

Risk, Audit and Governance Committee

Agenda 23 July 2024

10.00am

Yare House, 62-64 Thorpe Road, Norwich, NR1 1RY

John Packman, Chief Executive – Tuesday, 16 July 2024

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Introduction

1. To receive apologies for absence
2. To receive declaration of interest (see [Appendix 1](#) to the Agenda for guidance on your participation having declared an interest in the relevant agenda item)
3. To note whether any items have been proposed as matters of urgent business
4. **To receive and confirm the minutes of the Risk, Audit and Governance Committee meeting held on 12 March 2024** (Pages 4-13)

Financial direction

5. **Draft Statement of Accounts 2023/24** (Pages 14-105)
Report by Director of Finance
6. **Investment Strategy and Performance Annual Report 2023/24** (Pages 106-108)
Report by Director of Finance

Audit and Governance

7. **Internal Audit Annual Report and Opinion 2023/24** (Pages 109-125)
Report by Head of Internal Audit
8. **External Audit**
Verbal update to be provided by Ernst & Young External Auditor
9. **Annual Governance Statement 2023/24 and Code of Corporate Governance 2024**
(Pages 126-157)
Report by Senior Governance Officer

10. **Implementation of internal audit recommendations - summary of progress**
(Pages 158-167)
Report by Director of Finance

11. **Corporate Risk Register** (Pages 168-181)
Report by Senior Governance Officer

Other Matters

12. Other items of business

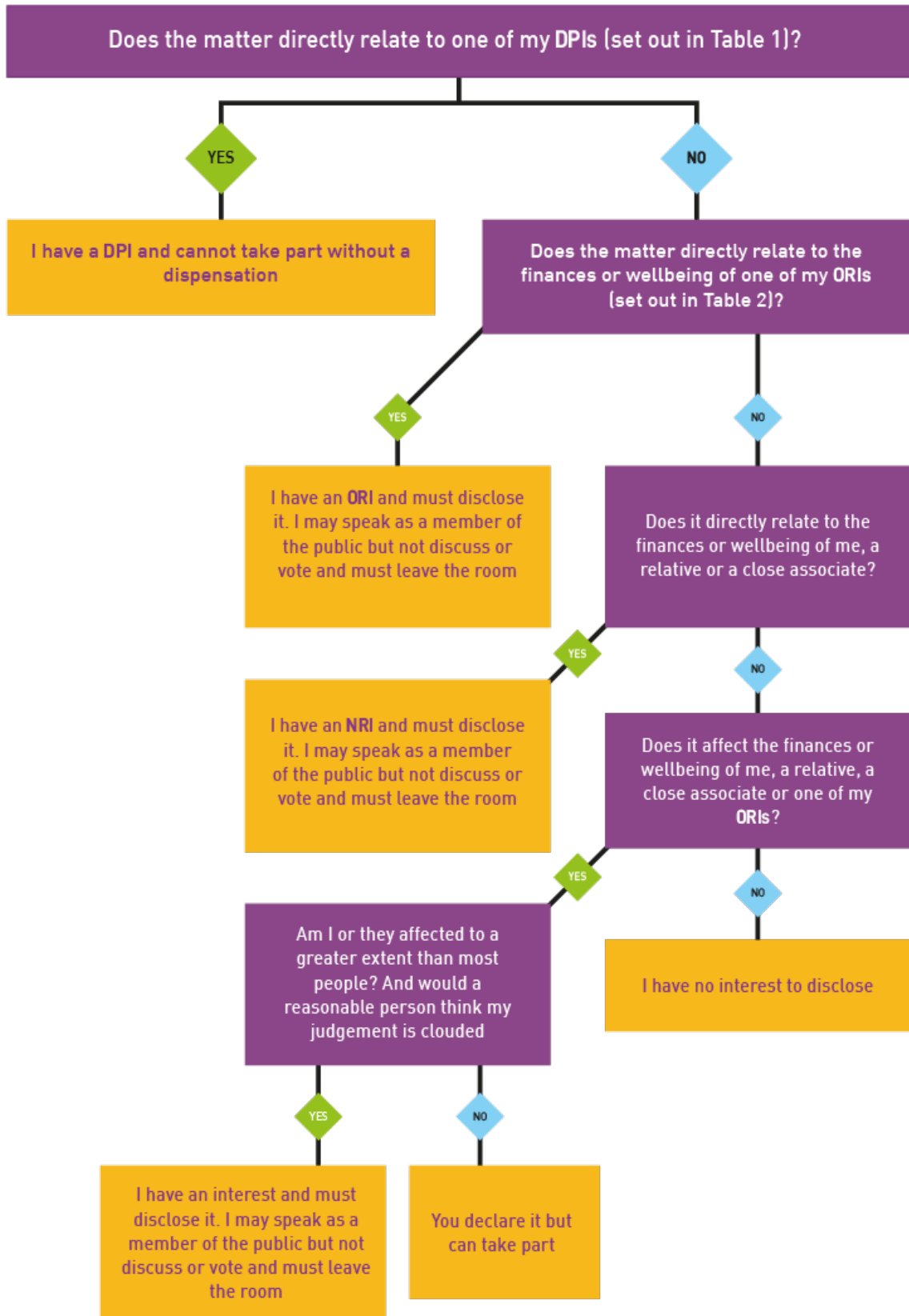
Items of business which the chairman decides should be considered as a matter of urgency pursuant to Section 100B (4)(b) of the Local Government Act 1972

13. To answer any formal questions of which due notice has been given

14. **To note the date of the next meeting – Tuesday 17 September 2024 at 10.00am at Yare House, 62-64 Thorpe Road, Norwich**

For further information about this meeting please contact the [Governance team](#)

Appendix 1 – Extract from the Local Government Association Model Councillor Code of Conduct



Risk, Audit and Governance Committee

Minutes of the meeting held on 12 March 2024

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Present

Tristram Hilborn – in the Chair (from item 2), Bill Dickson, Paul Hayden, Siân Limpenny, Kevin Maguire, Michael Scott and Matthew Shardlow.

In attendance

Jason Brewster – Governance Officer, Natalie Gourley – Senior Internal Auditor, Emma Krelle – Director of Finance, John Packman – Chief Executive – in the Chair (item 1), David Riglar – Ernst & Young External Auditor, Teresa Sharman – Head of Internal Audit and Sara Utting – Senior Governance Officer.

1. Appointment of Chair

Tristram Hilborn was proposed by Bill Dickson and seconded by Siân Limpenny.

Tristram Hilborn was appointed Chair.

2. Appointment of Vice-Chair

Siân Limpenny was proposed by Tristram Hilborn and seconded by Bill Dickson.

Siân Limpenny was appointed Vice-Chair.

3. Apologies and welcome

The Chair welcomed everyone to the meeting.

Apologies were received from Alan Goodchild and Tony Grayling,

Openness of Local Government Bodies Regulations 2014

The Chair explained that the meeting was being audio-recorded. All recordings remained the copyright of the Broads Authority and anyone wishing to receive a copy should contact the Governance Team. The minutes remained the formal record of the meeting. He added that the law permitted any person to film, record, photograph or use social media in order to report on the proceedings of public meetings of the Authority. This did not extend to live verbal commentary. The Chair needed to be informed if anyone intended to photograph, record or film so that any person under the age of 18 or members of the public not wishing to be filmed or photographed could be accommodated.

4. Introductions and declarations of interest

No additional declarations of interest were declared.

5. Items of urgent business

There were no items of urgent business.

6. Minutes of last meeting

The minutes of the meeting held on 25 July 2023 were approved as a correct record and signed by the Chair.

7. Investment Strategy and Performance Report 2023/24 and Draft Capital, Treasury and Investment Strategy 2024/25

The Director of Finance (DoF) introduced the report which detailed the Broads Authority's investment of surplus cash, including the investment principles adopted and performance during the ten months to 31 January 2024 and the draft Capital, Treasury and Investment Strategy 2024/25.

The DoF indicated that there was an error in Table 1 of the report relating to the opening balances for the Instant Access and 32 Day Notice accounts; these figures should correspond to the Closing Balances stated in Table 2 and therefore should read £1.097m and £513,000 respectively.

Interest earned to the end of January was £220,077.93 and was forecast to be more than double the amount earned in 2022/23.

Market testing to determine whether to engage a Treasury Management provider to help formulate the Authority's next investment strategy, agreed at the committee meeting 14 March 2023, had been delayed due to other commitments. This investigation would be undertaken in 2024 and reported to the committee in preparation for 2025/26.

Where leases were included under the adoption of IFRS 16, it would increase the Authority's assets as well as its other long-term liabilities (borrowings). As a result, the authorised level of capital expenditure and debt had increased for 2024/25 when compared to those quoted in 2023/24 strategy.

The figure quoted for capital expenditure in 2024/25 was based on the maximum amount that may be spent if a £500k capital grant from DEFRA was received. If DEFRA were unable to commit to the £500K capital grant then capital expenditure would reduce by £60,000. As agreed by the Management Team, the capital grant would be used to purchase items that would have been funded by earmarked reserves in 2024/25.

The introduction of IFRS 16 had resulted in the lease liability for Rights of Use (ROU) assets being included in the Authority's forecast of the Capital Financing Requirement (CFR). This new requirement had resulted in the authorised and operational boundary for external debt increasing from £500k and £400k to £900k and £800k respectively.

In response to a question the DoF reminded Members that the Debt Management Office (DMO) was a facility that provided Local Authorities with access to investments or loans at preferable rates. The Authority deposited money for short (up to 6 month) periods to capitalise on these preferable rates and a comparison of rates between the DMO and the other accounts used by the Authority was shown in the table in section 3.1 of the report's Appendix 1.

A Member highlighted that the Authority's banking provider had received some negative publicity for their sizable investments in fossil fuels and asked whether consideration was given for the ethical behaviour of our financial partners/suppliers. Another Member was in

favour of an ethical investment strategy and asked whether consideration would be given to an alternative bank provider if they had a more ethical investment strategy. The DoF responded that the Authority did consider the ethical stance of new lenders although there was no review for incumbents. Given the overlap with the existing Treasury Management provision for 2024/25, it was agreed to incorporate a review of banking providers into this activity.

Michael Scott proposed, seconded by Matthew Shardlow and

It was resolved unanimously to recommend the Draft Capital, Treasury and Investment Strategy to the Broads Authority for approval.

8. Consolidated income and expenditure – 1 April to 31 January 2024 actual and 2023/24 forecast outturn

The Director of Finance (DoF) presented the report which detailed actual income and expenditure for the ten month period to 31 January 2024, and a forecast of the projected expenditure at the end of the financial year (31 March 2024).

The DoF indicated that since the report had been published the opening balances on the earmarked reserves had been revised down due to a number of accruals relating to the previous financial year, 2022/23.

A Member asked whether the fall in Tolls revenue was due to a delay in payments or was it indicative of a reduction in craft on the Broads. The Chief Executive responded that there had been a reduction in tolls income last year which had been offset by additional interest income. There was always an element of change in the number of boats on the Broads in any one year and this made it difficult to analyse changes between years. There was a reduction in the number of smaller private craft and the increase in tolls, albeit a small relative increase for this size of craft, would have contributed to this reduction although the poor weather experienced last season would most likely have had a greater impact.

A Member noted the delay to the toll system replacement project and asked for an update. The CE responded that the delay had been down to staff absence due to long term illness and there would be further planned absence in 2024/25. The good news was that the work required to replace the tolls system had been dramatically reduced. The initial assessment had assumed that to replace the impending un-supported version of the database, underpinning the current system, would require a major rewrite, if not replacement, of the system. The IT team, in consultation with an external IT company, had determined that the database could be upgraded to the latest version without the need for a complete rewrite of the existing system. An initial test of this proposal had been conducted and the results appeared to be successful. This solution would maintain the existing system functionality, ensure future database updates could be applied thereby ensuring the database remained supported and would enable the system to be hosted via the cloud.

The cost of this work was much less than anticipated and the resulting updated technology would aid future enhancements. Further investigation had taken place to scope a new online payment system delivering the same functionality but using current technologies such as one time passcodes for logging in and renewing tolls to improve the usability and widen the appeal of this system.

A Member noted the underspend within Operations and asked whether that would have implications for spending in 2024/25. The DoF confirmed that some activity related to earmarked reserves had not been completed (as per section 2.1 of the report) and would be carried forward into 2024/25.

A Member noted the underspend on staff salaries and wondered whether this had resulted in an extra workload for existing staff. The DoF replied that this was due to a seasonal post being mistakenly budgeted for when it was no longer required and this would be corrected in 2024/25.

The report was noted.

9. International Financial Reporting Standards – IFRS 16 Leases

The Director of Finance (DoF) presented the report which detailed the new International Financial Reporting Standards (IFRS) 16 Leases, which would be mandated from 1 April 2024, and corresponding changes required to the Authority's Accounting Policy (Appendix 1 of the report).

The DoF explained that IFRS 16 required Rights of Use (ROU) assets, including peppercorn leases, to be included on the balance sheet. Previously these had been classed as operational leases and, given that the risks and rewards of ownership did not transfer to the Authority, these had been disclosed using a note in the accounts. The intention of this new standard was to provide transparency regarding the assets that an organisation had the right to use. The most significant lease for the Authority was Yare House and the report assumed that the new lease would be completed from 1 April 2024.

The standard expected leases to be valued based on a number of factors including the type of lease and its duration. Previously the accounts would not recognise peppercorn leases however IFRS 16 required these leases to be included on the balance sheet at market value. Norfolk Property Services, the Authority's property consultant, was engaged in valuing these leases and, where a valuation was still outstanding, an estimate based on an equivalent known asset, had been included in the report. The leases valued so far equated to £699,000 and an estimate for the peppercorn leases was £158,000. As mentioned previously (agenda item 7), the reclassification of ROU assets for IFRS 16 had resulted in significant impacts to the capital financing requirement and the debt level.

A Member asked what the distinction was between the liability and debt elements of a lease. The DoF responded that in the context of an operational lease, there were lease payments

that would be met in the current financial year and future lease payments that were owed beyond that time. The future lease payments would be classed as liability and the total of all current and future payments would equate to the debt. The DoF indicated that peppercorn leases were treated differently as there was no liability associated with them. They were considered to be donated assets and therefore would not impact capital financing requirements.

The DoF confirmed that leases under 12 months were excluded from this new standard and indicated that if the new lease on Yare House was not completed before 1 April 2024, then the Capital, Investment and Treasury Strategy 2024/25 would need to be updated to reflect the continuation of the old lease arrangements into the new financial year.

The Chair thanked the DoF for her work in preparing the Authority for IFRS 16 ahead of the deadline.

Bill Dickson proposed, seconded by Matthew Shardlow and

It was resolved unanimously to recommend the new IFRS 16 accounting policy to the Broads Authority for approval.

10. Internal Audit Strategic and Annual Plans 2024/25

The Head of Internal Audit (HoIA) presented the report which covered the Internal Audit Charter, Internal Audit Strategy and the Annual Internal Audit Plan 2024/25 (Appendices 1-3 in the report). The Internal Audit Plan 2024/25 would consist of four audits covering Corporate Governance and Risk Management, Key Controls and Assurance, (both audited annually), Cyber Security and the Farming in Protective Landscapes (FiPL) Grant programme.

A Member asked for some more information regarding the Cyber Security audit. The HoIA explained that government bodies were under increasing risk of cyberattack and this would be a valuable area of focus for 2024/25. The IT auditor would use a government framework to assess the Authority's cyber security capability including areas such as authentication, firewall resilience and virus protection.

The Chief Executive mentioned that a National Park Authority (NPA) had lost access to its systems and data due to a ransomware attack and this had been the catalyst for other NPAs including the Broads Authority to transfer to Office 365 for the enhanced security this platform offered. The DoF added that all attachments (including scanned documents) were now scanned for viruses automatically and that all staff underwent annual cyber security training.

Siân Limpenny proposed, seconded by Matthew Shardlow and

It was resolved unanimously to approve the Internal Audit Charter 2024/25, the Internal Audit Strategy 2024/25 and the Annual Internal Audit Plan 2024/25.

11. External Audit

The External Auditor (EA) introduced the report which provided an update on the Government Local Audit consultation, the interim 2022/23 Value for Money report and the Audit Plan for 2023/24. The EA proposed to discuss each section of the report in turn.

Department of Levelling Up, Housing and Communities Local Audit Consultation

The EA explained that the government's proposal, set out in this consultation, consisted of three phases; the first was to reset the local government audit system, the second to recover the system and the third was to reform the system. This proposal was the culmination of a number of years of work to understand the issues within the audit system and demonstrated that a resolution was at hand.

Members were keen to understand who had responded to the consultation and in what way. The EA confirmed that EY had responded and questioned the first backstop date (for 2023/24 accounts) on 31 May 2025 as it was not consistent with Local Authorities' budget setting processes or their preparations for the next financial year. The Director of Finance (DoF) confirmed that the Authority had also responded and raised the same issue regarding the clash of priorities caused by a May backstop date, as the Authority's draft accounts would be due at that time.

A Member asked whether the government's proposal would work. The DoF believed that the proposal was workable especially given that the Authority only had the 2022/23 audit outstanding; other Local Authorities had to resolve multiple audits. The EA and HoIA both stressed the need to adequately resource the work required in phase 2, without which there would be a repeat of the audit backlog. The EA indicated that EY's recent recruitment campaign had produced positive results however there was still a shortage of experienced public auditors and it would take time to train to this level. The EA reported that recruitment problems were also evident in Local Authorities' finance teams, with many relying on interim resource.

The EA confirmed that the proposal would be to disclaim the 2022/23 accounts as they had not been audited. The associated interim Value for Money report would be amended, to reflect the disclaimed 2022/23 accounts, with the adoption of alternative high level reviews to provide some assurance of the report's findings. The introduction of a disclaimer for a given set of accounts would not preclude further review of these accounts in later audits over time. The disclaimer itself would clearly indicate that it was due to statutory instruments and was not related to the Authority.

Members were keen that when the 2022/23 accounts were disclaimed that there was some form of communication to avoid it being perceived as some form of financial irregularity on the part of the Authority. The EA confirmed that there were over 700 overdue audits so the Authority would not be alone in receiving a disclaimer.

Value for Money Interim Report 2022/23

The EA indicated that this report would need to be refreshed as and when the 2022/23 accounts were disclaimed. No significant risks or weaknesses had been identified.

Audit Planning report 2023/24

The EA highlighted that as the government's local audit consultation had not been finalised, there were a number of caveats associated with the 2023/24 audit plan. Any additional risks, arising from the completion of the consultation, would be brought to the committee.

The key risks that the audit would focus on, as per previous audits, included misstatement due to fraud or error, inappropriate capitalisation of revenue expenditure, pension valuation and valuation of land and buildings.

Regarding the risk associated with pension liability, there was a nuance resulting from the Norfolk Pension Fund triangular valuation moving to a strong funded position. The result was that the net liability was moving into a positive position, in contrast to previous years, and would require different accounting considerations.

There was a risk around property, plant and equipment and this would be included in the work associated with inappropriate capitalisation of revenue expenditure.

The materiality figures (page 9 of the report's Appendix 3) were consistent with previous years. The performance materiality had been set at 75%, rather than 50%, which reflected the auditor's confidence of not finding too many errors.

The expected timeline (page 32 of the report's Appendix 3) was to complete the 2023/24 audit by the end of November 2024 providing a safeguard between the potential backstop date of 31 May 2025.

The EA highlighted the inclusion of appendices within the Audit Plan that detailed new accounting or auditing standards that would impact the plan. The auditor would work with the Authority to prepare for these new standards one of which was IFRS 16 Leases. The EA reported that very few Local Authorities had produced a paper relating to IFRS 16 so it was commendable that the Authority, given its size, had already undertaken this work (see agenda item 9). The other area of change related to ISA 315, an audit standard that required enhancements to the auditor's risk assessment procedures and would require a greater understanding of the Authority's IT processes.

The report was noted.

12. Implementation of internal audit recommendations – summary of progress

The Director of Finance (DoF) introduced the report summarising progress in implementing Internal Audit recommendations arising from audits performed during 2020/21, 2021/22, 2022/23 and 2023/24. The DoF confirmed that all four audits associated with the internal audit plan 2023/24 had been completed and drew member's attention to Corporate Governance and Risk Management receiving a "substantial" assurance with the other three areas receiving audit opinions of "reasonable". There were two outstanding actions relating to internal audit 2020/21, two outstanding actions for 2022/23 and six outstanding actions for 2023/24 with the latest six actions on target to be completed before November 2024.

A Member noted that the “substantial” assurance was in part due to the successful completion of actions associated with the external review into the formal complaint and commended the Authority on this achievement. The Member was pleased to note the progress made on the pilotage recommendations and asked whether the recommendations associated with changes to committee meetings were likely to be completed.

The Senior Governance Officer responded that this was a low priority item and, given the demands made of IT, there would always be more important work to be undertaken. The DoF indicated that there might be scope to address this outstanding recommendation as part of the work to integrate DMS into SharePoint, although this work was not planned for 2024/25. It was proposed to close this recommendation, given that it would be superseded by the move to SharePoint, and the Head of Internal Audit confirmed this was acceptable.

A Member asked for an update on the Health & Safety at Work policy recommendations. No further information could be furnished and the DoF agreed to provide Members with an update via email.

The report was noted.

13. Recommendations from external review into formal complaint – update

The Senior Governance Officer (SGO) introduced the report on progress implementing the recommendations from the external review into the formal complaint. The SGO confirmed that all the actions assigned to the Authority had been completed and highlighted that the next area of focus, regarding the ongoing review of governance arrangements, would be the Authority’s Standing Orders.

Members thanked the SGO for the successful completion of this work.

The report was noted.

14. Risk Management update

The Senior Governance Officer (SGO) introduced the report that provided two versions of the Corporate Risk Register (CRR) dated November 2023 and February 2024 with changes marked since the previous version and an updated version of the Authority’s Risk Management Policy. The SGO explained that the scheduled bi-annual review of the Risk Management Policy had identified minor changes to reflect the committee’s new name and to remove an out-of-date reference regarding maintenance of the CRR.

In response to a question the Chief Executive indicated that the increase in risk associated with recruitment stemmed from vacancies in the Planning Team. There was a national shortage in planning resource and other National Parks’ Planning Teams were experiencing similar recruitment problems. The Authority was liaising with Norwich City Council to investigate the potential of sharing planning resource.

Members welcomed the introduction of the arrow indicators (↔ ↓ ↑) to summarise a change in Risk Scores.

Matthew Shardlow proposed, seconded by Paul Hayden and

It was resolved unanimously to approve the Risk Management Policy and recommend its adoption by the Broads Authority.

15. Other items of business

There were no items of urgent business for consideration pursuant to Section 100B (4) (b) of the Local Government Act 1972.

16. Formal questions

There were no formal questions of which notice had been given.

17. Date of next meeting

The next Audit and Risk Committee meeting would be on **Tuesday 23 July 2024** at Yare House, 62-64 Thorpe Road, Norwich, commencing at 10.00am.

The meeting ended at 11:42am.

Signed by

Chair

Risk, Audit and Governance Committee

23 July 2024

Agenda item number 5

Draft Statement of Accounts 2023/24

Report by Director of Finance

Summary

This report provides an update on the Broads Authority's Statement of Accounts and its audit for the year ended 31 March 2024.

Recommendation

To note the current position regarding the Draft Statement of Accounts for 2023/24.

1. Introduction

1.1. In the Financial Performance and Direction report to the Authority on 10 May 2024, there were draft figures for 2023/24 that provided for a consolidated deficit of £67,025. At the meeting, a verbal update was provided that some additional year end adjustments had been made and the deficit had decreased to £60,834, however since this date a further adjustment means the deficit has increased to £80,934. This was due to the coding of some external audit adjustments that had been incorrectly posted to the Provision code within the balance sheet.

2. Changes to the 2023/24 Accounts

2.1. There have been no significant changes to this year's accounts.

2.2. As with previous years, Table 1 below has been produced to help members understand the additional adjustments made at year end.

Table 1

Summary Income and Expenditure 2023/24

Income and Expenditure	Operations £000's	Strategic Services £000's	Finance & Support Services £000's	HLF & CANAPE £000's	Corporate Amounts £000's	Total £000's
Fees, charges, interest and	(209)	(1,092)	(42)	(182)	(4,483)	(6,008)

Income and Expenditure	Operations £000's	Strategic Services £000's	Finance & Support Services £000's	HLF & CANAPE £000's	Corporate Amounts £000's	Total £000's
other service income						
Contribution from reserves	0	0	0	0	(642)	(642)
Government Grants	0	0	0	0	(3,564)	(3,564)
Total Income	(209)	(1,092)	(42)	(182)	(8,689)	(10,214)
Employee expenses	2,803	1,841	1,057	125	7	5,833
Other service expenses	1,920	996	1,295	251	0	4,462
Total Expenditure	4,723	2,837	2,352	376	7	10,295
Net Expenditure	4,514	1,745	2,310	194	(8,682)	81

Table 2
Summary of adjustments

Adjustments	Amounts £000's
Net Expenditure	81
Amounts in the Comprehensive Income and Expenditure Statement (CIES) not reported to management	243
Amounts included in Table 1 not in the CIES	3,404
Cost of Services in the CIES	3,728

- 2.3. Items in the amounts included in the CIES not reported to management include year-end adjustments for the Pension scheme. The Accounts are adjusted to reflect the difference between the actual costs assessed by the Actuary and the contributions paid over during the year. Further adjustments are also made for untaken staff leave, depreciation and movements on the revaluation of fixed assets.
- 2.4. The main adjustments in the third line, which is in the analysis above but not the Comprehensive Income and Expenditure Statement, is the removal of the DEFRA grant, interest and investment income and interest payable. These items are added back in

the lines under the cost of services. Further adjustments relate to the accounting treatment of capital expenditure and reserve expenditure.

2.5. Table 3 below analyses these adjustments in more detail and agrees back to the Comprehensive Income and Expenditure Statement on page 16 in the Statement of Accounts.

Table 3

Detailed adjustments

Income and Expenditure type	Service Analysis £000's	Not reported to Management £000's	Not included in the CIES £000's	Net Cost of Services £000's	Other operating expenditure, finance & investment income and Government Grant £000's	Deficit on the Provision of Services £000's
Fees, charges and other service income	(5,715)	0	0	(5,715)	0	(5,715)
Interest and investment income	(293)	0	293	0	(293)	(293)
Contribution from reserves	(642)	0	103	(539)	0	(539)
Government Grants	(3,564)	0	3,564	0	(3,498)	(3,498)
Total Income	(10,214)	0	3,960	(6,254)	(3,791)	(10,045)
Employee expenses	5,833	57	0	5,890	(119)	5,771
Other services expenses	4,462	0	(556)	3,906	0	3,906
Depreciation, amortisation & revaluation	0	186	0	186	0	186

Income and Expenditure type	Service Analysis £000's	Not reported to Management £000's	Not included in the CIES £000's	Net Cost of Services £000's	Other operating expenditure, finance & investment income and Government Grant £000's	Deficit on the Provision of Services £000's
Interest payments	0	0	0	0	45	45
Gain on disposal of Assets	0	0	0	0	(12)	(12)
Total Operating Expenditure	10,295	243	(556)	9,982	(86)	9,898
(Surplus) / Deficit on the Provision of Services	81	243	3,404	3,728	(3,877)	149

3. Balance Sheet

- 3.1. At the end of 2023/24, the Balance Sheet was reporting a net asset position of £11,077,000. This is a decrease from the 2022/23 net asset position of £13,323,000. As with previous years, the main cause of this is the movement in the Pension Fund liability, which changed from a net liability, with a movement of £2,741,000. The pension fluctuations are due to the changes in financial assumptions as calculated by the actuary. The Fund also seeks to maintain contributions at a consistent rate to minimise the impact on the Authority's cash flows. The Authority makes additional contributions to the Fund to reduce the deficit over the next 20 years. Funding levels are monitored on an annual basis, whilst the contributions and the annual deficit payments are recalculated as part of triennial valuation. Additional information about the Pension Fund Assets and Liabilities can be found within the Statement of Accounts under Note 32.
- 3.2. The bottom section of the Balance Sheet on page 19 splits the reserves between useable and unusable reserves. The useable reserves can be used to fund future operating expenditure, while the unusable reserves are kept to manage accounting processes such as unrealised gains or acquisitions of Fixed Assets and the movements on the Pension Reserve.

3.3. The closing position on the National Park (General), Navigation and Earmarked reserves has reduced when compared to those reported verbally on 10 May 2024 due to the audit adjustment. The individual balances that make up the Earmarked reserve can be found within the Statement of Accounts under note 10, page 40. The year end balances of the reserves are:

- National Park £746,133;
- Navigation £476,894;
- Earmarked £3,503,111 of which £1,455,843 relates to Navigation.

4. Annual Governance Statement

4.1. The Accounts and Audit (England) Regulations 2015 contain a requirement that an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control, must be approved by the relevant body and must accompany the Statement of Accounts. The Annual Governance Statement includes a link to the draft Annual Governance Statement and will be considered by this committee (see agenda item 11) and Broads Authority. After consideration at this meeting, it will be presented to the Broads Authority on 26 July 2024. Once this has been approved by Broads Authority, the Draft Statement of Accounts will be updated to include the approved Annual Governance Statement.

5. Audit of the Statement of Accounts

5.1. The Authority's external auditors, Ernst & Young (EY) started work on 3 June 2024 on the 2023/24 accounts. The auditors will provide a verbal update under agenda item 8 on their progress.

6. Financial Implications

6.1. The Statement of Accounts for 2023/24 shows revenue reserves of £1,223,027 (National Park (general) reserves £746,133, Navigation reserves £476,894) that are considered to be adequate. The National Park reserve at the end of 2023/24 stands at 20.6% of net expenditure, while the Navigation reserve is 10.7%.

6.2. The outturn figures for 2023/24, the impact of boat numbers and the 2024/25 level of tolls received will be assessed for their impact on the overall level of reserves and will be taken into account in future budgeting proposals and when making decisions about income and expenditure in 2025/26.

Author: Emma Krelle

Date of report: 08 July 2024

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Draft Statement of Accounts 2023/24](#)

Broads Authority

Draft Statement of Accounts 2023/24

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Narrative report

Introduction

The purpose of the Narrative Report is to provide information on the Authority, its main objectives and strategies and the principal risks that it faces. It also provides commentary on how the Authority has used its resources to achieve its outcomes in line with its objectives and strategies.

About the Broads Authority

The Broads Authority was established by the Norfolk and Suffolk Broads Act 1988.

Its duties, as subsequently amended by the Natural Environment and Rural Communities Act 2006, 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 interests of navigation.

This brought the first two purposes into line with those of the English National Park Authorities, as recommended in the Department for Environment, Food and Rural Affairs (Defra) report 'Review of English Park Authorities' published in July 2002.

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.

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

- maintain the navigation area for the purposes 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.

The Broads Authority Act 2009 amended the 1988 Act and is primarily concerned with augmenting the Authority's powers to ensure safety on the Broads, including the application of the Boat Safety Scheme and compulsory third-party insurance. It also made provision for the transfer of responsibility for the navigation in Breydon Water to the Authority which was implemented in 2012. The 2009 Act removed the need for the Authority to maintain a separate navigation account and contained provisions which require the Authority to ensure

that, taking one year with another, expenditure on navigation matters is equal to navigation income.

The Broads Plan is the key management plan for the Broads. It sets out a long-term vision for the benefit of the natural and cultural environment, local communities and visitors. Although the Authority is responsible for its production it is a plan for the whole of the Broads, and its success very much depends on a common vision, strong partnership working and the best use of shared resources. The plan for the period 2022-27 was adopted by the Authority on 23 September 2022 and is publicly available via the website link below.

[Broads Plan 2022 - 2027 \(broads-authority.gov.uk\)](https://broads-authority.gov.uk)

The Authority's Strategic Priorities are set annually by the members in line with objectives in the Broads Plan. Progress against the Strategic Priorities is reported regularly to the Authority and details of 2023/24 can be found in the link below:

[Strategic priorities update](#)

All decisions are supported by the Authority's core values. These are enduring beliefs or ideals about what is good or desirable and what is not. They are:

- Sustainable - we take the long-term view, are passionate about our environment and its ability to provide for a vibrant local economy and the well-being of local people;
- Exemplary - we strive for excellence in all we do. We are ambitious, innovative and lead by example;
- Commitment - we are committed to making a difference to the Broads for the benefit of all, and will have the courage of our convictions when faced with difficult issues;
- Caring - we are considerate and respectful of each other, working together to provide the best service we can; and
- Open and Honest - we are open, honest and inclusive in our communication and in making decisions. We are approachable and available, reaching out to all groups.

The Authority is funded from two major sources; National Park Grant from Defra and Navigation Toll Income.

Governance

The Annual Governance Statement provides details of progress against the current year and provides the new financial year action plan. This is currently available in draft and will be considered by the Authority on 26 July and is available via the link below:

[Draft Annual Governance Statement](#)

In 2018 the Government commissioned a review of National Parks and Areas of Outstanding Natural Beauty (AONBs) looking at coverage of designations, how designated areas deliver their responsibilities, how designated areas are financed, and whether there is scope for

expansion. The review team, led by Julian Glover, visited the Broads in November 2018. The team's report "Landscapes Review" was published in September 2019. The Government's response was published on 15 January 2022. In 29 November 2023 the Government set out its action plan for Protected Landscapes, based on responses to the consultation on the Landscapes Review. The Authority considered the consultation outcome in January 2024, which also included an update on delivery to date and an action plan for the future. A link to the committee report can be found below. The report also contains a review of the amendments to the Norfolk and Suffolk and Broads Act 1988.

[The Levelling-Up and Regeneration Act 2023 and the Government response to the Landscape Review \(broads-authority.gov.uk\)](https://broads-authority.gov.uk/landscapes-review)

Operational model

The Authority consists of three Directorates; Finance and Support Services, Operations and Strategic Services. The total number of staff employed by the Authority gives a head count of 157 or 139.4 Full Time Equivalents (FTE) as at 31 March 2024. This is split 27 (23 FTE) Finance and Support Services, 75 (70.2 FTE) Operations, 55 (46.2 FTE) Strategic Services. Due to the seasonal nature of the Authority's activities the levels of staff vary throughout the year and the year-end position may vary depending on when Easter falls.

The Finance and Support Services Directorate consists of; the Governance Team who service the Authority's various committees; Asset Management, IT, Collection of Tolls, Finance and Insurance team.

The Operations Directorate consists of; the Construction, Maintenance and Ecology teams who carry out the practical work on the Broads, from dredging to the maintenance and refurbishment of moorings, land-based sites and project managing the National Heritage Lottery Fund (NHLF) project 'Water, Mills and Marshes'; the Ranger team who patrol the waterways enforcing the byelaws, carry out small scale practical works and Safety Management with health and safety responsibility for all staff and visitor safety on and near the water.

The Strategic Services Directorate consists of; Planning - responsible for all planning applications, enforcement and the Local Plan within the Authority's executive area; Communications - responsible for all publications, events and visitor services; HR - supporting all of the Authority's employees; Volunteer Services which support volunteering opportunities across all areas of the Authority; and other strategic priorities; the management of the European Regional Development Fund (ERDF) INTERREG project 'Creating A New Approach to Peatland Ecosystems' (CANAPE), the Nature for Climate Peatland Grant Scheme which aims to create solutions towards peatland restoration, and Farming in Protected Landscapes (FiPL) which supports farmers and land managers in the Broads.

The Authority receives income from planning fees, contributions from landowners and the Rural Payments Agency towards fen management, Visitor Centres and Yacht Station sales

and external funding such as the Grant from the Nature for Climate Peatland Scheme, Defra support for FiPL, NHLF and ERDF.

Risks

Uncertainty exists about future years' settlements and their duration. Cuts to the National Park Grant in years 2010/11 to 2015/16 has meant the Authority has already restructured to make savings and in 2023/24 has used its reserves to balance the budget. For the 2024/25 budget a small surplus has been achieved through savings in a reduction of space at the Head Office. In addition, following the capital funding received from DEFRA in 2022/23 members took the decision not to add funds to the earmarked reserves for one year. Traditionally these reserves have paid for new capital equipment. This will help minimise the impact of any future reductions to the National Park Grant beyond 2025/26. There continues to be uncertainty around the impact of inflation, wage increases and rising fuel costs. The Landscape Review recommended that "Central Government funding should continue and be both extended and secured across a five-year period." This would greatly assist the Authority in its financial planning.

Risks are reviewed on a regular basis with actions being taken to mitigate any possible impacts. Reports to the Authority highlight risks on potential new areas of activity. The Risk, Audit and Governance Committee receive detailed reports on the current risks with details of the individual risks, risk owner and actions. A link to the latest report can be found below.

[Corporate Risk Register](#)

Review of Corporate Risk Register

The Authority reviewed the risk register and policy and updated both during 2023/24. The risk register is split between the Corporate Risk Register, focusing on risks that are strategic, and Directorates' risk registers, focusing on operational day to day risk. The Corporate Risk Register is reviewed at every Risk, Audit and Governance Committee meeting with the option for significant risks being reported to the Broads Authority.

Opportunities

The UK's 15 National Parks work at a national level with a range of commercial, sustainability and philanthropic partners via National Parks Partnerships and our charitable entity the UK National Parks Foundation. National Parks host over 100 million visits every year and have almost 1m social media followers.

The UK National Parks also continue to investigate efficiencies through joint procurement and services and to create resilience amongst the Parks. 2023/24 saw the UK National Parks Communication Team previously hosted by the Broads Authority transfer to Peak District National Park Authority. This service is jointly funded by 15 UK National Parks and seeks to promote a shared sense of identity.

The Authority has already been successful in gaining external funding from; the NHLF for Water, Mills and Marshes, ERDF for CANAPE, ERDF for EXPERIENCE, Nature for Climate Peatland Scheme and Electrifying the Broads. From 2017/18 to 2021/22 Columbia provided

clothing to all front-line staff. Although the free provision of clothing has ended the opportunity to continue to purchase clothing at reduced rates continues.

The Authority attended the Norfolk Show in June 2023, hosting the Broads village and promoting the National Park and partner organisations. It was a popular destination with twenty stands and was visited by up to 90,000 visitors, including hundreds of school children. The Authority is planning to return to the Show in June 2024.

2024/25 will see the Authority benefit from £500k additional grant funding from DEFRA. This is split equally between revenue and capital and will need to be spent in 2024/25. The Authority plans to use the funding to support our annual capital programme and our increased in costs. DEFRA has also confirmed that FiPL will be extended to March 2027.

Whilst there have been delays in the downsizing of Yare House (Head Office) 2024/25 will see these works completed and savings recognised in the budget. The reduction in office space will provide a more flexible working space and support the Authority's hybrid working approach.

Strategy and resource allocation

The current Financial Strategy was drawn up having regard to the Authority's grant settlement and the priorities in the Broads Plan. It sets out a prudent strategy for managing the limited resources available in order to build on the work underway across the organisation and to continue to deliver the Authority's key priorities over the next three years. The focus in developing the Financial Strategy has been to deliver the maximum possible efficiencies and savings in order to minimise the impact on front-line activity. The Authority recognises that without its employees continued commitment and hard work this would not be possible.

In developing the Financial Strategy, a number of assumptions have been made in respect of National Park Grant allocations, future boat numbers and the level of staff pay inflation. The Strategy follows the general principle that the Authority should seek to maintain the general (National Park) reserve at a minimum of £100,000 plus 10% of net expenditure, and the navigation reserves at a minimum of 10% of net expenditure. It also expects that General and Navigation income and expenditure should be broadly in balance across the life of the Financial Strategy.

On 20 November 2007, the Authority took out a £290,000 loan from the Public Works Loan Board (PWLB). 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 2024 is £60,034.

The purpose of this 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.

During 2020/21, the Authority took out a further loan from the PWLB for £105,000. The purpose of the loan was to fund the purchase of a new JCB excavator. These types of

purchases have typically been financed by finance leases in the past, but the fixed rate of interest at 2% made the loan the cheapest option. The loan is to be repaid over five years, repayable by annuity. The PWLB has advised that the fair value of the debt as 31 March 2024 is £42,723.

Performance

Performance is assessed against progress made towards the Broads Plan, Strategic Priorities and the Budget with regular updates being provided to the Authority.

General (National Park) Income and Expenditure

In 2023/24 the Authority received National Park Grant of £3,564k from Defra (£4,934k in 2022/23). This included one-off additional deferred funding from 2022/23 for the purchase of Hulver Ground. Additional amounts received in 2022/23 was made up of capital funding for Biodiversity of £1,055k, £440k supplementary core grant funding and £25k for Biodiversity Net Gain. In addition to this, the income received from external grant support, sales, fees, charges and interest totalled £1,464k (£2,151k in 2022/23). Total income for 2023/24 was £5,028k (£7,085k in 2022/23).

The Authority set a budget for 2023/24 with a forecast surplus of £38k (£221k deficit for 2022/23). The Authority monitors its budget throughout the year against a forecast outturn which is updated monthly. The final forecast outturn for the year 2023/24 indicated an anticipated surplus of £80k. The actual outturn saw a surplus of £55k (an adverse variance of £25k). The Authority has a policy for carrying forward requests in respect of underspends. These were considered and approved by the Authority on 10 May 2024 but due to the requests being funded from the earmarked reserves the net effect on the revenue budget for 2024/25 was £nil (£29k for 2023/24).

Navigation Income and Expenditure

Income from tolls was £4,098k (£3,721k in 2022/23), other income received for the year from external grant support, yacht stations charges, sales of tide tables, works licences and other miscellaneous services was £300k, (£238k in 2022/23) and interest was £146k (£58k in 2022/23). Total income for 2023/24 was £4,544k (£4,017k in 2022/23).

The Authority set a budget with a forecast deficit of £56k for 2023/24 (deficit of £206k for 2022/23). This deficit was to be balanced using reserves. The Authority monitors its budget throughout the year against a forecast outturn which is updated monthly. The final forecast outturn for 2023/24, which took account of approved budget changes, indicated an anticipated deficit of £117k. The actual outturn saw a deficit of £136k (an adverse variance of £19k). The Authority has a policy for carrying forward requests in respect of underspends. These were considered and approved by the Authority on 10 May 2024 for £27k (nil for 2023/24) and added to the 2024/25 budget.

The Statement of Accounts consolidates these results and the combined figures are found in the Comprehensive Income and Expenditure Statement (CIES) and the Expenditure Funding Analysis (EFA). The CIES can be found on page 16 and the EFA on page 15.

Outlook

2024/25 continues to focus on the successful delivery of the Nature for Climate Peatland Scheme restoration and Paludiculture Exploration Fund. Our external funded project from the NHLF will see the submission of the final claim in 2024. A follow-up of Generation Green will start in 2024 aiming to provide day and residential activities to young people. Although the projects are claimed in arrears the impact on the Authority's cash flows is minimal. The budget for Navigation is projecting a surplus of £87k in 2024/25 (after considering carry forward requests), with reserves at 10.1% of net expenditure at the end of the year. For General (National Park) funding there is a projected surplus of £15k in 2024/25, with reserves at 26.0% of net expenditure.

The Strategy also covers capital expenditure with the majority being funded from Earmarked Reserves and the rest from National Park Grant and Navigation income.

There are a significant number of variables – and some unknown quantities, such as future inflation, cost of utilities and salary increases – which could impact on these figures. The Financial Strategy will therefore be reviewed and updated by the Authority, having regard to any changes in circumstances and the annual outturn figures, at its meeting in January 2025. The annual toll increase for 2024/25 was set at 8.5% for all vessels. When setting the future strategy, the Authority will continue to consult with the Navigation Committee before the Broads Authority makes a decision. 2024/25 continues to focus on the development of partnership work. Work will also continue with partners to help shape the future of payments to farmers and land managers post-Brexit, which includes the scheme administered by the Broads Authority (Farming in Protected Landscapes). Climate change remains a threat to the Broads. Broadland Futures Initiative, in collaboration with the Environment Agency, will continue the modelling and engagement work with stakeholders.

Changes to the 2023/24 Accounts

There have been no key changes to the Statement of Accounts in 2023/24.

The accounting statements

The Broads Authority's accounts for the year 2023/24 are set out on pages 12 to 82. They consist of:

Statement of Responsibilities for the Statement of Accounts

Statement of Corporate Governance

Expenditure and Funding Analysis – This statement shows how annual expenditure is used and funded from resources (government grants and rents) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. The Expenditure and Funding Analysis is a note to the Financial Statements,

however its position next to the Comprehensive Income and Expenditure Statement is to provide a link from the figures reported under Performance within the Narrative Report.

Comprehensive Income & Expenditure Statement – This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Movement in Reserves Statement – This statement shows the movement in the year on the different reserves held by the Authority, analysed into ‘usable’ reserves and ‘other’ reserves. The ‘surplus / deficit on the provision of services’ line shows the true economic cost of providing the Authority’s services, more details of which are shown in the Comprehensive Income & Expenditure Statement. The ‘net increase / decrease before transfers to earmarked reserves’ line shows the statutory General Fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

Balance Sheet – The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. Reserves are reported in two categories. The first category of reserves are ‘usable’ reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement of Reserves Statement line ‘adjustments between accounting basis and funding basis under regulations’.

Cash Flow Statement – The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of tolls and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

These accounts are supported by the Statement of Accounting Policies in Note 1, which follows the Accounting Statements, and various notes to the accounts.

The information included in these accounts incorporates spending relating to the Broads Navigation. The Navigation income and expenditure is separately accounted for in the records to ensure the proper control of income from toll payers and to ensure it is spent primarily to benefit the users of the navigation. Navigation income and expenditure is shown in full at note 36 on page 81.

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 Director of Finance.
- b) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- c) Approve the statement of accounts.

The Director of Finance's Responsibilities

The Director of Finance 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 the United Kingdom 2023/24 (the Code).

In preparing this Statement of Accounts, the Director of Finance has:

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

The Director of Finance has also:

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

Director of Finance's Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Broads Authority at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

Emma Krelle (Director of Finance)

Certificate of Committee Resolution

I confirm that these accounts were given delegated approval by the Broads Authority at its meeting held (insert date).

Signed on behalf of The Broads Authority:

(Chair of meeting approving the accounts)

Date

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

Expenditure and Funding Analysis

This statement shows how funding available to the Authority for the year has been used in providing services in accordance with generally accepted accounting practices.

2022/23 Net expenditure chargeable to the General and navigation fund balances £000	2022/23 adjustments between the funding and accounting basis £000	2022/23 Net expenditure in the comprehensive income and expenditure statement £000	Function	2023/24 Net expenditure chargeable to the General and navigation fund balances £000	2023/24 adjustments between the funding and accounting basis £000	2023/24 Net expenditure in the comprehensive income and expenditure statement £000
1,220	257	1,477	Operations	1,525	(11)	1,514
1,330	262	1,592	Strategic Services	1,346	31	1,377
1,799	(808)	991	Finance & Support Services (previously known as Chief Executive)	908	(83)	825
79	0	79	Corporate Amounts	4	0	4
43	533	576	Broads Navigation Account	309	(301)	8
4,471	244	4,715	Net cost of services (subtotal)	4,092	(364)	3,728
(4,837)	88	(4,749)	Other income and expenditure	(3,758)	(119)	(3,877)
(366)	332	(34)	(Surplus) or Deficit	334	(483)	(149)
(1,669)			Opening general and navigation fund balance	(1,145)		
(366)			Less/plus surplus or (deficit) on general and navigation balance in year	334		
890			Transfer (to)/from earmarked reserves and Capital Grant Unapplied	(410)		
(1,145)			Closing general and navigation fund balance at 31 March	(1,221)		

The Expenditure and Funding Analysis is a note to the Financial Statements; however, it is positioned here as it provides a link from the figures reported under Performance within the Narrative Report to the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2022/23 Gross expenditure £000	2022/23 Income £000	2022/23 Net expenditure/ (income) £000	Description	Note	2023/24 Gross expenditure £000	2023/24 Income £000	2023/24 Net expenditure/ (income) £000
2,286	(809)	1,477	Operations		1,825	(311)	1,514
2,848	(1,256)	1,592	Strategic Services		2,346	(969)	1,377
1,013	(22)	991	Finance & Support Services		857	(32)	825
79	0	79	Corporate Items		4	0	4
4,525	(3,949)	576	Broads Navigation Account	36	4,393	(4,385)	8
10,751	(6,036)	4,715	Cost of services (subtotal)		9,425	(5,697)	3,728
		(8)	(Gains)/Losses on the disposal of non-current assets				(12)
		193	Financing and investment income and expenditure	11			(367)
		(4,934)	Taxation and non-specific grant income and expenditure	12			(3,498)
		(34)	(Surplus) or deficit on provision of services (subtotal)				(149)
		(273)	(Surplus) or deficit on revaluation of fixed assets				(422)
		(12,727)	Actuarial (gains)/losses on pension assets/liabilities				2,817
		(13,000)	Other comprehensive income and expenditure (subtotal)				2,395
		(13,034)	Total comprehensive income and expenditure				2,246

Movement in reserves statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable' reserves (i.e. those that can be applied to fund expenditure) and 'other' reserves. The 'surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

2022/23	General fund and navigation fund balance £000	Capital receipts reserve £000	Capital Grants Unapplied £000	Earmarked reserves £000	Total useable reserves £000	Unusable reserves £000	Total Authority reserves £000
Balance at 31 March 2022 (A)	1,669	405	0	2,873	4,947	(4,658)	289
Total comprehensive income and expenditure	34	0	0	0	34	0	34
Other Comprehensive income and expenditure	0	0	0	0	0	13,000	13,000
Adjustments between accounting basis and funding basis under regulations (Note 9)	332	17	150	0	499	(499)	0
Transfers to or from Earmarked reserves (Note 10)	(890)	0	0	890	0	0	0
Increase or (decrease in 2022/23 (B) (subtotal)	(524)	17	150	890	533	12,501	13,034
Balance at 31 March 2023 (=A+B)	1,145	422	150	3,763	5,480	7,843	13,323

2023/24	General fund and navigation fund balance £000	Capital receipts reserve £000	Capital Grants Unapplied £000	Earmarked reserves £000	Total useable reserves £000	Unusable reserves £000	Total Authority reserves £000
Balance at 31 March 2023 (A)	1,145	422	150	3,763	5,480	7,843	13,323
Total comprehensive income and expenditure	149	0	0	0	149	0	149
Other Comprehensive income and expenditure	0	0	0	0	0	(2,395)	(2,395)
Adjustments between accounting basis and funding basis under regulations (Note 9)	(333)	0	(150)	0	(483)	483	0
Transfers to or from Earmarked reserves (Note 10)	260	0	0	(260)	0	0	0
Increase or (decrease in 2023/24 (B) (subtotal)	76	0	(150)	(260)	(334)	(1,912)	(2,246)
Balance at 31 March 2024 (=A+B)	1,221	422	0	3,503	5,146	5,931	11,077

Balance sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

As at 31 March 23 £000	Category	Note	As at 31 March 24 £000
5,497	Property, plant & equipment	13	6,303
5,497	Long term assets (subtotal)		6,303
5,029	Short term investments		5,067
141	Inventories	14	209
1,906	Short term debtors	15	710
702	Cash and cash equivalents	16	1,454
7,778	Current assets (subtotal)		7,440
(35)	Short term borrowing		(36)
(2,158)	Short term creditors	17	(2,229)
(99)	Provisions	18	(94)
(45)	Grant receipts in advance	27	(69)
(2,337)	Current liabilities (subtotal)		(2,359)
(94)	Long term borrowing		(58)
2,479	Other long-term liabilities	30, 32	(249)
2,385	Long term liabilities (subtotal)		(307)
13,323	Net assets (liabilities)		11,077
-	Useable reserves	-	-
561	General account fund balance		744
584	Navigation account fund balance		477
422	Capital receipts reserve		422
150	Capital Grants Unapplied Account		0
3,763	Earmarked reserves	10	3,503
-	Unusable reserves	20	-
2,340	Revaluation reserve		2,698
3,030	Capital adjustment account		3,513
2,525	Pension reserve		(216)
(52)	Accumulated absence reserve		(64)
13,323	Total reserves		11,077

Emma Krelle (Director of Finance)

Cash Flow statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

2022/23 £000	Revenue activities	Note	2023/24 £000
34	Net surplus or (deficit) on the provision of services		149
516	Adjustments to net surplus or deficit on the provision of services for non-cash movements		1,202
(1,087)	Adjust for items in the net surplus or deficit on the provision of services that are investing and financing activities		7,982
(537)	Net cash flows from operating activities (subtotal)	21	9,333
150	Investing activities	22	(8,545)
(63)	Financing activities	23	(36)
(450)	Net increase or (decrease) in cash and cash equivalents (subtotal)		752
1,152	Cash and cash equivalents at the beginning of the reporting period		702
702	Cash and cash equivalents at the end of the reporting period	16	1,454

Notes to the Statement of Accounts

1. Accounting policies

i. General principles

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year end of 31 March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and the Service Reporting Code of Practice 2023/24, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amounts is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 7 days or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iv. Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

v. Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vi. Charges to revenue for non-current assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there;
- are no accumulated gains in the Revaluation Reserve against which the losses;
- can be written off; and
- amortisation of intangible fixed assets attributable to the service.

vii. Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in

lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Employees of the Broads Authority are members of Norfolk Pension Fund for civilian employees (the Local Government Pension Scheme), administered 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 pension liabilities with investment assets.

viii. Events after the balance sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix. Fair value measurement

The Authority measures some of its non-financial assets such as investment properties and some of its financial instruments such as borrowings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quotes prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

x. Financial instruments

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest is the rate that

exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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.

Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for Statements the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

The Authority has not made any material loans.

xi. Foreign currency translation

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

xii. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xiii. Inventories

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the FIFO (first-in, first-out) costing formula.

xiv. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as lessee

Finance leases

Property, Plant and Equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as lessor

Operating leases

Where the Authority grants an operating lease over a property or an item of plant or

equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xv. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. A de minimis limit of £5,000 is used to recognise fixed assets.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation between 5 and 50 years, as advised by a professional valuer;
- floating plant and vessels – straight-line allocation between 15 and 30 years, as advised by a suitably qualified officer;
- other plant, vehicles, furniture and equipment – straight-line allocation between 5 and 15 years, as advised by a suitably qualified officer; and
- infrastructure – straight-line allocation between 20 and 25 years, as advised by a suitably qualified officer.

Where an asset has been acquired under a finance lease arrangement, and the lease term is shorter than the asset's estimated useful life, the asset is depreciated over the lease term.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

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.

Disposals and non-current assets

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant or Equipment) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any

revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment, or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement) (England and Wales). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against the general fund, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xvi. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note (note 33) to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xvii. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent useable resources for the Authority – these reserves are explained in the relevant policies.

xviii. Operating segments

In accordance with IFRS 8 and the Code, the Broads Authority keeps the general fund and navigation fund separately. Under the Code, the Authority has prepared a single income and expenditure account for 2023/24, however in note 36 to the accounts the navigation income and expenditure is shown.

xix. Allocation of costs

Salary, vehicle and other revenue costs are reallocated within the general expenditure 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 funds are based on staff time and usage.

xx. Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

xxi. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. Accounting Standards that have been issued but have not yet been adopted

The 2023/24 Code of Practice on Local Authority Accounting adopts the following amendments to International Accounting Standards and International Financial Reporting Standards, which will be required from 1 April 2024:

- The implementation of IFRS 16 Leases will take effect from 1 April 2024. This will be a significant change in Local Authority Accounting. Its introduction will remove the distinction between operating and finance leases for lessees. The standard will require assets to be recognised on the balance sheet as well as the liability for outstanding lease payments. This will apply where the right to use the asset exceeds 12 months and it is not considered low value. This will be a significant change to the Authority as it holds a number of operating leases relating to land that is used for moorings.
- IAS 1 – amendment to classification of liabilities as current or non-current.
- IFRS 16 – amendment to lease liability in a sale and leaseback.
- IAS 1 – amendment to non-current liabilities with covenants.
- IAS 12 – amendment to international tax reform: Pillar Two Model Rules.
- IAS 7 and IFRS 7 - amendment to supplier finance arrangements.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Despite the one-year settlement from DEFRA for 2024/25 there remains a degree of uncertainty about the longer-term levels of funding for National Parks. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Authority is a member of Whitlingham Charitable Trust of which there are four members. The Authority can appoint up to four trustees and there shall be no more than nine in total. The Trust is limited by guarantee in which each member agrees to contribute £1 in the event of it being wound up. Whitlingham Charitable Trust was established to manage and maintain Whitlingham Country Park for public benefit. The Authority does not have a controlling influence, and it does not have any share equity, or any share in profits or losses. It is considered therefore that International Accounting Standard (IAS) 28 – Accounting for Investments in Associates - does not apply as the charity has no formal equity structure, and the Authority does not derive any financial benefit from the Trust.

4. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Item	Uncertainties	Effect if actual results differ from assumptions
Property plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall. It is estimated that the annual depreciation charge would increase by £47,000 for every year that useful lives had to be reduced.
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £633,000. Further details are set out in the sensitivity analysis in note 32.

5. Material items of income and expenditure

There are no material items of expense in relation to 2023/24 which are not disclosed elsewhere within the Statement of Accounts.

6. Events after the balance sheet date

The Draft Statement of Accounts was authorised for issue by the Director of Finance on 31 May 2024. Events that occur after this date are not reflected in the financial statements or notes.

7. Note to the expenditure and funding analysis

Adjustments from General and Navigation Fund to arrive at the Comprehensive Income and Expenditure Statement Amount

2022/23 Adjustments for capital purposes (Note 1) £000	2022/23 Net change for the pension's adjustments (Note 2) £000	2022/23 Other differences (Note 3) £000	2022/23 Total adjustments £000	Description	2023/24 Adjustments for capital purposes (Note 1) £000	2023/24 Net change for the pension's adjustments (Note 2) £000	2023/24 Other differences (Note 3) £000	2023/24 Total adjustments £000
75	187	(5)	257	Operations	(19)	7	1	(11)
27	235	0	262	Strategic Services	18	11	2	31
(890)	83	(1)	(808)	Finance & Support Services	(87)	3	1	(83)
0	0	0	0	Corporate Items	0	0	0	0
103	434	(4)	533	Broads Navigation Account	(332)	24	7	(301)
(685)	939	(10)	244	Net Cost of Services (subtotal)	(420)	45	11	(364)
(167)	255	0	88	Other income and expenditure from the Expenditure and Funding analysis	0	(119)	0	(119)
(852)	1,194	(10)	332	Difference between General and Navigation Fund surplus or deficit and comprehensive Income and Expenditure Statement Surplus of Deficit on the Provision of Services	(420)	(74)	11	(483)

Note

1. Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
 - Other operating expenditure – adjusts for capital disposal with a transfer of income on disposal of assets and the amounts written off for those assets.
 - Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
2. Net change for the removal of pension contribution and the addition of IAS 19 Employee Benefits pension related expenditure and income:
 - For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
 - For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.
3. Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute including accumulated absences.

Income received on a segmental basis is analysed below:

Service	2022/23 Income from services (£000)	2023/24 Income from services (£000)
Operations	(809)	(311)
Strategic Services	(1,256)	(969)
Finance & Support Services	(22)	(32)
Corporate items	0	0
Specialist ringfenced account (navigation)	(3,949)	(4,386)
Total income analysed on a segmental basis	(6,036)	(5,698)

8a. Expenditure and income analysed by nature

The Authority's expenditure and income is analysed as follows:

Expenditure	2022/23 £000	2023/24 £000
Employee benefits expenses	6,699	5,771
Other services expenses	4,850	3,907
Depreciation, amortisation, impairment	326	186
Interest payments	55	45
Expenditure in relation to investment properties	0	0
Loss/(gain) on the disposal of assets	(8)	(12)
Total expenditure	11,922	9,897

Income	2022/23 £000	2023/24 £000
Fees, charges and other service income	(6,051)	(5,716)
Interest and investment income	(117)	(293)
Contributions from reserves	(853)	(539)
Government grants and contributions	(4,935)	(3,498)
Total income (subtotal)	(11,956)	(10,046)
Surplus or deficit on the provision of services	(34)	(149)

In addition to the amounts reported within the Comprehensive Income and Expenditure Statement the breakdown above also includes income and expenditure funded from the earmarked reserves.

8b. Revenue from contracts with service recipients

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients:

Contract Revenue	2022/23 £000	2023/24 £000
Revenue from contracts with service recipients	130	213
Total included in comprehensive income and expenditure	130	213

Amounts included in the Balance Sheet for contracts with service recipients:

Outstanding Revenue	2022/23 £000	2023/24 £000
Receivables, which are included in debtors (Note 15)	0	42
Total included in net assets	0	42

9. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

2022/23 General fund and navigation fund £000	2022/23 Capital receipts reserve £000	2022/23 Capital Grants Unapplied Account £000	2022/23 Movement in unusable reserves £000	Adjustments	2023/24 General fund and navigation fund £000	2023/24 Capital receipts reserve £000	2023/24 Capital Grants Unapplied Account £000	2023/24 Movement in unusable reserves £000
				Adjustments primarily involving the Capital Adjustment Account:				
				Reversal of items debited or credited to the Comprehensive Expenditure and Income Statement:				
(3)	3	0	0	Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	0	0	0	0
0	0	0	0	Donated Asset	(84)	0	0	84
320	0	0	(320)	Charges for depreciation and impairment of non-current assets	331	0	0	(331)
6	0	0	(6)	Revaluation losses on property, plant and equipment	(145)	0	0	145
0	0	0	0	Amortisation of intangible assets	0	0	0	0
10	14	0	(24)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	5	0	0	(5)
				Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
(64)	0	0	64	Statutory provision for the financing of capital investment	(36)	0	0	36
(66)	0	(905)	971	Capital expenditure charged against the General Fund	(492)	0	0	492
				Adjustments involving the Capital Resources:				
(905)	0	905	0	Application of Capital Grant to finance Capital Expenditure	150	0	(150)	0
(150)	0	150	0	Transfer of Capital Grants and contributions to Capital Unapplied Grant	0	0	0	0
				Adjustments involving the Pensions Reserve:				
2,080	0	0	(2,080)	Reversal of items relating to post-employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 32)	859	0	0	(859)
(886)	0	0	886	Employer's pension contributions and direct payments to pensioners payable in the year	(932)	0	0	932
				Adjustments involving the accumulated Absences Account:				
(10)	0	0	10	Adjustments in relation to short-term compensated absences	11	0	0	(11)
332	17	150	(499)	Total adjustments	(333)	0	(150)	483

10. Transfers to/from earmarked reserves

This note presents details of the amounts set aside in earmarked reserves to provide financing for future expenditure and the amounts posted back from earmarked reserves to meet expenditure in 2023/24. A description of each of the earmarked reserves follows in the table below.

Reserve Name	Balance at 31 March 2022 £000	Transfers in 2022/23 £000	Transfers out 2022/23 £000	Balance at 31 March 2023 £000	Transfers in 2023/24 £000	Transfers out 2023/24 £000	Balance at 31 March 2024 £000
Property	(880)	(94)	42	(932)	(207)	0	(1,139)
Plant, vessels and equipment	(485)	(220)	69	(636)	(282)	278	(640)
Premises	(294)	(88)	6	(376)	(108)	53	(431)
Planning delivery grant	(245)	(16)	0	(261)	(16)	0	(277)
Upper Thurne Enhancement Scheme	(187)	(27)	0	(214)	(36)	0	(250)
Heritage Lottery Fund	(8)	(636)	473	(171)	(184)	343	(12)
Catchment Partnership	(85)	(48)	48	(85)	(43)	58	(70)
CANAPE	(476)	(67)	80	(463)	(26)	489	0
Computer Software	(129)	(24)	0	(153)	(30)	0	(183)
UK National Park Communications	(38)	(88)	121	(5)	(34)	35	(4)
Match Funding	(46)	0	29	(17)	0	15	(2)
Medium Term Financial Planning	0	(450)	0	(450)	(148)	103	(495)
Total	(2,873)	(1,758)	868	(3,763)	(1,114)	1,374	(3,503)

Included in the closing balance of £3,503k, £1,456k relates to Navigation funded reserves.

Earmarked reserves

Property

A reserve account set up to provide for the ongoing maintenance of the Authority's major assets, moorings and operational property assets, including Mutford Lock.

Plant, Vessels and Equipment

Reserve established to provide for the maintenance and replacement of the Authority's plant and equipment, including launches, construction and maintenance vessels and equipment, pool vehicles and fen management equipment.

Premises

A reserve account established to provide for the maintenance and development of the Authority's Dockyard facility and other buildings throughout the Broads.

Planning Delivery Grant

Balance of Defra and OPDM grants awarded to deliver the planning service.

Upper Thurne Enhancement Scheme

Reserve established to hold the balance of ring-fenced Environment Agency funding for enhancement works in the Upper Thurne.

Heritage Lottery Fund

A reserve account established for the Landscape Partnership project funded by the Heritage Lottery Fund.

Catchment Partnership

A reserve account set up to hold ring-fenced income from various partners within the Catchment Partnership.

CANAPE

A reserve account set up for European grant part funded project relating to the Creating A New Approach to Peatland Ecosystems.

Computer Software

A reserve account set up to provide for the ongoing replacement of Authority's Computer Software.

UK National Parks Communications

A reserve account set up to hold ring-fenced income from the 15 National Parks to fund the UK Communications Team.

Match Funding

A reserve account set up for European grant funded project EXPERIENCE.

Medium-term Financial Planning

A reserve account set up for the supplementary National Park Grant to fund medium-term plans for the Authority.

11. Financing and investment income and expenditure

2022/23 £000	Expenditure and income detail	2023/24 £000
55	Interest payable and similar charges	45
255	Net interest on the net defined benefit liability (asset)	(119)
(117)	Interest receivable and similar income	(293)
193	Total	(367)

12. Taxation and non-specific Grant income

2022/23 £000	Income detail	2023/24 £000
	Credited to Taxation and non-specific Grant income	
3,414	DEFRA National Park Grant	3,414
440	DEFRA Supplementary National Park Grant	0
1,055	DEFRA Biodiversity Capital Grant	0
25	DEFRA Biodiversity Net Gain funding	0
0	Donated Asset (Mutford Lock)	84
4,934	Total	3,498

13. Property, plant and equipment

Movements on balances 2022/23

Cost or valuation	Land and buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community assets £000	Assets under construction £000	Total property, plant and equipment £000
At 1 April 2022	3,182	2,596	315	323	0	6,416
Additions	0	879	0	0	92	971
Revaluation increases/(decreased) recognised in the Revaluation reserve	191	26	0	0	0	217
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	6	0	0	0	0	6
Derecognition-disposals	0	(68)	0	0	0	(68)
At 31 March 2023	3,379	3,433	315	323	92	7,542

Accumulated depreciation and impairment	Land and Buildings £000	Vehicles Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
At 1 April 2022	59	1,468	286	0	0	1,813
depreciation charge	39	266	15	0	0	320
derecognition – disposals	0	(44)	0	0	0	(44)
depreciation written out to the Revaluation Reserve	(15)	(29)	0	0	0	(44)
At 31 March 2023	83	1,661	301	0	0	2,045

Net Book Value	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment
At 31 March 2023	3,296	1,772	14	323	92	5,497
At 31 March 2022	3,123	1,128	29	323	0	4,603

Movements on balances 2023/24

Cost or valuation	Land and buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community assets £000	Assets under construction £000	Total property, plant and equipment £000
At 1 April 2023	3,379	3,433	315	323	92	7,542
Additions	153	318	0	0	21	492
Donated Assets	84	0	0	0	0	84
Revaluation increases/(decreased) recognised in the Revaluation reserve	670	0	0	0	0	670
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(145)	0	0	0	0	(145)
Derecognition-disposals	0	(105)	0	0	0	(105)
Reclassification	0	92	0	0	(92)	0
At 31 March 2024	4,141	3,738	315	323	21	8,538

Accumulated depreciation and impairment	Land and Buildings £000	Vehicles Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
At 1 April 2023	83	1,661	301	0	0	2,045
depreciation charge	32	296	3	0	0	331
derecognition – disposals	0	(99)	0	0	0	(99)
depreciation written out to the Revaluation Reserve	(42)	0	0	0	0	(42)
At 31 March 2024	73	1,858	304	0	0	2,235

Net Book Value	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment
At 31 March 2024	4,068	1,880	11	323	21	6,303
At 31 March 2023	3,296	1,772	14	323	92	5,497

Under land is Womack Dyke which has been valued at £5,750, however the Authority's ownership cannot be established at this point in time. Its inclusion above is not considered material.

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Category of Asset	Depreciation method	Depreciation period
Operational Land and Buildings	Straight line. (The split between land and buildings is determined by the Authority's property consultant)	Between 5 to 50 years as per professional advice
Community Land	Not depreciated	Not depreciated
Infrastructure Asset	Straight line	Between 20 to 25 years
Maintenance Craft and Floating plant	Straight line	Between 15 to 30 Years
Other Plant and Equipment	Straight line	Between 5 and 15 years
Computer and Office Equipment	Straight line	5 years

Capital Commitments

The Authority has no capital commitments as at the balance sheet date.

Impairments

In accordance with IAS 36 and the Code, Directors have undertaken an annual impairment review. No assets were considered to be impaired.

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued every five years. Valuations were carried out internally and externally. Valuations of land and buildings were carried out externally by NPS Property Consultants Ltd, in accordance with methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment that are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

Significant assumptions applied in estimating the current values are:

- Property, Plant and Equipment of a specialised nature were valued on the basis of what it would cost to reinstate the service, suitably adjusted to reflect for age, wear and tear and obsolescence of the existing asset.
- Infrastructure Assets and Community Assets have been valued at historic cost rather than fair value.

- Property leases have been split between finance and operating leases and valued accordingly depending upon whether the Authority is lessor or lessee.

Financial Year	Land and buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community assets £000	Assets under construction £000	Total £000
Carried at historical cost	0	133	0	323	0	456
Valued at current value as at 31 March 2024	1,599	238	0	0	21	1,858
31 March 2023	1,622	1,001	0	0	0	2,623
31 March 2022	311	208	0	0	0	519
31 March 2021	527	227	0	0	0	754
31 March 2020	9	73	11	0	0	93
Total cost or valuation	4,068	1,880	11	323	21	6,303

14. Inventories

Description	Consumable stores 2022/23 £000	Consumable stores 2023/24 £000	Maintenance materials 2022/23 £000	Maintenance materials 2023/24 £000	Total 2022/23 £000	Total 2023/24 £000
Balance outstanding at start of year	40	38	85	103	125	141
Purchases	34	26	212	252	246	278
Recognised as an expense in year	(36)	(31)	(194)	(179)	(230)	(210)
Written off balances	0	0	0	0	0	0
Balances outstanding at year end	38	33	103	176	141	209

15. Debtors

31 March 2023 £000	Debtor types	31 March 2024 £000
708	Trade receivables	123
833	Prepayments and accrued income	480
365	Other receivable amounts	107
1,906	Total	710

16. Cash and cash equivalents

The balance of cash and cash equivalents is made up of the following elements:

31 March 2023 £000	Cash and cash equivalent types	31 March 2024 £000
2	Cash held by the Broads Authority	2
700	Bank current accounts	1,452
702	Total cash and cash equivalents	1,454

17. Creditors

31 March 2023 £000	Creditor types	31 March 2024 £000
228	Trade payables	383
1,798	Accruals and income in advance	1,608
132	Other payable amounts	169
2,158	Total	2,160

18.Provisions

2022/23 Accumulated absences provision £000	2022/23 Audit Fees provision £000	2022/23 Biodiversity Net Gain Provision £000	2022/23 Total £000	Description	2023/24 Accumulated absences provision £000	2023/24 Audit Fees provision £000	2023/24 Biodiversity Net Gain Provision £000	2023/24 Total £000
62	57	0	119	Balance at 1 April	53	20	26	99
53	0	26	79	Additional provisions made in year	64	0	11	75
(62)	(37)	0	(99)	Settlements or cancellation of provision made at end of proceeding year	(53)	(20)	(7)	(80)
53	20	26	99	Balance at 31 March	64	0	30	94

The Audit Fee provision relates to the additional fees EY would like the Authority to pay relating to the 2021/22 audit. The additional fee relating to the 2021/22 audit was settled in December 2023.

The Biodiversity Net Gain provision relates to funding confirmation received from DEFRA in March 2023. This funding will be used to fund Biodiversity projects in 2024/25.

For more information on the Accumulated Absence Account, see note 20.

19. Usable reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

20. Unusable reserves

31 March 2023 £000	Description	31 March 2024 £000
2,340	Revaluation reserve	2,698
3,030	Capital Adjustment Account	3,513
2,525	Pensions Reserve	(216)
(52)	Accumulated Absences Account	(64)
7,843	Total unusable reserves	5,931

Revaluation reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022/23 £000	Description	2023/24 £000
2,082	Balance at 1 April	2,340
321	Upward revaluation of assets	619
(48)	Downward revaluation of assets	(198)
273	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on Provision of Services (subtotal)	421
(15)	Difference between current value depreciation and historical cost depreciation	(63)
(15)	Amount written off to the Capital Adjustment Account (subtotal)	(63)
2,340	Balance at 31 March	2,698

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2022/23 £000	Description	2023/24 £000
2,330	Balance at 1 April	3,030
(3)	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement: Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	0
(320)	Charges for depreciation and impairment of non-current assets	(331)
(6)	Revaluation losses on property plant & equipment	145
0	Movement in the Donated Assets	84
3	Amount on Excavator w/off on disposal or sale as part of the gain/loss on disposal to CIES	0
0	Amortisation of intangible assets	0
(24)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss in disposal to the comprehensive income and expenditure statement	(5)
15	Adjusting amounts written out of the revaluation reserve	63
(335)	Net written out amount of the cost of non-current assets consumed in the year (subtotal)	(44)

2022/23 £000	Description	2023/24 £000
(1,055)	Capital grants and contributions credited to CIES applied for capital financing	0
905	Application of grants to capital financing from Capital Grants Unapplied Account	150
150	Transfer of capital grants and contributions to Capital Grants Unapplied	(150)
64	Capital financing applied in the year: Statutory provision for the financing of capital investment charges against the general fund removal of finance lease liability for assets returned in year	35
971	Capital expenditure charges against the General Fund	492
3,030	Balance at 31 March	3,513

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2022/23 £000	Description	2023/24 £000
(9,008)	Balance at 1 April	2,525
12,727	Remeasurements of the net defined benefit liability/(asset)	(2,814)
(2,080)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(859)
886	Employer's pension contributions and direct payments to pensioners payable in the year	932

2022/23 £000	Description	2023/24 £000
2,525	Balance at 31 March	(216)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the Account.

2022/23 £000	Description	2023/24 £000
(62)	Balance at 1 April	(52)
0	Settlement or cancellation of accrual made at the end of the preceding year	0
62	Amounts accrued at the end of the current year	(64)
(52)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	52
(52)	Balance at 31 March	(64)

21. Cash Flow Statement – Operating Activities

The cash flows from operating activities include the following items:

2022/23 £000	Operating activity	2023/24 £000
104	Interest received	280
(49)	Interest paid	(41)
55	Net cash flows from operating activities	239

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2022/23 £000	Non-cash movements	2023/24 £000
320	Depreciation	331
6	Impairment and downward valuations	(145)
(13)	Deferred revenue/ deferred payment agreements (IFRS 15)	(13)
147	Increase/(decrease) in creditors	63
(1,124)	(Increase)/decrease in debtors	1,190

2022/23 £000	Non-cash movements	2023/24 £000
(17)	(Increase)/decrease in inventories	(67)
1,194	Movement in pension liability	(73)
24	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	5
(21)	Other non-cash items charged to the net surplus or deficit on the provision of services	(89)
516	Net non-cash movements	1,202

22. Cash flow statement – investing activities

2022/23 £000	Investing activity	2023/24 £000
(971)	Purchase of property, plant and equipment, investment property and intangible assets	(492)
(10)	Purchase of short-term investments	(8,026)
1,099	Proceeds from short term investments	(45)
32	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	18
150	Net cash flows from investing activities	8,545

23. Cash flow statement – financing activities

2022/23 £000	Financing activity	2023/24 £000
0	Cash receipts of short- and long-term borrowing	0
(28)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	0
(35)	Repayments of short- and long-term borrowing	(36)
(63)	Net cash flows from financing activities	(36)

24. Members' allowances

The Authority paid the following amounts to Members of the Authority during the year:

2022/23 £000	Member payment type	2023/24 £000
40	Allowances	37
6	Expenses	4
46	Total	41

25. Officers' remuneration

The remuneration paid to the Authority's senior employees as follows:

Job Title	Year	Salary, fees and allowances £000	Bonuses £000	Expenses allowances £000	Pension contribution £000	Total £000
Chief Executive	2022/23	94	0	0	17	111
	2023/24	95	0	0	20	115
Director of Strategic Services	2022/23	67	0	0	12	79
	2023/24	69	0	0	15	84
Director of Operations	2022/23	67	0	0	12	79
	2023/24	69	0	0	15	84
Director of Finance	2022/23	60	0	0	11	71
	2023/24	65	0	0	13	78

The number of employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) is shown below:

Number of employees 2022/23	Remuneration amount band	Number of employees 2023/24
0	£50,000 - £54,999	0
0	£55,000 - £59,999	0
1	£60,000 - £64,999	1
2	£65,000 - £69,999	2
0	£70,000 - £74,999	0
0	£75,000 - £79,999	0
0	£80,000 - £84,999	0
0	£85,000 - £89,999	0
1	£90,000 - £94,999	0
0	£95,000 - £99,999	1

Exit packages

The number and cost of exit packages agreed, analysed between compulsory redundancies and other departures, are disclosed in the table below:

Exit package cost band	Number of compulsory redundancies 2022/23	Number of compulsory redundancies 2023/24	Number of other departures agreed 2022/23	Number of other departures agreed 2023/24	Total number of exit packages by cost band 2022/23	Total number of exit packages by cost band 2023/24	Total cost of exit packages in each band 2022/23 £000	Total cost of exit packages in each band 2023/24 £000
£0-£20,000	1	0	0	0	1	0	4	0
£20,001-£40,000	0	0	0	0	0	0	0	0
Total	1	0	0	0	1	0	4	0

26.External audit costs

The Broads authority has incurred the following fees relating to audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors. The Authority has not paid an additional fee for the 2021/22 audit. Any additional fees in 2022/23 is subject to determination by PSAA Ltd under the terms of the contract, for further details please see note 18.

2022/23 £000	Type of external audit cost	2023/24 £000
11	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	25
12	Additional fees relating to the 2021/22 to 2022/23 audit of the Statement of Accounts	0
23	Total	25

27. Grant income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

2022/23 £000	Grant Name	2023/24 £000
3,414	Credited to taxation and non-specific grant income: Defra National Park Grant	3,414
440	Defra Supplementary National Park Grant	0
1,055	Defra Biodiversity Capital Funding	0
25	Defra Biodiversity Net Gain Funding	0
0	Donated Asset Mutford Lock	84
4,934	Credited to taxation and non-specific grant income (subtotal)	3,498
709	Credited to serves: Heritage Lottery Fund – Landscape Partnership Scheme	156
64	Defra Access Funding	16
392	Natural England – Nature for Climate Peatland Scheme	36
57	CANAPE - ERDF	0
0	Paludiculture Exploration Fund	129
166	Defra Farming In Protected Landscapes (FiPL)	308
6	Generation Green	0
1,394	Credited to services (subtotal)	645
6,328	Total	4,143

The authority has received a grant that has yet to be recognised as income as it has conditions attached that will require the monies to be returned to the giver. The balances at the year-end are as follows:

Current liabilities

2022/23 £000	Grant receipts in advance (revenue grants)	2023/24 £000
29	Defra Farming In Protected Landscapes (FiPL)	31
16	Defra Access Funding	0
0	Plug-in Norfolk Community Electric Vehicle Charging Points	38
45	Total	69

28.Related parties

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

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

Members of the Broads Authority have direct control over the Authority's financial and operating policies. Members of the Navigation Committee have a consultative role in respect of navigation matters. The Authority wrote to all Members requesting details of any related party transactions. Details of Members' expenses are included in note 24.

A number of members of the Broads Authority are appointed by Local Authorities within the Broads area. The Authority transacts with these other Local Authorities for items such as rates in the normal course of business. There were no material transactions with Local Authorities which are not disclosed elsewhere within the Statement of Accounts.

Mr Alan Goodchild became a member of the Broads Authority and Navigation Committee from 1 April 2023 and is a Director of 'Goodchild Marine Services Ltd'. Goodchild Marine paid £811 navigation tolls in 2023/24. The Authority also moored two vessels at Goodchild Marine at a cost of £4,180 and made purchases of launch fuel and repairs of £9,869. No amounts were outstanding at 31 March 2024.

Mr James Knight was a member of the Broads Authority and Planning Committee until 8 May 2023 and is a Director of 'Norfolk Broads Direct'. Norfolk Broads Direct paid £159,972 navigation tolls in 2023/24 (£141,652 in 2022/23). Mr Knight took no part in the decision-making process associated with these contracts.

Mr Greg Munford is a member of the Broads Authority and Navigation Committee and is Director of 'Richardsons Leisure Ltd'. Richardsons Leisure Ltd paid £362,014 (£314,460 in 2022/23) navigation tolls to the Broads Authority in 2023/24. The Authority also made fuel purchases from Richardsons Leisure Ltd of £289 (nil in 2022/23). No amounts were outstanding at 31 March 2024 (nil in 2022/23).

Mr Simon Sparrow is a member of the Navigation Committee and was a member of the Broads Authority until 11 May 2023 and is Director of 'Hippersons Boatyard Ltd' and 'HE Hipperson Ltd'. Hippersons Boatyard Ltd paid £6,854 (£5,861 in 2022/23) navigation tolls to the Broads Authority in 2023/24. The Authority also made fuel purchases from HE

Hipperson Ltd of nil (£1,575 22/23) in 2023/24. No amounts were outstanding at 31 March 2024 (nil in 2022/23).

Mr Daniel Thwaites became a member of the Navigation committee from 1 April 2023 and is a Director of 'Barnes Brinkcraft'. Barnes Brinkcraft paid £154,768 navigation tolls in 2023/24.

Officers

The Chief Executive represents the Broads Authority on the board of the Whitlingham Charitable Trust. Officer remuneration is detailed in note 25.

Other Public Bodies

East Suffolk Council provided Christopher Bing, as the Monitoring Officer until 31 December 2022. East Suffolk Council recharges the Authority for this service and paid nil in 2023/24 (£7,288 in 2022/23). No amounts were outstanding at 31 March 2024 (nil in 2022/23).

Norfolk County Council provides legal services to the Broads Authority via its legal practice, NPLaw. The Authority paid £38,812 for legal services in 2023/24 (£32,662 in 2022/23). £1,281 was outstanding at 31 March 2024 (nil in 2022/23).

Norfolk County Council also provides payroll services to the Broads Authority. The Authority paid £12,176 for this in 2023/24 (£5,860 in 2022/23). £3,227 was outstanding at 31 March 2024 (nil 2022/23).

The Authority charged Norfolk County Council for grant funding of £49,834 during 2023/24 (£24,653 in 2022/23). £3,802 was outstanding at 31 March 2024 (£3,000 in 2022/23).

Wilkin Chapman provided Jonathan Goolden as the Monitoring Officer from 1 January 2023. Prior to starting as Monitoring Officer, Jonathan provided advice to the Authority. The Authority paid £103,433 in 2023/24 (£96,371 in 2022/23). No amounts were outstanding at 31 March 2024 (nil in 2022/23).

29. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2022/23 £000	Description	2023/24 £000
191	Opening Capital Finance Requirement	127
971	Capital investment: Property, plant and equipment	492
	Sources of finance	
	Sums set aside from revenue:	
(971)	Direct revenue contributions	(492)
(64)	MRP	(35)
127	Closing capital finance requirement	92
(64)	Explanation of movements in year Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	(35)
(64)	Increase/(decrease) in capital financing requirement	(35)

30. Leases

Authority as lessee

Finance Leases

The Authority previously held finance leases for vehicles, plant and office equipment acquired under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

2022/23 £000	Asset Type	2023/24 £000
0	Other Land and Buildings	0
0	Vehicles, Plant, Furniture and Equipment	0
0	Total	0

The Authority was committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

2022/23 £000	Time periods	2023/24 £000
0	Finance lease liabilities (net present value of minimum lease payments): Current	0
0	Non-current	0
0	Finance costs payable in future years	0
0	Minimum lease payments	0

The minimum lease payments will be payable over the following periods:

Time periods	Minimum lease payments 31 March 2023 £000	Minimum lease payments 31 March 2024 £000	Finance lease liabilities 31 March 2023 £000	Finance lease liabilities 31 March 2024 £000
Not later than one year	0	0	0	0
Later than one year and not later than 5 years	0	0	0	0
Later than 5 years	0	0	0	0
Total	0	0	0	0

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24, no contingent rents were payable by the Authority (2022/23 nil).

Operating Leases

The Authority has also established operating leases in relation to land and buildings with typical lives between 5 and 20 years. The future minimum lease payments due under non-cancellable leases in future years are:

2022/23 £000	Time period	2023/24 £000
158	Not later than one year	164
544	Later than one year and not later than 5 years	431
181	Later than 5 years	179
883	Total	774

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2022/23 £000	Expenditure	2023/24 £000
164	Minimum lease payments	176
164	Total	176

Authority as Lessor

Finance Leases

The Authority has no leased-out property on a finance lease.

Operating Leases

The Authority leases out land and property under operating leases for the following purposes:

- For the provision of community services, such as tourism services; and
- For an outdoor education and study centre.

The future minimum lease payments receivable under non-cancellable operating leases in future years are:

2022/23 £000	Time Period	2023/24 £000
2	Not later than one year	2
6	Later than one year and not later than 5 years	5
2	Later than 5 years	2
10	Total	9

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

31. Termination benefits

There were nil termination benefits during 2023/24. During 2022/23 the Authority terminated the contract of one employee who was made redundant as part of the Broads Authority's organisational restructuring. In terminating these contracts the Authority incurred liabilities of £3,883, of which nil related to enhanced pension benefits. No additional liabilities relating to termination benefits were incurred during 2023/24 and no provision for any future redundancy payments was established in the year.

32. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Broads Authority makes contributions towards the cost of post-employment 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 (the Local Government Pension Scheme), 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 pension liabilities with investment assets.

Transactions relating to Post-Employment Benefits

The Authority recognises the cost of retirement benefits in the reported 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 post-employment benefits is reversed out via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and via the Movement in Reserves Statement during the year:

2022/23 £000	Transaction	2023/24 £000
	Comprehensive Income and Expenditure Statement	
	Cost of services:	
1,825	• current service cost	978
0	• past service cost	0
	Financing and investment income and expenditure	
255	• net interest expense	(119)
2,080	Total post-employment benefits charged to the surplus or deficit on the provision of services	859
	Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement:	
1,318	• return on plan assets (excluding the amount included in the net interest expense)	(1,612)
(99)	• actuarial gains and losses arising on changes in demographic assumptions	(178)
(17,454)	• actuarial gains and losses arising on changes in financial assumptions	(1,971)
3,508	• other experience	1,045
(12,727)	Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	(2,716)
	Movement in Reserves Statement	
	• reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	
2,080		859
	Actual amount charged against the General Fund balance for pensions in the year:	
(886)	• employers' contributions payable to scheme	(932)

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plan is as follows:

2022/23 £000	Type	2023/24 £000
(32,534)	Present value of the defined benefit obligation	(33,063)
35,059	Fair value of plan assets	32,847
2,525	Net (liability)/asset arising from defined benefit obligation	(216)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

2022/23 £000	Movements	2023/24 £000
34,371	Opening fair value of scheme assets	35,059
929	Interest income	1,666
(1,318)	Remeasurement gain / (loss): <ul style="list-style-type: none"> The return on plan assets, excluding the amount included in the net interest expense 	1,612
0	Asset Ceiling*	(5,530)
967	Other Experience	0
886	Contributions from employer	932
265	Contributions from employees into the scheme	276
(1,041)	Benefits paid	(1,168)
35,059	Closing fair value of scheme assets	32,847

* The net defined benefit asset is the surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The Asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Currently the Authority has no right to a refund without ending its ongoing participation in the fund. The calculation above assumes that the benefit will be available as a reduction in future contributions. This is calculated as the present value of future service costs less the present value of future service contributions.

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

2022/23 £000	Movements	2023/24 £000
43,379	Balance at 1 April	32,534
1,825	Current service cost	978
1,184	Interest cost	1,547
265	Contributions from scheme participants	276
(99)	Remeasurement (gains) and losses: <ul style="list-style-type: none"> • Actuarial gains / losses from changes in demographic assumptions 	(178)
(17,454)	<ul style="list-style-type: none"> • Actuarial gains / losses arising from changes in financial assumptions 	(1,971)
4,475	<ul style="list-style-type: none"> • Other 	1,045
0	<ul style="list-style-type: none"> • Past Service Cost 	0
(1,041)	Benefits paid	(1,168)
32,534	Balance at 31 March	33,063

Local Government Pension Scheme Assets

Local Government Pension Scheme assets comprised:

Fair value of scheme assets 2022/23 £000				Fair value of scheme assets 2023/24 £000		
Quoted prices in active markets	Quoted prices not in active markets	Total	Asset type	Quoted prices in active markets	Quoted prices not in active markets	Total
585.4	-	585.4	Cash and cash equivalents: <ul style="list-style-type: none"> All cash and cash equivalents 	583.7	-	583.7
-	-	-	Equity instruments: <ul style="list-style-type: none"> Consumer Manufacturing Energy and utilities Financial institutions Health and care Information technology Other 	-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
301.3	-	301.3	Bonds (Debt securities): <ul style="list-style-type: none"> Corporate bonds (investment grade) Corporate bonds (non-investment grade) UK Government 	959.0	-	959.0
-	3,349.6	3,349.6	Private equity: <ul style="list-style-type: none"> All private equity 	-	4,832.1	4,832.1

Fair value of scheme assets 2022/23 £000				Fair value of scheme assets 2023/24 £000		
-	3,034.0	3,034.0	Property:	-	2,871.3	2,871.3
-	521.1	521.1	• UK property	-	433.3	433.3
			• Overseas property			
16,673.0	-	16,673.0	Other investment funds and unit trusts:	16,322.3	-	16,322.3
6,762.6	-	6,762.6	• Equities	7,316.0	-	7,316.0
-	3,938.3	3,938.3	• Bonds	-	4,376.2	4,376.2
-	-	-	• Infrastructure	-	-	-
			• Other			
-	-	-	Derivatives	-	-	-
(106.3)	-	(106.3)	• Other derivatives	683.1	-	683.1
			• Foreign exchange			
-	-	-	Asset Ceiling	(3,726.9)	(1,803.1)	(5,530.0)
24,216.0	10,843.0	35,059.0	Total	22,137.2	10,709.8	32,847.0

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 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 2022.

The principal assumptions used by the actuary have been:

31 March 2023	Assumption	31 March 2024
	Long term expected rate of return on assets in the scheme:	
4.75%	• Equity investments	4.85%
4.75%	• Bonds	4.85%
4.75%	• Property	4.85%
4.75%	• Cash	4.85%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.5 years	• Men	21.4 years
24.6 years	• Women	24.4 years
	Longevity at 65 for future pensioners:	
22.4 years	• Men	22.3 years
26.1 years	• Women	25.9 years
2.95%	Rate of inflation	2.75%
3.65%	Rate of increase in salaries	3.45%
2.95%	Rate of increase in pensions	2.75%
4.75%	Rate for discounting scheme liabilities	4.85%
	Take up of option to convert annual pension into retirement lump sum:	
45%	Pre- April 2008 service	45%
45%	Post- April 2008 service	45%

*The expected rates of return are set equal to the discount rate (per the revised version of IAS19).

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions at the end of the reporting period and assumes for each other change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial

basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below are consistent with those adopted in the previous period.

Sensitivity analysis – impact on the defined benefit obligation in the scheme

Change in assumptions at 31 March 2024	Approximate % increase to employer liability	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	633
1-year increase in member life expectancy	4%	1,323
0.1% increase in the salary increase rate	0%	31
0.1% increase in the pension increase rate	2%	613

Techniques used to manage risk

The Pensions Committee of Norfolk County Council considers long term liabilities when setting its investment strategy but does not follow a specific liability matching investment approach having taken appropriate professional advice. The Committee has agreed an asset allocation benchmark, a performance target and various controls on the Fund's investments. These reflect their views on the appropriate balance between maximising the long-term return on investments and minimising short-term volatility and risk. The Committee monitors and reviews the performance of investments and the overall strategy on a regular basis, supported by advice from professional advisers as required. A large proportion of the Fund's assets relate to equities (55% of scheme assets) and bonds (22%). These percentages are materially the same as the previous year. The scheme also invests in properties as part of the diversification of the scheme's investments.

Further details of the Fund's investment approach are outlined in the Statement of Investment Principles and Funding Strategy Statement that are published on the Fund's website www.norfolkpensionfund.org.

Impact on the Authority's cash flows

The objectives of the scheme are to keep employers' contributions at a constant rate as possible. The Administering Authority has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation will take place on 31 March 2025.

The scheme will need to take account of the national changes to the scheme under the Public Pension Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish

new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Authority anticipates paying contributions of approximately £891,000 to the scheme in 2024/25.

33. Contingent Liabilities

The Authority has identified two material contingent liabilities:

Postwick Tip

The Authority uses a site "Postwick Tip," which is included in the Authority's Fixed Asset Register, for the treatment of sediment material from dredging operations. This natural treatment process involves the drying of sediment so that mercury content is absorbed. As such there would be no clean-up costs at the end of the site's life. However, if the Authority were to stop using the site, there would be a cost of £33,000 to surrender the license. There is currently no expectation that the Authority will cease using the site. The Authority's use of the site is the subject of a bond / financial provision to the Environment Agency in the amount of £8.9m. This covers the estimated cost of restoration which could arise if there were to be a catastrophic event at the site. Defra are the guarantors for this bond and the Authority would not itself anticipate making any payment under the terms of this agreement.

In October 2023 the Broads Hire Boat Federation (BHBF) lodged an appeal with the Department for Transport regarding the level of navigation charges for 2023/24. The appeal was submitted under S31 Harbours Act 1964. Responses were submitted in February 2024 and a decision is awaited. If the appeal is found in the BHBF favour, there is a potential it could impact the level of future tolls that can be raised.

34. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets

Type	Non-Current Investments 31 March 2023 £000	Non-Current Investments 31 March 2024 £000	Non-Current Debtors 31 March 2023 £000	Non-Current Debtors 31 March 2024 £000	Current Investments 31 March 2023 £000	Current Investments 31 March 2024 £000	Current Debtors 31 March 2023 £000	Current Debtors 31 March 2024 £000	Total 31 March 2023 £000	Total 31 March 2024 £000
Amortised Cost	0	0	0	0	5,728	6,520	1,670	451	7,398	6,971
Total financial assets	0	0	0	0	5,728	6,520	1,670	451	7,398	6,971
Non-financial assets	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	5,728	0	1,670	451	7,398	6,971

Financial Liabilities

Type	Non-Current Borrowings 31 March 2023 £000	Non-Current Borrowings 31 March 2024 £000	Non-Current Creditors 31 March 2023 £000	Non-Current Creditors 31 March 2024 £000	Current Borrowings 31 March 2023 £000	Current Borrowings 31 March 2024 £000	Current Creditors 31 March 2023 £000	Current Creditors 31 March 2024 £000	Total 31 March 2023 £000	Total 31 March 2024 £000
Amortised Cost	94	58	0	0	35	35	2,158	2,160	2,287	2,253
Total financial liabilities	94	58	0	0	35	35	2,158	2,160	2,287	2,253
Non-financial liabilities	0	0	0	0	0	0	0	0	0	0
Total	94	58	0	0	35	35	2,158	2,160	2,287	2,253

Income, Expense Gains and Losses

Interest Type	Surplus or Deficit on the Provision of Services 2022/23 £000	Other Comprehensive Income and Expenditure 2022/23 £000	Total 2022/23 £000	Surplus or Deficit on the Provision of Services 2023/24 £000	Other Comprehensive Income and Expenditure 2023/24 £000	Total 2023/24 £000
Interest Expense	55	0	55	45	0	45

Interest Type	Surplus or Deficit on the Provision of Services 2022/23 £000	Other Comprehensive Income and Expenditure 2022/23 £000	Total 2022/23 £000	Surplus or Deficit on the Provision of Services 2023/24 £000	Other Comprehensive Income and Expenditure 2023/24 £000	Total 2023/24 £000
Interest Income	(117)	0	(117)	(293)	0	(293)

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors 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. These valuations are all classified as Level 2, where market prices are not available, with valuation techniques using inputs based significantly on observable market data. The following assumptions should be noted:

- Fixed interest rate of 4.82% over the 20-year PWLB loan;
- Fixed interest rate of 2% over the 5-year PWLB loan;
- No early repayment or impairment is recognised; and
- The fair value of trade and other receivables is taken to be invoices or billed amount.

The fair values calculated are as follows:

Financial Liabilities held at amortised cost:	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000	31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000
PWLB	129	131	94	130
Finance Leases	0	0	0	0
Short Term Creditors	2,158	2,158	2,159	2,159
Total	2,287	2,289	2,253	2,289

The fair value of borrowings is higher than the carrying amount because the authority's PWLB loan is at a fixed interest rate where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions as at 31 March 2024) arising from a commitment to pay interest to lenders above the current market rate. Refinancing the loan at lower interest rates would outweigh the early repayment fee.

Financial assets held at amortised cost:	31 March 2023 Carrying Amount £000	31 March 2023 Fair Value £000	31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000
Fixed term investments	5,028	5,028	5,067	5,067
Cash at banks	700	700	1,453	1,453
Short Term debtors	1,670	1,670	451	451
Total	7,398	7,398	6,971	6,971

Short term debtors and creditors are carried at cost as this is fair approximation of their value.

35. Nature and Extent of Risks Arising from Financial Instruments

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 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.

Foreign Exchange Risk: The possibility that financial loss might arise for the Authority as a result of changes in the exchange rate (GBP and Euro).

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 in line with the 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 days from invoice date. The Authority does not allow credit for customers. At 31 March 2024, a small amount of invoices were overdue as at 31 March 2024. The majority of this income was received in early 2024/25 and no bad debt provision is required.

Liquidity Risk

A one-year funding agreement from DEFRA means the Broads Authority has some certainty over 2024/25. Longer term uncertainty still remains and future changes in government brings further uncertainty whether future multi-year funding will be available. Given the significant cash balances 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 to five years 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 Authority's Annual Investment and Capital Financing Strategy for 2023/24 states that if the Authority enters into any contractual arrangements above £100,000 which involve foreign currency, the advice of the Director of Finance will be sought on the advisability of hedging the exchange risk before entering into the contract.

36. Navigation Income and Expenditure Account

2022/23 Gross expenditure £000	2022/23 Income £000	2022/23 Net expenditure/ (income) £000	Description	2023/24 Gross expenditure £000	2023/24 Income £000	2023/24 Net expenditure/ (income) £000
3,018	(21)	2,997	Operations	2,670	(43)	2,627
615	(104)	511	Strategic Services	749	(155)	594
838	(13)	825	Finance & Support Services	971	(9)	962
54	0	54	Corporate Items	3	0	3
0	(3,811)	(3,811)	Navigation Income (Tolls)	0	(4,178)	(4,178)
4,525	(3,949)	576	Cost of services (subtotal)	4,393	(4,385)	8
		(9)	(Gains)/Losses on the disposal of non-current assets			(9)
		93	Financing and investment income and expenditure			(168)
		0	Donated Asset			(84)
		660	(Surplus) or deficit on provision of services (subtotal)			(253)
		(53)	(Surplus) or deficit on revaluation of fixed assets			(384)
		(5,880)	Actuarial (gains)/losses on pension assets/liabilities			1,474
		(5,933)	Other comprehensive income and expenditure (subtotal)			1,090
		(5,273)	Total comprehensive income and expenditure			837

37. Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2025, management of the Authority have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our most recent year-end balances, as reported in these statements are as follows:

Date	General Fund	Navigation Fund	Earmarked reserves
31/03/24	£0.744m	£0.477m	£3.503m

Our expected General/Navigation Fund and Earmarked Reserve position has a predicted balance of £0.908 million and £0.46 million at 31 March 2025 This remains above our minimum level of balances as previously set by our Director of Finance of £0.903 million.

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing.

The key assumptions within this forecast include a £1,925 pay increase per full time equivalent for 2024/25, as negotiated by the National Joint Council (NJC). This is consistent with the agreed pay awards in 2022/23 and 2023/24. We have considered if a higher increase is negotiated above the £1,925, and the above projections would not be significantly affected with both minimum levels of reserves and liquidity remaining through the same period.

On this basis, the Authority have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

Glossary of Terms

Accounting period

The period of time covered by the accounts, a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accounting policies

The basis on which an organisation's financial statements are based to ensure that those statements 'present fairly' the financial position and transactions of that organisation. Accounting concepts include 'materiality', 'accruals', 'going concern' and 'primacy of legislative requirements'.

Accruals

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

Actuarial gains and losses

These may arise on both defined benefit pension scheme liabilities and assets. A gain represents a positive difference between the actuarial assumptions and actual experience (e.g. liabilities during the period were lower than estimated). A loss represents a negative difference between the actuarial assumptions and actual experience (e.g. liabilities during the period were higher than estimated).

Amortisation

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

Amortised cost

This is cost that has been adjusted for amortisation.

Asset

An item owned by the Authority which has a value, for example, premises, vehicles, equipment, cash.

Budget

The statement of the Authority's policy expressed in financial terms usually for the current or forthcoming financial year. The Revenue Budget covers running expenses (see also: revenue income and expenditure), and the Capital Budget plans for asset acquisitions and replacements (see also: capital income and expenditure).

Capital income and expenditure

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

Capital financing

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

Cash equivalents

These are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes.

Chartered institute of public finance and accountancy (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 local government.

Code of practice on local authority accounting (the Code)

Based on International Financial Reporting Standards, the Code aims to achieve consistent financial reporting between all English local authorities and National Park Authorities. It is based on generally accepted accounting standards and practices.

Community assets

Community assets are assets that the Authority intends to hold for an unlimited period of time, have no determinable finite useful life and may have restrictions on their disposal.

Contingent liabilities

Potential costs that the Authority may incur in the future because of something that happened in the past.

Creditors

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

Current value

This is the cost of an asset if bought in the current year.

Debtors

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

Deficit

Arises when expenditure exceeds income or when expenditure exceeds available budget.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a long-term asset.

Expected return on pension assets

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair value

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

Financial asset

A right to future economic benefits.

Financial instrument

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

Financial liability

An obligation to transfer economic benefits.

Finance lease

A lease which transfers all of the risks and rewards of ownership of a long-term asset to the lessee. Where these leases are entered into, the assets acquired have to be included with the Authority's long-term assets in the balance sheet at the market value of the asset involved (see also: operating lease).

Long term assets

Assets that yield benefits to the Authority and the services it provides for a period of more than one year.

Government grants

Grants paid by the Government. These can be for general expenditure or a particular service or initiative.

Historic cost

The cost of an asset when originally bought.

IAS19 retirement benefits

An International Financial Reporting Standard which requires local authorities to reflect the true value of the assets and liabilities relating to the Pension Fund in their financial statements.

Impairment

A reduction in the value of a long-term asset to below its carrying amount in the Balance Sheet. Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage (fire at a building) or a deterioration in the quality of the service provided by the asset, or by a general fall in prices of that particular asset or type of asset.

Infrastructure assets

Long term assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible assets

Intangible assets are non-financial long-term assets that do not have physical substance but are identifiable and are controlled by the Authority through custody or legal rights.

International financial reporting standards (ifrs)

International Financial Reporting Standards (IFRS) are issued by the International Accounting

Standards Board. All local authorities apply international accounting regulations when preparing accounts. The Authority's accounts follow these standards where they apply to local authorities.

Investment properties

Assets that the Authority owns but which are not used in the direct delivery of services.

Liability

An obligation to transfer economic benefits. Current liabilities are usually payable within one year.

Market price

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

Minimum revenue provision (mrp)

The minimum sum charged to the Authority's revenue account each year to provide for the repayment of loans.

Net book value

The amount at which long term assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

Non-distributed costs

These are specific overheads relating to unused assets and certain pension costs for employees' 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.

Operating lease

A lease whereby the ownership of the asset remains with the leasing company and an annual rent is charged to the relevant service. The assets involved are not included within the Authority's long-term assets in the balance sheet (see also: finance lease).

Outturn

The actual amount spent in the financial year.

Pension fund

A fund which makes pension payments on retirement of its participants.

Provision

An amount set aside to provide for a liability, which is likely to be incurred, but where the exact amount and the date on which it will arise are uncertain.

Reserves

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

Revenue income and expenditure

Expenditure which relates to day-to-day expenses, such as salaries and wages, general

running expenses and the minimum revenue provision. Revenue income includes charges made for goods and services.

Surplus

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

Value added tax (vat)

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

Variance / variation

A difference between budgeted income or expenditure and actual outturn, also referred to as an 'over-' or 'underspend'.

Risk, Audit and Governance Committee

23 July 2024

Agenda item number 6

Investment Strategy and Performance Annual Report 2023/24

Report by Director of Finance

Summary

This report sets out details of the Authority's investment of its unallocated cash, including the investment principles adopted and performance during the twelve months to 31 March 2024.

Recommendation

To note the arrangements regarding the investment of the Authority's unallocated cash.

1. Introduction

- 1.1. It has been agreed that a six-monthly report on the performance of the Authority's investments will be presented to the Risk, Audit and Governance Committee, with a fuller 'year-end analysis' at the July meeting, and a mid-year progress report at the appropriate half year meeting.

2. Investment Principles and Performance

- 2.1. The investment of unallocated cash was governed by the Authority's Treasury and Investment Strategy 2023/24 agreed by the Authority on 17 March 2023.
- 2.2. Unallocated cash sums are calculated by the Authority's Finance staff and transferred to either a Fixed Term Deposit or Notice Account or remain within the instant access bank account. Cash flow requirements can result in transfers in both directions as the year progresses. The key facts for the year to 31 March 2024 are below.

Table 1

2023/24 Summary

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
Instant Access	1,097	1,239	3,155	504
32 Day Notice	513	539	539	539
95 Day Notice	2,500	2,500	2,500	2,500

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
DMO Fixed Deposits ¹	2,000	2,000	3,000	2,000

2.3. The figures for the previous year (2022/23) were:

Table 2
2022/23 Summary

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
Instant Access	1,244	1,097	2,702	70
32 Day Notice	503	513	513	503
95 Day Notice	4,500	2,500	4,500	2,500
DMO Fixed Deposits	0	2,000	2,000	0

2.4. The amount of interest received during 2023/24 was £292,898.06 based on interest rates ranging from 1.6% to 5.51%. Forecast interest for 2023/24 was £280,000. The sum received for 2022/23 was £117,140.62 based on interest rates that ranged from 0.2% to 4.3%.

2.5. The initial investment on the 32-day notice account has remained the same since 31 March 2023 apart from small amounts of interest being added. The instant access has increased to £1.239 million, and the 95-day notice and Debt Management Office (DMO) have remained the same with interest being transferred to the current account once received.

2.6. It should be noted that the automatic transfer between the instant access and the current account seeks to maintain a current account balance of £1,000. This means that the balance within the instant access is not available in its entirety for investment. Cash flow is monitored on a weekly basis against budget profiling to ensure access to sufficient funds. The ability to make additional fixed term deposits is limited due to the timing differences between external funded projects grant expenditure and claim repayment.

2.7. The interest income budget for 2024/25 is £180,000, which assumes that interest received would decrease compared to 2023/24 based on a drop in the forecast base

¹ Investments can be made over night or up to 6 months. The year-end balance is equally split and invested for 182 days each.

rate by the end of the financial year. Since the start of the new financial year interest rates have remained stable. Current interest rates for 2024/25 means that £29,000 has already been received and the forecast will be revisited over the coming year.

Author: Emma Krelle

Date of report: 25 June 2024

Background papers: Capital, Treasury and Investment Strategy 2023/24

[Broads Plan](#) strategic objectives: All

Risk, Audit and Governance Committee

23 July 2024

Agenda item number 7

Internal Audit Annual Report and Opinion

2023/24

Report by Head of Internal Audit

Summary

This report provides the Authority with the Head of Internal Audit's annual opinion for 2023/24 on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

Recommendation

The Committee is requested to consider the Head of Internal Audit's Annual Report including:

- i. The opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control, together with the summary of the work supporting the opinion.
 - ii. The statement of the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Association Note (LGAN) and the results of the Quality Assurance and Improvement Plan (QAIP) that support the statement.
-

1. Introduction

1.1. In line with the PSIAS, an annual opinion should be generated which concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

1.2. The Annual Report includes: -

- An opinion on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control environment;
- Disclose any qualifications to that opinion, together with the reasons for the qualification;
- Detail a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;

- Any control weakness considered by the Head of Internal Audit to be relevant to the preparation of the Annual Governance Statement (AGS);
- A summary of the work undertaken during the year to support the opinion, including any reliance placed on the work of other assurance bodies;
- An overall summary of the performance of the Internal Audit Service against its performance indicators; and
- The results of the internal audit quality assurance programme, including details of compliance with Internal Audit Standards.

1.3. The Head of Internal Audit can provide a 'reasonable' opinion (positive) on the framework of governance, risk management and control at the Broads Authority for 2023/24.

Author: Teresa Sharman

Date of report: 01 July 2024

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Internal Audit Annual Opinion Report 2023/24](#)

EASTERN INTERNAL AUDIT SERVICES



BROADS AUTHORITY

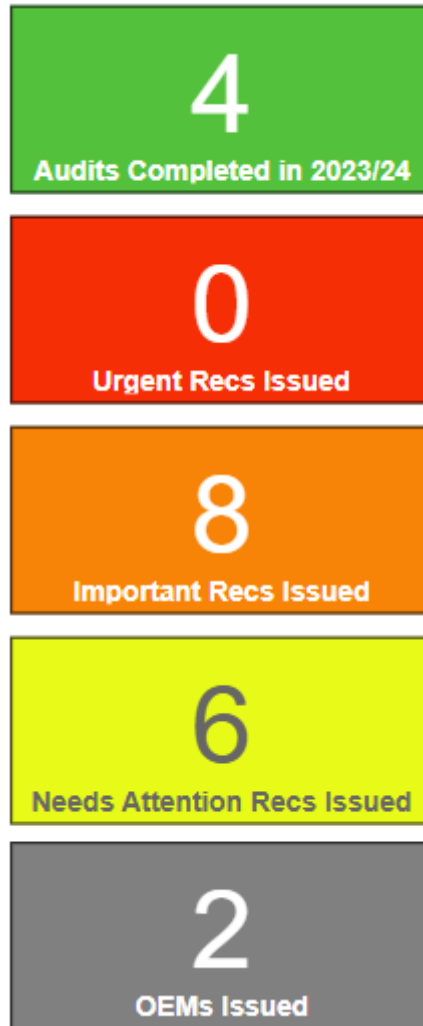
Internal Audit Annual Opinion Report 2023/24

Head of Internal Audit: Teresa Sharman

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Summary: Internal Audit Work 2023/24



HOIA opinion – Reasonable
4 positive opinions of which 1 was 'substantial'



Executive Summary

Purpose

The Head of Internal Audit should provide an annual report, detailing its opinion on the framework of governance, risk management and control, to those charged with governance to support the Authority's Annual Governance Statement (AGS).

This report should include the following: -

- An opinion on the overall adequacy and effectiveness of the Council's governance, risk management and internal control environment;
- Disclose any qualifications to that opinion, together with the reasons for the qualification;
- Detail a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Any control weakness considered by the Head of Internal Audit to be relevant to the preparation of the AGS;
- A summary of the work undertaken during the year to support the opinion, including any reliance placed on the work of other assurance bodies;
- An overall summary of the performance of the Internal Audit Service against its performance indicators; and
- The results of the internal audit quality assurance programme, including details of compliance with Internal Audit Standards.

The purpose of this report is to satisfy this requirement and Members are asked to note its content.

Background

The Internal Audit Service for the Council is provided by the Consortium, Eastern Internal Audit Services, hosted by South Norfolk Council, which utilises the services of a contractor, TIAA Ltd.

All audit work is completed in accordance with the International Professional Practices Framework of the Chartered Institute of Internal Auditors, directed by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note 2019.

Internal audit provides an independent and objective opinion on the Authority's internal controls by evaluation their effectiveness and operation in practice.

Scope of Responsibility

The Authority is responsible for ensuring 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 Council 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 also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

This opinion statement is provided for the use of the Authority in support of its AGS for the year ended 31 March 2024.

Head of Internal Audit Annual Opinion Statement

Opinion

In summary: -

I have considered the audit work for 2023/24 for the Authority and am able to provide **Reasonable Assurance** in relation to the framework of risk management, governance, and internal control.

My opinion is based on the audit work completed in 2023/24, which resulted in positive opinions, other third-party assurances, the relative materiality of the issues arising from audit work and management's progress in addressing any control weaknesses identified.

In detail: -

In arriving at my overall annual opinion: -

- I have considered the increase in assurance for Corporate Governance and Risk Management audit from 'Reasonable' to 'Substantial', and the decrease in assurance from 'Substantial' to 'Reasonable' for the Key Controls and Assurance Framework audit.
- I have considered management's progress with addressing outstanding recommendations from previous years as detailed below.
- I have considered the assurance opinions given in the prior two years within the fundamental financial systems, corporate governance and risk management, I.T. and service areas, which were all positive assurance opinions.
- I have considered the outcome of the work that assessed the suitability and availability of the local aids to navigation under the management of the Broads Authority, against elements of the Port Marine Safety Code, which was found to be satisfactory by the Navigation Inspectorate in October 2023.

Third party assurances

Navigation Inspectorate audit of Local Aids to Navigation - Satisfactory

Limited opinions and urgent recommendations

No 'limited' opinions were provided in 2023/24 and no urgent recommendations were raised.

Outstanding recommendations

In relation to the follow up of management actions, to ensure that they have been effectively implemented, the position at year end 2023/24 is that nine recommendations crossing the years 2020/21 to 2023/24 are outstanding as the table below details which has been accounted for in my overall annual opinion: -

2023/24: Out of the 14 recommendations raised, four important (Port Marine Safety Code audit) and one needs attention (Governance and Risk Management audit) remain outstanding.

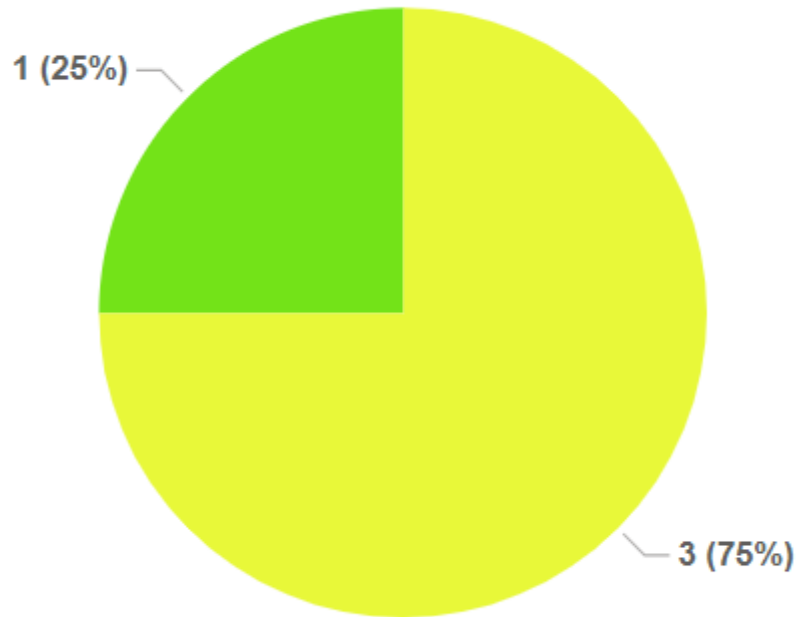
2022/23: Two needs attention recommendations (Governance and Risk Management and Corporate Health and Safety audits) remain outstanding.

Audit Year	No. Outstanding	No. of Urgent	No. of Important	No. of Needs Attention
2020/21	2	0	1	1
2022/23	2	0	0	2
2023/24	5	0	4	1

2020/21: One needs attention recommendation (Governance and Risk Management audit) and one important recommendation (Port Marine Safety Code audit which was given a 'limited' assurance opinion) remain outstanding.

Audit Outcomes 2023/24

Below is the spread of audit opinions across audit work completed in 2023/24.



Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.
Position Statement	Advisory work.

Below are the details of audit work completed in 2023/24.

Audit Area	Status	Opinion	Total Recs	Urgent	Important	Needs Attention	OEMs
Procurement	Final	Reasonable	5	0	1	4	2
Port Marine Safety Code	Final	Reasonable	3	0	2	1	0
Key Controls and Assurance Framework	Final	Reasonable	3	0	2	1	0
Corporate Governance and Risk Management	Final	Substantial	1	0	0	1	0

Urgent – Priority 1	Fundamental control issue on which action to implement should be taken within 1 month.
Important - Priority 2	Control issue on which action to implement should be taken within 3 months.
Needs Attention – Priority 3	Control issue on which action to implement should be taken within 6 months.

(Note: OEMs are Operational - Effectiveness Matter)

Performance Measures Outcomes

Internal Audit PM Outcomes

Detailed below are the outcomes of Internal Audit's performance measures which relate to the performance of the Contractor delivering internal audits for the Authority. With only seven PIs met, the overall performance status is 'Amber'. Other than KPI 1 which is measured annually and KPIs 6 and 8 which are measured continuously, all KPIs are measured quarterly.

Overall Performance Status		Amber
KPI Ref.	Description	Outcome
Senior Management		
KPI 1	S17 Satisfaction, annually minimum good.	Below Expected
Internal Audit Process		
KPI 2	APM issued minimum 20 working days before agreed start date of each review – 90% quarterly.	X
KPI 3	Quarterly draft reports issued within 10 working days of the end of the quarter – 95% quarterly.	✓
KPI 4	Quarterly final reports issued 20 working days of the end of the quarter – 95% quarterly	X
KPI 5	Quarterly performance pack reported to the Contract Manager within 15 working days of the end of the quarter	✓
KPI 6	Respond to the Contract Manager within 3 working days where unsatisfactory feedback has been received.	✓
KPI 7	PSIAS compliance – Deep dive review of files indicates good quality evidence saved on file – 100%. Four files per quarter	Not completed

Clients		
KPI 8	Average feedback scores from key clients, quarterly minimum average.	✓
Innovation and Capabilities		
KPI 9	Percentage of recommendations accepted by management 90% overall.	✓
KPI 10	Percentage of qualified / experienced staff working on the contract each quarter – 60%	✓
KPI 11	Number of training hours per member of staff completed each quarter – minimum 1 day per quarter.	✓

Operational KPIs

The table below shows the outcomes of the operational KPIs 2, 3 and 4 in more detail: -

KPI 2 (Issue of APMs)	KPI 3 (Issue of Drafts)
3 out of 4 on time	4 out of 4 on time
KPI 8 (Feedback)	KPI 4 (Issue of Finals)
1 out of 4 returned	3 out of 4 on time

For KPI 8, the feedback score from the one returned survey was 5, good. The range for the possible scores is, 6 - excellent and 1 – poor.

Actions to Improve

As the tables above highlight, the Contractor has not met our targets relating to issuing Audit Planning Memorandums (APMs) and final reports within the set timescales.

The S151s and S17 satisfaction, KPI 1, was also deemed to be below that expected when reviewed as a collective at the April 2024 Consortium meeting. Although, performance for the Authority, with only four pieces of audit work, has been relatively good in the year, it has not been for others in the Consortium with delays in audits due to many reasons on both sides. A Protocol, 'a ways of working together' and expectations of clients and the Contractor has been outlined to ensure that audits are completed as planned in 2024/25.

Regarding KPI 7, compliance with PSIAS deep dive review of files, this was not completed by my predecessor in quarters 1 and 2 because insufficient audits had been completed across Consortium clients. This continued to be the case with quarter 4 audits continuing into the quarter 1 of the new audit year, and due to the Head of Internal Audit only being in post for part of quarter 3 and quarter 4 only, it was decided to not complete any deep dive reviews in 2023/24. However, the Head of Internal Audit reviews and approves the issue of all APMs, draft and final reports and views all completed work programmes. As a result, more detail in audit scopes has been requested in APMs, changes to the draft and final reports have been agreed and testing completed has been questioned along the way.

Quality Assurance and Improvement Programme (QAIP)

QAIP

To comply with Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit is required to develop and maintain an ongoing quality assurance and improvement programme (QAIP) which must include both internal and external assessments. There are three requirements as follows: -

- Ongoing monitoring of the performance of the internal audit activity. This refers to the day-to-day supervision, review and measurement of internal audit activity that is built into policies and routine procedures. The day-to-day monitoring of audit engagement is completed by the Contractor and progress with audit work and plans are monitored by the EIAS through weekly operational and quarterly performance meetings with the Contractor, and by review and approval of audit outputs, as well as by an evaluation of the Contractor's performance against our suite of KPIs.
- Periodic self-assessments to assess conformance with the International Professional Practices Framework (IPPF) that includes the Definition of Internal Auditing, the Core Principles, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. A self-assessment is completed annually.
- External assessments of conformance to the IPPF once every five years by a qualified, independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.

The results of the QAIP are reported to the Audit Committee each year as part of this annual report.

The Internal Audit Team within EIAS maintain a QAIP which covers internal and external assessments and was detailed within your Strategic and Annual Plan Report 2024/25 to 2026/27.

Internal Assessment

A checklist for conformance with the PSIAS and the CIPFA Local Government Application Note 2019 was completed for 2020/21 and is reviewed for continuing compliance annually. This is a self-assessment which evaluates conformance with the PSIAS.

This annual self-assessment has not been completed in 2023/24. This is because the Global Internal Audit Standards (GIAS) have been released and will become effective on 1 January 2025. Our focus is now on

completing a self-assessment against these to identify any gaps in conformance so that these can be addressed, and a report will be provided to the Audit Committee during 2024/25 on our conformance. A CIPFA version for the Public Sector is expected during 2024.

(Note: the PSIAs are based on the mandatory elements of the IPPF).

External Assessment

An external quality assessment (EQA) evaluates conformance with the IPPF.

An EQA was carried out in October 2022 by the Chartered Institute of Internal Auditors (IIA). The Internal Audit Service received a 'generally conforms' result, with conformance in 60 out of 64 areas (two areas were not applicable, and two resulted in 'partially conforms').

Progress with actions

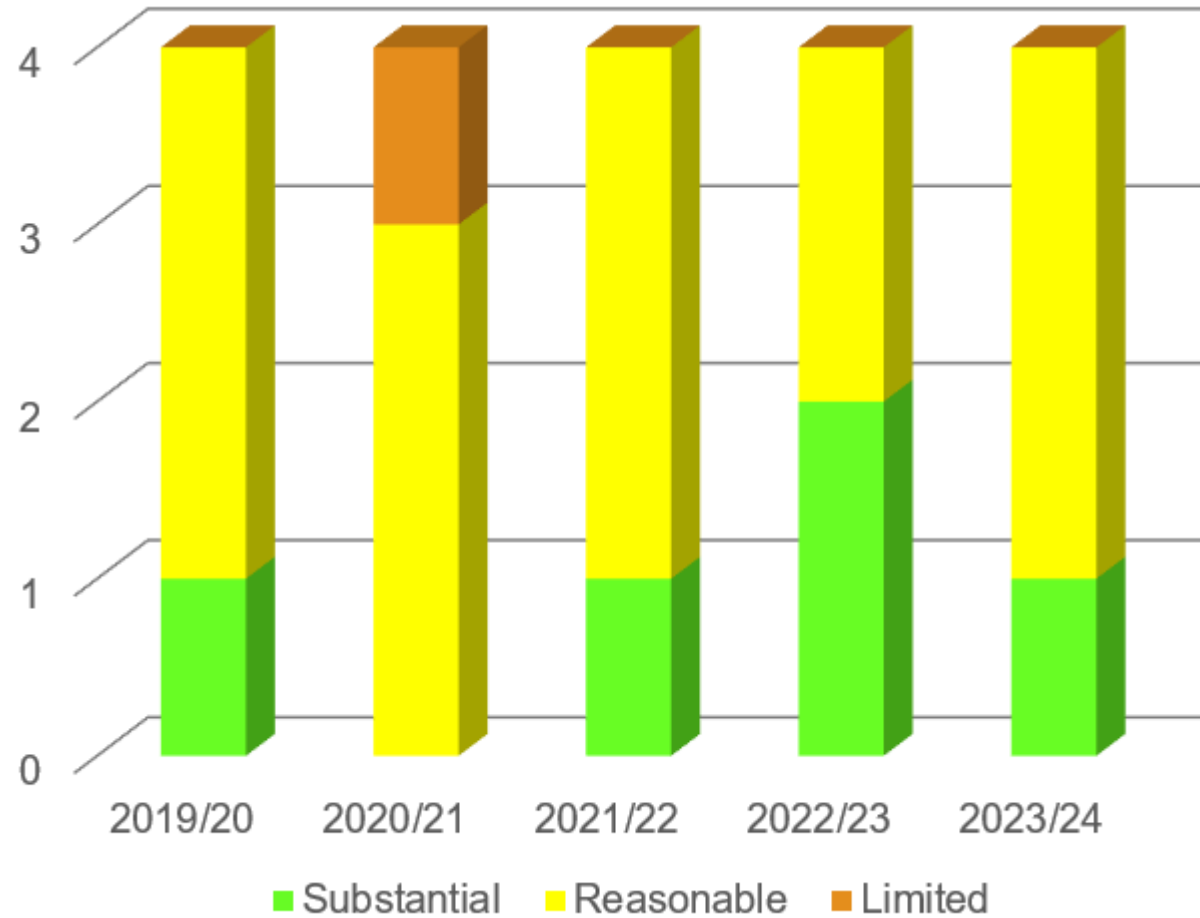
One area of partial conformance was highlighted in coordinating and maximising assurance. Within the Strategic and Annual Plans report for the audit year 2023/24 presented in March 2023, an Assurance Map was provided, outlining the then top risks, along with first, second and third lines of assurance. This was not repeated for the 2024/25 audit year. It has been proposed to complete detailed assurance maps for at least one of the Authority's corporate risks.

The second area of partial conformance was raised to ensure that all EIAS clients receive an external quality assessment as it falls due on the five-year anniversary. This will be ensured at the five-year anniversary in 2027.

Summary of Audit Opinions

Audit Opinions by Year

The following chart shows the audit opinions for audits over the last five years: -



Risk, Audit and Governance Committee

23 July 2024

Agenda item number 9

Annual Governance Statement 2023/24 and Code of Corporate Governance 2024

Report by Senior Governance Officer

Summary

Every year the Broads Authority reviews its governance and internal control systems, including risk management, and publishes an Annual Governance Statement (AGS) and action plan, supported by a Code of Corporate Governance (CCG), to show how it is complying with the principles of good governance. The Annual Governance Statement 2023/24 and Code of Corporate Governance 2024 are appended to this report.

Recommendation

To recommend the Annual Governance Statement 2023/24 to the Broads Authority for adoption and to note, subject to the implementation of improvements identified in the action plan, that the Authority's systems of governance and internal control are considered to be adequate and effective.

1. Introduction

- 1.1. As a public body, the Broads Authority is responsible for making sure it has strong and up to date governance and internal control systems that comply with the principles of "good governance". Under the Accounts and Audit (Amendments) Regulations 2022, we must publish our draft un-audited annual Statement of Accounts by 31 May. Section 15(2) states that the Statement of Accounts should be accompanied by an Annual Governance Statement (AGS) on the effectiveness of our systems during the year, and an action plan to address any identified weaknesses. The draft AGS and CCG were published on our website by 31 May 2024.
- 1.2. The AGS is guided by the "Delivering Good Governance in Local Government: Framework" which includes principles on integrity, ethical values and the rule of law; stakeholder engagement; sustainable economic, social and environmental benefits; leadership and resources; risk and performance; and transparency, reporting and review. Our internal and external audit, internal review and other reports, and the Code of Corporate Governance (CCG) all provide evidence for the AGS.

- 1.3. The Risk, Audit and Governance Committee is asked to review the AGS and present any suggested amendments or recommendations to the Broads Authority on 26 July. Once the Authority approves the Statement, it is signed by the Chair and Chief Executive and the Action Plan 2024/25 is implemented.

2. Code of Corporate Governance (CCG)

- 2.1. The CCG helps us to develop our governance framework based on best practice and external guidance. The Code is updated annually, with significant changes reported in the AGS and any actions included in the Action Plan. The CCG is signed by the Chair and Chief Executive and published on the Broads Authority website on the [how we work](#) page.

3. Audit opinion

- 3.1. The Head of Internal Audit's overall audit opinion in relation to the framework of governance, risk management and control at the Broads Authority in 2023/24 is "reasonable", with one of the four audits (Corporate Governance & Risk Management) having a "substantial" assurance grading. The audits for Procurement; Port Marine Safety Code; Key Controls and Assurance received a "reasonable" assurance. The Authority's Management Team accepted the vast majority of the recommendations raised and assigned responsibilities and deadline dates, as shown in the AGS action plan (appendix 1).
- 3.2. In providing the opinion, the Authority's risk management framework and supporting processes, the relative materiality of the issue arising from the internal audit work during the year, and management's progress in addressing any control weaknesses identified from this were taken into account. The opinion was discussed with the Section 17 Officer prior to publication.

Author: Sara Utting

Date of report: 26 June 2024

Background papers: BA Annual Report and Opinion 2023/24

Appendix 1 – [Annual Governance Statement 2023/24 and Code of Corporate Governance 2024](#)

Annual Governance Statement 2023/24 & Action Plan 2024/25 and Code of Corporate Governance 2024

This draft published May 2024

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About this Statement

As a public body, the Broads Authority is responsible for making sure its governance and internal control systems are robust, up-to-date and in line with the principles of good governance. This is about conducting our business in accordance with the law and with proper standards, using public money wisely and efficiently, and having the right arrangements in place to protect our assets and meet our strategic aims. It is also about our members and officers representing the shared values and culture of the organisation.

To show how we are complying with good governance, we prepare an **Annual Governance Statement**¹ and publish it alongside our annual Statement of Accounts. The Statement is guided by '[Delivering Good Governance in Local Government](#)', which includes principles on integrity, ethical values and the rule of law; stakeholder engagement; sustainable economic, social and environmental benefits; leadership and resources; risk and performance; and transparency, reporting and review.

The Statement includes an annual action plan to address any weaknesses identified by internal and external audit, self-assessment and other reporting including our [Code of Corporate Governance](#) (Appendix 2).

This Annual Governance Statement will be considered by the Authority on 26 July 2024 and available via this [link](#). Our action plan 2024/25 and a review of last year's action plan are at Appendices 1(a) and 1(b).

1. Our governance framework

1.1. Purposes and duties

The Broads Authority is a statutory body with similar responsibilities to those of the English, Welsh and Scottish National Park Authorities². It is the local planning authority, and a harbour and navigation authority. It has a duty to manage the Broads to conserve and enhance its natural beauty, wildlife and cultural heritage, to promote opportunities for the public to understand and enjoy its special qualities, and to protect the interests of navigation.

In managing the area, the Authority must have regard to the national importance of the Broads for its natural beauty and opportunities for open-air recreation, the desirability of protecting its natural resources from damage, and the needs of agriculture and forestry and economic and social interests of those who live or work in the area. The Authority also has the duty to maintain the navigation area to such standard as appears to be reasonably required and to develop and improve it as it thinks fit.

¹ Regulation 6(1)(a) and (b) of the Accounts and Audit Regulations 2015

² The Broads Authority was established under the Norfolk and Suffolk Broads Act 1988. Further provisions for the management of the area were made through the Broads Authority Act 2009.

1.2. Strategy and policy

The [Broads Plan](#) is the key partnership strategy for the Broads, setting out a long-term vision and short-term objectives to benefit of the environment, local communities and visitors. The current Plan was adopted in Autumn 2022 and covers the period 2022-2027. Sitting under the Broads Plan are more detailed [guiding strategies](#), generally focusing on a single theme and covering a short-term period of 3-5 years.

The [Broads Local Plan](#) (adopted in 2019) sets out the policies used in determining planning applications for the plan period up to 2036. We also produce supporting supplementary planning documents such as the [Flood Risk SPD](#), and [planning design guidance](#), to help with the interpretation and implementation of policies. The Local Plan is subject to regular review, and the current review is underway, with consultation on Issues and Options between April and May 2024. The aim is to produce a Publication version of the Local Plan by the end of 2024 which can be consulted on and then submitted for examination before the end of June 2025.

Our [Annual Business Plan](#) outlines our work priorities for the coming year and summarises last year's progress. The Plan is a link between the strategies for the Broads and our Directorate work plans. The [Annual Business Plan 2024/25](#) outlines our work plans for 2024/25 and 3-year financial strategy for 2024/25 to 2026/27.

Each year we also identify a small set of strategic priorities, focused on Authority-led projects that have high resource needs or a very large impact on the Broads, or that are politically sensitive. This helps us target our resources and make the most of partnership working and external funding opportunities. We report on their progress at each [Broads Authority](#) meeting.

2. External factors influencing our governance arrangements

2.1. Environment Act and Agricultural Transition

The changes to environment and agricultural policies have significant bearing on funding and deliverability of projects and land use change in the Broads.

The Environment Act (2021) aims to improve air and water quality, protect wildlife, increase recycling and reduce plastic waste. The Act is part of a new legal framework for environmental protection, given the UK no longer comes under EU law. Section 40 of the Environment Act places a legal responsibility on public authorities in England to have due regard for habitats and species of the greatest conservation importance, whilst protecting all biodiversity.

In parallel, as part of the Agricultural Transition, government is rolling out Environmental Land Management schemes, with three schemes to pay for environmental and climate goods and services:

- the Sustainable Farming Incentive (SFI) will pay farmers to adopt and maintain sustainable farming practices that can protect and enhance the natural environment alongside food production
- Countryside Stewardship (CS) will pay for more targeted actions relating to specific locations, features and habitats.
- Landscape Recovery will pay for bespoke, longer-term, larger scale projects to enhance the natural environment.

New funding is provided through the [Farming in Protected Landscapes](#) (FiPL), also as part of Defra's Agricultural Transition Plan. It offers funding to farmers and land managers in AONBs, National Parks and the Broads.

The [England Peatland Action Plan](#) was published in 2021 and sets out the government's long-term vision for the management, protection and restoration of our peatlands, for the benefits of wildlife, people and the planet. The Caudwell Report for lowland peat, published in June 2023, sets a roadmap for lowland peat to reduce greenhouse gas emissions. Funding is provided through the [Nature for Climate scheme](#), to develop and implement peatland restoration projects.

Natural England's proposed [revision of SSSI condition](#) is to assess the whole feature assessment rather than the current SSSI unit-based approach. This would alter restoration trajectories and what needs to be put in place to deal with the pressures on SSSI sites in the Broads.

2.2. Planning policy changes

Different changes to planning policy need to be considered, as follows:

- Planning policy was introduced to control the impact of Nutrient Enrichment (phosphorus and nitrogen) from development on water quality to protect Special Areas of Conservation (SACs).
- Biodiversity Net Gain (BNG) is a strategy to develop land and contribute to the recovery of nature. It is a way of making sure the habitat for wildlife is in a better state than it was before development. BNG will be mandatory from November 2023, and from April 2024 for small development sites. Recreational Access Mitigation Strategy (RAMS) tariff is collected by councils to allow funding of a package of measures to manage and reduce the impact of people making extra visits to Special Areas of Conservation (SACs) in the counties.

2.3. Landscapes Review

On 29 November 2022, the Government set out its [action plan for Protected Landscapes](#), based on responses to the consultation on the Landscapes Review.

The November 2023 publication is a response to the findings of the Landscapes Review led by Julian Glover published in 2019, which set out a case for change to enable England's National Parks and National Landscapes (formerly AONBs) to fulfil their potential. The Government's proposals for implementing the Review's findings were put out to public consultation in November 2023, providing an update on delivery to date and an action plan for the future. A [report](#) was presented to the Broads Authority meeting on 26 January 2024.

2.4. Levelling Up and Regeneration Act 2023

A [report](#) on the implications of The Levelling Up and Regeneration Act 2023 was presented to the Broads Authority on 26 January 2024. In summary, there are three main amendments to the legislation for NPAs and the Broads Authority; one requires regulations to be made; one amends Section 17A of the Norfolk and Suffolk Broads Act 1988 by amending the words “a relevant authority shall have regard to the purposes of..” to “.. must seek to further the purposes of...”³; and the third inserts a new clause 17B (Duty of public bodies etc to contribute to the Broads Plan).

3. Committees, staffing and financial arrangements

3.1. Committees

The Broads Authority has unique governance arrangements, reflecting the interests of both national and local stakeholders. Of its 21 members, ten are appointed by the Secretary of State, nine are locally elected County and District Councillors, and two are co-opted from the Navigation Committee. Other than Planning Committee and those matters specifically delegated to the Chief Executive, all matters are dealt with by the full Broads Authority as the prime decision maker. Routine decision making is delegated by members to officers of the Authority through [the Scheme of Powers delegated to Chief Executive and other authorised officers](#).

The [Broads Authority](#) (the full Board) meets six times a year. Members also get invited to site visits or workshops as required, to give members more time to interact informally outside the main business meetings and to see what is happening out in the Broads. There is a transparent process for the annual appointment of Chairs and Vice-Chairs, committee membership and appointments to outside bodies, which allows members to express their preferences for serving on particular committees and outside bodies. The Chairs’ Group gives all Chairs and Vice-Chairs an active role in maintaining an overview of the work of the various committees, and supporting the Chair and Chief Executive.

The [Risk, Audit and Governance Committee](#) has limited decision making powers and meets three times a year. It is responsible for examining our governance, internal control and risk management framework, and taking a strategic view on whether our allocated resources are being used effectively. Its terms of reference were reviewed in July 2023 (including a change in name from Audit & Risk Committee) and specific powers were transferred to the newly established Standards Committee.

The [Standards Committee](#) was established in September 2023, and its purpose is the promotion and maintenance of high standards of conduct within the Authority. One of its key functions is to deal with complaints that Members have breached the Member Code of Conduct, in accordance with the adopted complaints process.

³ This relates to our three purposes as prescribed by Section 2 of the 1988 Act (“Functions of the Authority: general”)

Our functions as a Local Planning Authority are carried out by the [Planning Committee](#), with powers delegated to officers in line with national legislation. It is a decision-making committee and normally meets every four weeks. [Planning decisions](#), whether made at Committee or through delegated powers, are published on our website.

The [Navigation Committee](#) advises the Authority's on significant matters affecting the navigation area. While it does not make decisions, if the Authority does not accept the Committee's recommendations it must give reasons. There are five meetings a year, and members are also invited to the Authority's site visits and workshops.

The [Broads Local Access Forum](#) is a semi-independent body that advises the Authority on improving public access to land within the Broads executive area. The Forum normally meets four times a year.

The Authority has two **Independent Persons**, appointed for a 4-year period, who are consulted to help the Authority achieve high ethical standards. The current postholders were appointed in January 2021 until the annual meeting in July 2024 (the appointments were delayed by the cancellation of the 2020 annual meeting and an extension to the previous terms of office). New appointments will be made at the 26 July 2024 meeting.

3.2. Officers

The Authority has 139 full-time equivalent staff. There are four statutory officers who carry out specific duties. They are the Head of Paid Service (Chief Executive), Section 17 Officer (Director of Finance), Navigation Officer (Head of Ranger Services) and Monitoring Officer.

The Chief Executive, Director of Finance, Director of Strategic Services and Director of Operations make up the Management Team. There are seven section heads, covering the following sections: Construction, Maintenance & Ecology; Communications; Human Resources; ICT & Collector of Tolls; Planning; Ranger Services and Safety Management. The Management Team meets weekly and liaises regularly with the Section Heads through the Management Group. We are also required to have a Data Protection Officer, and this role is currently held by the Director of Operations as a qualified Data Practitioner.

3.3. Financial arrangements

It is considered that the Authority's financial management arrangements conform with CIPFA's [Statement on the Role of the Chief Financial Officer in Local Government](#) (2016). As a key member of the Management Team, the Director of Finance is actively involved in material business decisions to help the Authority develop, resource and implement its strategic plans sustainably and in the public interest.

We have a number of procedures in place to make sure we obtain best value for money in all we do, and we review them all on a regular basis. The Financial Regulations were reviewed in November 2022. Our Counter Fraud, Corruption and Bribery Strategy was updated in March 2023 and our Standing Orders Relating to Contracts (SORC) in February 2024. We also reviewed our Procurement Strategy in July 2023 and our Capital, Treasury and Investment Strategy in March 2024. An initial assessment against CIPFA's Financial

Management Code was received by Audit and Risk in July 2021 and progress is monitored against the action plan (last reported to ARC in July 2023). The Committee agreed to have updates every two years thereafter.

We monitor the effectiveness of our internal financial control systems through the consideration of regular internal audits, performance management and budget monitoring reports, and through reporting to the RAG Committee.

4. Decision making and openness

Our arrangements for decision making are set out in publicly available documents, published on our website at [Constitutional documents \(broads-authority.gov.uk\)](https://broads-authority.gov.uk). These include standing orders, terms of reference of committees, codes of conduct, scheme of delegated powers and protocol on member and officer relations. An updated Member Code of Conduct was adopted by the Authority in July 2021, based on the LGA's new model code, together with a revised Register of Interests form, and a revised complaints procedure in December 2022 (updated in Sept. 2023 to reflect the new Standards Committee and Hearings Sub-Committee). Both the Code of Practice for Members of the Planning Committee and Officers and the Protocol on Member and Officer Relationships were updated and adopted by the Authority in September 2021. A Monitoring Officer Protocol was adopted by the Authority in September 2023.

In January 2023, following an external review into a formal complaint, the Authority adopted a series of recommendations for improvements in the organisation's governance and procedures. This work was completed by the end of 2023. The next piece of work is to review the Standing Orders.

Each committee has distinct terms of reference. Meetings are held in public, apart from agenda items that are exempt under legislative guidance, and members of the public may ask questions at Authority meetings. Committee meetings are audio recorded and the public may request a copy of the recording.

Staff roles and responsibilities are defined through job descriptions and regularly updated policies and procedures, including an officer code of conduct and annual performance appraisals. In 2019/2020 we started to use the Best Companies Employee Survey. Our first Best Companies Index score was classed as 'good', which in terms of accreditation means we are 'one to watch'. The next survey was run at the end of 2021, and the outcome was again good, "one to watch". The survey is due to be repeated towards the end of 2024.

The Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR) give rights of public access to information held by public authorities, including the Broads Authority. Our [Publication Scheme](#) highlights the information we publish, how we make it available, and our charging policy. Our commitment to protecting people's privacy and processing personal data in accordance with data protection legislation is set out within our [Data Protection Policy](#).

5. Ethics and integrity

Under the Localism Act 2011 we have the duty to promote and maintain high standards, and we work to embed this throughout our governance and internal control systems. The seven principles of public life (known as the Nolan Principles) are incorporated in the Members' Code of Conduct, which was reviewed, and the updated version adopted in July 2021. Our Independent Persons provide external scrutiny of our standards processes.

We also have our own set of corporate core values (below), which are promoted to officers and members through posters and screen savers, codes of conduct and protocols, recruitment and appraisal processes, and development programmes.

Our core values

- **We show commitment** - Working together for a common purpose; Showing flexibility, trust and enthusiasm; Delivering on our promises
- **We are caring** - Setting realistic and properly resourced workloads; Supporting each other to get things done; Giving praise and daring to challenge
- **We are exemplary** – Being visible, approachable and professional; Making sound judgements on strong evidence; Aiming higher, smarter and always inspiring
- **We are open and honest** – Being fair and consistent in our words and actions; Always willing to ask, listen and respond; Doing what's right and being accountable
- **We are sustainable** – Looking after our resources wisely; Understanding the impact of our choices; Doing work that adds real value

6. Engaging with stakeholders

We encourage our partners, interest and user groups and local communities to engage with us in various ways. This includes drop in events such as partnership working groups and direct contact such as officers or members attending user group meetings, public events, digital and social media, and formal written consultations. We also seek public opinion through surveys and the user analysis of our website and Facebook and Twitter feeds.

[Broads Engage](#) brings together many of the ways people can hear about and have a say on the use and management of the Broads. We also continued to engage with stakeholders through remote means, which can be more accessible to certain demographics.

At the launch of the Broads Plan 2022-2027, the Broads key partners have met regularly to monitor the implementation of the Broads Plan. A key project of the Broads Partnership is to develop a bid for the Landscape Recovery scheme, which is one of new environmental land management schemes set up by Defra.

7. Managing risk and performance

The Risk, Audit and Governance Committee's (RAG) responsibilities include gaining assurances, from a range of measures and reports, that the Authority is obtaining value for

money in the use of its resources, and that risk and performance are being actively managed to achieve best results.

We have a **Corporate Risk Register (CRR)** and three **Directorate Risk Registers (DRRs)**, together with a Risk Management Policy. The registers are reviewed quarterly by Management Team, and at every meeting of RAG. Any mitigated risk on a DRR that scores as a 'high risk' is referred to the CRR for monitoring. The Risk Management Policy is reviewed and updated every two years and is next due for review in January 2026.

Our **Business Continuity Plan** provides critical information to enable the Authority to continue operating during an unplanned significant event, including loss of premises, IT/telecommunications systems and utilities; national lockdown (e.g. pandemic) and major travel disruption. The plan relates to events that impact all or most of the Authority's operations and that require immediate action. Measures to respond to other identified and predictable business risks (such as significant loss of income or key staff) are covered elsewhere, including within our risk registers, resilience plans, and individual project plans.

A **weekly recorded briefing** from officers is made available to all staff, members and volunteers every week.

We have **internal financial controls** to reflect good practice and make sure our finances are managed securely to minimise risk. These include approved budgets, separation of duties and authorised signatures. We also maintain a database of all our land and property assets and an **Asset Management Strategy** that includes an asset disposal policy, to help us plan our maintenance and replacement programme and reduce the risk of unexpected costs.

Our **performance** across our operations is assessed at regular Management Team meetings, with financial reports and budgets considered monthly and reports provided to Members at each Authority meeting.

There is a **whistleblowing policy** for our staff, with a separate policy for Members adopted at the 29 July 2022 Authority meeting, and the Monitoring Officer has a duty to write a report if the Authority or any of its committees proposes action that would be unlawful or amount to maladministration.

8. Internal and external audit

Our **internal and external auditors** are the main independent sources of assurance on the operation of our governance framework and the Statement of Accounts.

An external provider reviews the effectiveness of our **internal control systems**, which includes our **internal audit function**. This helps to emphasise audit's key role and its connection to governance, risk management and internal control. The broad categories for internal audit are annual opinion, corporate governance, fundamental financial systems, service area audits and significant computer systems. The Head of Internal Audit (HIA) develops an annual **strategic audit plan** using a risk-based approach. The annual opinion is

given on the overall adequacy and effectiveness of the Authority's internal control environment, highlighting significant issues.

The Management Team responds to each recommendation in the internal audit report, stating whether it is agreed and what action will be taken. The RAG Committee receives a summary of internal audit work during the year and progress on implementing audit recommendations. Any significant concerns are reported up to the Broads Authority. The Authority is also informed of the work of the appointed External Auditors, including the Annual Audit letter from the External Auditors.

The **HIA's overall audit opinion** in relation to the framework of governance, risk management and control at the Broads Authority in 2023/24 is **reasonable**, with one of the four audits (Corporate Governance & Risk Management) concluding with a **substantial** assurance grading and the Port Marine Safety Code; Procurement and Key Controls all concluding with a "reasonable" assurance. The Authority's Management Team accepted the recommendations raised and assigned responsibilities and deadline dates, as shown in Appendix 1(a) below.

In providing the opinion, the Authority's risk management framework and supporting processes, the relative materiality of the issues arising from the internal audit work during the year, and management's progress in addressing any control weaknesses identified from this were taken into account. The opinion was discussed with the Section 17 Officer prior to publication.

9. Conclusion and Action Plan

No significant governance weaknesses have been identified.

Our Annual Governance Statement Action Plan 2024/25 and a summary of progress against last year's action plan are at Appendix 1. We are satisfied the Plan will address the identified minor issues, and we will report back on its implementation as part of our next Statement.

(Chair of the Authority)

John Packman (Chief Executive)

Dated: 26 July 2024

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Appendix 1(a) - Audit recommendations: Action Plan 2024/25

Table 1

Actions arising from 2023/24 audit and outstanding actions from previous audits

Audit recommendation	Lead officer	Target/status
Governance and Risk Management		
R1: Member Attendance Add expectations for attendance and consequences for non-attendance to the Members' Code of Conduct	Senior Governance Officer	31/03/2025
R4: Risk Management Framework During the service plan refresh exercise, to identify, link, record and manage risks that threaten the achievement of operational objectives.	Senior Governance Officer	31/03/2024 Updated to 31/05/24
Port Marine Safety Code		
R9: Pilotage The General Direction for larger vehicles and navigation on works guidance be finalised	Head of Ranger Services	31/03/2024 Once legal advice is received, the General Direction will need a six month consultation. Updated to 31/10/24
R3: Key Performance Indicators Update website data to reflect current PIs and put in place a process to ensure the monthly monitoring of PI data and the data published on the website is up to date and its accuracy substantiated by documentary evidence.	Head of Safety Management	31/05/2024
R4: Compliance Statement Action to be taken to ensure than an appropriate compliance statement is made by the Duty Holder when this is next required by the MCA (likely to be March 2024).	Head of Safety Management	31/07/2024

<p>R5: Marine Safety Plan</p> <p>Action be taken to ensure that the Authority complies with the requirement for a MSP and associated reporting process, either in the form of a separate safety plan or through relevant provisions being added to the MSMS and/or associated policies.</p>	<p>Head of Safety Management</p>	<p>31/10/2024</p>
<p>Corporate Health & Safety</p>		
<p>R1: Health & Safety at Work policy</p> <p>The Health & Safety at Work Policy be reviewed and updated, if necessary, in line with the defined cyclical timescales. This will mitigate the risk of health and safety issues arising due to outdated policy.</p>	<p>Head of Safety Management</p>	<p>30/06/2024</p> <p>Updated to 31/12/24 to take account of new Head of Safety Management starting in June.</p>

Appendix 1(b) - Audit recommendations: Progress against Action Plan 2023/24

Table 1

Actions arising from 2022/23 audit and any outstanding actions from previous audits

Audit recommendation	Lead officer	Target/status
Governance and Risk Management		
<p>R2: Change to committee meetings In relation to the document management system (DMS), the following is undertaken:</p> <ul style="list-style-type: none"> Notes are added to deferred items to explain which committee date the item has been deferred to; and <p>To review if there is a way to match up/link the items on the forward plan to the generated items area.</p>	Senior Governance Officer	31/12/2023 updated to 31/12/24 Agreed at Risk, Audit & Governance Committee on 12/03/24 to delete this recommendation
<p>R4: Risk Management Framework During the service plan refresh exercise, to identify, link, record and manage risks that threaten the achievement of operational objectives.</p>	Senior Governance Officer	31/03/2024 Updated to 31/05/24
<p>R1: Governance Framework The Terms of Reference of the Authority and committees be updated following consideration of the report by VWV.</p>	Monitoring Officer / Senior Governance Officer	22/09/23 Completed
<p>R2: Governance Framework Following publication of the VWV report, include the Hearings Committee (or similar) in the published committee structure, give its roles and responsibilities</p>	Monitoring Officer / Senior Governance Officer	22/09/2023 Completed
Port Marine Safety Code		
<p>R9: Pilotage The General Direction for larger vehicles and navigation on works guidance be finalised.</p>	Head of Safety Management	28/02/2023 Carried forward to 2023/24 Updated to 31/03/24

Corporate Health & Safety**R1: Health & Safety at Work policy**

The Health & Safety at Work Policy be reviewed and updated, if necessary, in line with the defined cyclical timescales. This will mitigate the risk of health and safety issues arising due to outdated policy.

Head of Safety
Management

30/06/2024

Updated to 31/12/24 to take account of new Head of Safety Management starting in June.

Broads Authority

Code of Corporate Governance 2024

The Code of Corporate Governance helps the Broads Authority, as a public body, to develop its governance framework based on good practice and external guidance, and to demonstrate compliance with the principles of good governance.

Good governance is about making sure we do the right things, in the right way and for the right people in a timely, inclusive, open, honest and accountable manner. It is the systems and processes, and the values and principles, which direct and control what we do and how we relate to our communities. A key focus for good governance within the public sector is to achieve sustainable results that benefit the economy, the environment and society.

Our Code of Corporate Governance is based on the core principles in the CIPFA/SOLACE Framework [Delivering Good Governance in Local Government](#). We also have our own set of core values to underpin the behaviour of our Members and staff, who share responsibility for good governance.

We review and update the Code every year through consultation with senior staff, the Head of Internal Audit and the Chair of the Risk, Audit and Governance Committee. Any significant areas of concern raised in the review are referred to our Management Team or to the appropriate committee for comment or decision.

The Chief Executive is delegated to make necessary changes to the Code as a result of the review to keep it up to date. Significant changes to the Code are reported to the Authority in July as part of the Annual Governance Statement, and any new or outstanding actions are included in the Statement's Action Plan for the following year. The Code for 2023 was approved by the Authority on 28 July 2023 and signed off by the Chair and Chief Executive.

(Chair of the Authority)

John Packman (Chief Executive)

Date: 26 July 2024

Broads Authority Code of Corporate Governance: Schedule (July 2024)

This schedule represents what we do, or intend to with immediate effect, to demonstrate our compliance with the principles of good governance in local government. The core principles and sub-principles are taken from the CIPFA/ SOLACE Framework [Delivering Good Governance in Local Government](#) (2016). We will review our performance against the Code during 2024/25 and report the results to the Risk, Audit and Governance Committee and subsequently to the Broads Authority in July 2025 as part of the Annual Governance Statement.

Table 1

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub-principles	Our evidence to support this principle
<p>Behaving with integrity</p> <p>Behaving with integrity and leading a culture where acting in the public interest is visibly and consistently demonstrated, thereby protecting the reputation of the organisation</p> <p>Establishing and communicating specific standard operating principles or values for the organisation and its staff, building on the Seven Principles of Public Life (the Nolan Principles)</p> <p>Leading by example, embedding the above principles in effective, up-to-date policies and processes and using them as a framework for decision making and other actions</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Appointment of Independent Persons • Risk, Audit and Governance Committee oversight • BA Core Values • Codes of Conduct for Employees, Members and Planning Committee Members • Declaration of Gifts and Hospitality for Members and officers • Disciplinary Procedures for Officers • Financial Regulations, Contract Standing Orders and Procurement Strategy • Guide for Local Authority appointees to the Broads Authority • Internal and External Audit • Local Protocol on Member and Officer Relations • Member and officer induction and annual appraisals • Members’ Counter Fraud, Corruption and Bribery Strategy & Response Plan • Monitoring Officer Protocol • Register of Interests for Members and declarations of interests made at meetings and recorded in minutes

	<ul style="list-style-type: none"> • Register of Interests for officers • Related party declarations note as part of the Statement of Accounts. • Safeguarding Policy • Social Media Policy • Standards Committee • Standing Orders for the regulation of Authority proceedings • Standing Orders Relating to Contracts • Terms of Reference of Committees • Whistleblowing Policy for Members • Whistleblowing Policy for Officers
<p>Demonstrating strong commitment to ethical values</p> <p>Establishing, monitoring and maintaining the organisation’s ethical standards and performance</p> <p>Underpinning personal behaviour with ethical values that permeate all aspects of the organisation’s culture and operation</p> <p>Developing and maintaining robust policies and procedures that place emphasis on agreed ethical values</p> <p>Making sure external providers of services on behalf of the organisation act with integrity and in compliance with ethical standards expected by the organisation</p>	<ul style="list-style-type: none"> • Annual performance appraisal for Members and officers • BA Core Values • Best Companies Index employee survey • Codes of Conduct for Employees, Members and Planning Committee Members • Equality Policy • Guide for Local Authority appointees to the Broads Authority • Monitoring Officer Protocol • Procurement Strategy and procedures • Recruitment & Selection Policy and procedures • Standards Committee • Use of Independent Persons in complaints procedures • Whistleblowing Policy for Members • Whistleblowing Policy for Officers
<p>Respecting the rule of law</p> <p>Demonstrating a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p> <p>Making sure statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance</p>	<ul style="list-style-type: none"> • Codes of Conduct for Employees, for Members, and for Planning Committee Members and Officers • Committee structure in place with Terms of Reference, including powers reserved to the BA

<p>with legislative and regulatory requirements</p> <p>Making the best use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p>Dealing effectively with breaches of legal and regulatory provisions</p> <p>Dealing effectively with corruption and misuse of power</p>	<ul style="list-style-type: none"> • Compliance with CIPFA’s statement on the role of the Chief Finance Officer in Local Govt (CIPFA 2015) • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Disciplinary Procedures for Officers • Financial Regulations, Contract Standing Orders and Procurement Strategy • Internal and external audit • Job descriptions and recruitment process for officers • Member induction programme and development protocol • Monitoring Officer appointed by BA • Monitoring Officer Protocol • Provision of legal advice to Members and officers • Register of Member and officer interests and related party interests • Role descriptions for Members • Scheme of Powers delegated to Chief Executive and other authorised officers • Standards Committee • Statutory Officers appointed by the Authority • Whistleblowing Policy for Members • Whistleblowing Policy for Officers
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Table 2

Principle B: Ensuring openness and comprehensive stakeholder engagement

Sub-principles	Our evidence to support this principle
<p>Ensuring openness</p> <p>Demonstrating, documenting and communicating the organisation’s commitment to openness</p> <p>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness - if that is not the case, a</p>	<ul style="list-style-type: none"> • Annual Governance Statement • BA Core Values • BA website (includes public information about Members and their roles, officer roles, and how the public can input to and influence BA decisions)

<p>justification for the reasoning for keeping a decision confidential is provided</p> <p>Providing clear reasoning and evidence for decisions, in both public records and explanations to stakeholders, being explicit about the criteria, rationale and considerations used. In due course, making sure the impact and outcomes of those decisions are clear</p> <p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions or courses of action</p>	<ul style="list-style-type: none"> • Broads Engage stakeholder events and promotion • Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement) • Chairs’ briefings • Committee meetings held in public and audio recordings of meetings available to public on request • Committee meetings (non-decision making) held remotely and live-streamed, and also available to watch via YouTube • Corporate Partnerships Register • Fair and transparent data processing through privacy notices • Financial Regulations and Standing Orders Relating to Contracts • Financial statements • Information published in respect of expenditure over £250 • Member Allowances Scheme • Public consultation processes for strategic plan reviews (e.g. Broads Plan, guiding strategies) • Public question time at Authority meetings • Publication of agendas and reports in line with Local Government Act 1972 requirements • Record of decisions in committee minutes • Use of Transparency Regulations 2015
<p>Comprehensive stakeholder engagement</p> <p>Engaging effectively with all stakeholders, making sure the purpose and aims for each stakeholder relationship are clear so outcomes are successful and sustainable</p> <p>Developing formal and informal partnerships to encourage more efficient use of resources and more effective outcomes</p> <p>Basing partnerships on trust, shared commitment to change, culture that</p>	<ul style="list-style-type: none"> - Annual Business Plan, Annual Report and visitor publications (e.g. Broadcaster), social media accounts - Appointment process to Navigation Committee and Broads Local Access Forum - Broads Briefing monthly newsletter from CEO - Broads Engage stakeholder events and promotion - Broads Local Access Forum

<p>promotes and accepts challenge among partners, and clear awareness of the added value of partnership working</p> <p>Establishing a clear policy on the type of issues the organisation will meaningfully consult on or involve communities, individuals, service users and other stakeholders to make sure the service (or other) provision is contributing towards intended outcomes</p> <p>Having effective communication methods and making sure members and officers are clear on their roles in community engagement</p> <p>Encouraging, collecting and evaluating the views and experiences of stakeholders of different backgrounds, including reference to future needs</p> <p>Implementing effective feedback mechanisms to show how stakeholder views have been considered</p> <p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>Taking account of the impact of decisions on future generations of taxpayers and service users</p>	<ul style="list-style-type: none"> - Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement) - Broads Plan 6-monthly progress update report (and continual progress monitoring on e-system) - Broadsheet (toll payer newsletter) - KPI annual reporting as part of NPA monitoring process to Defra - Learning resources on BA website, including Broads Curriculum materials for schools - Navigation Committee - Notices to Mariners - Public questions time at Authority meetings - Regular meetings between Chairs and CEOs of BA and constituent local authorities - Regular officer level liaison with partner organisations - Visitor and user surveys
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Table 3

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Sub-principles	Our evidence to support this principle
<p>Defining outcomes</p> <p>Having a clear vision statement of the organisation’s purpose and intended outcomes, with performance indicators, which provide the basis for its overall strategy, planning and other decisions</p>	<ul style="list-style-type: none"> • Annual Business Plan • BA guiding level strategies (e.g. Integrated Access, Sediment Management, Education, Biodiversity) • Broads Local Plan (spatial planning policy) • Broads Plan (key partnership strategy for the Broads, reviewed on 5-yearly cycle) • Corporate and Directorate Risk Registers

<p>Specifying the intended impact on/ changes for stakeholders in the short and longer term</p> <p>Delivering defined outcomes sustainably basis within available resources</p> <p>Identifying and managing risks to achieving outcomes</p> <p>Managing service user expectations with regard to setting priorities and making the best use of available resources</p>	<ul style="list-style-type: none"> • Corporate Partnerships Register • Norfolk & Suffolk Broads Act 1998 (BA statutory purposes)
<p>Considering social, economic and environmental benefits</p> <p>Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</p> <p>Taking a longer-term view in decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>Determining the wider public interest associated with balancing conflicting interests in achieving the various economic, social and environmental benefits, through consultation where possible, to ensure appropriate trade-offs</p> <p>Ensuring fair access to services</p>	<ul style="list-style-type: none"> • Broads Local Plan • Broads Plan and guiding level strategies • Equalities Working Group • Norfolk & Suffolk Broads Act 1998 (BA statutory purposes) • Project Development Group procedures • External Funding Guidance • Public consultation for strategic plan reviews

Table 4

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub-principles	Our evidence to support this principle
<p>Determining interventions</p> <p>Making sure decision makers receive objective and rigorous analyses of various options showing how intended outcomes</p>	<ul style="list-style-type: none"> • BA and partner/stakeholder working groups • Budget setting process • Chairs’ briefing sessions

<p>would be achieved and associated risks, to achieve best value.</p> <p>Considering stakeholder feedback when making decisions about service improvements, or where services are no longer required, to prioritise competing demands and limited resources such as people, skills and land, and bearing in mind future impacts.</p>	<ul style="list-style-type: none"> • Chairs’ Group • Financial Regulations and Standing Orders Relating to Contracts • Member working groups • Project boards for large partnership projects (e.g. FiPL, Nature for Climate Peatland Scheme, FibreBroads) • Public consultation responses informing strategic plan and policy reviews (e.g. Broads Plan, Broads Local Plan)
<p>Planning interventions</p> <p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p> <p>Considering and monitoring risks facing each partner when working collaboratively, including shared risks</p> <p>Having flexible and agile arrangements so mechanisms for delivering goods and services can adapt to changing circumstances</p> <p>Establishing appropriate key performance indicators (KPIs) as part of the planning process to identify how the performance of services and projects is to be measured</p> <p>Ensuring capacity exists to generate the information required to review service quality regularly</p> <p>Preparing budgets in accordance with objectives, strategies and the medium-term financial plan</p> <p>Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure, aimed</p>	<ul style="list-style-type: none"> • Annual budget processes approved by BA with consultation by Navigation Committee • Financial Monitoring • Financial Strategy • Key Performance Indicator (KPI) annual reporting as part of National Park Authority monitoring process to Defra • Performance reporting to Committees • Regular monitoring undertaken by budget holders and Management Team and reported to committee • Review cycles for Broads Plan, guiding strategies (e.g. Integrated Access Strategy, Biodiversity & Water Strategy) and Broads Local Plan • Risk management (see principle F) • Corporate Risk Register review by Risk, Audit & Governance Committee

<p>at developing a sustainable funding strategy</p>	
<p>Optimising achievement of outcomes</p> <p>Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints</p> <p>Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p> <p>Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues, or responses to changes in the external environment that may arise during the budgetary period, to achieve outcomes while optimising resource use</p> <p>Ensuring ‘social value’ through service planning and commissioning</p>	<ul style="list-style-type: none"> • Annual setting of tolls in consultation with Navigation Committee and through a member workshop • Asset Management Strategy • Budget and 3-year Financial Strategy agreed by BA • Budget reports, management procedures and training • Budgets monitored by Risk Audit & Governance Committee and BA • Capital, Treasury and Investment Strategy • Procurement Strategy and reference guide • Standing Orders Relating to Contracts

Table 5

Principle E: Developing the Authority’s capacity, including the capacity of its leadership and the individuals within it

Sub-principles	Our evidence to support this principle
<p>Developing capacity</p> <p>Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</p> <p>Improving resource use through techniques such as benchmarking</p> <p>Recognising the benefits of partnerships and collaborative working where added value can be achieved</p> <p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<ul style="list-style-type: none"> • Annual presentation to BA on major partnerships • Health and Safety policies and procedures • ICT Corporate Group review of ICT performance • Management Team decision in recruitment processes • Member and officer induction and appraisal programmes • Corporate Risk Register review • Whistleblowing Policy for Members • Whistleblowing Policy for Officers

<p>Developing leadership capacity</p> <p>Developing protocols to ensure elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship, and that a shared understanding of roles and objectives is maintained</p> <p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>Ensuring the Chair and Chief Executive Officer have clearly defined and distinctive leadership roles within a structure whereby the CEO leads in implementing strategy and managing the delivery of services and other outputs set by members, and each provides a check and a balance for each other's authority</p> <p>Developing the capabilities of members and senior management to achieve effective leadership, and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks</p> <p>Having structures in place to encourage public participation</p> <p>Considering the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p> <p>Holding staff to account through regular performance reviews that take account of training or development needs</p> <p>Maintaining the health and wellbeing of the workforce and helping individuals to maintain their own physical and mental wellbeing</p>	<ul style="list-style-type: none"> • Director of Finance compliance with CIPFA Statement on the Role of the Chief Finance Officer in Local Government • Conditions of employment and HR policies • Contract management in respect of externally provided services • Data Protection Officer in place • Financial Regulations and Standing Orders • Member and officer appraisal programmes, Member Development Protocol • Member workshops on key issues • Monitoring Officer appointed by BA • Scheme of Powers delegated to Chief Executive and other authorised officers • Standards Committee • Standing Orders for the Regulation of Authority Proceedings • Terms of Reference for Committees
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Table 6

Principle F: Managing risks and performance through robust internal controls and strong public finance management

Sub-principles	Our evidence to support this principle
<p>Managing risk</p> <p>Recognising risk management is integral to all activities and must be considered in all aspects of decision making</p> <p>Implementing robust and integrated risk management arrangements and making sure they work effectively</p> <p>Allocating clear responsibilities for managing individual risks</p>	<ul style="list-style-type: none"> • Business Continuity Plan • Corporate Risk Register (reviewed every 3 months and reported to every meeting of the Risk, Audit and Governance Committee) • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Risk analysis in BA reports • Risk Management Policy
<p>Managing performance</p> <p>Effectively monitor service delivery including planning, specification, execution and independent post implementation review</p> <p>Making decisions based on relevant, clear objective analysis and advice, pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook</p> <p>Ensuring an effective scrutiny or oversight function is in place that provides constructive challenge and debate on policies and objectives before, during and after decisions are made. This will help enhance the performance of the organisation and any other organisation (or committee system) for which it is responsible</p> <p>Effectively and constructively challenging and policies and objectives to support balanced and effective decision making</p> <p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p> <p>Ensuring consistency between specification stages (such as budgets) and post</p>	<ul style="list-style-type: none"> • Risk, Audit and Governance Committee • Capital, Treasury and Investment Policy • Chairs’ Group • Financial Monitoring • Financial Regulations and procedures • Management Team and Section Head reviews of Directorate work plans and budgets • Procurement Strategy • Regular finance reports to BA, Risk, Audit & Governance Committee and Navigation Committee • Risk and financial implications in reports to BA • Standing Orders Relating to Contracts • Statement of Accounts follows directorate headings • Terms of Reference for Committees

implementation reporting (such as financial statements)	
<p>Developing robust internal control</p> <p>Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>Regularly evaluating and monitoring risk management and internal control</p> <p>Having effective counter fraud and anti-corruption arrangements in place</p> <p>Making sure that additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p> <p>Having an audit committee or equivalent group/function, independent of the executive and accountable to the governing body</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Annual Internal Audit plans include key controls and corporate governance • Annual Report and Opinion provided by Head of Internal Audit with ref to governance, risk management and internal control arrangements • Risk, Audit and Governance Committee • Best Companies Index employee survey • Capital, Treasury and Investment Strategy • Codes of Conduct for Employees, for Members, and for Planning Committee Members and Standing Orders Relating to Contracts • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Disciplinary Procedures for Officers • Effective internal audit function resourced and maintained • Financial Regulations, Contract Standing Orders and Procurement Strategy • Internal and external annual audit processes • Local Protocol on Member and Officer Relations • Monitoring Officer Protocol • Procurement Strategy • Publication of reports and meeting minutes showing declarations of interest made • Risk Owners (e.g. reporting to Corporate Risk Register) • Scheme of Powers delegated to Chief Executive and other authorised officers • Standing Orders Relating to Contracts • Training for Members
<p>Managing data</p> <p>Having effective arrangements in place for the safe collection, storage, use and sharing</p>	<ul style="list-style-type: none"> • Annual Governance Statement • Data and Information Retention Policy

<p>of data, including processes to safeguard personal data</p> <p>Having effective arrangements in place and operating when sharing data with other bodies</p> <p>Regularly reviewing and auditing the quality and accuracy of data used in decision making and performance monitoring</p>	<ul style="list-style-type: none"> • Data Asset Register, privacy notices and Protection policy • Data Protection Officer and deputy (qualified Data Practitioner), data protection training to Members and officers • Encryption of portable devices • IT security arrangements • Review of contracts to ensure data security provisions are incorporated • Statement of Accounts narrative report
<p>Having strong public financial management</p> <p>Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p> <p>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p>	<ul style="list-style-type: none"> • 3-year Financial Strategy • Annual budget and budget management procedures • Annual Business Plan • Annual Statement of Accounts • Assessment against CIPFA Financial Management Code • Asset Management Strategy • Capital, Treasury and Investment Strategy Chief Finance Officer compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government • Earmarked reserves for long-term replacement of assets • External Audit reports • Financial Regulations and procedures • Financial statements • Reports to BA include financial and risk considerations •

Table 7

Principle G: Implement good practice in transparency, reporting and audit to deliver effective accountability

Sub-principles	Our evidence to support this principle
<p>Implementing good practice in transparency</p> <p>Writing and communicating reports for public and other stakeholders in fair, balanced and understandable style, appropriate to the intended audience and easy to access and interrogate</p> <p>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny, while not being too onerous to provide or for users to understand</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Information published in respect of expenditure over £250 • Monthly data published on BA website in line with Local Government Transparency Code • Payment performance statistics for invoices paid within 30 days published on website on annual basis • Record of delegated decisions • Scheme of Powers delegated to Chief Executive and other authorised officers • Compliance with the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations (2018)
<p>Implementing good practice in reporting</p> <p>Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</p> <p>Ensuring members and senior management own the results reported</p> <p>Ensuring robust arrangements for assessing the extent to which principles in this Framework have been applied, and publishing the results on this assessment, including action plan for improvement and evidence to demonstrate good governance (AGS)</p> <p>Apply Framework to jointly managed or shared service organisations as appropriate</p> <p>Ensure performance information that accompanies the financial statements on a consistent and timely basis and the statements allow for comparison with other, similar organisations</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Broads Plan 6-monthly progress reports • S17 officer reporting requirements • Statements of Accounts narrative report • Strategic Direction reports (BA annual strategic priorities)

<p>Developing assurance and effective accountability</p> <p>Acting upon recommendations for corrective action made by external audit</p> <p>Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements, and acting upon recommendations</p> <p>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p> <p>Gaining assurance on risks associated with delivering services through third parties and evidencing this in the AGS</p> <p>When working in partnership, make sure arrangements for accountability are clear and the need for wider public accountability is recognised and met.</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Attendance of internal and external auditors at Risk, Audit and Governance Committee (RAGC) • Audit actions formally logged, followed up and reported to RAGC • Best Companies Index employee survey • Corporate and Directorate Risk Registers • Follow up of internal audit recommendations by Director of Finance and Senior Accountant and reported to every RAGC • Head of Internal Audit compliance with CIPFA Statement on the Role of the Head of Internal Audit • Internal audit function delivered by contract and meets PSIAS requirements • Peer Review (2017) and Action Plan (reviewed 2019/20)
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Risk, Audit and Governance Committee

23 July 2024

Agenda item number 10

Implementation of internal audit recommendations- summary of progress

Report by Director of Finance

Summary

This report gives a summary of progress in implementing Internal Audit recommendations arising out of audits carried out during 2020/21, 2022/23 and 2023/24.

Recommendation

To note the report.

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1. Introduction

- 1.1. This report gives an update on implementing the Authority's Internal Audit report recommendations, focusing on outstanding recommendations and timescales to complete outstanding work.
- 1.2. Appendices 1, 2 and 3 give details of the audits carried out in 2020/21, 2022/23 and 2023/24, in particular:
 - Recommendations not yet implemented;
 - Recommendations implemented since the last meeting; and
 - New recommendations since the last meeting.

2. Summary of Progress

- 2.1. Since the report to this committee in March, the remaining Corporate Governance and Risk Management recommendations have been completed, the first (from 2020/21) as agreed by the committee to be removed in March and second (from 2022/23) completed; two of the recommendations from the Port Marine Safety Code audit and one of the recommendations from the Key Controls audit, all in 2023/24, have now been completed. The impact of workloads has meant that some of the other actions have been further delayed. These have been updated in the appendix. The rest remain as scheduled.

3. Internal Audit Programme 2023/24 and 2024/25

- 3.1. Since this report to the Committee in March there have been no further audits. The first two audits from the 2024/25 plan, Cyber Security and Farming in Protected Landscapes (FiPL) grant programme are due to be carried out in quarter two. The results of these audits will be reported to a future committee.

Author: Emma Krelle

Date of report: 25 June 2024

[Broads Plan](#) strategic objectives: All

Appendix 1 – Summary of actions and responses to Internal Audit 2020/21

Appendix 2 – Summary of actions and responses to Internal Audit 2022/23

Appendix 3 – Summary of actions and responses to Internal Audit 2023/24

Appendix 1 – Summary of actions and responses to Internal Audit 2020/21

Table 1

Governance and Risk Management – March 2021

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p>2. Changes to committee meetings In relation to the document management system (DMS), the following is undertaken: - Notes are added to deferred items to explain which committee date the item has been deferred to; and - To review if there is a way to match up/link the items on the forward plan to the generated items area. This mitigates the risk of not having a completed audit trail in place resulting in key items of business/decisions being missed if deferred matters are not assigned to the next convenient meeting.</p>	Needs Attention	Senior Governance Officer	<p>Agreed. Notes added to deferred items.</p> <p>Update: Governance team liaising with IT on whether more metadata can be added to improve the link between items in the Forward plan and in the confirmed (generated report) area - progress on hold as reliant on IT resource availability, which is currently focussed on more urgent work.</p> <p>Update: Due to IT resource availability, this recommendation has been delayed to 31/12/2023.</p> <p>Update: Due to IT resource availability, this recommendation has been delayed to 31/12/2024.</p> <p>Update: Committee agreed to remove this low priority recommendation 12/03/24.</p>	<p>By 31/12/2021 Updated to 31/12/2022 Updated to 31/12/2023 Updated to 31/12/2024</p>

Table 2

Port Marine Safety Code – June 2021

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p>3. Pilotage Finalise the arrangements for General Directions for larger vessels. This helps mitigate the risk that sufficient navigation rules are not in place and navigation of the broads is not managed as effectively and safely as required, in relation to larger vessels</p>	Important	Head of Ranger Services	<p>General Directions are rarely used by Broads Authority - most directions are 'Special'. This requirement will require legal inputs and cost benefit analysis to assess its viability. Current requirements are met using Special Directions.</p> <p>Update: Due to the lack of large vessels navigating our waters the need for a General Direction has not arisen for a number of years and if it did, we could deal with it under Special Directions. This item has been deferred to allow for a review of what is appropriate which will need specialist maritime legal advice.</p> <p>Update: The factors driving this work have changed since the paper went to committee in 31/10/2021. Updated to 28/02/2023. Updated to 31/12/2023 Audit and Risk Committee, 14 March 2023, agenda item number 12 6 Recommendations Priority rating Responsible Officer(s) BA response/action Timetable 2019, with COVID-19 and the long-term closures of bridges on the lower Yare both affecting this. Control measures remain in place to</p>	<p>By 31/10/2021 Updated to 28/02/2023 Updated to 31/12/2023 Updated to 31/03/2024. Updated to 31/10/24.</p>

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>control the risk through Special Directions which can be given ahead of each vessel movement. With very limited vessel movement over the last few years the requirement to put in place a General Direction to cover all larger vessel movements is now less of a priority against other projects. The Pilotage Policy is currently being reviewed as part of the wider Safety Management System review.</p> <p>Update: Full review of Pilotage undertaken by Marico Marine. A paper was taken to Navigation committee and Broads Authority, both in January accepting recommendation that a General Direction be put in place to restrict vessel size subject to a risk assessment being carried out to determine if the vessel size subject to a risk assessment being carried out to determine if the vessel can be safely accommodated on the system. Legal advice is currently being sought on this proposal and what a general direction would need to include.</p> <p>Update: the risk assessment has been completed; we are continuing with legal advice. Once legal advice is received the general direction will need a six-month consultation.</p>	

Appendix 2 – Summary of actions and responses to Internal Audit 2022/23

Table 3

Corporate Health and Safety – July 2022

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p>1. Health & Safety at Work policy The Health and Safety at Work Policy be reviewed and updated, if necessary, in line with the defined cyclical timescales. This will mitigate the risk of Health and safety issues arising due to outdated policy.</p>	Needs Attention	Head of Safety Management	<p>Agreed. Whilst reading documentation for the H&S audit we recognised that our current policy required updating. This review has started, and we have carried out the initial scoping to understand what the new H&S policy needs to achieve. The task has been identified as a priority IPR objective in 2022/23 performance year.</p> <p>Update: Currently being reviewed with the aim that the policy will be implemented on 1st April 2023.</p> <p>Update: The review date has been updated to December 2023.</p> <p>Update: The Health & Safety Policy is still in its draft stage as it needs to incorporate the BA's SMS.</p> <p>Update: The Health & Safety Policy review begun in December, but the Head of Safety Management then retired, and the document was not completed. A new date for completion has been set for March 2025</p>	<p>By 01/04/2023 Updated to 31/12/2023 Updated to 30/06/2024 Updated to 31/03/2025</p>

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			to allow for the recruitment and induction of a new Head of Safety Management.	

Table 4

Corporate Governance & Risk Management – May 2023

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p>4. Risk Management Framework During the service plan refresh exercise, the Authority to identify, link, record and manage risks that threaten the achievement of operational objectives.</p>	Needs Attention	Senior Governance Officer	<p>In preparation for the next business plan, risks will be identified for each of the Directorate work plans and cross referenced to the Directorate risk registers.</p> <p>Complete, see agenda item 11 (Corporate Risk Register).</p>	By 31/03/2024

Appendix 3 – Summary of actions and responses to Internal Audit 2023/24

Table 5

Port Marine Safety Code – November 2023

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p>2. Review and Audit Action to be taken to ensure that an appropriate statement about the standard of the organisation's performance against the PMSC is included in the Duty Holder's annual report. An annual PMSC report should also be presented to the Authority (as Duty Holder) which provides an overview of performance, to enable to the Duty Holder to make such a statement.</p>	Important	Head of Safety Management	<p>The reviews and actions to ensure compliance to the PMSC have been undertaken and reported to the Board.</p> <p>Complete.</p>	By 11/04/2024
<p>3. Review and Audit Website data requires updating to reflect the correct PIs (as per the MSMS) and a process put in place to ensure the monthly monitoring of PI data and the data published on the website is up to date and its accuracy substantiated with supporting documentary evidence.</p>	Important	Head of Safety Management	<p>The KPI data is captured and is reported to the Navigation Committee at each session they meet. This data is an appendix in the Chief Executives Summary report.</p> <p>Complete.</p>	By 31/05/2024
<p>4. Review and Audit Action to be taken to ensure that an appropriate compliance statement is made by the Duty Holder when this is next required by the MCA (likely to be in March 2024). This includes ensuring that appropriate reporting mechanisms are in place in line with the recommendations above, to enable the Duty Holder to make such a statement.</p>	Important	Head of Safety Management	<p>We will contact the MCA and discuss the compliance report, the timing and format to ensure we are consistent with other PMSC duty holders.</p>	By 31/07/2024

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
5. Plan Action be taken to ensure that the Authority complies with the requirement for a marine safety plan and associated reporting process, either in the form of a separate safety plan, or through relevant provisions being added to the MSMS and/or associated policies.	Important	Head of Safety Management	Because of the statute and the way safety and improvements are planned within the Broads, the details within a Marine Safety Plan are included within the Broads Plan.	By 31/10/2024

Table 7

Key Controls – January 2024

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
3. Asset Management The Asset Management Strategy to be reviewed annually, with the date of last review and when due next, and the reviewer and approver clearly indicated within the document.	Needs Attention	Asset Officer	Despite the Strategy being subject to an internal review during 2023 it was not reviewed by MT. The strategy has been updated in 2024 and approved by the MT. Complete.	By 31/03/2024

Table 8

Corporate Governance and Risk Management – February 2024

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
1. The Local Government Act 1972 Add expectations for attendance and consequences for non-attendance to the Members' Code of Conduct.	Needs Attention	Senior Governance Officer	This will be reviewed as part of the next members code of conduct update. The next review is due within the next 12 months. Governance will continue to monitor absence and notify members where they maybe in risk of breaching the 6-month rule. It will continue to be highlighted to new members via the terms and conditions.	By 31/03/2025

Risk, Audit and Governance Committee

23 July 2024

Agenda item number 11

Corporate Risk Register

Report by Senior Governance Officer

Summary

The Broads Authority's Risk Register is presented for the Committee's information.

Recommendation

To note the updated Corporate Risk Register (appendix 1).

1. Introduction

- 1.1. The Risk, Audit and Governance Committee's responsibilities for risk are set out in its [Terms of Reference](#)
- 1.2. The Corporate Risk Register (CRR) sets out the "across the board" risks that could threaten the Authority's core business and the way it operates. Below this are Directorate Risk Registers (DRR) which are managed by each Director and identify risk that could threaten day to day operational activities. Where a new risk identified within a directorate has a revised risk score above 16 (high risk) it is automatically referred to the CRR for monitoring by Management Team and this committee. If new mitigation measures are implemented which reduce the risk's score to below 16 (moderate to low risk), the risk is removed from the CRR but retained on the DRR.
- 1.3. As requested at the meeting on 21 September 2021, the Corporate Risk Register is presented at every Risk, Audit and Governance Committee meeting.
- 1.4. The Management Team has overall responsibility for the risk registers and policy, and risk owners are responsible for reviewing and updating their individual risk. Every risk is reviewed regularly or when there is a significant change in circumstances.

2. Review of risk registers

- 2.1. In conjunction with the implementation of an internal audit recommendation, the opportunity was taken to review the format and presentation of the CRR. As this is a public-facing document, it needs to be accessible for all readers and clear in its presentation of the information. Previously it was in a spreadsheet type format (landscape) with columns running over into multiple pages but now, each risk is

contained within one page. Priority was given to ensuring that the initial and revised risk scores are easily comparable.

- 2.2. Subsequently, the content of the CRR was reviewed by Management Team in early July, following a review of the DRRs, and the updated register is at Appendix 1.
- 2.3. Changes to the register are made using tracked changes., Any changes to the risk scores are identified with the relevant arrow, e.g. ↔ ↓↑
- 2.4. Overall, there have been no new risks added to, or any risks deleted from, the register.

3. Risk Management Policy

- 3.1. The Authority also has a [Risk Management Policy](#), which sets out the rules and standards for managing strategic and operational risk and guides staff in assessing, monitoring and managing risk. This policy was last reviewed and subsequently adopted at the 15 March 2024 Authority meeting.

Author: Sara Utting

Date of report: 09 July 2024

Background papers: none

Appendix 1 – [Broads Authority Corporate Risk Register \(July 2024\)](#)

Broads Authority Corporate Risk Register

(Updated ~~February~~July 2024)

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Explanatory Notes

Risk name: risk that may affect the Broads Authority

Risk description: impact on delivery of BA objectives, service delivery, reputation

Primary impact areas: people, assets, finance, performance, reputation

Risk owner: ultimately responsible for risk

Workplan ref. the relevant item in the directorate workplan contained within the current [Annual Business Plan](#)

Risk scores: Likelihood x Severity (likelihood and severity are within range of 1-5)

Risk score matrix:

Likelihood	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
			1	2	3	4
Severity						

Arrows (↔ ↓ ↑) indicate the direction of travel in the score since last review

Tasks to mitigate risk: controls/safeguards/precautions to date; noting any other factors that may influence the risk

Additional actions required: what we plan to do within the next 12 months

Risk 1 Loss of key staff

Risk description: Loss of working knowledge, expertise and/or close partnership associations due to key staff leaving Authority or being unavailable for long periods.

Primary impact areas: People, performance

Risk owner: Chief Executive

Date first entered on register 19/08/2019

Workplan ref: FD4; FD9; OD3; OD6; OD11; OD13; OD18; SD1; SD2; SD3; SD4; SD15; SD16; SD17; SD18; SD20; SD22; SD23; SD24; SD27

Initial likelihood	4	Initial severity	4	Initial risk score	16
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Tasks to mitigate risk: Resilience plan in place for handover period when key staff leave Authority or are unavailable for significant periods. HR policies and procedures in place to monitor absence and to support staff retention. Electronic data storage under review to allow access to any officer's files. Business Continuity Plan in place with systems back up. Plan reviewed annually (or following significant incident). Remote server enables office-based staff to work from home if required (e.g. period of quarantine).

Revised likelihood	4	Revised severity	3	Revised risk score	12↔
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Additional actions required: Implement MS Teams to share data across Authority more effectively.
 Monitor the implementation of hybrid working which was introduced to increase flexible working options.
 Annual review of Directorate resilience plans.
 Business Continuity Plan is reviewed annually.
 Recruit ~~Head of Planning~~Development Manager.

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Risk 2 Harmful actions undermining public confidence in Broads Authority

Risk description: Reputational damage caused by comments or actions by Authority members or officers, with consequent harm to relationships with stakeholders and/or undermining of public confidence in Authority.

Primary impact areas: Reputation

Risk owner: Chief Executive

Date first entered on register 19/08/2019

Workplan ref: FD1; FD2; FD3; OD11; OD12; OD13; OD15; OD16; SD8; SD13; SD14; SD15; SD16; SD18; SD19; SD27; SD29

Initial likelihood	4	Initial severity	4	Initial risk score	16
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Tasks to mitigate risk: Code of Conduct for Members in place containing Nolan Principles of Conduct, and training given to all Members.
Code of Practice for Members of the Planning Committee and officers (July 2023).
Code of Conduct for Officers included with HR policies.

Director and Senior Governance Officer trained in Data Protection and GDPR; staff have specific data protection training, refreshed annually.

Protocol on Member and Officer Relations in place (updated 2021).

Scheme of Powers Delegated to CEO and other authorised officers (updated Sept 2023).

Proactive communication policies relating to local and social media in place.

Monitoring Officer and Deputy Monitoring Officer in place (service agreement with Wilkin Chapman LLP), with specialisms in Local Authority governance and Code of Conduct issues.

Monitoring Officer Protocol adopted by the Authority in September 2023.

In January 2023, Members received findings and recommendations of an independent investigation into a formal complaint about a planning matter.

All the recommendations from the VWV report have been implemented. Of particular significance is amending the ToR for the Risk, Audit & Governance Committee and establishing a Standards Committee.

Revised likelihood	3	Revised severity	2	Revised risk score	6↔
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Additional actions required: Review Standing Orders – to be adopted by BA by 31 March 2025 Implement the recommendations from the VWV report adopted by Members in January 2023. These have all been implemented. Of particular significance is amending the ToR for the Risk, Audit & Governance Committee and establishing a Standards Committee.

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Risk 3 Assets

Risk description: Damage to, loss of or malfunction to key assets, impacting on BA operations/ duties and public access or services (e.g. navigation, moorings, Mutford Lock, rail bridges, Port of Norwich).

Primary impact areas: loss of physical assets

Risk owner: Director of Operations

Date first entered on register 19/08/2019

Workplan ref: FD7; OD1; OD7; OD8; OD9; OD14; OD17; SD21

Initial likelihood	3	Initial severity	4	Initial risk score	12
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Tasks to mitigate risk: Asset Management Strategy in place. Integrated Access Strategy and Moorings Strategy in place (under review 2023 with consultation).
 Rail bridges: Legal undertaking in place with Network Rail regarding bridge maintenance and operations. BA in contact with key Network Rail Officers to respond to bridge issues.
 Insurance in place for equipment and buildings over £250 - cover includes business interruption for Yare House and Dockyard.
 Landowner negotiations processes in place.
 Programmed inspection regime in place and regular maintenance carried out.

Revised likelihood	3	Revised severity	2	Revised risk score	6<=>
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Additional actions required: Review of contributions to reserves to ensure they remain appropriate for future purchases and repairs.
 Working with Network Rail Contractors (Murphy's) to facilitate access and works licensing required for swing bridge capital project 2024/25.
 Review of integrated access strategy scheduled for 2023/24.
 Property consultants to review repair and maintenance liability every 10 years, next scheduled for 2026/27.

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Risk 4 Reduction in income and increase in costs

Risk description: Uncertainty about National Park and/or Navigation funding, as any reduction would affect our ability to deliver our duties, e.g.

- Awaiting NPG funding confirmation from Defra
- Loss of toll income due to changes to/ impacts on local tourism industry)
- Loss of money as a result of fraud incident against the BA, including cybercrime

Primary impact areas: Finance

Risk owner: Director of Finance

Date first entered on register 19/08/2019

Workplan ref: FD5; FD6; FD8; FD10; SD28

Initial likelihood	3	Initial severity	5	Initial risk score	15
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Tasks to mitigate risk: Regular contact with Government (DEFRA) regarding Comprehensive Spending Review.
 Consideration of external funding opportunities to plug any gaps.
 Regular input to Government consultations.
 Prudent budgeting for Navigation and National Park expenditure. Reserves in place to mitigate against sudden drop in income.
 Significant blocks of work delivered through external funds won by Authority.
 Annual training in cybercrime given to all staff.
 Review of minimum reserves undertaken and reviewed by MT prior to 2023/24 budget setting.
 Energy insights used in budget setting process to determine impact of potential changes in the price cap.
 Change of splits between National Park and Navigation recommended as part of 2023/24 toll and budget setting.
 Finance monthly review of actuals compared to the latest available budget to assist budget holders to take appropriate action.
[Work ongoing to minimise costs as a result of reduced income.](#)

Revised likelihood	2	Revised severity	3	Revised risk score	6↔
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Additional actions required: Model expenditure options depending on proposed grant settlement and toll increases (Aug 2024).
 Explore options on income generation prior to 2025/26 budget setting.
 Toll/Budget workshop to be held with members Autumn 2024.
 Training for all staff to be delivered via ELMs on Counter fraud, bribery and corruption during 2024/25.
 Regular review of impacts of additional delays to Yare House downsizing.
[Move to smaller office space planned for summer 2024.](#)

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Risk 5 Large-scale public health crisis

Risk description: Significant public health crisis (e.g. pandemic), where Government imposed measures affect the continuity of the BA's operational services and prevent visitors accessing the Broads for prolonged periods. (Also see risk no.4).

Primary impact areas: people; performance

Risk owner: Chief Executive

Date first entered on register 02/07/2020

Workplan ref: FD10; OD2; OD3; OD4; OD5; OD6; OD7

Initial likelihood	5	Initial severity	5	Initial risk score	25
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Tasks to mitigate risk: Strict adherence to Government guidance and mitigation measures in place for staff, volunteers and members.
 Yare House, TICs and remote offices and facilities risk assessed and WFH measures in place for staff (where role allows). Key services (Safety Management) maintained within executive area.
 Clear and concise internal and external communications in place.
 Business continuity/disaster recovery plan and incident reporting system in place and reviewed regularly. Incident response team meet as required to determine appropriate actions, services and measures to respond to crisis.
 Broads Authority convened to establish emergency powers and delegated powers needed to run the Authority.
 Communication links in place with relevant Government departments to assess measures, clarify advice and safeguard funding.
 Key services, budgets and reserves reviewed to safeguard delivery of Broads Plan priorities and externally funded projects.

Revised likelihood	2	Revised severity	4	Revised risk score	8↔
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Additional actions required: Regular monitoring through the Public Sector Leaders Board

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Risk 6 Failure to meet statutory purposes or requirements of other relevant legislation

Risk description: Underperformance in achieving, or conflict between, our statutory purposes resulting in legal issues or adverse impacts on the Broads and stakeholders (e.g. contravening Habitats Directive, loss of navigation access)

Primary impact areas: performance

Risk owner: Chief Executive

Date first entered on register 19/08/2019

Workplan ref: FD2; FD4; OD2; OD4; OD7; OD9; OD15; SD5; SD6; SD17

Initial likelihood	3	Initial severity	5	Initial risk score	15
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Tasks to mitigate risk: Provision of external legal services and Monitoring Officer (MO) in place. Monitoring Officer Protocol adopted by the Authority in September 2023. Constitutional documents in place and regularly reviewed. Strategic plans (incl. Broads Plan) and Broads Local Plan subject to review and to Sustainability Appraisal/SEA and Habitats Regulations Assessment. Detailed environmental practices in place, including Environmental Standard Operating Procedures. Collaborative working in place with key stakeholders to understand and address issues and risks. Officer level project boards in place with Wildlife Trusts, Natural England and Environment Agency to monitor progress and ensure compliance with statutory regulations. Scientific research and monitoring ongoing to assess impacts, and mitigation measures developed if potential harm identified.

Revised likelihood	2	Revised severity	2	Revised risk score	4↔
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Additional actions required: Monitor external legal and MO services on an annual basis. Continue review of Broads Local Plan.

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Risk 7 Safety-related incidents (operational works) resulting in death or serious injury

Risk description: Death or serious injury to officer, volunteer or member of public in relation to the carrying out of operational works.

Primary impact areas: People

Risk owner: Director of Operations

Date first entered on register 19/08/2019

Workplan ref: OD2; OD3; OD4; OD5; OD7; OD8; OD17; SD26

Initial likelihood	5	Initial severity	5	Initial risk score	25
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Tasks to mitigate risk: Health and safety policies in place and reviewed regularly by H&S Committee and risk owners.
H&S Committee monitors and reviews incident reports; risk assessments are reviewed and updated regularly.
All staff and volunteers trained in key H&S issues; regular toolbox talks given before carrying out tasks.
Health Screening and Assessments for Noise and hand-arm vibration were provided to the appropriate staff.
Safety observations ONS system in place to catch near misses and learn from incidents. All accidents are investigated; regular audits are used to check control measures.
Insurance is in place for legal expenses.
Quarterly reports on H&S monitoring assessed by the Management Team.
Safety system externally audited to ensure fit for purpose and compliance.
External review of Hazard logs under the PMSC carried out in 2023, using the Boat Safety Management Group (next scheduled review in 2026).

Revised likelihood	2	Revised severity	5	Revised risk score	10↔
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Additional actions required: Monitor changes in H&S legislation.
Monitor industry best practice and implement changes where required.
Report on Health & Safety, Audit results from PMSC and internal H&S Audit programme due to Navigation Committee in 2024.

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Risk 8 Safety-related incidents (boating) resulting in death or serious injury

Risk description: Failure to exercise powers as a navigation authority and licencing authority, resulting in death and injury to boat hirers due to poor performance by hire boat operators.

Primary impact areas: Reputation

Risk owner: Director of Operations

Date first entered on register 18/06/2021

Workplan ref: OD10; OD11; OD12; OD13; OD14; OD15; OD16

Initial likelihood	5	Initial severity	5	Initial risk score	25
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Tasks to mitigate risk: Safety videos were provided to boat hirers in advance of the holiday.
Improved safety information provided by Broads Authority webpages.
Ranger services in place providing advice to waterways users.
Survey of HBO handover procedures carried out to assess efficacy.
Broadcaster, pre-visit training videos and other safety information provided to boat hirers.
Joint training for fast water locations provided by Rangers and safety partners at GYYS. Hire Boat licencing and audit of licensees in place. A program of spot checks and handover observations carried out.
Boat Safety Scheme and inspections in place.
Compulsory 3rd party insurance in place for boats.
Implemented the new Hire Boat Code, which includes the Quality Boatyard Accredited scheme, as well as HB licencing requirements for hirers of paddle craft (introduced in 2022).

Revised likelihood	3	Revised severity	5	Revised risk score	15↔
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Additional actions required: Refresher training for Hire Operator staff on fast tidal waters by Rangers and safety Partners in 2024 at GYYS.
Review of safety incident data from 2023/24 so trends and key areas to review can be determined due early 2024.
Program of summer 2024 spot check HB operators to be developed.

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Risk 9 Disruption to key project partnerships

Risk description: Failure to deliver Defra and other funded schemes and partnership projects on time, with available resources and within budget, leading to potential financial issues, legal issues, lack of service delivery or adverse publicity.

Primary impact areas: Reputation; performance

Risk owner: Chief Executive

Date first entered on register 19/08/2019

Workplan ref: SD1; SD3; SD4; SD5; SD7; SD9; SD10; SD11; SD12; SD21; SD25

Initial likelihood	4	Initial severity	4	Initial risk score	16
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Tasks to mitigate risk: Contractual arrangements in place for key partnerships (see Partnerships Register). Projects risk registers maintained for Water, Mills & Marshes and FibreBroads projects.
Regular project progress reported to Broads Authority. Proactive role maintained within formal and informal partnerships at officer and member level.
Regular meetings held with funders to discuss progress and highlight issues in timing or delivery.

Revised likelihood	3	Revised severity	4	Revised risk score	12↔
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Additional actions required: Partnerships Register reviewed regularly (Nov 2023).
~~Implement medium-term funding model for UK National Park Comms Team from 1 April 2024.~~

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Risk 10 A breach in data security or data protection, or loss of data

Risk description: Failure by staff to follow IT and/or GDPR processes or protocols, resulting in in-built security being bypassed and allowing data loss or data breach.

Primary impact areas: performance; reputation

Risk owner: Director of Operations (Data Protection Officer)

Date first entered on register 19/08/2019

Workplan ref: FD8

Initial likelihood	4	Initial severity	4	Initial risk score	16
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Tasks to mitigate risk: Data/IT systems are secured through firewalls, anti-virus software, password and security policies, online training for staff and HR policy. Additional/Refresher Accredited Data Protection Training provided by external supplier in Dec 2023. Bi-annual internal audit of IT systems and processes carried out. Certified GDPR Data Protection Officer(s) and GDPR Compliance Plan in place, and data protection training given to all staff. ICT security protocols were reviewed in light of staff working from home to ensure compliance. ICT protocols on automatic deletion were instigated within Microsoft Office 365 as well and the removal of the autofill email tool to reduce message-sending errors. All new staff to the Authority are inducted on Data Protection and the principles of GDPR.

Revised likelihood	2	Revised severity	4	Revised risk score	8↔
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Additional actions required: Monitor and review case law and keep up to date with GDPR & data protection information/best practice. Provide refresher GDPR & Data Protection online training via ELMS to all staff.

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