	1,619	1,714

c) Earmarked Reserves

Asset Management

Reserve set up to provide for future repair and maintenance of the Authority's property assets, as prioritised through the Asset Management Plan

Implementing Electronic Government

Unused grant supplied by ODPM for the purpose of improving IT systems

Mobile Phone Upgrade

A reserve set up to provide for the replacement and acquisition of mobile phones

New Office Accommodation

Unused Defra grant awarded to enable the Authority to make the move to its new premises

Planning Delivery Grant

Unused Defra and OPDM grants awarded to deliver the planning service

Sustainable Development Fund

Unused Sustainable Development Fund grant supplied by Defra

Dredging Disposal

Navigation Fund reserve to provide for the acquisition of sites for the disposal of sediment from dredging

Dockyard Vessels & Equipment

Navigation Fund reserve to provide for the future replacement and acquisition of vessels and equipment by the dockyard team

Dockyard Site Maintenance

Navigation Fund reserve to provide for the future maintenance and improvement of the dockyard site, including the access road

Mutford Lock Endowment Fund

Navigation Fund reserve for the future repair of Mutford Lock

Vessel Replacement Fund

Navigation Fund reserve for the purchase of water borne vessels.

Reserves	Balance at 1 April 2008 £000s	Income £000s	Transferred from General Fund £000s	Transferred from Navigation Fund £000s	Interest Received £000s	Expenditure £000s	Balance at 31 March 2009 £000s
General Fund Reserves							
Asset Management	-	-	33	-	1	-	34
Implementing Electronic Government	16	-	-	-	-	-	16
Mobile Phone Upgrade	-	-	6	-	-	-	6
New Office Accommodation	381	-	150	-	11	(384)	158
Planning Delivery Grant	248	602	-	-	10	(39)	821
Sustainable Development Fund	207	200	-	-	5	(281)	131
Navigation Fund Reserves							
Dredging Disposal	-	-	-	60	-	-	60
Dockyard Vessels & Equipment	-	-	-	60	-	-	60
Dockyard Site Maintenance	-	-	-	30	-	-	30
Mutford Lock Endowment Fund	149	2	25	-	6	-	182
Vessel Replacement Fund	154	-	-	-	6	-	160
Total	1,155	804	214	150	39	(704)	1,658

20. Financial Instruments

A financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. This includes borrowing, investment and loans.

Long term borrowing is with the Public Works Loan Board (PWLB) and is held at amortised cost, as is all short term borrowing. Investments are held at carrying value as there is deemed to be no risk of loss for these investments.

The total financial liabilities and loans and receivables disclosed in the Balance Sheet are made up of the following categories:

	31 March 2008		31 March 2009	
	Carrying Amount £000s	Fair Value £000s	Carrying Amount £000s	Fair Value £000s
PWLB Loan	283	294	269	306
Creditors	1,296	1,296	1,332	1,332
Total Financial Liabilities	1,579	1,590	1,601	1,638
Investments	2,665	2,665	3,031	3,031
Trade Debtors	656	656	807	807
Total Loans and Receivables	3,321	3,321	3,838	3,838

The gains and losses recognised in the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses in relation to the financial instruments are made up as follows:

	Financial Liabilities (Liabilities at amortised cost) £000s	Financial Assets (Loans and Receivables) £000s
Interest Income / (Payable)	(31)	140
Total Interest & Investment Income	(31)	140

Financial liabilities and financial assets represented by borrowings and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

- Fixed Interest Rate of 4.82% over the 20 year PWLB loan.
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be invoices or billed amount.

21. Nature and Extent of Risks Arising from Financial Instrument

The Authority's activities expose it to a variety of financial risks

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Broads Authority
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market investments.

The Broads Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers. Deposits are only made via Broadland District Council under their Treasury Management Strategy which requires that deposits are not made with banks and financial institutions unless they are highly rated. Therefore the Broads Authority does not consider there to be any quantifiable risk in relation to investments.

The Authority's standard terms and conditions for payment of invoices are 30 day from invoice date. The Authority does not allow credit for customers, and only a small proportion of invoices were overdue and outstanding as at 31 March 2009 for which a bad debt provision had not been put in place.

Liquidity Risk

As the Broads Authority has access to three year funding from Defra, there is no significant risk that it will be unable to meet its commitments under financial instruments. All financial liabilities are due to be repaid within one year with the exception of the 20 year PWLB loan. Therefore there is no risk of having to borrow at unfavourable rates in future to replenish borrowings.

Market Risk

With the exception of the PWLB loan, the Broads Authority is debt free. Excess cash is invested at variable or fixed money market rates depending on forecasts for interest rates under the period of review.

Foreign Exchange Risk

The Broads Authority has no financial assets or liabilities denominated in foreign currencies, therefore it has no exposure to loss arising from movements in exchange rates.

22. Stock Market Performance

The most recent pension scheme formal funding valuation was completed as at 31 March 2007. Since March 2008, stock market values around the world have fallen sharply, and this will have an effect on pensions scheme funding valuations in future years. As there is no change of conditions at the balance sheet date, no amendment to the financial statements is required.

23. Reconciliation of operating surplus to net cash inflow from revenue activities.

2007-08 £000s		2008-09 £000s
<u>(289)</u>	(Surplus)/Deficit – General and Navigation Fund income and expenditure account	<u>(606)</u>
42	(Decrease)/Increase in Stocks	16
108	(Decrease)/Increase in Debtors	137
269	Decrease/(Increase) in Creditors	(33)
180	Interest Received	173
(16)	Interest Paid	(31)
(228)	Depreciation and impairment of Fixed Assets	(180)
64	Amortisation of Government Grants Deferred	62
(400)	Net Charges made for retirement benefits in accordance with FRS17	(530)
<u>402</u>	Employers contributions to the Norfolk Pension Fund and Benefits payable direct	<u>432</u>
<u><u>132</u></u>	Net Cash (Inflow)/Outflow from Revenue Activities	<u><u>(560)</u></u>

24. Analysis of Cash and Investments

	31 March 2008 £000s	31 March 2009 £000s	Movement £000s
Cash in Hand	313	465	152
Investments	<u>2,665</u>	<u>3,031</u>	<u>366</u>
	<u><u>2,978</u></u>	<u><u>3,496</u></u>	<u><u>518</u></u>

25. Authorisation for Issue.

The Statement of Accounts were authorised for issue by the Treasurer and Financial Adviser on the 22nd January 2010.. This is the date up to which events after the balance sheet were considered.

26. Post Balance Sheet Events

In preparing these accounts the Authority is required to consider events that may have an impact on the accounting statement since March 2009. No events have occurred that require changes to the accounting statements.

Glossary of Terms

ACCRUAL ACCOUNTING

The inclusion of income and expenditure in the accounts for the period in which they are earned or incurred, rather than the period in which the cash is received or bills paid.

AMORTISATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of an intangible fixed asset.

AMORTISED COST

This is cost that has been adjusted for amortisation.

ASSET

An item owned by the Broads Authority, or that they have use of to support their activities, which has a value, for example cash.

BUDGET

The statement of the Broads Authority expressed in financial term usually for the current forthcoming year.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset which lasts normally for more than one year or expenditure which adds to the life or value of an existing fixed asset.

CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional accountancy institute that sets the standards for the public sector. CIPFA publishes the Accounting Codes of Practice for national parks.

CORPORATE AND DEMOCRATIC CORE (CDC)

Corporate and Democratic Core represents costs associated with democratic representation and management and corporate management. Democratic representation and management includes all aspects of Members' activities. Corporate Management concerns the cost of the infrastructure that allows services to be provided and the cost of providing information that is required for public accountability. Such costs form part of total service expenditure, but are excluded from the costs of any particular service.

CREDITORS

Amounts owed by the Broads Authority for goods and services provided for which payment has not been made at the end of the financial year.

DEBTORS

Sums of money due to the Broads Authority but not received at the end of the financial year.

DEFICIT

Arises when expenditure exceeds income or when expenditure exceeds budget.

DEPRECIATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of fixed asset.

FAIR VALUE

The price at which we could buy or sell an asset in a transaction with another organisation, less any grants we receive towards buying or using that asset.

FINANCIAL ASSET AND FINANCIAL LIABILITY

A financial asset is a right to future economic benefits. A financial liability is an obligation to transfer economic benefits.

FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset in one organisation and a financial liability in another.

GOVERNMENT GRANTS DEFERRED ACCOUNT

When a government grant or other contribution is received in respect of the acquisition of a fixed asset it is recorded in a government grants deferred account. The grant is subsequently charged to the revenue account over the life of the asset to match the depreciation charge.

IMPAIRMENT

Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage or a deterioration in the quality of the service provided, or by a general fall in prices of that particular asset or type of asset.

MARKET PRICE

This is the price at which another organisation is prepared to buy or sell an asset

NON-DISTRIBUTED COSTS

These are specific overheads relating to unused assets and certain pension costs for employee's service in previous years. These are not allocated to service departments because they do not relate to the in-year cost of providing the service.

OUTTURN

The actual amount spent in the financial year.

RESERVES

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

REVENUE EXPENDITURE AND INCOME

Revenue expenditure is the day to day expenses, mainly salaries and wages, and other general running expenses. Revenue income is money received in return for providing goods and services.

SORP

The Code of Practice on Local Authority Accounting in the United Kingdom 2008: A Statement of Recommended Practice (SORP) aims to achieve consistent financial reporting between all English local authorities. It is based on generally accepted accounting standards and practices.

SURPLUS

Arises when income exceeds expenditure or when expenditure is less than available budget.

VALUE ADDED TAX (VAT)

A tax on consumer expenditure which is collected on business transactions at each stage in the supply, but which is ultimately borne by the final customer.

VARIATION

The difference between budgeted expenditure and actual outturn, also referred to as an over or under spend.