Risk, Audit and Governance Committee

Agenda 21 July 2026

10.00am
Yare House, 62-64 Thorpe Road, Norwich, NR1 1RY

Emma Krelle, Interim Chief Executive – Tuesday, 14 July 2026

Under the Openness of Local Government Bodies Regulations (2014), filming, photographing and making an audio recording of public meetings is permitted. These activities however, must not disrupt the meeting. Further details can be found on the Filming, photography and recording of public meetings page.

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 24 February 2026** (Pages 4-11)

Financial direction

5. **Draft Statement of Accounts 2025/26** (Pages 12-107)
   Report by Senior Accountant

6. **Investment Strategy and Performance Annual Report 2025/26** (Pages 108-110)
   Report by Senior Accountant

Audit and Governance

7. **Internal Audit Annual Report and Opinion 2025/26** (Pages 111-142)
   Report by Head of Internal Audit

8. **Internal Audit Annual Plan 2026/27** (Pages 143-152)
   Report by Head of Internal Audit

9. **External Audit** (Pages 153-198)
   Report by EY and Director of Resources

10. **Annual Governance Statement 2025/26 and Code of Corporate Governance 2026** (Pages 199-235)
    Report by Head of Governance

11. **Corporate Risk Register** (Pages 236-253)
    Report by Head of Governance

12. **Implementation of internal audit recommendations: summary of progress** (Pages 254-269)
    Report by Senior Accountant

Other matters

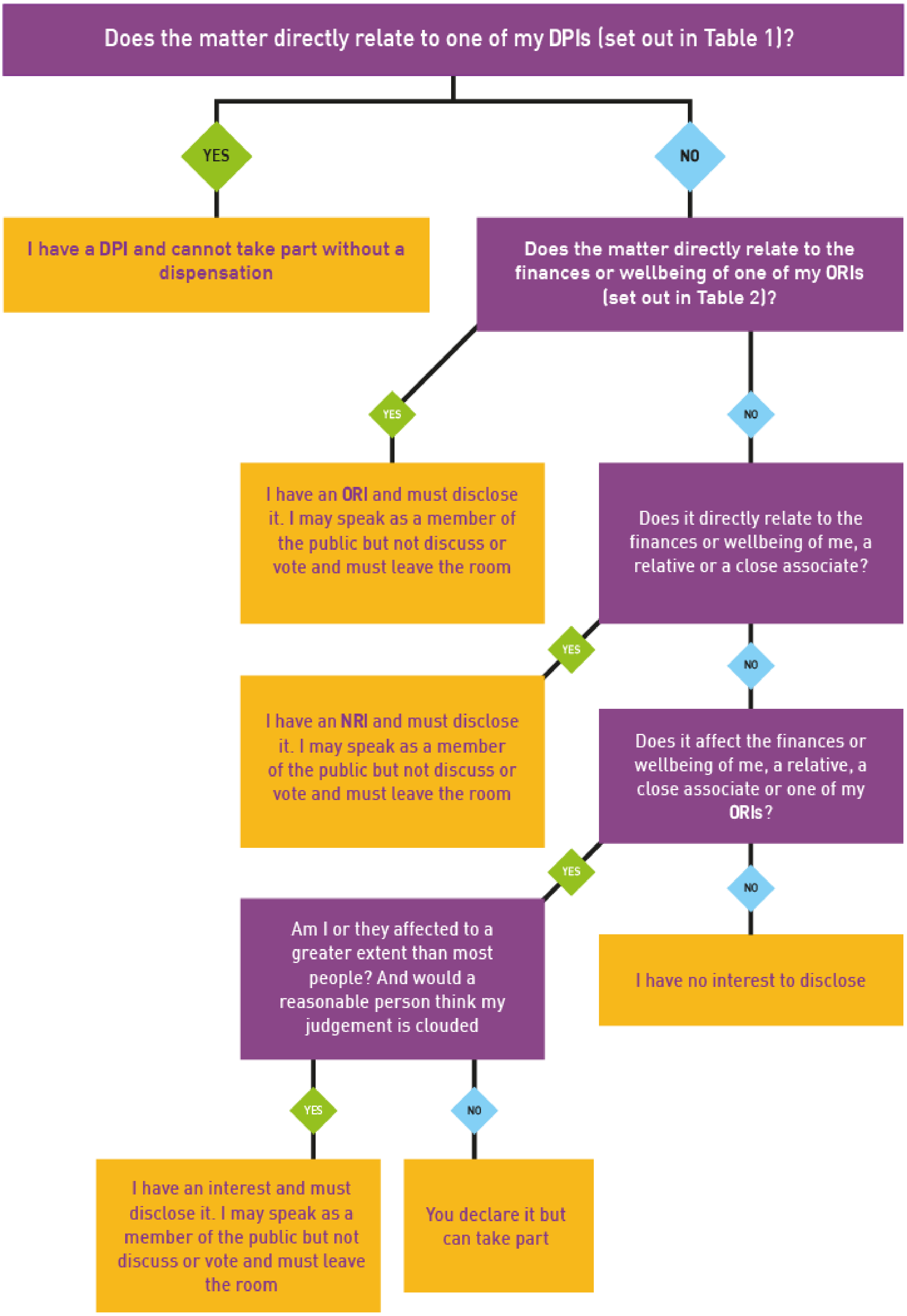
13. Other items of business
    Items of business which the chairman decides should be considered as a matter of urgency pursuant to Section 100B (4)(b) of the Local Government Act 1972

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

15. **To note the date of the next meeting – Tuesday 24 November 2026 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



Please note these are draft minutes and will not be confirmed until the next meeting.

Risk, Audit and Governance Committee

Minutes of the meeting held on 24 February 2026

Contents

Present
Tristram Hilborn – in the Chair, Harry Blathwayt, Tony Grayling, Gail Harris, Curig Johnston, Tim Munday and Matthew Shardlow.

In attendance
Jason Brewster – Governance Officer, Emma Krelle – Director of Resources, Izabela Foley – Senior Accountant, John Packman – Chief Executive, and Lorraine Taylor – Head of Governance.

1. Apologies and welcome
The meeting commenced at 11:13am following a briefing on Internal Audit Standards. The Chair welcomed attendees, noting that it was the first meeting for Curig Johnston and Tim Munday, and the final meeting for the Chief Executive (CE) prior to his retirement. The Chair

thanked the CE for his support to both him, as Chair of the committee, and to the committee itself.

Apologies were received from Alan Goodchild, Siân Limpenny and Gurpreet Padda.

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.

2. Introductions and declarations of interest

No additional declarations of interest were declared.

3. Items of urgent business

There were no items of urgent business.

4. Minutes of last meeting

The minutes of the meeting held on 25 November 2025 were approved as a correct record and signed by the Chair.

5. Investment Strategy and Performance report 2025/26 and Draft Capital, Treasury and Investment strategy 2026/27

The Director of Resources (DoR) 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 2026 and the draft Capital, Treasury and Investment Strategy 2026/27.

The DoR indicated that interest earned to the end of March was likely to be slightly greater than the previously forecast £260,000 as further investments were due to complete during that time.

The Draft Capital, Treasury and Investment Strategy was updated and approved annually. The DoR explained that work to engage a Treasury Management provider, although not progressed in 2025/26, was still required to help formulate the Authority's next investment strategy. Once the new Chief Executive was in position from August 2026, the DoR was hopeful that progress would be made to identify a Treasury Management provider.

The Authority was awaiting Defra's confirmation of the 2026/27 National Park Grant, an assumption, within capital expenditure, had been applied that Defra's 2026/27 Capital Departmental Expenditure Limits (CDEL) allocation would remain unchanged from 2025/26.

The 2026/27 Investment Strategy introduced a new Minimum Revenue Provision (MRP) policy following feedback from the 2024/25 Statement of Accounts audit. Although the Authority was already carrying out the related activities, the formal inclusion of this policy clarified the chosen methodology and addressed the external auditor's comments.

The Draft Capital, Treasury and Investment strategy 2026/27 would be presented for approval at the Broads Authority meeting on the 27 February 2026.

A Member asked whether the investment strategy provided enough flexibility regarding the use of capital and whether the stated low risk appetite could impose a constraint. The DoR explained that the strategy was intended to be as general as possible to avoid precluding any appropriate investment strategies. Defra had imposed restrictions on last year's CDEL allocation, it remained to be seen what restrictions would apply for 2026/27. The low risk appetite related to investing excess cash, would not limit possible capital projects and would be revisited once projects had been prioritised by the Authority.

A Member asked whether the Government's proposal to provide the National Park Authorities and the Broads Authority with the General Power of Competence (GPC) would restrict the investment strategy. The Chief Executive indicated that legal advice regarding the GPC proposal was that it largely overlapped with the powers already conferred on the Authority by the Norfolk and Suffolk Broads Act 1988. In this regard the GPC would not restrict the existing powers of the Authority. The GPC did provide Local Authorities with the ability to invest in buildings and property outside their executive area and this proposed new power would provide opportunities for the Broads Authority.

Tim Munday proposed, seconded by Tony Grayling

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

The DoR confirmed that the 2024/25 Statement of Accounts had been signed off and the Authority had achieved a qualified audit opinion that, in the context of the local audit backlog (as discussed at the previous meeting on 25 November 2025), was the best possible outcome.

6. Consolidated income and expenditure – 1 April to 31 December 2025 actual and 2025/26 forecast outturn

The Senior Accountant (SA) presented the report which detailed actual income and expenditure for the nine month period to 31 December 2025, and a forecast of the projected expenditure at the end of the financial year (31 March 2026).

The SA provided updates on the figures up to 31 January 2026. The total variance for Actual consolidated income and expenditure by directorate, stated in Table 1, had reduced by

£916,147 which was largely due to the early receipt of a National Park Grant payment in December (which had been profiled for January 2026). There were no adjustments to the Latest Available Budget figures.

There was no update to the Adjustments to the Forecast Outturn stated in Table 3 since the report was published with the forecast surplus remaining at £61,032.

Since the last meeting, the total reserve balance had reduced by £96,000 and would continue to reduce as commitments were met prior to the financial year end. Capital grant expenditure for the year to date was £997,255 out of a total grant from Defra of £1,385,085.

There were no further changes during January 2026 to the Prudential Indicators stated in Table 5 of the report or the figures stated in the report's conclusion, section 7.

A Member noted the lack of progress on replacing the Authority's planning system and asked whether this was a cause for concern. The Chief Executive (CE) responded that the delay reflected time required to identify an optimum solution from a number of providers, none of which met all the Authority's needs. A Member noted that Artificial Intelligence was expected to deliver enormous benefits within the planning sector and asked whether there was scope to extend this delay to take advantage of this emerging technology. The CE explained that the replacement of the Authority's planning system was due in part to the current system coming to the end of its supported lifespan as it had been superseded by a cloud hosted version. He added that coincidently the Government were proposing a national IT solution for Local Planning Authorities (LPAs) although providing the functionality to support the range of LPAs across England would prove challenging. The Member recommended that whatever solution was chosen by the Authority, it should ensure that the resulting data within the system could be openly accessible and avoid solutions that siloed the data. Having open data would maximise the opportunities for future process improvements provided by new technologies and reduce/eliminate significant costs to access this data.

A Member asked what the implications of the Practical Maintenance actuals being below the profiled budget would be. The Director of Resources (DoR) responded that maintenance work was planned for the visitor off season and that in the meantime capital spending had taken priority. The CE noted that planned works at Hickling Broad were delayed due to a prolonged saline incursion and subsequent freezing weather, requiring other tasks to be re-prioritised. The DoR added that some lease agreements had restricted occupancy dates which added to the complexity of completing works before visitors returned. In response to a follow-up question, the DoR confirmed that, if the delayed maintenance could not be completed before year end, the underspend would be transferred to the earmarked reserves.

A Member asked what savings had been achieved through the purchase of the underwater drone. The CE reported that while no precise figure was available, the drone had significantly reduced the Authority's reliance on commercial divers, which could lead to substantial cost savings. By way of example, the most recent use of divers, used to recover a sunken vessel, had cost £70,000. The drone was now supporting maintenance at Mutford Lock and was proving effective in identifying underwater obstructions. It was noted that the equipment had been funded by grant via National Parks England. A Member also queried whether the drone could be used to provide chargeable services to other organisations. The CE advised that this was not currently feasible due to limited staffing capacity.

The report was noted.

7. External funding

The Chief Executive (CE) introduced the report summarising the Authority's multiple income streams and the opportunities to gain further external funding. The CE provided an update on the main income streams, noting that each had its own reporting timescales and welcomed Members' feedback.

The CE provided an update on the grant funding from Defra for 2026/27 and explained that the settlement had not yet been confirmed. The expectation was that the Resource Departmental Expenditure Limits (RDEL) allocation would remain the same as 2025/26 which equated to a flat cash allocation and a real term reduction. The Capital Departmental Expenditure Limits (CDEL) allocation was also expected to be similar to the previous year's allocation. There was expected to be an indication that both these allocations might be maintained at the agreed levels over three years, which was a notable change.

The national spend for Access for All was expected to be £6.8 million and the CE had no further information to confirm what allocation the Authority would receive.

The Farming in Protected Landscapes (FiPL) programme had been extended for a further three years with a budget of £30 million. The CE expected the Authority's FiPL allocation to be similar to that received for the previous three year period.

A new Wildlife Rich Habitat Fund had been announced which was open to National Parks and National Landscapes with £10 million available for 2026/27. The CE explained that this scheme was similar to FiPL, with the Authority being allocated a pot of money for external projects to deliver habitat improvements in the Broads. The Authority had submitted a request for £400,000 of funding based on projects identified with partner organisations.

Defra had recently indicated possible additional revenue funding for National Parks. This funding could be used to offset current non-government-funded income, allowing the released funds to be carried into 2026/27. The CE explained that this approach disadvantaged the Authority, as it had limited earned income from its National Park function and navigation income was not eligible. The proposed method would therefore favour the National Park Authorities with higher earned income and disadvantage those most in need of the additional funding. The CE had written to Defra to challenge the equity of the proposal, and Members supported this action. The CE also noted the irony that this unexpected funding could have helped avoid staff reductions resulting from Defra's reduced funding for 2025/26.

A Member asked whether the Authority was recovering staff costs for capital projects. The Director of Resources advised that, due to the ad-hoc nature of recent CDEL allocations, no staff costs had been recovered for 2025/26. The CE noted that a system for staff to record the time spent on individual workstreams would be required to enable cost recovery and meet related audit requirements.

A Member proposed developing a land acquisition strategy to set out principles for assessing future land purchases in line with the Authority's objectives and those of other Broads stakeholders. The strategy would help the Authority take a longer-term approach to land acquisition to support biodiversity and mitigate climate change impacts. The CE supported this proposal and highlighted the need to maintain strong relationships with partners.

The CE noted that landowners were interested in using the Authority's equipment, such as the underwater drone and the fen harvester, which could generate income. However, the Authority currently had no spare capacity to provide these services, and the Management Team were considering options to redeploy existing staff or recruit additional staff to address this.

A Member raised the possibility of using capital to invest in property, including a suggestion for a visitor centre at Hoveton where a potential site and partner had been identified. The CE reported that a recent managers' workshop had put forward a proposal for a new office building, which would require significant capital investment beyond current allocations.

A Member asked whether longer-term planning of investments could support larger funding goals and whether there were more immediate investments to improve the efficiency of partnership projects.

A Member queried whether the new CDEL allocation could support further investment in the navigation. The CE believed there was scope for further investment; other items of equipment had been identified and the Head of Operations had suggested purchasing a tug.

The CE thanked Members for their feedback and agreed that further engagement was needed before finalising the report for the Broads Authority meeting on 15 May 2026. A workshop, to be held both online and in person, would be arranged for Broads Authority Members.

The report was noted.

Harry Blathwayt left the meeting.

8. Implementation of Internal Audit Recommendations: Summary of progress

The Senior Accountant (SA) introduced the report summarising progress in implementing Internal Audit recommendations arising from audits performed during 2023/24 and 2024/25. Since the previous meeting, further work to complete the recommendation associated with the Port Marine Safety Code (PMSC) audit 2023/24 had been undertaken as indicated in table 1 of Appendix 1 of the report. The Port, Marine & Facility Safety Code (PMFSC), which had replaced the PMSC, was nearing completion ready to meet the Maritime and Coastguard Agency's compliance window which would close on 31 March 2026. Further progress had been made regarding recommendations associated with the 2024/25 internal audit, namely

Corporate Governance and Risk Management as indicated in Table 2 of Appendix 1 of the report and Cyber Security Maturity Assessment as indicated in table 3 of Appendix 1 of the report.

The 2025/26 internal audit programme had commenced with the Tolls System and Income collection audit achieving a "substantial assurance" audit opinion and no audit recommendations. The Risk and Management and Governance audit had commenced in February 2026 and the Planning and Enforcement audit was due to the following month.

The Chair acknowledged the outstanding result achieved for the Tolls System and Income Collection audit and thanked all those involved.

A Member asked whether the delay completing the Cyber Security Maturity Assessment recommendation posed any additional risks to the Authority. The Director of Resources responded that ICT had engaged Government Security Centre for Cyber to provide advice and guidance for IT supply chain security and were awaiting a response.

A Member noted the reformatting required to create the PMFSC and asked whether this work had resulted in significant changes in comparison to the preceding PMSC document. The Chief Executive explained that despite the differing format associated with the PMFSC there were only minor changes to the Authority's Safety Management System (SMS). This document had subsequently been audited by ABPMer, a specialist marine consultancy, and they had confirmed they were largely content with the SMS. There was an additional wording to be included as a foreword to the SMS summarising the Authority's obligations under the PMFSC, this wording would be emailed to Members of the Broads Authority shortly.

The report was noted.

9. Corporate Risk Register

The Head of Governance Officer (HoG) introduced the report which provided the latest version of the Corporate Risk Register (CRR) with changes marked since the previous meeting. The HoG confirmed that the feedback provided at the previous meeting had been incorporated into the CRR as detailed in sections 2.4 and above of the report and highlighted that the score for Risk 3, Reduction in income and increase in costs, had updated from 9 to 12 reflecting the uncertainty regarding funding.

A Member asked whether the Risk Management Policy (RMP) would be reviewed in March 2026 as stated on page 7 of the policy. The HoG reminded Members that this document had been updated last year, had been reviewed and endorsed by the committee on 23 July 2025 and subsequently approved at the Broads Authority meeting on 25 July 2025. She apologised for this mistake in the RMP.

The Member asked whether the score associated with Risk 9, Devolution and Local Government Reorganisation (LGR), would be revised in light of recent announcements from some of the key stakeholders. The Chief Executive (CE) responded that the Authority was a small player in LGR and as previously agreed with Members, it would maintain a watching brief on this process. In this context there was no change required to the risk score.

A number of Members believed the score associated with Risk 4, Failure to meet statutory purposes or requirements of other relevant legislation, was not an accurate assessment of the challenges faced by the Authority. The green rating underplayed the risk given the lack of a settled and secure funding arrangement, it gave the impression to external stakeholders and the public that there was no future risk to the Authority's continuing work on protecting and restoring the Broads, promoting public access and its other responsibilities. The CE explained that revising this score could be perceived as a failure of the organisation when in reality, apart from planning, there were no clear targets for the Authority to meet its legislative obligations, these areas were difficult to measure and the Authority was not uniquely responsible for these areas. Members agreed that the increased risk score should not be attributed to a failure of the Authority. A Member added that even though the wider biodiversity loss in the Broads was not in the Authority's control it did undermine the Authority's ability to fulfil its statutory obligations. Another Member added that without clearly flagging the problems caused by the reduced National Park Grant, the Authority was absolving the Government of its responsibilities. A Member suggested reframing this risk to ensure that it could not be perceived as an organisational failure and recommended making this change without delay. The CE agreed to recast Risk 4[1] and the HoG suggested a revised amber risk score of 9 with a further revision once Defra's funding decision for 2026/27 had been finalised.

10. 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.

11. Formal questions

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

12. Date of next meeting

The next Risk, Audit and Governance Committee meeting would be on Tuesday 21 July 2026 at Yare House, 62-64 Thorpe Road, Norwich, commencing at 10.00am.

The meeting ended at 12:36pm.

Signed by

Chair

[1] Correction 12/06/2026: reference to Risk *9* replaced by Risk *4*.

Risk, Audit and Governance Committee

21 July 2026
Agenda item number 5

Draft Statement of Accounts 2025/26

Report by Senior Accountant

Summary

This report provides an update on the Broads Authority's Statement of Accounts and its audit for the year ended 31 March 2026.

Recommendation

To note the current position regarding the Draft Statement of Accounts for 2025/26.

Contents

1. Introduction

1.1. In the Financial Performance and Direction report to the Authority on 15 May 2026, there were draft figures for 2025/26 that provided for a consolidated surplus of £229,567. This has now moved by £3,148 and is currently £232,715. This is a result of year-end adjustments.

2. Changes to the 2025/26 Accounts

2.1. In 2025/26 CIPFA Code of practice has introduced indexation of non-investment assets. The changes in the 2025/26 Code apply to the following asset categories: Other land and buildings, vehicles, plant, furniture and equipment, surplus assets, right-of-use assets measured at current value. Assets last valued prior to 2025/26 remain valid during the transition period (1 April 2025 to the date of the next revaluation). The maximum revaluation interval is five years. During this period, indexation must be applied annually. Under the previous Code, assets had to be revalued if their current value differed materially from their carrying amount at the reporting date, and although this requirement has been removed in the 2025/26 Code, the balances as at 31 March 2025 can be considered materially up to date. Therefore, when applying indexation for the first time on 31 March 2026 the calculation of indexation gains or losses will be compared to the 31 March 2025 index (and not the index at the date the asset was last valued if earlier). Changes to the valuation of non-current assets through indexation and/or revaluations are accounted for through the revaluation reserves or the surplus/deficit on provision of services. However, where no suitable index is available the Code outlines the process to follow. In such cases authorities utilising the option to carry out a desktop revaluation in year three.

2.2. During 2025/26 the Authority undertook a restructure following the cut in National Park grant funding. This resulted in a reduction of one directorate and the reallocation of departments across the remaining Directors and Chief Executive. This has resulted in the 2024/25 comparatives being amended so they are consistent with the directorates in 2025/26.

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

Table 1

Summary Income and Expenditure 2025/26

Income and Expenditure	Delivery £000's	Resources £000's	Chief Executive £000's	HLF £000's	Corporate Amounts £000's	Total £000's
Fees, charges, interest and other service income	(589)	(753)	(362)	(65)	(4,866)	(6,635)
Contribution from reserves	0	0	0	0	(176)	(176)
Government Grants	0	0	0	0	(4,423)	(4,423)
Total Income	**(589)**	**(753)**	**(362)**	**(65)**	**(9,465)**	**(11,234)**
Employee expenses	3,428	1,386	1,085	29	57	5,985
Other service expenses	1,849	2,713	429	25	0	5,016
Total Expenditure	**5,277**	**4,099**	**1,514**	**54**	**57**	**11,001**

Income and Expenditure	Delivery £000’s	Resources £000’s	Chief Executive £000’s	HLF £000’s	Corporate Amounts £000’s	Total £000’s
Net Expenditure	**4,688**	**3,346**	**1,152**	**(11)**	**(9,408)**	**(233)**

Table 2
Summary of adjustments

Adjustments	**Amounts £000’s**
Net Expenditure	(233)
Amounts in the Comprehensive Income and Expenditure Statement (CIES) not reported to management	162
Amounts included in Table 1 not in the CIES	2,985
Cost of Services in the CIES	**2,914**

2.4. 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, movements on the revaluation of fixed assets and unapplied grant income.

2.5. 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.

2.6. 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	(6,368)	0	0	(6,368)	0	(6,368)
Interest and investment income	(267)	0	267	0	(267)	(267)
Contribution from reserves	(176)	0	(222)	(398)	0	(398)
Government Grants	(4,423)	0	4,383	(40)	(4,580)	(4,620)
Total Income	**(11,234)**	**0**	**4,428**	**(6,806)**	**(4,847)**	**(11,653)**
Employee expenses	5,985	(246)	0	5,739	4	5,743
Other services expenses	5,016	0	(1,443)	3,573	0	3,573
Depreciation, amortisation & revaluation	0	408	0	408	0	408
Interest payments	0	0	0	0	83	83
Gain on disposal of Assets	0	0	0	0	(58)	(58)

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
Total Operating Expenditure	**11,001**	**162**	**(1,443)**	**9,720**	**29**	**9,749**
(Surplus) / Deficit on the Provision of Services	**(233)**	**162**	**2,985**	**2,914**	**(4,818)**	**(1,904)**

3. Balance Sheet

3.1. At the end of 2025/26, the Balance Sheet was reporting a net asset position of £13,873,000. This is an increase from the 2024/25 net asset position of £12,189,000. The main cause of this is the increase in the Property, Plant & Equipment. In 2025/26 the Authority has received additional funding of £1,385,058 from Defra for capital expenditure which was used to purchase of Property, Plant & Equipment.

3.2. The bottom section of the Balance Sheet on page 18 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 slightly decreased when compared to those reported verbally on 15 May 2026 due to the year-end adjustments. The individual balances that make up the Earmarked Reserve can be found within the Statement of Accounts under note 10, page 43. The year end balances of the reserves are:

- National Park £1,294,898;
- Navigation £557,985;
- Earmarked £3,956,296 of which £1,685,974 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 Statement of Accounts (page 5) includes a link to the draft Annual Governance Statement and will be considered by this committee (see agenda item 10) and Broads Authority. After consideration at this meeting, it will be presented to the Broads Authority on 24 July 2026. 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) will start work on 13 July 2026 on the 2025/26 accounts. The auditors will provide a verbal update under agenda item 9 on their progress.

6. Financial implications

6.1. The Statement of Accounts for 2025/26 shows revenue reserves of £1,852,883 (National Park (general) reserves £1,294,898, Navigation reserves £557,985) that are adequate. The National Park reserve at the end of 2025/26 stands at 27.9% of net expenditure, while the Navigation reserve is 11.9%.

6.2. The outturn figures for 2025/26, the impact of boat numbers and the 2026/27 level of tolls received will be assessed for their impact on the overall level of reserves and will be considered in future budgeting proposals and when making decisions about income and expenditure in 2027/28.

Author: Izabela Foley

Date of report: 09 July 2026

Broads Plan strategic objectives: All

Appendix 1 – Draft Statement of Accounts 2025/26

Broads Authority

Draft Statement of Accounts 2025/26

Contents

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)]

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 2025/26 can be found in the link below:

[Strategic priorities update for 2025/26 and draft strategic priorities for 2026/27]

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 24 July 2026 and is available via the link below:

[Draft Annual Governance Statement]

Operational model

The Authority consists of three Directorates; Resources, Delivery and Chief Executive. The total number of staff employed by the Authority gives a head count of 144 or 130.3 Full

Time Equivalents (FTE) as at 31 March 2026. This is split 34 (30.3 FTE) Resources, 78 (73.4 FTE) Delivery, 32 (26.6 FTE) Chief Executive. 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 Chief Executive is responsible for the Governance Team who service the Authority's various committees; and Communications - responsible for all publications, events and visitor services.

The Resources Directorate consists of; HR - supporting all of the Authority's employees; Volunteer Services which support volunteering opportunities across all areas of the Authority; Asset Management, IT, Collection of Tolls, Finance and Insurance team; the management of 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 Delivery 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 and land-based sites; the Ranger team who patrol the waterways enforcing the byelaws, carry out small scale practical works, Safety Management with health and safety responsibility for all staff and visitor safety on and near the water; and Planning - responsible for all planning applications, enforcement and the Local Plan within the Authority's executive area.

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 and Defra support for FiPL.

Risks

Uncertainty has reduced about future years' settlements following a proposed three-year National Park grant agreement from 2026/27 and indicative allocations for 2027/28 and 2028/29. Cuts to the National Park Revenue Grant in previous years has meant the Authority has already restructured to make savings. For the 2026/27 consolidated budget has a deficit, with the National Park side being balanced through the National Park (General) Reserve. The surplus on the Navigation side will be placed in Navigation reserve at year end and will give the Authority the option to keep toll increases for future years in line with inflation. This is sustainable in the short-term following the action taken by the board for a restructure in 2025/26. National Park revenue and capital grants from Defra for 2026/27 both remain at the 2025/26 levels. In addition, National Parks in England have been awarded a one-off revenue payment to be spent by 31 March 2027. Over the next financial year, the authority will identify ways to spend both the capital grant and one-off revenue payment by 31 March 2027. 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 updated it during 2025/26. 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 over 1 million social media followers.

The UK National Parks also continue to investigate efficiencies through joint procurement and services and to create resilience amongst the Parks. The UK National Parks Communication Team was initially hosted by the Broads Authority and is now hosted by National Parks Partnership LLP. 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; Nature for Climate Peatland Scheme, Active Travel England, Access for All, LAPWDP, Generation Green 2, BMW, Electrifying the Broads, MHCLG Digital Planning, Water Restoration Fund and Norfolk Green Infrastructure and Recreational Mitigation Strategy.

The Authority attended the Norfolk Show in June 2025, 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 2026.

2026/27 will see the Authority benefit from £1,385m additional grant funding from DEFRA. This capital funding will need to be spent in 2026/27. The Authority plans to use the funding to support our annual capital programme. Defra has extended their FiPL funding to March 2027.

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 year. 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. Work has now commenced on the preparation of a new Broads Plan to cover the period 2028-2033.

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 2026 is £21,900.

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 was repaid in full during 2025/26.

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 2025/26 the Authority received National Park Grant of £4,423 from Defra (£3,914k in 2024/25). 2024/25 included one-off additional revenue and capital funding from DEFRA of £250k each. In addition to this, the income received from external grant support, sales, fees, charges and interest totalled £1,649k (£1,876k in 2025/26). Total income for 2025/26 was £6,072k (£5,790k in 2024/25).

The Authority set a budget for 2025/26 with a forecast deficit of £150k (£15k surplus in 2024/25). The Authority monitors its budget throughout the year against a forecast outturn which is updated monthly. The final forecast outturn for the year 2025/26 indicated an anticipated surplus of £19k. The actual outturn saw a surplus of £149k (a favourable variance of £130k). The Authority has a policy for carrying forward requests in respect of underspends. These were considered and approved by the Authority on 15 May 2026 for £4k (£13k from 2024/25 added to the 2025/26 budget) and added to the 2026/27 budget.

Navigation Income and Expenditure
Income from tolls was £4,498k (£4,314k in 2024/25), other income received for the year from external grant support, yacht stations charges, sales of tide tables, works licences and other miscellaneous services was £354k, (£293k in 2024/25) and interest was £134k (£153k in 2024/25). Total income for 2025/26 was £4,968k (£4,544k in 2024/25).

The Authority set a budget with a forecast deficit of £68k for 2024/25 (surplus of £87k for 2024/25). 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 2025/26, which took account of approved budget changes, indicated an anticipated a surplus of £49k. The actual outturn saw a surplus of £84k (a favourable variance of £35k). The Authority has a policy for carrying forward requests in respect of underspends. These were considered and approved by the Authority on 15 May 2026 for £5k (£1k from 2024/25 added to the 2025/26) and added to the 2026/27 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 17 and the EFA on page 16.

Outlook
2026/27 continues with the delivery of the Active Travel England, Access for All, and Digital Planning. Work continues on the collaborative National Heritage Lottery Fund Landscape Connections bid which if successful could run for up to ten years. The budget for Navigation is projecting a surplus of £76k in 2026/27 (after considering carry forward requests) which will be funded from reserves. This provides a forecast of the Navigation reserve at 11.7% of net expenditure at the end of the year. For General (National Park) funding there is a projected deficit of £90k in 2026/27 (after considering carry forward requests) which will be funded from reserves. This provides a forecast of the National Park reserve at 17.9% of net expenditure. This remains above the recommended minimum level.

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

The 2026/27 investment strategy sees the inclusion of the Authority’s minimum revenue provision policy (MRP). The need for formal documentation was highlighted by EY’s audit results received in November. The Authority’s policy adopts option three which is based on the Asset life method using the annuity method. MRP is charged based on the principal element for the year of the annuity required to repay over the asset’s useful life, the amount of capital expenditure financed by borrowing or lease arrangements. The authority should use an appropriate interest rate to calculate the amount. This is typically the Public Works Loan Board (PWLB) rate as this is the source of borrowing previously used.

Each year the Broads Authority identifies a small set of strategic priorities, which focus on projects that have high resource needs or a very large impact on the Broads, or that are politically sensitive. Setting these priorities helps target the Authority’s resources and make the most of partnership working and external funding opportunities. Priorities are set each financial year, although some large-scale projects carry across several years. Strategic priorities for 2026/27 include the preparation of a replacement Broads Plan to cover the period 2028-2033; adoption of the Local Plan for the Broads Authority, Broadland Futures Initiative (BFI), Landscape Connections, responding to Climate Change and Nature Recovery; Access in the Broads; Maintenance of the navigation priorities; Information and Data Management Project; Devolution and Mayoral Authority.

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 February 2027. The annual toll increase for 2026/27 was set at 3.5% 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. 2026/27 continues to focus on the development of partnership work. The scheme administered by the Broads Authority continues to support farmers and land managers in carrying out projects that support the natural environment, mitigate the impacts of climate change, provide public access opportunities or support nature-friendly, sustainable farm businesses (Farming in Protected Landscapes). Climate change remains a threat to the Broads. Broadland Futures Initiative, in collaboration with the Environment Agency, will continue the strategy development for future flood risk management and engagement work with stakeholders.

Changes to the 2025/26 Accounts

In 2025/26 CIPFA Code of practice has introduced indexation of non-investment assets. The changes in the 2025/26 Code apply to the following asset categories: Other land and buildings, vehicles, plant, furniture and equipment, surplus assets, right-of-use assets measured at current value. Assets last valued prior to 2025/26 remain valid during the transition period (1 April 2025 to the date of the next revaluation). The maximum revaluation interval is five years. During this period, indexation must be applied annually. Under the previous Code, assets had to be revalued if their current value differed materially from their carrying amount at the reporting date, and although this requirement has been removed in the 2025/26 Code, the balances as at 31 March 2025 can be considered materially up to date. Therefore, when applying indexation for the first time on 31 March 2026 the calculation of indexation gains or losses will be compared to the 31 March 2025 index (and not the index at the date the asset was last valued if earlier). Changes to the valuation of non-current assets through indexation and/or revaluations are accounted for through the revaluation reserves or the surplus/deficit on provision of services. However, where no suitable index is available the Code outlines the process to follow. In such cases authorities utilising the option to carry out a desktop revaluation in year three.

During 2025/26 the Authority undertook a restructure following the cut in National Park grant funding. This resulted in a reduction of one directorate and the reallocation of departments across the remaining Directors and Chief Executive. This has resulted in the 2024/25 comparatives being amended so they are consistent with the directorates in 2025/26.

The accounting statements

The Broads Authority's accounts for the year 2025/26 are set out on pages 13 to 85. 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 84.

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 Resources.

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 Resources Responsibilities

The Director of Resources 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 2025/26 (the Code).

In preparing this Statement of Accounts, the Director of Resources 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 Resources 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 Resources 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 2026 and its income and expenditure for the year ended 31 March 2026.

Emma Krelle (Director of Resources)

Certificate of Committee Resolution

I confirm that these accounts were given delegated approval by the Broads Authority at its meeting held _____________.

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.

2024/25 Net expenditure chargeable to the General and navigation fund balances £000	2024/25 adjustments between the funding and accounting basis £000	2024/25 Net expenditure in the comprehensive income and expenditure statement £000	Function	2025/26 Net expenditure chargeable to the General and navigation fund balances £000	2025/26 adjustments between the funding and accounting basis £000	2025/26 Net expenditure in the comprehensive income and expenditure statement £000
1,515	41	1,556	Delivery	1,373	(99)	1,274
1,411	(186)	1,225	Resources	2,207	(1,087)	1,120
633	19	652	Chief Executive	596	44	640
4	0	4	Corporate Amounts	46	0	46
185	(120)	65	Broads Navigation Account	(104)	(62)	(166)
3,748	**(246)**	**3,502**	**Net cost of services (subtotal)**	**4,118**	**(1,204)**	**2,914**
(4,311)	9	(4,302)	Other income and expenditure	(4,822)	4	(4,818)
(563)	**(237)**	**(800)**	**(Surplus) or Deficit**	**(704)**	**(1,200)**	**(1,904)**
(1,308)			Opening general and navigation fund balance	**(1,796)**		
(563)			Less/plus surplus or (deficit) on general and navigation balance in year	**(704)**		
75			Transfer (to)/from earmarked reserves, Capital Receipts Reserve and Capital Grant Unapplied	**647**		
(1,796)			**Closing general and navigation fund balance at 31 March**	**(1,853)**		

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.

2024/25 Gross expenditure £000	2024/25 Income £000	2024/25 Net expenditure/ (income) £000	Description	Note	2025/26 Gross expenditure £000	2025/26 Income £000	2025/26 Net expenditure/ (income) £000
2,135	(579)	1,556	Delivery		1,736	(462)	1,274
2,173	(948)	1,225	Resources		2,014	(894)	1,120
834	(183)	652	Chief Executive		839	(199)	640
4	0	4	Corporate Items		46	0	46
4,639	(4,575)	64	Broads Navigation Account	36	4,687	(4,853)	(166)
9,785	**(6,285)**	**3,502**	**Cost of services (subtotal)**		**9,322**	**(6,408)**	**2,914**
		(13)	(Gains)/Losses on the disposal of non-current assets				(58)
		(229)	Financing and investment income and expenditure	11			(180)
		(4,060)	Taxation and non-specific grant income and expenditure	12			(4,580)
		(800)	**(Surplus) or deficit on provision of services (subtotal)**				**(1,904)**
		(233)	(Surplus) or deficit on revaluation of fixed assets				(4)
		9	Actuarial (gains)/losses on pension assets/liabilities				226
		(224)	Other comprehensive income and expenditure (subtotal)				**222**
		(1,024)	**Total comprehensive income and expenditure**				**(1,682)**

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.

2024/25	General fund and navigation fund balance £000	Capital receipts reserve £000	Earmarked reserves £000	Total useable reserves £000	Unusable reserves £000	Total Authority reserves £000
Balance at 31 March 2024 (A)	1,309	422	3,502	5,233	5,931	11,164
Total comprehensive income and expenditure	800	0	0	800	0	800
Other Comprehensive income and expenditure	0	0	0	0	225	225
Adjustments between accounting basis and funding basis under regulations (Note 9)	(259)	21	0	(238)	238	0
Transfers to or from Earmarked reserves (Note 10)	(54)	0	54	0	0	0
Increase or (decrease in 2024/25 (B) (subtotal)	487	21	54	562	463	1,025
Balance at 31 March 2025 (=A+B)	**1,796**	**443**	**3,556**	**5,795**	**6,394**	**12,189**

2025/26	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 2025 (A)	1,796	442	0	3,556	5,795	6,394	12,189
Total comprehensive income and expenditure	1,904	0	0	0	1,904	0	1,904
Other Comprehensive income and expenditure	0	0	0	0	0	(220)	(220)
Adjustments between accounting basis and funding basis under regulations (Note 9)	(1,448)	58	191	0	(1,199)	1,199	0
Transfers to or from Earmarked reserves (Note 10)	(399)	0	0	399	0	0	0
Increase or (decrease in 2025/26 (B) (subtotal)	57	58	191	399	705	979	1,684
Balance at 31 March 2026 (=A+B)	**1,853**	**500**	**191**	**3,956**	**6,500**	**7,373**	**13,873**

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 25 £000	Category	Note	As at 31 March 26 £000
7,313	Property, plant & equipment	13	8,188
29	Intangible assets		30
7,342	**Long term assets (subtotal)**		**8,218**
6,102	Short term investments		6,115
164	Inventories	14	232
606	Short term debtors	15	1,133
1,624	Cash and cash equivalents	16	2,207
8,496	**Current assets (subtotal)**		**9,686**
(36)	Short term borrowing		(15)
(60)	Lease liability	30	(63)
(2,447)	Short term creditors	17	(2,607)
(103)	Provisions	18	(143)
(195)	Grant receipts in advance	27	(482)
(2,841)	**Current liabilities (subtotal)**		**(3,310)**
(22)	Long term borrowing		(7)
(786)	Other long-term liabilities	30, 32	(714)
(808)	**Long term liabilities (subtotal)**		**(721)**
12,189	**Net assets (liabilities)**		**13,873**
	Useable reserves		
1,169	General account fund balance		1,295
627	Navigation account fund balance		558
443	Capital receipts reserve		500
0	Capital Grants Unapplied Account		191
3,556	Earmarked reserves	10	3,956
	Unusable reserves	20	
2,707	Revaluation reserve		2,667
3,947	Capital adjustment account		4,950
(196)	Pension reserve		(182)
(64)	Accumulated absence reserve		(62)
12,189	**Total reserves**		**13,873**

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2026 and its income and expenditure for the year 31 March 2026.

Emma Krelle (Director of Resources/Chief Executive)

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.

2024/25 £000	Revenue activities	Note	2025/26 £000
800	Net surplus or (deficit) on the provision of services		1,904
871	Adjustments to net surplus or deficit on the provision of services for non-cash movements		61
5,206	Adjust for items in the net surplus or deficit on the provision of services that are investing and financing activities		5,252
6,877	Net cash flows from operating activities (subtotal)	21	7,217
(6,627)	Investing activities	22	(6,537)
(80)	Financing activities	23	(97)
170	Net increase or (decrease) in cash and cash equivalents (subtotal)		583
1,454	Cash and cash equivalents at the beginning of the reporting period		1,624
1,624	**Cash and cash equivalents at the end of the reporting period**		**2,207**

Notes to the Statement of Accounts

1. Accounting policies

i. General principles

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. 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 2025/26 and the Service Reporting Code of Practice 2025/26, 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 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

The Authority as lessee

At inception of an arrangement, the Authority determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Authority the right to control the use of the underlying asset. The Code expands the scope of IFRS 16 leases to include arrangements will nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The lease liabilities arising from a lease are initially measured on a present value basis comprising the following lease payments:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Authority under residual value guarantees.
- The exercise price of a purchase option if the Authority is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Authority exercising that option.
- Lease payments to be made under certain extension options.

The lease payments are discounted using the Authority’s incremental borrowing rate, being the rate, the Authority would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

For the current year, the Authority’s incremental borrowing rate for each tenor consists of Public Works Loan Board (PWLB) as this is the source of borrowing previously used.

Lease payments are allocated between the repayment of principal and a finance cost. The finance cost is charged to the Comprehensive Income and Expenditure Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.

- Any initial direct costs.
- Restoration costs.

The right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that the Authority will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life. Depreciation and impairments on non-current assets is accounted for under separate arrangements for capital financing. Amounts are therefore adjusted via the capital adjustment account from the General and Navigation Fund balance in the Movement in Reserves Statement.

Payments associated with short-term leases and with low-value assets are recognised on a straight-line basis as an expense in the Comprehensive Income and Expenditure Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items under £5,000 and comprise of IT equipment, small items of office furniture and low value land.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases.
- leases where rent reviews do not necessarily reflect market conditions.
- leases with terms of more than five years that do not have any provision for rent reviews.
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate.
- there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee.
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Peppercorn leases

Leases with payments at peppercorn or nominal consideration that are provided at substantially below market terms, and leases for nil consideration, are accounted for as follows:

- Any portion of the lease that is payable is accounted for in the same way as other lease obligations under IFRS 16 Leases
- The difference between the present value of any future lease payments due and the fair value of the lease on initial recognition is recognised as a fair value right-of-use asset on the Balance Sheet, with a corresponding gain recognised in grant income within the surplus or deficit recognised on the provision of services

The Authority has a number of leases over land and property under which it pays £nil or peppercorn rents. It has undertaken an exercise to assess the fair value of the assets leased under these arrangements through use of its property consultant, and these have been recorded in the financial statements, in respect of these leases.

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.
- Listed buildings – depreciation period could to up to 100 years

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 2025/26, 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 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 2026:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (amendments to heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
- Contracts Referencing Nature-dependent Electricity (amendments to IFRS 9 and IFRS 7) issued in December 2024.

None of the above changes are expected to have a material impact on the Authority's statements.

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 an indicative three-year settlement from DEFRA for 2026/27 to 2028/29 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	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 £55,085 for every year that useful lives had to be reduced.

Item	Uncertainties	Effect if actual results differ from assumptions
	doubt the useful lives assigned to assets.	
Property plant and equipment	Assets are valued on a five-year rolling basis, supported by indexation adjustments in years where assets are not valued. Where the authority is unable to obtain a suitable index, a desktop revaluation of the asset is carried out in year three of the five-year cycle.	Based on the assets that were valued in the year as part of the five-year rolling revaluation programme, the average increase in the value of assets was 12%. For those assets where indexation was applied, the average increase in the value of assets was 1.08%. If the valuation percentage was applied to the assets valued using indices, this would increase their Balance Sheet value by £296,345, compared to an indexation increase of £26,721.
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 £481,000. 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 2025/26 which are not disclosed elsewhere within the Statement of Accounts.

6. Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Director of Resources on 26 June 2026. 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

2024/25 Adjustments for capital purposes (Note 1) £000	**2024/25 Net change for the pension's adjustments (Note 2) £000**	**2024/25 Other differences (Note 3) £000**	**2024/25 Total adjustments £000**	**Description**	**2025/26 Adjustments for capital purposes (Note 1) £000**	**2025/26 Net change for the pension's adjustments (Note 2) £000**	**2025/26 Other differences (Note 3) £000**	**2025/26 Total adjustments £000**
49	(9)	1	41	Delivery	(37)	(62)	0	(99)
(181)	(5)	0	(186)	Resources	(1,055)	(32)	0	(1,087)
23	(4)	0	19	Chief Executive	67	(23)	0	44
0	0	0	0	Corporate Items	0	0	0	0
(100)	(20)	0	(120)	Broads Navigation Account	67	(127)	(2)	(62)
(209)	(38)	1	(246)	Net Cost of Services (subtotal)	(958)	(244)	(2)	(1,204)
0	9	0	9	Other income and expenditure from the Expenditure and Funding analysis	0	4	0	4
(209)	**(29)**	**1**	**(237)**	Difference between General and Navigation Fund surplus or deficit and comprehensive Income and Expenditure Statement Surplus of Deficit on the Provision of Services	**(958)**	**(240)**	**(2)**	**(1,200)**

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 statue including accumulated absences.

Income received on a segmental basis is analysed below:

Service	2024/25 Income from services (£000)	2025/26 Income from services (£000)
Delivery	(579)	(462)
Resources	(948)	(894)
Chief Executive	(183)	(199)
Corporate items	0	0
Specialist ringfenced account (navigation)	(4,575)	(4,853)
Total income analysed on a segmental basis	**(6,285)**	**(6,408)**

8a. Expenditure and income analysed by nature

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

Expenditure	2024/25 £000	2025/26 £000
Employee benefits expenses	5,895	5,743
Other services expenses	4,043	3,573
Depreciation, amortisation, impairment	379	408
Interest payments	69	83
Loss/(gain) on the disposal of assets	(12)	(58)
Total expenditure	**10,374**	**9,749**

Income	2024/25 £000	20256/26 £000
Fees, charges and other service income	(6,330)	(6,369)
Interest and investment income	(307)	(267)
Contributions from reserves	(477)	(398)
Government grants and contributions	(4,060)	(4,619)
Total income (subtotal)	(11,174)	(11,653)
Surplus or deficit on the provision of services	**(800)**	**(1,904)**

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	2024/25 £000	2025/26 £000
Revenue from contracts with service recipients	174	251
Total included in comprehensive income and expenditure	**174**	**251**

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

Outstanding Revenue	2024/25 £000	2025/26 £000
Receivables, which are included in debtors (Note 15)	50	113
Total included in net assets	**50**	**113**

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.

2024/25 General fund and navigation fund £000	2024/25 Capital receipts reserve £000	2024/25 Movement in unusable reserves £000	Adjustments	2025/26 General fund and navigation fund £000	2025/26 Capital receipts reserve £000	2025/26 Capital grants unapplied account £000	2025/26 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:				
(21)	21	0	Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	(58)	58	0	0
(146)	0	146	Right of use assets on transition	0	0	0	0
0	0	0	Donated Asset	(6)	0	0	6
375	0	(375)	Charges for depreciation and impairment of non-current assets	406	0	0	(406)
4	0	(4)	Revaluation losses on property, plant and equipment	2	0	0	(2)
0	0	0	Amortisation of intangible assets	0	0	0	0
30	0	(30)	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	0	0	0	0
			Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
(81)	0	81	Statutory provision for the financing of capital investment	(98)	0	0	98
(392)	0	392	Capital expenditure charged against the General Fund	(144)	0	0	144
			Adjustments involving the Capital Resources:				
0	0	0	Application of Capital Grant to finance Capital Expenditure	0	0	(1,119)	1,119
0	0	0	Transfer of Capital Grants and contributions to Capital Unapplied Grant	(1,310)	0	1,310	0
			Adjustments involving the Pensions Reserve:				
903	0	(903)	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)	658	0	0	(658)
(931)	0	931	Employer's pension contributions and direct payments to pensioners payable in the year	(895)	0	0	895
			Adjustments involving the accumulated Absences Account:				
0	0	0	Adjustments in relation to short-term compensated absences	(3)	0	0	3
(259)	**21**	**238**	**Total adjustments**	**(1,448)**	**58**	**191**	**1,199**

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 2025/26. A description of each of the earmarked reserves follows in the table below.

Reserve Name	Balance at 31 March 2024 £000	Transfers in 2024/25 £000	Transfers out 2024/25 £000	Balance at 31 March 2025 £000	Transfers in 2025/26 £000	Transfers out 2025/26 £000	Balance at 31 March 2026 £000
Property	(1,139)	(63)	359	(843)	(127)	64	(906)
Plant, vessels and equipment	(640)	(260)	117	(783)	(269)	2	(1,050)
Premises	(431)	(27)	16	(442)	(76)	13	(505)
Planning delivery grant	(277)	(270)	42	(505)	(71)	121	(455)
Upper Thurne Enhancement Scheme	(250)	(39)	6	(283)	(36)	0	(319)
Heritage Lottery Fund	(13)	(150)	163	0	(66)	54	(12)
Catchment Partnership	(70)	(60)	54	(76)	(35)	21	(90)
Computer Software	(183)	(9)	34	(158)	(28)	8	(178)
UK National Park Communications	(4)	0	1	(3)	0	3	0
Medium Term Financial Planning	(495)	(279)	311	(463)	(20)	42	(441)
Total	**(3,502)**	**(1,157)**	**1,103**	**(3,556)**	**(728)**	**328**	**(3,956)**

Included in the closing balance of £3,956k, £1,686k 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.

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

2024/25 £000	Expenditure and income detail	2025/26 £000
69	Interest payable and similar charges	83
9	Net interest on the net defined benefit liability (asset)	4
(307)	Interest receivable and similar income	(267)
(229)	**Total**	**(180)**

12. Taxation and non-specific Grant income

2024/25 £000	Income detail	2025/26 £000
	Credited to Taxation and non-specific Grant income	
3,414	DEFRA National Park Grant	3,189
250	DEFRA Capital Grant	1,385
250	DEFRA Additional Revenue funding	0
146	Donated Asset*	6
4,060	**Total**	**4,580**

* Peppercorn Leases – Prior Year/ Hardley Mill Pontoons – Current Year

13.Property, plant and equipment

Movements on balances 2024/25

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 2024	4,141	3,738	315	323	21	8,538
Right of use assets on transition (peppercorn leases)	360	5	0	0	0	365
Additions	456	363	0	0	3	822
Donated Assets	0	0	0	0	0	0
Revaluation increases/(decreased) recognised in the Revaluation reserve	201	0	0	0	0	201
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(21)	0	0	0	0	(21)
Derecognition-disposals	0	(98)	0	0	0	(98)
Reclassification	0	3	15	0	(18)	0
At 31 March 2025	**5,137**	**4,011**	**330**	**323**	**6**	**9,807**

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 2024	73	1,859	304	0	0	2,236
Depreciation charge	92	281	1	0	0	374
Derecognition – disposals	0	(66)	0	0	0	(66)
Revaluations - Revaluation Reserve	(33)	0	0	0	0	(33)
Revaluations - Surplus / Deficit on Provision of Services	(17)	0	0	0	0	(17)
At 31 March 2025	**115**	**2,074**	**305**	**0**	**0**	**2,494**

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 2025	**5,022**	**1,937**	**25**	**323**	**6**	**7,313**
At 31 March 2024	4,068	1,880	11	323	21	6,303

Movements on balances 2025/26

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 2025	5,137	4,011	330	323	6	9,807
Additions	486	652	0	0	133	1,271
Donated Assets	0	6	0	0	0	6
Revaluation increases/(decreased) recognised in the Revaluation reserve	(15)	0	0	0	0	(15)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0
Derecognition-disposals	0	(97)	0	0	0	(97)
Re-classification	0	0	0	0	0	0
At 31 March 2026	**5,608**	**4,572**	**330**	**323**	**139**	**10,972**

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 2025	115	2,074	305	0	0	2,494
Depreciation charge	109	289	1	0	7	406
Derecognition – disposals	0	(96)	0	0	0	(96)
Depreciation written out to the Revaluation Reserve	(20)	0	0	0	0	(20)
At 31 March 2026	**204**	**2,267**	**306**	**0**	**7**	**2,784**

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 2026	**5,404**	**2,305**	**24**	**323**	**132**	**8,188**
At 31 March 2025	5,020	1,937	25	323	6	7,313

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.

From 1 April 2024 Right of use assets are now included within the balance sheet under Property, Plant and Equipment, this is offset by the corresponding lease liability within current liabilities. See note 30 for further details.

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 100 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, supplemented by annual indexation in intervening years. This is as a result in a change of the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) from 1 April 2025. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

Valuations were carried out internally and externally. Valuations of land and buildings were carried out externally by Bruton Knowles Limited, 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	1,646	23	323	63	2,055
Valued at current value as at 31 March 2026	2,100	656	1	0	69	2,826
31 March 2025	1,197	3	0	0	0	1,200
31 March 2024	1,603	0	0	0	0	1,603
31 March 2023	234	0	0	0	0	234
31 March 2022	270	0	0	0	0	270
Total cost or valuation	**5,404**	**2,305**	**24**	**323**	**132**	**8,188**

14. Inventories

Description	Consumable stores 2024/25 £000	Consumable stores 2025/26 £000	Maintenance materials 2024/25 £000	Maintenance materials 2025/26 £000	Total 2024/25 £000	Total 2025/26 £000
Balance outstanding at start of year	33	34	176	130	209	164
Purchases	31	37	188	392	219	429
Recognised as an expense in year	(30)	(35)	(234)	(326)	(264)	(361)
Written off balances	0	0	0	0	0	0
Balances outstanding at year end	**34**	**36**	**130**	**196**	**164**	**232**

15. Debtors

31 March 2025 £000	Debtor types	31 March 2026 £000
50	Trade receivables	113
329	Prepayments and accrued income	657
227	Other receivable amounts	363
606	**Total**	**1,133**

16. Cash and cash equivalents

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

31 March 2025 £000	Cash and cash equivalent types	31 March 2026 £000
2	Cash held by the Broads Authority	2
1,622	Bank current accounts	2,205
1,624	**Total cash and cash equivalents**	**2,207**

17.Creditors

31 March 2025 £000	Creditor types	31 March 2026 £000
644	Trade payables	603
1,621	Accruals and income in advance	1,810
182	Other payable amounts	194
2,447	**Total**	**2,607**

18.Provisions

2024/25 Accumulated absences provision £000	2024/25 Biodiversity Net Gain Provision £000	2024/25 Bad Debt Provision £000	2024/25 Total £000	Description	2025/26 Accumulated absences provision £000	2025/26 Biodiversity Net Gain Provision £000	2025/26 Bad Debt Provision £000	2025/26 Redundancy Provision £000	2025/26 Total £000
64	30	0	94	Balance at 1 April	64	35	4	0	103
64	16	4	84	Additional provisions made in year	61	16	0	28	105
(64)	(11)	0	(75)	Settlements or cancellation of provision made at end of proceeding year	(64)	(1)	0	0	(65)
64	**35**	**4**	**103**	**Balance at 31 March**	**61**	**50**	**4**	**28**	**143**

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 2026/27.

Biodiversity Net Gain (BNG) became a new legal requirement in 2024/25 and affects most types of planning applications in England. The intention of the legislation is to ensure the biodiversity value of development sites is measurably improved as a result of development. To achieve this, the law requires most planning applications to demonstrate a minimum 10% gain for biodiversity. The requirement applies to small sites as well as major.

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

During 2025/26 the Authority undertook a restructure following a reduction in National Park funding. Further details can be found in note 31

19. Usable reserves

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

20. Unusable reserves

31 March 2025 £000	Description	31 March 2026 £000
2,707	Revaluation reserve	2,667
3,947	Capital Adjustment Account	4,950
(196)	Pensions Reserve	(182)
(64)	Accumulated Absences Account	(62)
6,394	**Total unusable reserves**	**7,373**

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.

2024/25 £000	Description	2025/26 £000
2,698	Balance at 1 April	2,707
232	Upward revaluation of assets	53
0	Downward revaluation of assets	(47)
233	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on Provision of Services (subtotal)	6
(223)	Difference between current value depreciation and historical cost deprecation	(46)
(223)	Amount written off to the Capital Adjustment Account (subtotal)	(46)
2,707	**Balance at 31 March**	**2,667**

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.

2024/25 £000	**Description**	**2025/26 £000**
3,513	Balance at 1 April	3,947
146	Right of use assets on transition	0
0	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	58
(375)	Charges for depreciation and impairment of non-current assets	(406)
(4)	Revaluation losses on property plant & equipment	(2)
0	Revenue expenditure funded from capital under statute	(337)
0	Movement in the Donated Assets	6
0	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
(31)	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	(58)
223	Adjusting amounts written out of the revaluation reserve	46

2024/25 £000	Description	2025/26 £000
(41)	Net written out amount of the cost of non-current assets consumed in the year (subtotal)	(693)
0	Capital grants and contributions credited to CIES applied for capital financing	1,645
0	Application of grants to capital financing from Capital Grants Unapplied Account	0
0	Transfer of capital grants and contributions to Capital Grants Unapplied	(191)
81	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	98
394	Capital expenditure charges against the General Fund	144
3,947	**Balance at 31 March**	**4,950**

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.

2024/25 £000	Description	2025/26 £000
(216)	Balance at 1 April	(196)
10,840	Remeasurements of the net defined benefit liability/(asset)	(226)
(903)	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	(657)

2024/25 £000	Description	2025/26 £000
932	Employer's pension contributions and direct payments to pensioners payable in the year	897
(10,849)	Reversal due to asset ceiling limitation	0
(196)	**Balance at 31 March**	**(182)**

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.

2024/25 £000	Description	2025/26 £000
(64)	Balance at 1 April	(64)
0	Settlement or cancellation of accrual made at the end of the preceding year	64
(64)	Amounts accrued at the end of the current year	(62)
64	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	0
(64)	**Balance at 31 March**	**(62)**

21. Cash Flow Statement – Operating Activities

The cash flows from operating activities include the following items:

2024/25 £000	Operating activity	2025/26 £000
300	Interest received	276
(69)	Interest paid	(83)
231	**Net cash flows from operating activities**	**193**

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

2024/25 £000	Non-cash movements	2025/26 £000
375	Depreciation	406
4	Impairment and downward valuations	2

2024/25 £000	Non-cash movements	2025/26 £000
(23)	Deferred revenue/ deferred payment agreements (IFRS 15)	(4)
500	Increase/(decrease) in creditors	448
97	(Increase)/decrease in debtors	(517)
44	(Increase)/decrease in inventories	(68)
(29)	Movement in pension liability	(240)
31	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	0
(128)	Other non-cash items charged to the net surplus or deficit on the provision of services	34
871	**Net non-cash movements**	**61**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2024/25 £000	Investing and Financing activities	2025/26 £000
5,500	Proceeds from short-term (not considered to cash equivalents)	(5,500)
(44)	Proceeds from the sale of property, plant and equipment	58
(250)	Any other items for which the cash effects are investing or financing cash flows	(190)
5,206	**Net investing and finance movements**	**5,252**

22.Cash flow statement – investing activities

2024/25 £000	Investing activity	2025/26 £000
(394)	Purchase of property, plant and equipment, investment property and intangible assets	(1,263)
(6,527)	Purchase of short-term investments	(6,978)
250	Proceeds from short term investments	1,646
44	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	58
(6,627)	**Net cash flows from investing activities**	**(6,537)**

23.Cash flow statement – financing activities

2024/25 £000	Financing activity	2025/26 £000
0	Cash receipts of short- and long-term borrowing	0
(44)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(61)
(36)	Repayments of short- and long-term borrowing	(36)
(80)	**Net cash flows from financing activities**	**(97)**

24.Members' allowances

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

2024/25 £000	Member payment type	2025/26 £000
36	Allowances	36
9	Expenses	8
45	**Total**	**44**

25.Officers' remuneration

On 1st August 2025, the Authority underwent a restructure of its directorates reducing from three to two. The Director of Strategic Services position was made redundant and the remaining two Directors were renamed Director of Delivery (formerly Director of Operations) and Director of Resources (formerly Director of Finance).

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

Job Title	Year	Salary, fees and allowances £000	Bonuses £000	Expenses allowances £000	Compensation for loss of office £000	Pension contribution £000	Total £000
Chief Executive	2024/25 2025/26	99 103	0 0	0 0	0 0	21 21	120 124
Director of Strategic Services	2024/25 2025/26	66 28	0 0	0 0	0 21	14 6	80 55
Director of Delivery	2024/25 2025/26	71 74	0 0	0 0	0 0	15 15	86 89

Job Title	Year	Salary, fees and allowances £000	Bonuses £000	Expenses allowances £000	Compensation for loss of office £000	Pension contribution £000	Total £000
Director of Resources	2024/25 2025/26	68 72	0 0	0 0	0 0	14 14	82 86

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

Number of employees 2024/25	Remuneration amount band	Number of employees 2025/26
1	£50,000 - £54,999	2
0	£55,000 - £59,999	0
0	£60,000 - £64,999	0
2	£65,000 - £69,999	0
1	£70,000 - £74,999	2
0	£75,000 - £79,999	0
0	£80,000 - £84,999	0
0	£85,000 - £89,999	0
0	£90,000 - £94,999	0
1	£95,000 - £99,999	0
0	£100,000 - £104,999	1

Exit packages

The number and cost of exit packages agreed, analysed between compulsory redundancies and other departures, are disclosed in the note 31.

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.

2024/25 £000	Type of external audit cost	2025/26 £000
74	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	76
74	**Total**	**76**

27.Grant income

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

2024/25 £000	Grant Name	2025/26 £000
3,414	Credited to taxation and non-specific grant income: Defra National Park Grant	3,189
250	DEFRA Capital Grant	1,385
250	DEFRA Additional Revenue Funding	0
146	Donated Asset (Peppercorn Leases/ Hardley Mill Pontoons)	6
4,060	**Credited to taxation and non-specific grant income (subtotal)**	**4,580**
142	Credited to services: Heritage Lottery Fund	65
72	DEFRA Access Funding	104
49	Natural England – Nature for Climate Peatland Scheme (Restoration)	89
128	Natural England - Paludiculture Exploration Fund	120
454	DEFRA Farming In Protected Landscapes (FiPL)	293
72	National Parks England - Generation Green	0
45	Department for Transport - Active Travel England	39
13	Broads IDB - Lowland agricultural peat small infrastructure pilot	0
14	Broadland Agricultural Water Abstractors Group - Lowland agricultural peat water discovery pilot	24
228	MHCLG Local Plan/ Planning Improvement	50
0	Water Restoration Fund	172
0	Norfolk Green Infrastructure and Recreational Avoidance and Mitigation Strategy (GIRAMS)	4
1,217	**Credited to services (subtotal)**	**960**
5,277	**Total**	**5,540**

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

2024/25 £000	Grant receipts in advance (revenue grants)	2025/26 £000
26	Defra Farming In Protected Landscapes (FiPL)	7
38	Plug-in Norfolk Community Electric Vehicle Charging Points	36
65	BMW Recharge in Nature	0
55	Active Travel England	216
11	Defra Access for All	42
0	Norfolk Green Infrastructure and Recreational Avoidance and Mitigation Strategy (GIRAMS)	172
0	UKNPF Green Pathways College unspent income	9
195	**Total**	**482**

Grant receipts in advance (capital grants)

2024/25 £000	Grant receipts in advance (capital grants)	2025/26 £000
0	DEFRA National Park Grant - Capital	151
0	DEFRA Farming in Protected Landscapes (FiPL)	40
0	**Total**	**191**

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 is a member of the Broads Authority and Navigation Committee and is a Director of 'Goodchild Marine Services Ltd'. Goodchild Marine paid £975 (£836 2024/25) navigation tolls in 2025/26. The Authority also moored two vessels at Goodchild Marine at a cost of £4,257 and made launch fuel and repairs of £804. Nil was outstanding at 31 March 2026.

Mr Daniel Thwaites is a member of the Navigation committee and is a Director of 'Barnes Marine Units'. Barnes Marine Units paid £173,450 (£167,303 2024/25) navigation tolls in 2025/26.

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

Durham County Council provides provision of payroll services to the Broads Authority since 1 April 2024. The Authority paid £10,113 in 2025/26 (£9,721 2024/25). No amounts were outstanding at 31 March 2026.

Norfolk County Council provides legal services to the Broads Authority via its legal practice, NPLaw. The Authority paid £52,367 for legal services in 2025/26 (£39,735 in 2024/25). £4,973 was outstanding at 31 March 2026 (£2,286 2024/25).

The Authority charged Norfolk County Council for grant funding of £2,681 during 2025/26 (£1,072 2024/25). £1,535 was outstanding at 31 March 2026 (£849 2024/25).

Wilkin Chapman provided Jonathan Goolden as the Monitoring Officer. The Authority paid £20,491 in 2025/26 (£58,033 2024/25). £7,246 was outstanding at 31 March 2026 (£10,033 2024/25).

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.

2024/25 £000	Description	2025/26 £000
92	Opening Capital Finance Requirement	688
146	Right of use assets on transition	0
925	**Capital investment:** Property, plant and equipment	1,279
(394)	**Sources of finance** Sums set aside from revenue: Direct revenue contributions	(1,267)
(81)	MRP	(98)
688	**Closing capital finance requirement**	**602**
(596)	**Explanation of movements in year** Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	(86)
(596)	**Increase/(decrease) in capital financing requirement**	**(86)**

30. Leases

Authority as lessee

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment. Most are individually immaterial; however, material leases include the lease for the headquarters building commenced in August 2024 for a term of 5 years with 1 extension option for an additional five years. Rentals increase every five years in line with the open market rent review. The value of the asset as at 31 March 2026 was £373k.

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the authority.

Type of movement	Land & Buildings £000's	Vehicles, plant and equipment £000	Total £000
Balance at 1 April 2025	758	4	762
Additions	10	0	10
Revaluations	0	0	0
Depreciation	(78)	(1)	(79)
Disposals	0	0	0
Balance at 31 March 2026	**690**	**3**	**693**

Transactions under leases

The authority incurred the following expenses and cash flows un relation to leases:

Comprehensive Income and Expenditure Statement	2025/26 £000	2024/25 £000
Interest on lease liabilities	28	20
Expenses relating to short term leases	9	34
Expenses relating to exempt leases of low value	3	6
Variable lease payments not included in the measure of lease liabilities	0	0
Income from subletting right-of-use assets	0	0
Gains or losses arising from sale and leaseback transactions	0	0

Cash Flow Statement	2025/26 £000	2024/25 £000
Minimum Lease payments	61	45

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

Time Period	2025/26 £000	2024/25 £000
Less than one year	63	60
One to five years	227	231

Time Period	2025/26 £000	2024/25 £000
More than five years	290	340
Total undiscounted liabilities	**580**	**631**

The balance of lease liabilities of £580 thousand in the table above is roughly comparable with the lease liability of £631 thousand as at 31 March 2025. The reduction is mainly due to the repayments due in 2025/26.

Authority as Lessor

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.

Operating lease income	2025/26 £000	2024/25 £000
Total lease income	4	2
Share of lease income relating to variable lease payments that do not depend on an index rate	0	0

Maturity analysis of lease receivables

The lease receivables are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

Time Period	2025/26 £000	2024/25 £000
Less than on year	3	0
One to two years	7	1
Two to three years	3	1
Four to five years	0	0
More than five years	1	1
Total undiscounted receivables	**14**	**3**

31. Termination benefits

On 1st August 2025, the Authority underwent a restructure of its directorates resulting in five redundancies. 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 2024/25	Number of compulsory redundancies 2025/26	Number of other departures agreed 2024/25	Number of other departures agreed 2025/26	Total number of exit packages by cost band 2024/25	Total number of exit packages by cost band 2025/26	Total cost of exit packages in each band 2024/25 £000	Total cost of exit packages in each band 2025/26 £000
£0-£20,000	0	0	0	4	0	4	0	28
£20,001-£40,000	0	0	0	1	0	1	0	21
Total	**0**	**0**	**0**	**5**	**0**	**5**	**0**	**49**

Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs. The total cost of £21k in the table above has been charged to the authority’s Comprehensive Income and Expenditure Statement in the current year. The authority has established a provision of £28k to address the additional liability associated with termination benefits that will be paid to officers in 2026/27.

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:

2024/25 £000	Transaction	2025/26 £000
	Comprehensive Income and Expenditure Statement	
	Cost of services:	
894	• current service cost	653
0	• past service cost	0
	Financing and investment income and expenditure	
9	• net interest expense	4
903	**Total post-employment benefits charged to the surplus or deficit on the provision of services**	**657**
	Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement:	
837	• return on plan assets (excluding the amount included in the net interest expense)	(1,293)
(58)	• actuarial gains and losses arising on changes in demographic assumptions	(621)
(5,274)	• actuarial gains and losses arising on changes in financial assumptions	(708)
(306)	• other experience	1,800
(6,039)	• changes in effect of the asset ceiling	1,048

2024/25 £000	Transaction	2025/26 £000
10,849	• reversal due to asset ceiling limitation	0
9	**Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement**	**226**
903	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	657
(932)	Actual amount charged against the General Fund balance for pensions in the year: • employers' contributions payable to scheme	(897)

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:

2024/25 £000	Type	2025/26 £000
(29,094)	Present value of the defined benefit obligation	(31,545)
28,898	Fair value of plan assets	31,363
(196)	**Net (liability)/asset arising from defined benefit obligation**	**(182)**

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

2024/25 £000	Movements	2025/26 £000
32,847	Opening fair value of scheme assets	28,898
1,595	Interest income	1,671
(837)	Remeasurement gain / (loss): • The return on plan assets, excluding the amount included in the net interest expense	1,293
6,039	Asset Ceiling*	(1,048)
(10,849)	Reversal due to asset ceiling limitation	0
0	Other Experience	735
932	Contributions from employer	897
284	Contributions from employees into the scheme	278
(1,113)	Benefits paid	(1,361)

2024/25 £000	Movements	2025/26 £000
28,898	**Closing fair value of scheme assets**	**31,363**

* 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)

2024/25 £000	Movements	2025/26 £000
33,063	Balance at 1 April	29,094
894	Current service cost	653
1,604	Interest cost	1,675
284	Contributions from scheme participants	278
(58)	Remeasurement (gains) and losses: • Actuarial gains / losses from changes in demographic assumptions	(621)
(5,274)	• Actuarial gains / losses arising from changes in financial assumptions	(708)
(306)	• Other	2,535
0	• Past Service Cost	0
(1,113)	Benefits paid	(1,361)
29,094	**Balance at 31 March**	**31,545**

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. In August 2024, the judgment has been upheld by the Court of Appeal.

The Department for Work and Pensions (DWP) has been consulted on pragmatic solutions, and the government has announced plans to introduce legislation to address the issues arising from the ruling. This legislation, included in the Pension Scheme Bill (Amendments) tabled on 1 September 2025, aims to allow affected pension schemes to obtain retrospective actuarial confirmation for historic benefit changes, without affecting scheme obligations.

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work has been performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated.

As a result, the Broads Authority does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Local Government Pension Scheme Assets

Local Government Pension Scheme assets comprised:

Fair value of scheme assets 2024/25 £000				**Fair value of scheme assets 2025/26 £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
			Cash and cash equivalents:			
1,345.1	-	1,345.1	• All cash and cash equivalents	2,652.8	-	2,652.8
			Equity instruments:			
-	-	-	• Consumer	-	-	-
-	-	-	• Manufacturing	-	-	-
-	-	-	• Energy and utilities	-	-	-
-	-	-	• Financial institutions	-	-	-
-	-	-	• Health and care	-	-	-
-	-	-	• Information technology	-	-	-
-	-	-	• Other	-	-	-
			Bonds (Debt securities):			
-	-	-	• Corporate bonds (investment grade)	-	-	-
-	-	-	• Corporate bonds (non-investment grade)	-	-	-
758.5	-	758.5	• UK Government	1,045.8	-	1,045.8
			Private equity:			
-	5,120.2	5,120.2	• All private equity	-	5,730.6	5,730.6

Fair value of scheme assets 2024/25 £000				**Fair value of scheme assets 2025/26 £000**		
-	2,551.1	2,551.1	Property: • UK property	-	2,278.1	2,278.1
-	374.9	374.9	• Overseas property	-	398.7	398.7
22,354.8	-	22,354.8	Other investment funds and unit trusts: • Equities	17,812.1	-	17,812.1
3,021.4	-	3,021.4	• Bonds	8,848.7	-	8,848.7
-	4,472.0	4,472.0	• Infrastructure	-	5,154.1	5,154.1
-	-	-	• Other	-	-	-
-	-	-	Derivatives • Other derivatives	-	-	-
23.0	-	23.0	• Foreign exchange	(31.9)	-	(31.9)
(7,643.8)	(3,479.2)	(11,123.0)	Asset Ceiling	(8,656.0)	(3,870.0)	(12,526.0)
19,859.0	**9,039.0**	**28,898.0**	**Total**	**21,671.5**	**9,691.50**	**31,363.0**

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 2025.

The principal assumptions used by the actuary have been:

31 March 2025	Assumption	31 March 2026
	Long term expected rate of return on assets in the scheme:	
5.8%	• Equity investments	6.2%
5.8%	• Bonds	6.2%
5.8%	• Property	6.2%
5.8%	• Cash	6.2%
	Mortality assumptions: Longevity at 65 for current pensioners:	
21.3 years	• Men	21.9 years
24.3 years	• Women	24.9 years
	Longevity at 65 for future pensioners:	
22.2 years	• Men	22.8 years
25.9 years	• Women	26.3 years
2.75%	Rate of inflation	3.00%
3.45%	Rate of increase in salaries	3.70%
2.75%	Rate of increase in pensions	3.00%
5.80%	Rate for discounting scheme liabilities	6.20%
	Take up of option to convert annual pension into retirement lump sum:	
45%	Pre- April 2008 service	55%
45%	Post- April 2008 service	55%

*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 2026	Approximate % increase to employer liability	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	481
1-year increase in member life expectancy	4%	1,262
0.1% increase in the salary increase rate	0%	26
0.1% increase in the pension increase rate	2%	454

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 (68.7% of scheme assets) and bonds (9.4%). 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 2028.

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 £745,000 to the scheme in 2026/27.

33.Contingent Liabilities

The Authority has identified one material contingent liability:

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 £10.6m. 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.

34.Financial Instruments

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

Financial Assets

Type	Non-Current Investments 31 March 2025 £000	Non-Current Investments 31 March 2026 £000	Non-Current Debtors 31 March 2025 £000	Non-Current Debtors 31 March 2026 £000	Current Investments 31 March 2025 £000	Current Investments 31 March 2026 £000	Current Debtors 31 March 2025 £000	Current Debtors 31 March 2026 £000	Total 31 March 2025 £000	Total 31 March 2026 £000
Amortised Cost	0	0	0	0	7,724	8,320	423	886	8,147	9,206
Total financial assets	**0**	**0**	**0**	**0**	**7,724**	**8,320**	**423**	**886**	**8,147**	**9,206**
Non-financial assets	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**7,724**	**8,320**	**423**	**886**	**8,147**	**9,206**

Financial Liabilities

Type	Non-Current Borrowings 31 March 2025 £000	Non-Current Borrowings 31 March 2026 £000	Non-Current Creditors 31 March 2025 £000	Non-Current Creditors 31 March 2026 £000	Current Borrowings 31 March 2025 £000	Current Borrowings 31 March 2026 £000	Current Creditors 31 March 2025 £000	Current Creditors 31 March 2026 £000	Total 31 March 2025 £000	Total 31 March 2026 £000
Amortised Cost	593	524	0	0	96	78	2,447	2,608	3,136	3,210
Total financial liabilities	**593**	**524**	**0**	**0**	**96**	**78**	**2,447**	**2,608**	**3,136**	**3,210**
Non-financial liabilities	0	0	0	0	0	0	0	0	0	0
Total	**593**	**524**	**0**	**0**	**96**	**78**	**2,447**	**2,608**	**3,136**	**3,210**

Income, Expense Gains and Losses

Interest Type	Surplus or Deficit on the Provision of Services 2024/25 £000	Other Comprehensive Income and Expenditure 2024/25 £000	Total 2024/25 £000	Surplus or Deficit on the Provision of Services 2025/26 £000	Other Comprehensive Income and Expenditure 2025/26 £000	Total 202/26 £000
Interest Expense	69	0	69	83	0	83
Interest Income	(307)	0	(307)	(267)	0	(267)

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 2025 Carrying Amount £000	31 March 2025 Fair Value £000	31 March 2026 Carrying Amount £000	31 March 2026 Fair Value £000
PWLB	58	59	22	22
Finance Leases	631	631	580	580
Short Term Creditors	2,447	2,447	2,608	2,608
Total	**3,136**	**3,137**	**3,210**	**3,210**

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 2025) 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 2025 Carrying Amount £000	31 March 2025 Fair Value £000	31 March 2026 Carrying Amount £000	31 March 2026 Fair Value £000
Fixed term investments	6,102	6,102	6,115	6,115
Cash at banks	1,622	1622	2,205	2,205
Short Term debtors	423	423	886	886
Total	**8,147**	**8,147**	**9,206**	**9,206**

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 2026, a small amount of invoices were overdue as at 31 March 2026. The majority of this income was received in early 2026/27 and for those overdue a bad debt provision was created in 2024/25.

Liquidity Risk

An indicative three-year funding agreement from DEFRA means the Broads Authority has some certainty over 2026/27 to 2028/29. 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 2026/27 states that if the Authority enters into any contractual arrangements above £100,000 which involve foreign currency, the advice of the Director of Resources will be sought on the advisability of hedging the exchange risk before entering into the contract.

36. Navigation Income and Expenditure Account

2024/25 Gross expenditure £000	2024/25 Income £000	2024/25 Net expenditure/ (income) £000	Description	2025/26 Gross expenditure £000	2025/26 Income £000	2025/26 Net expenditure/ (income) £000
2,978	(44)	2,934	Delivery	2,989	(88)	2,901
950	(8)	942	Resources	1,046	(3)	1,043
708	(134)	574	Chief Executive	641	(163)	478
4	0	4	Corporate Items	11	0	11
0	(4,389)	(4,389)	Navigation Income (Tolls)	0	(4,599)	(4,599)
4,640	**(4,575)**	**65**	**Cost of services (subtotal)**	**4,687**	**(4,853)**	**(166)**
		(1)	(Gains)/Losses on the disposal of non-current assets			0
		(72)	Financing and investment income and expenditure			(61)
		(96)	Donated Asset			(6)
		(104)	**(Surplus) or deficit on provision of services (subtotal)**			(233)
		(107)	(Surplus) or deficit on revaluation of fixed assets			(3)
		5	Actuarial (gains)/losses on pension assets/liabilities			118
		(102)	Other comprehensive income and expenditure (subtotal)			115
		(206)	**Total comprehensive income and expenditure**			**(118)**

37.Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (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 2028, 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
31/03/26	£1.295m	£0.558m	£3.956m

Our expected General/Navigation Fund and Earmarked Reserve position has a predicted balance of £1.102 million and £0.571 million at 31 March 2028. This remains above our minimum level of balances as previously set by our Director of Resources of £1.036 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 3.3% pay increase per full time equivalent for 2026/27, as negotiated by the National Joint Council (NJC). This is consistent with the agreed pay awards in 2024/25 and 2025/26. We have considered if a higher increase is negotiated above the 3.3%, 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

21 July 2026
Agenda item number 6

Investment Strategy and Performance Annual Report 2025/26

Report by Senior Accountant

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 2026.

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. Financial implications

2.1. The investment of unallocated cash was governed by the Authority's Treasury and Investment Strategy 2025/26 agreed by the Authority on 14 March 2025.

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 2026 are below.

Table 1

2025/26 Summary

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
Instant Access	1,490	2,057	5,464	972
32 Day Notice	566	589	589	566
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]	3,000	3,000	4,500	1,000

2.3. The figures for the previous year (2024/25) were:

Table 2
2024/25 Summary

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
Instant Access	1,239	1,490	3,346	856
32 Day Notice	539	566	566	539
95 Day Notice	2,500	2,500	2,500	2,500
DMO Fixed Deposits	2,000	3,000	3,000	1,000

2.4. The amount of interest received during 2025/26 was £266,956.54 based on interest rates ranging from 1.3% to 4.3%. Forecast interest for 2025/26 was £267,000. The sum received for 2024/25 was £306,831.53 based on interest rates that ranged from 1.6% to 5.3%.

2.5. The initial investment on the 32-day notice account has remained the same since 31 March 2025 apart from small amounts of interest being added. The instant access has increased to £2.06 million, and the Debt Management Office (DMO) remained the same at £3 million. The 95-day notice account has 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 2026/27 is £210,000, which assumes that interest received would decrease compared to 2025/26 based on a drop in the forecast base

[1] Investments can be made over night or up to 6 months. The total year-end balance is split equally into three portions of £1 million each, which are subsequently invested for: 181 days, 91 days, and 35 days respectively.

rate by the end of the financial year. Since the start of the new financial year interest rates have remained relatively stable. Current interest rates for 2026/27 means that £29,742 has already been received and the forecast will be revisited over the coming year.

Author: Izabela Foley

Date of report: 09 July 2026

Background papers: Capital, Treasury and Investment Strategy 2025/26

Broads Plan strategic objectives: All

Risk, Audit and Governance Committee

21 July 2026
Agenda item number 7

Internal Audit Annual Report and Opinion 2025/26

Report by Head of Internal Audit

Summary

This report provides the Authority with the Head of Internal Audit's annual opinion for 2025/26 on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

Recommendation

That the Committee: -

i. Receives and considers the contents of the Annual Opinion Report of the Head of Internal Audit.

ii. Notes that a 'Reasonable' audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2026.

iii. Notes that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration when developing and reviewing the Authority's Annual Governance Statement for 2025/26.

iv. Notes the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme (QAIP).

1. Introduction

1.1. In line with the Global Internal Audit Standards in the UK Public Sector 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 should include where relevant: -

- 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 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.
- 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 2025/26.

Author: Teresa Sharman

Date of report: 22 June 2026

Broads Plan strategic objectives: All

Appendix 1 – Annual Opinion Report 2025/26

Appendix A

EASTERN INTERNAL AUDIT SERVICES

BROADS AUTHORITY

Internal Audit Annual Opinion Report 2025/26

Head of Internal Audit: Teresa Sharman

Contents

Summary: Internal Audit Work 2025/26

3 Audits in 2025/26 Internal Audit Plan	
0 Urgent Recs Raised	
4 Important Recs Raised	
3 Routine Recs Raised	

Assurance Opinion Level	Number of Audits
Substantial	1
Reasonable	2
Limited	0
None	0
Position Statement	0
Deferred	0
Cancelled	0

1 outstanding recommendation at year-end

Head of Internal Audit's Opinion 2025/26	Reasonable

eias
Providing quality public sector internal audit

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 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 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.
- 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 Authority is provided by the Consortium, Eastern Internal Audit Services, hosted by South Norfolk Council, which utilises the services of three contractors, TIAA Ltd, the Shared Internal Audit Service at Hertfordshire County Council and BDO LLP. As well as the in-house Team at EIAS.

All audit work is completed in accordance with the Global Internal Audit Standards (GIAS) in the UK Public Sector and the CIPFA Local Government Application Note 2025.

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 Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Authority'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 2026.

Head of Internal Audit Annual Opinion Statement

Opinion

I am able to provide **reasonable** Assurance in relation to the Authority's framework for risk management, governance, and internal control.

Basis of opinion

I have considered the outcomes of audit work completed in 2025/26, other third-party assurances if available, the relative materiality of the issues arising from audit work as well as management's progress in addressing any control weaknesses identified, and management's progress with addressing outstanding recommendations from this year and previous years in reaching my opinion.

An analysis of the three audits completed in 2025/26 highlights the following: -

Overall

Across the audits reviewed, the Authority has established frameworks for internal control, risk management and governance, as evidenced in the Corporate Governance and Risk Management review. While the Tolls System and Income Collection audit demonstrates that these arrangements can operate effectively in practice, findings from Planning and Enforcement audit indicate that they may not be consistently embedded across all services.

The control environment is fit for purpose in design and capable of delivering strong assurance, but inconsistent application, oversight and risk utilisation limit overall effectiveness.

Internal Control

Internal controls is sound in design and effective in some areas but not consistently applied across all services.

Corporate Governance & Risk Management - control frameworks and policies are established, indicating appropriate control design.

Planning & Enforcement – there are control weaknesses in operational processes, including gaps in documentation, monitoring, or timely execution of controls, demonstrating inconsistent control effectiveness.

Tolls System & Income Collection - core financial controls are in place e.g., income collection processes.

Risk Management

Risk management is established but not fully embedded or consistently utilised to manage operations.

Corporate Governance & Risk Management - while a risk framework and registers are in place, there are gaps in regular review, challenge, and integration into decision-making at service level, indicating limited maturity.

Planning & Enforcement – there is limited evidence of active risk management informing service delivery, with operational issues suggesting risks are not always identified, escalated, or mitigated effectively.

Tolls System & Income Collection - the absence of control weaknesses suggests that key risks e.g., income collection and system reliance are being effectively managed, although this is service-specific.

Governance

Governance arrangements are sound in structure but variable in effectiveness at service level, particularly in relation to oversight and challenge.

Corporate Governance & Risk Management - governance frameworks, roles, and reporting structures are defined, but there are weaknesses in oversight e.g., review of directorate risk registers, limiting effectiveness.

Planning & Enforcement - operational issues indicate insufficient management oversight and performance monitoring, suggesting governance is not consistently effective at service level.

Tolls System & Income Collection - strong control performance indicates effective local governance and management oversight within the service, demonstrating that governance arrangements can work well when applied consistently.

Third party assurances

No third-party assurances have bene relied upon.

Limited opinions

No limited assurance opinions were issued in 2025/26.

Outstanding Recommendations

In relation to the follow up of management actions, to ensure that they have been effectively implemented, the position at year end 2025/26 is that one recommendation form 2024/25 for Cyber Security Maturity assessment was outstanding at year-end regarding a review of suppliers d periodically to ensure that they are meeting contractual security obligations and key performance targets. which has been accounted for in my overall annual opinion.

Audit Outcomes

The outcome of all audits completed in 2025/26 is shown in the table below.

Audit Area	Status	Opinion	Total Number	Urgent	Important	Routine	Improvement Actions
Tolls System and Income	Audit completed	Substantial	0	0	0	0	0
Planning and Enforcement	Audit Completed	Reasonable	4	0	3	1	0
Risk Management and Corporate Governance	Audit Completed	Reasonable	3	0	1	2	0

Grant Certifications	The following grants have been certified by EIAS so far during 2025/26: - • Paludiculture (PEF) and Restoration (RES) Exploration Funds (Period end - 2024/25)
Low Priority Audits	None

Performance Measures Outcomes

Overall Outcome

Detailed below are the outcomes of the performance measures which relate to the performance of the main contractor delivering internal audits across all the Councils and the Authority in the Consortium. Performance measures are consortium wide measures.

The overall performance status is determined as 'Amber' with only five 'fully met', four 'partially met' and one 'not met'.

Other than KPI 1, which is measured annually and KPI 6 which is measured continuously, all KPIs are measured quarterly.

This is the overall performance status at the time of writing our report. There are still several reports to be finalised across the Consortium and feedback surveys to be returned.

Senior Management

KPI Reference	Description	Outcome
KPI 1	S151, S17 Satisfaction, annual minimum is good – three out of seven replies were received from S151 Officers	Not Met - Average

Internal Audit Process

KPI Reference	Description	Outcome	Details
KPI 2	APM issued minimum 20 working days before agreed start date - 90% quarterly	Partially Met	Only met in 2 out of 4 quarters
KPI 3	Draft reports issued within 10 working days of fieldwork end date - 95% quarterly	Partially Met	Met in 3 out of 4 quarters
KPI 4	Final reports issued within 5 working days of management responses - 95% quarterly	Partially Met	Met in 3 out of 4 quarters
KPI 5	Quarterly performance pack reported to the Contract Manager within 15 working days of the end of the quarter	Partially Met	Only met in 3 out of 4 quarters
KPI 6	Respond to the Contract Manager within 3 working days where unsatisfactory feedback has been received	Met	N/A
KPI 7	PSIAS compliance - deep dive review of files - 100%. Four files per quarter	N/A	Not completed on 2025/26 audits

Clients

KPI Reference	Description	Outcome	Outcome
KPI 8	Average feedback scores from key clients, quarterly minimum average	Met - Good	Overall score at time of writing the report was 3.1 (1 is poor and 4 is excellent)

Innovation and Capabilities

KPI Reference	Description	Outcome
KPI 9	Percentage of recommendations accepted by management - 90% overall	Met
KPI 10	Percentage of qualified / experienced staff working on the contract each quarter - 60%	Met
KPI 11	Number of training hours per members of staff completed each quarter - minimum 1 day per quarter	Met

Actions to Improve

As the tables above highlight, the Contractor has not met their targets for several of the KPIs this year.

As a result, the 10% quality payment, which is withheld until the end of the year, was adjusted accordingly and not paid in full for all the Councils in the Consortium but the Authority opted to pay the 10% in full as there had been no issues with their audits.

Action to address poor performance

As the Contractor does not have exclusivity, BDO LLP and the shared internal audit service at Hertfordshire County Council continue to be used on half of the Consortium's Internal Audit Plan as well as EIAS auditors.

The contract is now being re-procured ready to be in place for the 2027/28 audit year.

Quality Assurance and Improvement Programme (QAIP)

QAIP

What do the Standards say?

The chief audit executive must develop, implement and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme has two elements, internal assessments and external assessments.

At least annually, the chief audit executive must communicate the results of the internal quality assessment to the Audit Committee and senior management covering the internal audit function's conformance with the Standards and achievement of performance objectives and plans to address deficiencies and opportunities for improvement.

A quality assurance and improvement programme is designed to evaluate and promote the internal audit function's conformance with the Standards, achievement of performance objectives, and pursuit of continuous improvement.

The Head of Internal Audit is responsible for ensuring that the internal audit function is continuously seeking improvement. This requires developing measures to assess the performance of internal audit engagements, internal auditors, and the internal audit function. These measures form the basis for evaluating progress toward performance objectives including continuous improvement.

Internal Assessment

What do the Standards say?

The Head of Internal Audit must establish a methodology for internal assessments, that includes ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives, periodic self-assessments to evaluate conformance with the Standards, and communication with the Audit Committee and senior management about the results of internal assessments. An action plan to address instances of nonconformance with the Standards and opportunities for improvement must be developed.

Ongoing monitoring

This involves the day-to-day supervision, review, and measurement of the internal audit function and is incorporated into ours and our contractor's routine policies and procedures used to manage the internal audit function. Ongoing monitoring is primarily achieved through supervisory reviews throughout audit work and the use of template working papers and documents, to ensure standardisation and consistency in the application of audit work.

Performance measures are in place to determine the efficiency and effectiveness of the internal audit function as reported above. Currently, we are only reporting against these for the main contractor. Performance measures have been agreed with the other two contractors and will be formally measured in 2026/27.

Weekly operational and quarterly performance meetings are held with the main Contractor, as will be the case for the other two contractors.

Periodic self-assessments

These enable the internal function to validate its conformance with all the Standards. These evaluate: -

- The adequacy of the internal audit function's methodologies.
- How well the internal audit function supports the achievement of the Authority's objectives.
- The quality of internal audit services performed, and supervision provided.
- The degree to which stakeholder expectations are met and performance objectives are achieved.

Results of self-assessment

A self-assessment has not been completed for 2025/26. This is because a gap analysis was completed against the new GIAS in the UK Public Sector, the results of which will be presented to the Committee later this year.

External Assessment

What do the Standards say?

The chief audit executive must develop a plan for an external quality assessment (EQA) and discuss the plan with the Audit Committee. The EQA must be performed at least once every five years by a qualified, independent assessor or assessment team.

Last EQA

An EQA was carried out in October 2022 by the Chartered Institute of Internal Auditors (IIA) against the previous Standards. 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 has not been repeated since.

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 well be ensured at the five-year anniversary in 2027.

Appendix 1 – Final Report Executive Summaries

Tolls System and Income Collection

Assurance Opinion

There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.

The audit found that controls in place for managing the toll system and the collection of tolls income are generally robust and operating effectively. The Authority faces an overarching corporate risk linked to the uncertainty around National Park and/or Navigation funding, as any reduction would affect their ability to deliver their duties and loss of toll income due to changes to / impacts on local tourism industry. This risk is being managed appropriately, with the Authority implementing effective measures to mitigate shortfalls in external funding and shortfalls in tolls income from service users.

Audit objective

To seek assurance that the controls in place to manage the toll system and collect toll income are adequate and effective, ensuring that the Authority receives all income due.

Opinion provided	Substantial	Urgent recommendations	0	Important recommendations	0	Routine recommendations	0

Areas of weakness in control design and / or effectiveness

- No areas of weaknesses identified.

Areas of strength in control design and / or effectiveness

- The Chief Executive confirmed that Defra would be cutting the Broads Authority's revenue by 8.2% which amounted to £280,000.

- To mitigate shortfalls in external funding and shortfalls in tolls income from service users the Authority has considered a range of options. Actions were taken to reduce pressure on the National Park with the revision of the budget for 2025/26 in May 2025.
- The Budget Management Team has reviewed additional expenditure originally agreed to see if in the short term that some of these items can continue as planned but be funded from the earmarked reserves or removed from the budget.
- The Authority has undergone a restructure this year to help reduce costs and have gone from three Directors to two which has had an impact on reducing the Navigation Park and Navigation expenditure. Furthermore, steps have been undertaken to reduce costs by freezing posts as they become vacant to relieve financial pressures on both the general and navigation budgets.
- Up to date procedures are in place for the receipt, administration of tolls income, and the handling of notices of contravention.
- Access to the toll system is monitored and restricted based on job roles.
- Regular reconciliation of tolls income is conducted against bank statements is undertaken with any variances investigated and resolved promptly.
- Notices of contraventions (unpaid tolls) are identified and promptly chased with recovery actions fully documented and tracked on both the tolls management system and finance system.
- Unique identifiers (e.g. boat registration numbers, plaque numbers) are used to track toll payments.
- Toll income is reconciled and any differences investigated.
- No write offs have been processed in 2025/26 with remedy for unpaid tolls actioned through the criminal court.
- Segregation of duties exists in the end-to-end control over toll collection, recording, and reconciliation.
- Toll income is reported separately under the Navigation Account.

Planning and Enforcement

Assurance Opinion

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.

Whilst core processes are in place, there were control weaknesses identified. Inconsistencies were identified in the application of Habitats Regulations Assessments (HRA) screening and assessment requirements, indicating a risk of non-compliance with the Conservation of Habitats and Species Regulations 2017.

The enforcement function is heavily reliant on a single officer who has not received formal training. In addition, limited staffing capacity reduces the Planning Team's resilience and may impact its ability to maintain service delivery during periods of absence.

Furthermore, controls relating to enforcement are not consistently applied, with an instance of non-compliance with the Authority's three working day target for acknowledging a formal compliant and gaps in record retention identified for initial complaints received.

Audit objective

The objective of this audit was to provide assurance that the Broads Authority as a local planning authority is meeting its specific responsibilities regarding planning permissions and enforcement under the Town and Country Planning Act 1990 and related legislation.

Opinion provided	**Reasonable**	**Urgent recommendations**	0	**Important recommendations**	3	**Routine recommendations**	1

Areas of weakness in control design and / or effectiveness

Habitats Regulation Assessments

Under the Conservation of Habitats and Species Regulations 2017, a Habitats Regulation Assessment (HRA) is required where a plan or project is likely to have a significant effect on a European site. The relevant competent authority must carry out its own assessment and cannot rely solely on assessments provided by applicants o rother bodies.

A review of a sample of planning applications found the following: -

- In one case, a planning application located near a Special Area of Conservation (SAC) was supported by a HRA prepared and conducted by the developer. Regulations define that when a competent authority uses the HRA of another competent authority, it should not assess any part of a proposal that the other competent authority has a role to assess. However, there was no evidence on the Public Access portal to confirm that the Broads Authority, as the competent authority, had undertaken or formally adopted or conducted its own screening or assessment, as required by the Regulations.
- In a further case, a planning application in proximity to a SAC did not include any evidence of HRA screening or an appropriate assessment having been undertaken by the Authority to ensure that the proposal does not have an impact on the European site. (Recommendation 1)

<u>Training</u>

- The enforcement function within the Planning Team is currently reliant on a single officer to manage complaints, with the oversight from the Development Manager. The officer has not undertaken any formal enforcement training or qualifications and there are no current plans in place for them to do so. (Recommendation 2)

<u>Resilience</u>

- The review identified a lack of resilience due to limited staffing capacity. During discussions with the Head of Planning, it was noted that in particular, there is an absence of sufficient officers which creates a risk that the team may be unable to effectively manage workloads during periods of leave or other absence. This lack of resilience may place additional pressure on remaining team members, potentially leading to the risk of delays in processing applications and reduced service quality. Furthermore, the team are unable to address the overall resilience of the team in providing sufficient support through the integration of new members of staff. (Recommendation 3)

<u>Enforcement</u>

- The Broads Authority Local Compliance and Enforcement Plan states that if a complainant suspects a planning breach or makes a formal complaint to the Broads Authority, this will be acknowledged within three working days. While most complaints were acknowledged on time, one case was identified where there was a delay of 11 working days, and in another case, evidence of the initial complaint was not retained on file. (Recommendation 4)

Areas of strength in control design and / or effectiveness

- Planning application guidance is publicly available through the Broads Authority website.
- Documented procedure notes and guidance manuals are in place to support officers with the processing of planning applications.
- A Local Compliance and Enforcement Plan is in place providing guidance on enforcement processes and their application within the Broads Authority executive area.
- Public Access, the Authority's online search portal, enables applications and members of the public to monitor the process of planning applications.
- The Uniform system is in place to retain records of investigations and enforcement actions. Access is restricted to authorised Planning Team personnel.
- Planning application fees and associated charges are formally approved and published on the Authority's website.
- Multiple channels are available for the submission of complaints about planning issues, including email, website, and internally generated referrals. The Broads Authority prioritises enforcement cases according to the degree of harm being caused, with highest priority given to cases where the harm (or the potential for harm) is greatest.
- A Scheme of Delegated Powers is in place for the planning and heritage service, including powers delegated to officers for planning applications and enforcement action.
- Reconciliations between the planning system and general ledger for planning fees and charges are performed on a monthly basis.
- Approvals are granted in line with appropriate levels of delegated authority. Fees are correctly received, and extensions of time are applied in accordance with the Town and Country Planning Act 1990.
- Applications are processed and determined within agreed timescales, including cases where extensions have been formally agreed.
- Planning performance is regularly reported to the Planning Committee and the Ministry of Housing, Communities and Local Government (MHCLG). Enforcement performance is reported quarterly to the Management Team via the Head of Planning.

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	The Authority to establish and implement a consistent approach to Habitats Regulations Assessments (HRA), to ensure that all relevant planning applications are appropriately screened and assessed in line with the Conservation of Habitats and Species Regulations 2017. This should include clear guidance for officers, records of decisions about whether screening assessments have been undertaken, and transparency about the use of third-party information in assessments.	Important	30/06/2026	Head of Planning
2	Management to ensure that sufficient knowledge and capability is maintained within the enforcement function by formalising current practices and documenting key processes. Consider reviewing resilience within the enforcement function through training additional staff or succession planning, to reduce reliance on single officer and ensure continuity of service.	Important	31/12/2026	Development Manager

No.	Recommendation	Priority	Implementation Date	Responsible Officer
3	Management to review the current resourcing and workforce planning arrangements within the Planning Team to improve resilience.	Important	31/12/2026	Head of Planning
4	The Authority to ensure that complaints received are to be supported by evidence on file. Regular management oversight to be introduced to ensure compliance within three working day requirement.	Routine	31/07/2026	Development Manager

Risk Management and Corporate Governance

Assurance Opinion

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.

Processes for decision making, including delegations to committees and officers, are clearly defined. However, legislative requirements around transparency for delegated decisions are not being fully met.

Risk management arrangements are generally effective, but issues have been identified with the format of risk registers and management oversight of operational risks.

Audit objective

To provide assurance that the controls in place to manage delegated decisions are adequate and effective.

To provide assurance that the recommendations made in the 2024/25 Risk Management audit have been implemented.

Opinion provided	Reasonable	Urgent recommendations	0	Important recommendations	1	Routine recommendations	2

Areas of weakness in control design and / or effectiveness

- Under The Openness of Local Government Bodies Regulations 2014, the Broads Authority is required to publish written records of certain delegated decisions taken by officers, where these involve granting a permission or licence, affect an individual's rights or incur significant expenditure. Decisions about planning permission are readily accessible on the Broads Authority website, but there are no records of decisions to award permissions, licences or contracts. (Recommendation 1)
- The Corporate Risk Register is regularly reviewed by Management Team and the Risk, Audit and Governance Committee. However, there is limited central oversight of directorate risk registers, so recurring operational issues may not be identified and responded to effectively. (Recommendation 2)

- Links to workplan activities are recorded against each risk on the Corporate Risk Register, but not on directorate risk registers. Also, mitigating actions do not have timescales, making them more difficult to monitor. (Recommendation 3)

Areas of strength in control design and / or effectiveness

- The delegated powers and responsibilities of the Authority's committees are clearly defined in the Constitution and align with the functions of each committee. Decisions made by committees are recorded in meeting minutes, which are published on the Authority's website.
- Powers delegated to officers are clearly documented, including the specific powers that can be used and by whom, general provisions about when and how officers can use delegated powers, and transparency requirements for the recording and reporting of decisions.
- The Broads Authority has an up to date and comprehensive Risk Management Policy, which sets out the processes for identifying, recording, mitigating and monitoring risks, and the responsibilities for each aspect of risk management, as well as a risk appetite statement. This states the Authority's risk appetite in various areas, with an acceptable risk level for different activities and commentary about what this entails.
- Risk registers are held as Word documents on Sharepoint, with restricted access, rather than as part of a risk management system.
- With the exception of the points identified above and in Recommendation 3, the content of risk registers reflects best practice and captures the measures being implemented to manage each risk. There is evidence that mitigating actions, both completed and planned, are regularly updated.
- Oversight and review of risk registers is provided by the Management Team and Risk, Audit and Governance Committee. The Corporate Risk Register is presented to the Committee at every meeting, three times per year, and it is evident from meeting minutes that risks are scrutinised.
- Processes are in place to escalate and de-escalate risks between the Corporate Risk Register and Directorate Risk Registers.

Added value or improvement points (these are examples of how the Authority could improve a process to be for example, more efficient or effective)

- Consider adding training materials or guidance on risk management to the Authority's intranet for staff to access as required.

Management Action Plan

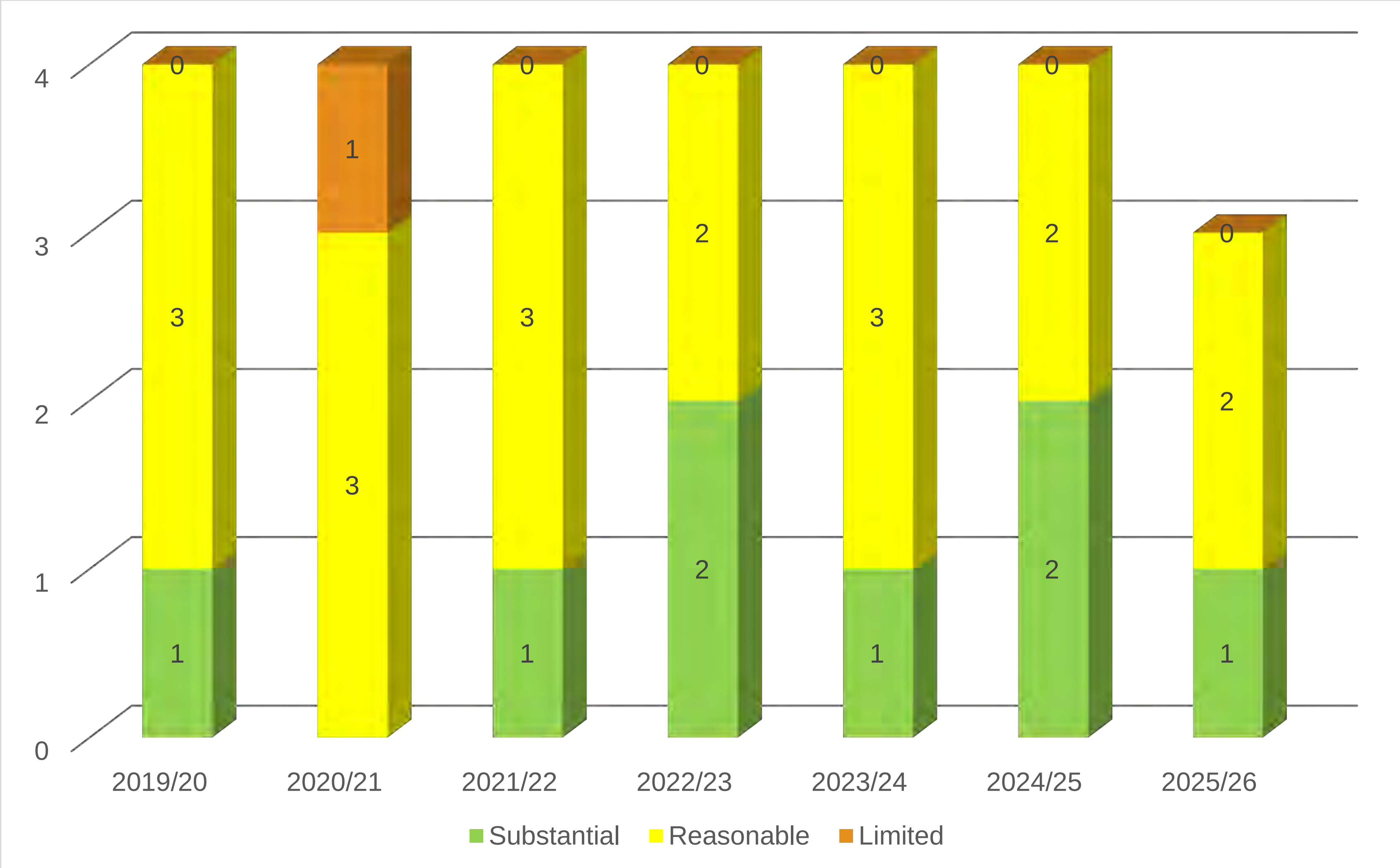
No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	Ensure that records of officer delegated decisions are published, in accordance with The Openness of Local Government Bodies Regulations 2014. This should include decisions to award a permission or licence, planning decisions and decisions to award contracts. The record of the decision should state the date of the decision, reasons and alternative options considered.	Important	July 2026	Director of Resources and Head of Governance
2	Review directorate risk registers on a regular basis to identify any recurring issues or themes. Anything identified should be reported to Management Team and Risk, Audit and Governance Committee.	Routine	July 2026	Head of Governance
3	Update the format of risk registers to include actions, and links to work plans in directorate risk registers.	Routine	July 2026	Head of Governance

Appendix 2 – Summary of Audit Opinions

Audit Opinions by Year

The table below bar-chart on the following page shows the audit opinions for assurance work over the last eight years.

Audit Year	Total Audits	Number with Substantial assurance	Number with Reasonable assurance	Number with Limited assurance	Number with No Assurance
2019/20	4	1	3	0	0
2020/21	3	0	3	1	0
2021/22	4	1	3	0	0
2022/23	4	2	2	0	0
2023/24	4	1	3	0	0
2024/25	4	2	2	0	0
2025/26	4	1	2	0	0
Total	27	8	18	1	0



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Appendix 3 – For Your Information

Definitions for overall assurance opinions and recommendation ratings are shown below.

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.

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.
Routine – Priority 3	Control issue on which action to implement should be taken within 6 months.

Risk, Audit and Governance Committee

21 July 2026
Agenda item number 8

Internal Audit Annual Plan 2026/27

Report by Head of Internal Audit

Summary

The Committee receives the Internal Audit Plan for review and approval. This report forms part of the overall reporting requirements to assist the Authority in discharging its responsibilities in relation to the internal audit activity.

Recommendation

The Committee is requested to approve the Internal Audit Plan 2026/27.

1. Introduction

1.1. An Internal Audit Plan for 2026/27 has been established with senior management and is shown in Appendix 1 of the report.

1.2. The budget for internal audits has been increased by the CPI% applied to the contractor's daily rate and three audits have been identified filling the days available. These audits focus on providing assurance against corporate risks and / or strategic priorities.

Author: Teresa Sharman

Date of report: 22 June 2026

Broads Plan strategic objectives: All

Appendix 1 – Internal Audit Plan 2026/27

Appendix A

EASTERN INTERNAL AUDIT SERVICES

BROADS AUTHORITY

Updated Internal Audit Plan 2026/27

Head of Internal Audit: Teresa Sharman

Contents

Executive Summary

Introduction

Background

Annually the Head of Internal Audit is required to provide an annual opinion on the Authority’s framework of governance, risk management and control, to those charged with governance to support the Authority’s Annual Governance Statement (AGS).

To achieve this, a risk-based internal audit plan is developed, and audits are carried out.

What do the Standards say?

Creating a plan

In accordance with the Global Internal Audit Standards (GIAS): -

‘The chief audit executive must create an internal audit plan that supports the achievement of the organisation’s objectives. The chief audit executive must base the internal audit plan on a documented assessment of the organisation’s strategies, objectives, and risks. This assessment must be informed by input from the board (Audit Committee) and senior management as well as the chief audit executive’s understanding of the organisation’s governance, risk management and control processes. This assessment must be performed at least annually.’

‘The Internal Audit Plan must: -

- Consider the Internal Audit Mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organisation’s governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation’s compliance and ethics programme, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.

- Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls, and organisational culture.'

Review, revise and changes to the Plan

'The chief audit executive must review and revise the Internal Audit Plan as necessary and communicate timely to the board (Audit Committee) and senior management: -

- The impact of any resource limitations on Internal Audit coverage.
- The rationale for not including an assurance engagement in a high-risk area of activity in the Plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.'

'The chief audit executive must discuss the internal audit plan, including significant interim changes with the board (Audit Committee) and senior management. The plan and significant changes to the plan must be approved by the board (Audit Committee).'

Flexible plan

The Plan is flexible and can be updated in response to changes in the business, risk operations, programmes, systems, controls, and organisational culture as necessary during the year. Any changes will be informed to the Committee.

Approach to audit planning

The Standards require an organisational risk assessment to be completed at least annually as the basis for the plan. Reliance has been placed on the Authority's risk information as detailed in its Risk Register.

The Authority's audit and risk universe is the Authority's corporate risks and key themes and its business services, processes, programmes, and systems. Each audit in the Plan links back to a corporate risk or key theme where relevant.

Last year, the Head of Internal Audit met with the management team and discussed what audits would be beneficial to the Authority. This discussion covered audits for 2026/27 as well which were confirmed as still being relevant with the current CEO and Director of Resources.

Appendix 1 below shows the high-level audit and risk universe and in Appendix 2 the full Internal Audit Plan 2026/27 in detail.

Internal Audit Resources

What to the Standards say?

'The chief audit executive manages resources to implement the internal audit function's strategy and achieve its plan and mandate.

Managing resources requires obtaining and deploying financial, human, and technological resources effectively. The chief audit executive needs to obtain the resources required to perform internal audit responsibilities and deploy the resources according to the methodologies established for the internal audit function.'

Financial

The budget for 2026/27 has received at 3.8% CPI% (rate in September and October 2025) increase on the 2025/26 budget in line with contractor's contract.

Staffing

The role of the Head of Internal Audit is provided by South Norfolk Council through the Eastern Internal Audit Service (EAIS) Consortium to the district councils for Breckland, Broadland, North Norfolk, and South Norfolk, Norwich City Council and Great Yarmouth Borough Council, and the Broads Authority. All Councils are bound by a Partnership Agreement.

The delivery of the internal audit plans for each Council is provided by a contractor, who reports directly to the Head of Internal Audit at South Norfolk Council. Other than the Head of Internal Audit, staffing within EIAS include a Senior Internal Auditor and a Trainee Internal Auditor.

Technology

Further details on the strategy for technology will be in the new Internal Audit Strategy once completed.. Currently, data analytics is used for full population testing in some audits. AI is used in audit work for background research, writing risks, and summarising findings in report writing. It is not currently used in audit testing. In data analytics, AI is it used to write formulas and measures when dashboards are completed for audit and administrative work.

Appendix 1 – High-level Audit and Risk Universe

Key themes		
Theme A: Responding to climate change and flood risk	Theme B: Improving landscapes for biodiversity and agriculture	Theme C: Maintaining and enhancing the navigation
Theme D: Protecting landscape character and the historic environment	Theme E: Promoting understanding and enjoyment	Theme F: Connecting and inspiring communities

Corporate Risks (scored in January 2026)		
Loss of staff - 12	Harmful actions undermining public confidence in Broads Authority - 6	Reduction in income and increase in costs - 12
Safety-related incidents (operational works) resulting in death or serious injury - 10	Safety-related incidents (boating) resulting in death or serious injury - 15	A cyber security event or a loss of service -12
A breach in data security or data protection - 8	Devolution and Local Government Reorganisation - 9	Failure to meet statutory purposes or requirements of other relevant legislation - 4

Appendix 2 - Internal Audit Plan 2026/27

Audit Area	No. of Days	Qtr	Key theme / Corporate Risk	Rationale for Audit	Overarching Assurance
Net Zero	12	2	Theme A: Responding to climate change and flood risk A2 - Work towards making all Broads Authority operations carbon neutral by 2030 and carbon zero by 2040. A3 - Agree carbon reduction targets for the Broads National Park and promote action to reduce emissions.	Achieving net zero by 2030 is important to reduce climate and flood risks, manage future costs, align with national policy, and demonstrate leadership to influence wider emission reductions across the Broads. An audit is requested.	Assurance the Authority has established effective governance, strategy, plans and performance arrangements to deliver its carbon reduction commitments and support progress towards carbon neutrality in its own operations by 2030 and carbon zero by 2040.
Disaster Recovery	12	3	There is not direct link to any of the Authority's six key themes outlined in its Broads Plan 2022-27. Disaster recovery enables the Authority to achieve its priorities by ensuring resilience, continuity, and trust.	Disaster recovery ensures critical services and systems can be restored quickly after a disruption. If disaster recovery is poor, prolonged outages can halt key functions and prevent objectives from being delivered. An audit is requested.	Assurance that the Authority has robust, tested, and effective arrangements in place to ensure it can maintain critical operations and achieve a full and timely recovery in the event of a cyber-attack. To include the existence of appropriate cyber incident response plans, business continuity arrangements,

Audit Area	No. of Days	Qtr	Key theme / Corporate Risk	Rationale for Audit	Overarching Assurance
			Corporate Risk - A Cyber security event or a loss of service		technical safeguards, and recovery capabilities.
Treasury Management	12	4	There is not direct link to any of the Authority's six key themes outlined in its Broads Plan 2022-27. Effective treasury management supports the achievement of the Authority's strategic objectives. The Authority is committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.	The Authority is responsible for managing cashflow, investments, and borrowing in line with statutory requirements, the CIPFA Treasury Management Code, the Prudential Code, and the Authority's Treasury Management Strategy (TMS) and Capital Strategy. An audit is requested.	Assurance that the Authority's Treasury Management arrangements are fully compliant with statutory and regulatory requirements (CIPFA Codes, MHCLG guidance, TM Strategy), manage cashflow effectively to minimise borrowing and optimise investment returns, are supported by clear governance, decision making and risk management, ensure investments balance security, liquidity and yield appropriately, provide reliable and accurate treasury reporting to Members and are supported by robust internal controls, segregation of duties and data integrity.

Risk, Audit and Governance Committee

21 July 2026
Agenda item number 9

External Audit

Report by Director of Resources

Summary

This report appends Ernst & Young LLP (EY) Audit planning report for 2025/26.

Recommendation

To note the Audit Plan for 2025/26.

1. Introduction

1.1. This report covers the Audit Plan for 2025/26.

1.2. David Riglar, Partner from EY will be in attendance to present this item and answer any questions.

2. Audit Planning Report 2025/26

2.1. Appendix 1 contains the Audit Plan for 2025/26 Statement of Accounts. This will be the third audit delivered under phase 2 of the Government's reset and this is highlighted on pages 5 and 6.

2.2. Page 8 and 9 highlights key risks that the audit will focus on. This includes management override of controls, inappropriate capitalisation of revenue expenditure, valuation of land and buildings and pension valuation. These risks remain consistent with those set out in the 2024/25 Audit Plan.

2.3. A timeline for the 2025/26 audit is on page 27 and fees are set out on page 35. The scale fee is consistent with that published by the PSAA on 26 November 2025 and has been included in the budget. Any additional works identified required will increase the total amount charged.

Author: Emma Krelle

Date of report: 26 June 2026

Background papers: Draft Statement of Accounts 2025/26

Broads Plan strategic objectives: All

Appendix 1 – Audit Planning Report 2025/26

Broads Authority

Audit planning report

Year ended 31 March 2026

17 April 2026

The better the question. The better the answer. The better the world works.

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Private and Confidential
The Members
Risk, Audit and Governance Committee
Broads Authority
Yare House
62-64 Thorpe Road
Norwich
NR1 1RY

17 April 2026

Dear Risk, Audit and Governance Committee Members

Audit planning report 2025/26

We are pleased to attach our audit planning report for the forthcoming meeting of the Risk, Audit and Governance Committee. The purpose of this report is to provide the Risk, Audit and Governance Committee (the Committee) of Broads Authority (the Authority) with a basis to review our proposed audit approach and scope for the 2025/26 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements.

This report is intended solely for the information and use of Risk, Audit and Governance Committee and management, and is not intended to be, and should not be used, by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 21 July 2026 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

Enc

Contents

Public Sector Audit Appointments Ltd (PSAA) issued the 'Statement of responsibilities of auditors and audited bodies'. It is available from the PSAA website (https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The 'Terms of Appointment and further guidance (updated October 2025)' issued by the PSAA (Terms of appointment and further guidance from 1 October 2025 – PSAA) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the **Risk, Audit and Governance Committee of** Broads Authority. Our work has been undertaken so that we might state to the **Risk, Audit and Governance Committee of** Broads Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the **Risk, Audit and Governance Committee of** Broads Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

01 Overview of our 2025/26 audit strategy

2025/26 audit strategy overview: Rebuilding Assurance

The purpose of this report

As the Authority's body charged with governance, the Risk, Audit and Governance Committee plays a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the Authority's wider arrangements to support a timely and efficient audit. Failure to achieve this will significantly increase the level of resources required to fulfil our respective responsibilities.

As part of our responsibilities, we assess and report on the adequacy of the Authority's external financial reporting arrangements, as well as the effectiveness of the Risk, Audit and Governance Committee in fulfilling its role within those arrangements as part of our Value for Money assessment. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. Wherever necessary, we will consider invoking other statutory reporting powers to highlight any weaknesses in these arrangements. We direct Risk, Audit and Governance Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

Our shared strategy to rebuild assurance

We are now in Phase 2 of the implementation of the Ministry for Housing, Communities and Local Government's (MHCLG) measures to address the backlog facing local government audit. Throughout 2023/24 and 2024/25, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements. Our approach recognises that recovery depends heavily on the Authority's own capacity and preparedness and that audit effort must be targeted where it can deliver meaningful assurance.

Management has overall responsibility for leading and sustaining the Authority's recovery from a disclaimed audit opinion. This includes ensuring that the financial statements are prepared in accordance with proper practices and supported by complete, accurate and timely audit evidence.

To deliver this, it is essential that management:

- Provide high quality working papers and ensure that all audit evidence is complete, consistent and readily accessible;
- Allocate sufficient, knowledgeable resources throughout the audit cycle;
- Actively engage with auditors, promptly addressing findings and resolving weaknesses in financial reporting arrangements; and
- Communicate transparently with the Risk, Audit and Governance Committee, as Those Charged with Governance, ensuring that Committee members have clear visibility of risks, progress and emerging issues.

In line with the National Audit Office's Local Audit Reset and Recovery Implementation Guidance (LARRIGs) - and specifically the guidance on rebuilding assurance following a disclaimed opinion - management must support the restoration of reliable opening balances and enable a phased progression from disclaimed to qualified and ultimately unmodified audit opinions. Achieving this requires sustained delivery of the "natural rebuild," through the completion of all planned audit procedures across successive annual cycles, alongside targeted work to rebuild assurance over historical balances, including both usable and unusable reserves, where cumulative gaps in evidence present the most significant challenges.

2025/26 audit strategy overview: Rebuilding Assurance

Our shared strategy to rebuild assurance (cont'd)

Appendix A explains the expected timeline to full assurance set out within the NAO's LARRIG 01 guidance, along with our assessment of the Authority's status. During 2023/24 and 2024/25, the focus of the rebuild process has been on this "natural" rebuild, to complete all planned audit procedures for each respective audit year. As we set out in Appendix A, as all planned audit procedures for the 2023/24 and 2024/25 audits were completed, the Authority's "natural rebuild" is now well progressed.

As part of our interim audit procedures for 2025/26, we will undertake a detailed risk assessment to evaluate the risk of material misstatement in the opening reserves balances at 1 April 2025, and to assess management's readiness to support the historic rebuild process over transactions and balances in 2022/23 that were not subject to audit. This work is expected to be completed by 30 June 2026 and is essential to determining whether the pre-2023/24 gaps in assurance - particularly those relating to reserves and property, plant and equipment additions - can be sufficiently addressed to support future progression towards an unqualified audit opinion.

We will discuss the outcome of our risk assessment over the opening reserves balances with management to confirm our planned approach for 2025/26. Before we commence our audit procedures, it will be essential for management to have completed the necessary review and reconciliation of both usable and unusable reserves, and to be able to provide assurance to Those Charged with Governance that these balances are accurate, supportable, and properly documented. This reflects management's primary responsibility for preparing the financial statements and the underlying evidence base; the audit process is not the first line of defence.

It is therefore critical that management ensure they can provide high quality working papers, robust audit evidence, and resolve the underlying issues identified in prior years as part of the 2025/26 audit cycle. This will be essential to avoid any further delay in the eventual process for rebuilding assurance over the Authority's historic position.

Preparedness for audit

Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. Our 2024/25 reporting included our assessment of the effectiveness of the Authority's arrangements to support the external audit process across a range of relevant measures (reproduced in Appendix A). We concluded that improvements were required in relation to the quality of working papers and supporting evidence and volume of misstatements in disclosure.

We will continue to report on our assessment of the quality of the Authority's financial statements' preparation and support, to support ongoing transparency of the audit process to those charged with governance, and to facilitate benchmarking and tracking of progress in future years.

Scope of our audit

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Authority. Additionally, we aim to ensure that the Authority has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an Audit Results Report that the summarises our opinion on the financial statements by 31 January 2027 and other procedures required by the Code. This includes our assessment of the control environment, including our follow up of the recommendations that we made in 2024/25 (refer to Appendix C). In addition, our Auditor's Annual Report will conclude on whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

2025/26 audit strategy overview: Rebuilding Assurance

Timeline

An audit timetable has been agreed with management. In Section 07 we include a provisional timeline for the audit. It is essential that all parties collaborate to ensure compliance with this timeline.

Our independence considerations

Please refer to Appendix B for our update on independence.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus

The purpose of our audit is to obtain reasonable assurance to express an opinion about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. There is one significant change to the scoping for the audit of the 2025/26 financial statements, relating to the implementation of CIPFA's Bulletin 22 in relation to the valuation of Property, Plant and Equipment. We have also downgraded our risk on valuation of property, plant and equipment, and removed our risk over the implementation of IFRS16 now the standard has been implemented successfully.

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Risk, Audit and Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Risk/area of focus	Risk identified	Change from PY	Details
Presumptive risk of management override of controls	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.
Valuation of Property, Plant and Equipment	Inherent risk	Decrease in risk or focus	In the 2025/26 financial statements, the Authority will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years. Successful implementation will depend on the Authority ensuring that their existing valuation programme is adapted in line with the guidance and that appropriate indices are selected to be applied in intervening years. The risk has decreased from the prior year as there has been no change in valuer and no indicators of increased estimation uncertainty. In the prior year, the appointment of a new valuer increased judgement and uncertainty, leading to a significant risk classification. We have determined that the valuation approach remains consistent to the prior year, where audit work did not identify any significant issues and the assumptions used were considered reasonable. Therefore, the risk has been reassessed as an inherent risk.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus (cont'd)

Risk/area of focus	Risk identified	Change from PY	Details
Valuation of pension liability	Inherent risk	No change in risk or focus	Accounting for the Authority's participation in the Norfolk Pension Fund involves significant estimation and judgement, including financial and demographic assumptions. There is a risk that the net pension liability recognised is materially misstated, as its recognition and measurement is subject to significant management judgement, including the application of the IAS 19 asset ceiling and the assessment of the Authority's ability to realise future economic benefits. The Authority engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Materiality

Planning materiality £0.2m

Materiality has been set at £0.2m, which represents 2% of total gross expenditure in 2025/26. This planning materiality is based on the first 9 months of data, which has then been annualised (2024/25: £0.19 million, 2%).

Performance materiality £0.15m

Performance materiality has been set at £0.15m, which represents 75% of planning materiality.

Audit differences £0.01m

We will report all uncorrected misstatements relating to the income statement and balance sheet that have an effect on income and misstatements in the OCI over £0.01m.

Other misstatements identified will be communicated to the extent that they merit the attention of the Risk, Audit and Governance Committee.

2025/26 audit strategy overview: Value for Money

Our risk assessment

Under the NAO Code we are required to:

- Satisfy ourselves that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources, having regard to NAO AGN 03;
- Design work to provide sufficient assurance to support reporting against the Code's specified reporting criteria outlined below; and
- Apply a risk-based approach to our work, informed by sector knowledge, the annual governance statement, evidence from the financial statements audit and relevant work of other bodies.

In undertaking our risk assessment, we obtain an understanding of the key processes the Authority has in place, including financial management, risk management and partnership working arrangements. Our [Auditor's Annual Report], which will be issued before 30 November 2026 will include a summary of our commentary on the arrangements in place against each of the three value for money criteria and recommendations raised as a result of any significant weaknesses identified. A key part of our work will be the follow up of previous recommendations to provide the Committee with assurance on the pace of planned improvements.

	Financial sustainability How the Authority plans and manages its resources to ensure it can continue to deliver its services.	**Governance** How the Authority ensures that it makes informed decisions and properly manages its risks.	**Improving economy, efficiency and effectiveness** How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.
Risks of significant weaknesses in arrangements identified in 2025/26:	▪ No risks of significant weakness identified in our initial risk assessment.	▪ No risks of significant weakness identified in our initial risk assessment.	▪ No risks of significant weakness identified in our initial risk assessment.
Recommendations identified in 2024/25:	▪ No recommendations identified in 2024/25.	▪ No recommendations identified in 2024/25.	▪ No recommendations identified in 2024/25.

02 Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Presumptive risk of management override of controls*

What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
In accordance with ISA 240, the presumptive risk of management override of controls is present at every entity and we design the appropriate procedures to consider such risk. ▪ Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud. ▪ Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. We consider this risk to be relevant to the Authority.	In order to address the risks outlined we will carry out a range of procedures including: ▪ Identifying fraud risks during the planning stages. ▪ Inquiry of management about risks of fraud and the controls put in place to address those risks. ▪ Understanding the oversight given by those charged with governance of management's processes over fraud. ▪ Discussing with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions). ▪ Considering whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud. ▪ Considering the effectiveness of management's controls designed to address the risk of fraud and determining an appropriate strategy to address those identified risks of fraud. ▪ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements. ▪ Undertaking procedures to identify significant unusual transactions. ▪ Considering whether management bias was present in the key accounting estimates and judgements in the financial statements. Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

Our response to significant risks

Inappropriate capitalisation of revenue expenditure*

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through: ▪ Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger. ▪ Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year. If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE) additions in the financial statements.	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure. We consider this risk to be relevant to the Authority.	In order to address the risks outlined we will carry out a range of procedures including: ▪ Testing Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature; ▪ Assessing whether the capitalised spend clearly enhances or extends the useful like of asset rather than simply repairing or maintaining the asset on which it is incurred; ▪ Considering whether any development or other related costs that have been capitalised are reasonable to capitalize, i.e., the costs incurred are directly attributable to bringing the asset into operational use; and ▪ Seeking to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters that we will include in our audit report.

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Valuation of Property, Plant and Equipment		
The fair value of Property, Plant and Equipment (PPE) represents a significant balance in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges. At 31 March 2025, the net book value of land and buildings was £5.02 million. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year end balances recorded in the Balance Sheet. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.	In the 2025/26 financial statements the Authority will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years.	In response to the risk, we will: ▪ Review and assess management's assessment and planned approach to CIPFA Bulletin 22, in the context of other challenges in the application. In particular considering the appropriateness of indices applied to assets not revalued during intervening years and triggers for revaluation; ▪ Review and appraise the work performed by the Authority's valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; ▪ Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support price per square metre); ▪ Consider the involvement of EY internal specialists to challenge the work performed by the Authority's valuers; ▪ Assess any changes to useful economic lives against the most recent valuer assessments; ▪ Test accounting entries have been correctly processed in the financial statements; and ▪ Review and assess management's impairment assessment of ongoing and completed capital projects to ensure assets are held at an appropriate value.

Other areas of audit focus

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response: Key areas of challenge and professional judgement
Valuation of Pension Liability		
The Authority's net pension liability is measured as the sum of the long-term payments due to members as they retire against the Authority's share of the Norfolk Pension Fund investments. At 31 March 2025 the Authority's net pension liability totalled £0.196 million.	The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Authority. The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Authority. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.	In response to the risk, we will: ▪ Liaise with the auditor of Norfolk Pension Fund to obtain assurances over the information supplied to the actuary and confirm joint assurances in respect of employer and employee contributions; ▪ Liaise with the auditors of the Pension Fund over their testing of the data provided for the 2025 triennial valuation; ▪ Engage our actuarial specialists to assess the work of the actuary. This will involve a consideration of the net asset/liability and any calculation of the asset ceiling in accordance with IFRIC 14 where relevant; ▪ Assess the work of PwC, appointed to consider actuarial assumptions used at the year end for all local government sector bodies; ▪ Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19; ▪ Engage our EY Pensions Consulting team to perform roll forward procedures and consider the calculation of the asset ceiling if applicable; and ▪ Consider the valuation and disclosure of unfunded liabilities, for which there are no plan assets to meet the pension liabilities. As part of our audit procedures, we will request that the Authority obtain an asset ceiling report from its actuaries. Our actuarial specialists will review the asset ceiling report to satisfy themselves that it is materially correct. Following review, we will also ensure that pension assets and liabilities are appropriately recorded within the Authority's financial statements.

03 Value for money

Value for money

Authority's responsibilities for value for money

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Authority is required to bring together a commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor responsibilities

Under the NAO Code we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

Financial sustainability

How the Authority plans and manages its resources to ensure it can continue to deliver its services.

Governance

How the Authority ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money

Planning and identifying risks of significant weakness in value for money arrangements

The NAO's guidance notes require us to conduct a risk assessment that collects sufficient evidence to document our evaluation of the Authority's arrangements, allowing us to draft a commentary under the three reporting criteria. This involves identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. In considering the Authority's arrangements, we consider:

- The annual governance statement;
- Evidence of arrangements during the reporting period;
- Evidence obtained from our audit of the financial statements;
- The work of inspectorates and other bodies; and
- Any other evidence that we deem necessary to facilitate the performance of our statutory duties.

We then evaluate whether there is evidence indicating significant weaknesses in arrangements. According to the NAO's guidance, determining what constitutes a significant weakness and the extent of additional audit work required to address the risk is based on professional judgment. The NAO indicates that a weakness can be considered significant if it:

- Exposes, or could reasonably be expected to expose, the Authority to significant financial loss or risk;
- Leads to, or could reasonably be expected to lead to, significant impact on the quality or effectiveness of service or on the Authority's reputation or unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

When planning work identifies a risk of significant weakness, the NAO's guidance requires us to consider the additional evidence needed to verify whether there is a significant weakness in arrangements. This involves conducting further procedures as necessary. We are required to report our planned procedures to the Risk, Audit and Governance Committee.

Reporting on value for money arrangements

If we determine that the Authority has not made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, the NAO Code mandates that we reference this by exception in the audit report on the financial statements.

Additionally, we are required to provide a commentary on the value for money arrangements in the Auditor's Annual Report. The NAO Code specifies that this commentary should be clear, readily understandable, and highlight any issues we wish to draw to the Authority's or the wider public's attention. This may include matters that are not considered significant weaknesses in arrangements but should still be brought to the Authority's attention. It will also cover details of any recommendations from the audit and the follow-up of previously issued recommendations, along with our assessment of their satisfactory implementation. Our 2025/26 Auditor's Annual Report must be issued in draft by 30 November 2026 to comply with the revised requirements of the NAO Code.

Value for money

Value for money risk assessment

We have completed our initial value for money planning, where we have considered:

- Our entity level controls and understanding the business assessment;
- The Authority's Risk Register and the Annual Governance Statement;
- Authority meeting minutes and our planning meetings with management;
- Key financial and budget information; and
- Key performance reports/internal audit reports.

As part of our initial planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing value for money that we needed to perform further procedures on. The risks we have identified are detailed on the table overleaf along with the further procedures we will perform. We will continue to review the body's arrangements and report.

Criteria	2024/25 judgements on arrangements	2025/26 risk assessment	2025/26 expected procedures to respond
Financial sustainability	No significant weaknesses were identified.	▪ Our VFM risk assessment is still in progress and subject to review.	▪ Not applicable.
Governance	No significant weaknesses were identified.	▪ Our VFM risk assessment is still in progress and subject to review.	▪ Not applicable.
Improving economy, efficiency and effectiveness	No significant weaknesses were identified.	▪ Our VFM risk assessment is still in progress and subject to review.	▪ Not applicable.

04 Audit materiality

Materiality

Authority materiality

For planning purposes, Authority materiality for 2025/26 has been set at £0.2 million. This represents 2% of the Authority's 2025/26 gross expenditure on provision of services. This is based on month 9 data, which has then been annualised. It will be reassessed throughout the audit process. The rationale for basing materiality on gross expenditure is that, for a public sector entity, users of the accounts expectations are focused on measuring expenditure and meeting planned targets. We have provided supplemental information about audit materiality in Appendix F.

Gross expenditure on provision of services

£9.9m

Planning materiality **£0.2m**

Performance materiality **£0.15m**

Audit differences **£0.01m**

We request that the Risk, Audit and Governance Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – The amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – The amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.15 million which represents 75% of planning materiality. Per our initial assessment, we do not believe there are errors that are indicative of pervasive errors throughout the financial statements or a higher likelihood of misstatement in other areas and have therefore used the higher end of 75% of our planning materiality.

Audit difference threshold – We will report to you all uncorrected misstatements over £0.01 million, relating to the income statement and balance sheet that have an effect on income and misstatements in the OCI.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the Risk, Audit and Governance Committee, or are important from a qualitative perspective.

05 Scope of our audit

Audit process and strategy

Objectives of our audit scoping

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Authority. Additionally, we aim to ensure that the Authority has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an audit report that covers:

1. **Financial statement audit**

Our opinion on the financial statements:

- Whether the financial statements give a true and fair view of the financial position of the Authority and its expenditure and income for the period in question; and
- Whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- Whether other information published together with the audited financial statements is consistent with the financial statements.

Other procedures required by the Code:

- Assess the Authority's requirement to submit Whole of Government Accounts schedules or returns. If submission is required, we will examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Internal audit

We will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

In 2024/25, the Authority's Internal Audit Annual Report gave an opinion of reasonable assurance over the arrangements in place.

06 Audit team

Audit team

Audit team leadership

The engagement team is led by David Riglar, who has overall responsibility for the performance of the audit and for the auditor's report issued on behalf of EY.

Our approach to the use of specialists

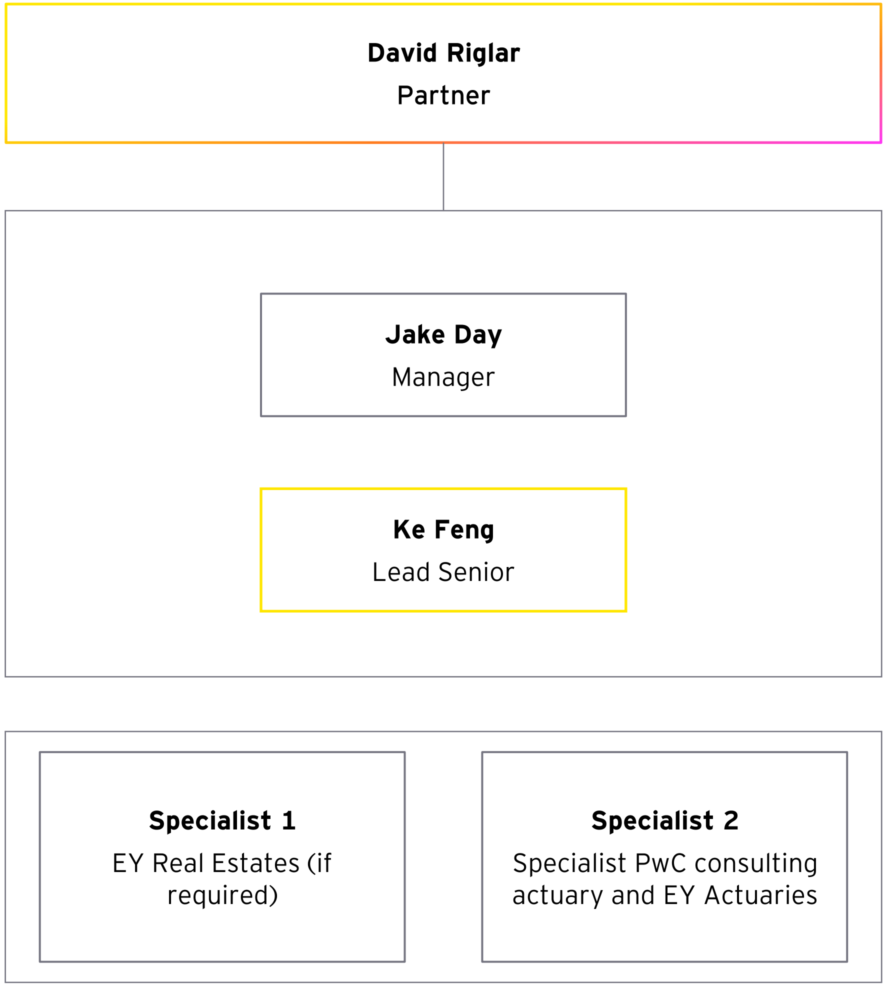
When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	Management Specialist – Bruton Knowles EY Real Estates (if deemed required)
Pensions disclosure	Management Specialist – Hymans Robertson PwC (Consulting Actuary to the NAO) EY Actuaries

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



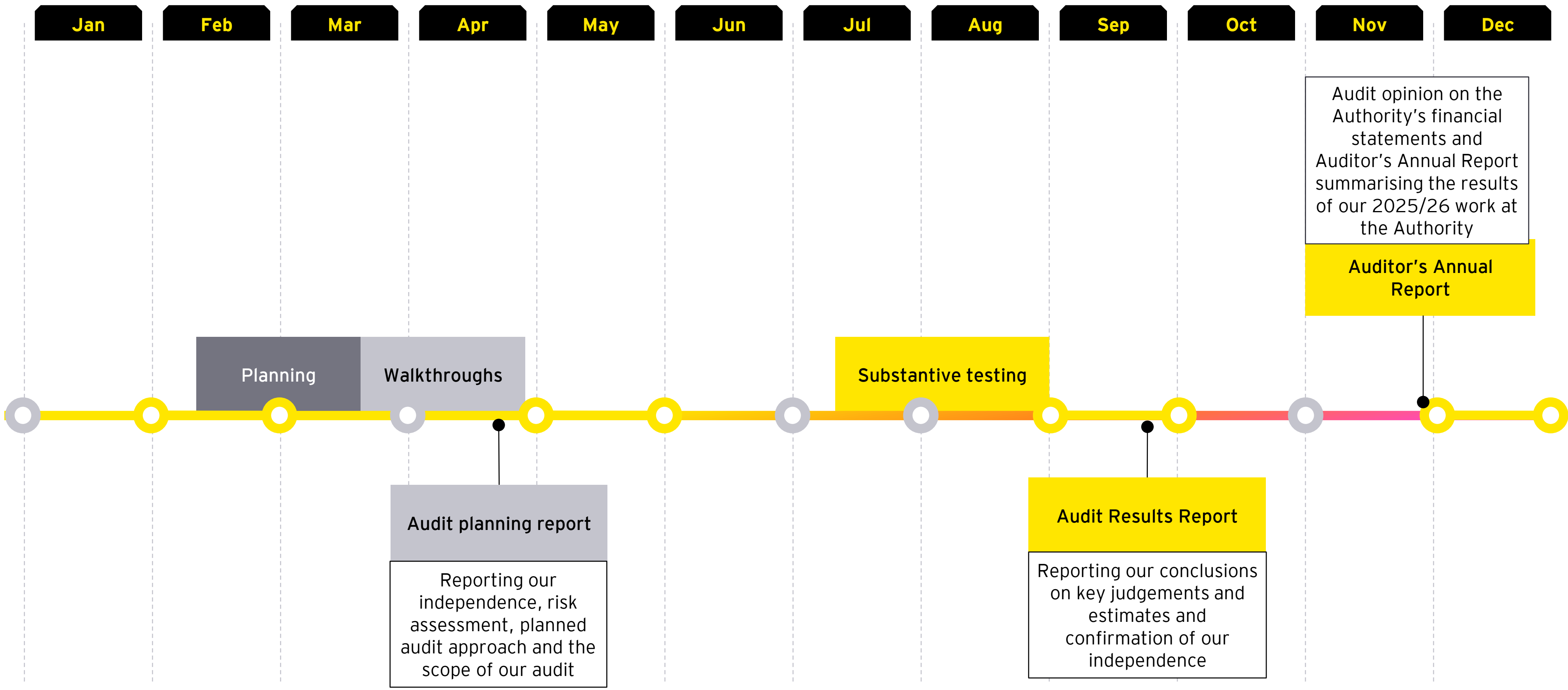
07 Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2025/26.

From time to time matters may arise that require immediate communication with the Risk, Audit and Governance Committee and we will discuss them with the Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.



08 Appendices

Appendix A — Rebuilding assurance: Responsibilities

The Authority's responsibilities

As set out in Appendix B our fee is based on the assumption that the Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular, the Authority should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- Prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
- Ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- Assign responsibilities clearly to staff with the appropriate expertise and experience;
- Provide necessary resources to enable delivery of the plan;
- Maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- Ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- Ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
- During the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable, and the start date of the audit will be delayed.

Observations from 2024/25

As we have outlined in prior years, our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. We presented our views on the effectiveness of the Authority's arrangements to support external financial across a range of relevant measures as part of our 2024/25 Audit Results Report. We have repeated this assessment on the following page of this report.

Appendix A — Rebuilding assurance: Responsibilities

Factors impacting the execution of the 2024/25 audit

Area	Status (R / A / G)	Explanation	Further detail
Timeliness of the draft financial statements	Effective	The financial statements were published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations.	**N/A**
Quality and completeness of the draft financial statements	Effective	Whilst there were multiple disclosure errors, no significant issues in the quality of accounts were noted.	The Leases Note was noted to have significant errors and will require improvement for 2025/26. Given this is in relation to first-time adoption of IFRS16, we have not deemed this a pervasive issue across the financial statements as a whole.
Delivery of working papers in accordance with agreed client assistance schedule	Effective	The majority of working papers were provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Requires Improvement	Whilst working papers and supporting evidence were generally of a good standard, evidence provided in relation to Cashflow Statement and Other Expenditure requires improvement going forward.	Income & Expenditure listings could not initially be reconciled to the Draft Accounts. Initial Expenditure evidence provided was often not third-party and failed to indicate which financial period the services related to. The Cashflow Statement did not balance after amendments.
Timeliness and quality of evidence supporting key accounting estimates	Effective	Evidence provided around the key accounting estimates was generally of a good standard.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective	The Director of Finance and the wider finance team were accessible throughout the audit and for the most part responded to queries in a timely manner.	N/A
Volume and value of identified misstatements	Effective	Value of misstatements identified were generally below performance materiality.	N/A
Volume of misstatements in disclosure	Requires Improvement	A relatively high number of disclosure misstatements were noted throughout the financial statements.	N/A

Key:

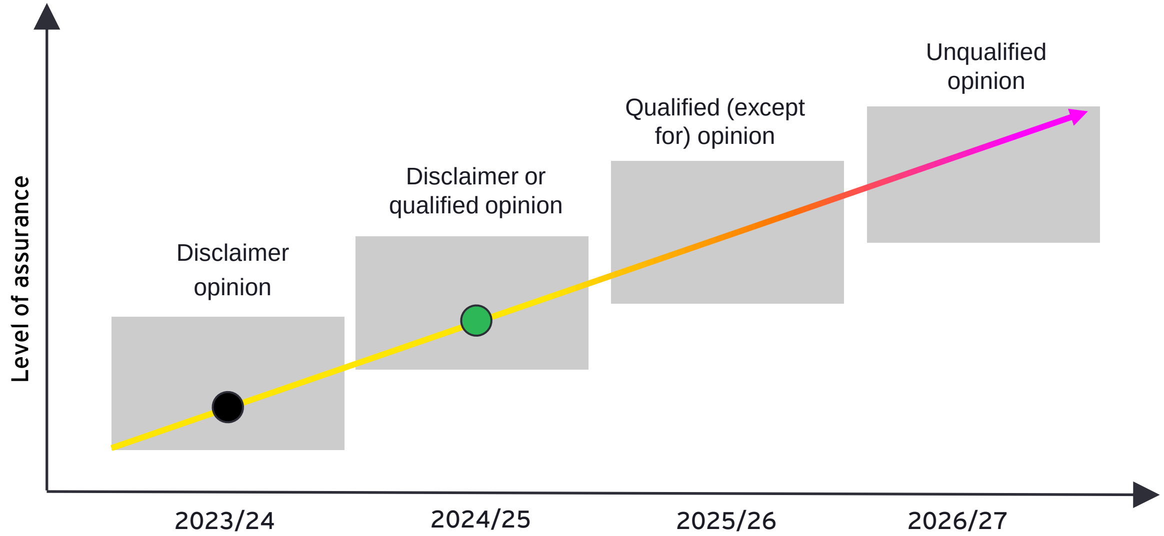
- **Red: Ineffective.** In our judgement, significant improvements are required in the Authority's arrangements to support the rebuilding of assurance. Action should be taken to respond immediately.
- **Amber: Requires Improvement.** Matters or issues had an impact on the delivery of the audit and should be addressed in future years.
- **Green: Effective.** There were no significant matters that impacted the timing or effectiveness of audit procedures.

Appendix A — Rebuilding assurance

Progress to full assurance

The chart below sets out the illustrative timescale for the process of rebuilding assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Authority's actual progress against that timescale, the reasons for that assessment and what still needs to be done to successfully rebuild assurance.

The guidance recognises that the path to full assurance, and therefore an unqualified opinion, will usually take a number of years to achieve, and depends upon co-ordination and engagement between the Authority and audit team. Since 2022/23, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements.



Broads Authority progress

In the audit report for the year ended 31 March 2025, a qualified audit opinion was issued which drew attention to the outstanding areas where we have no assurance.
In the audit report for the year ended 31 March 2024 a disclaimer of opinion was issued due to the application of the backstop date.

In our view, the Authority's progress is in line with the expected timescales set out in LARRIG 01.

In 2024/25 we were able to make significant progress in the level of assurance achieved across all account areas. Our risk assessment for 2025/26 is underway, and our work will seek to focus on continuing to buildback assurances in the following areas:

- Property, plant and equipment balances, taking account of CIPFA Bulletin 22; and
- Reserve balances.

Efficient delivery will continue to rely on the strong cooperation we have experienced to date, including timely responses, clear communication and the provision of good quality working papers. Maintaining this approach will support us in completing the audit in line with the agreed timetable.

Appendix B - Independence and Fees

The FRC Ethical Standard 2024 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
▪ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us. ▪ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review. ▪ The overall assessment of threats and safeguards. ▪ Information about the general policies and process within EY to maintain objectivity and independence.	▪ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed. ▪ Details of non-audit/additional services provided and the fees charged in relation thereto. ▪ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy. ▪ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence (for breaches of the FRC Ethical Standard include details of its significance). ▪ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Appendix B - Independence and Fees

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of David Riglar, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in your company. Examples include where we have an investment in the Authority; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2024 (FRC ES), and we will comply with the policies that you have approved. At the time of writing, there are no non-audit fees.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with FRC ES Section 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Appendix B - Independence and Fees

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

EY Transparency Report

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.
Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2025 and can be found here: EY UK 2025 Transparency Report.

Appendix B — Independence and Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statement opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority;
- An effective control environment; and
- Compliance with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/. In particular, the Authority should have regard to paragraphs 26–28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance.

	Current Year	Prior Year
	£	£
Total Fee – Code Work (Note 2)	£76,338	£74,259
Other (Note 1)	TBC	TBC
Total fees	**TBC**	**TBC**

All fees exclude VAT

1. As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC, PSAA will use its fee variation process to determine the final fee the Authority have to pay for the audit.
2. The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:

- Consideration of correspondence from the public and formal objections;
- New and revised accounting standards;
- Non-compliance with law and regulation with an impact on the financial statements;
- Value for money risks of, or actual, significant weaknesses in arrangements and related reporting impacts;
- The need to exercise auditor statutory powers;
- Prior period adjustments; and
- Modified financial statement opinions.

Appendix C — Prior year recommendations

As part of our annual audit procedures we will follow up the specific open and in progress recommendations reported within our 2024/25 reporting, including those relating to value for money arrangements. The 3 open recommendations from prior years are outlined below, along with the response from management.

Classification of recommendations		
Grade 1: Key risks or significant deficiencies which are either critical to the achievement of strategic objectives or significant risks to material compliance with regulatory requirements. Management needs to address and seek resolution urgently.	**Grade 2:** Risks or potential weaknesses which impact on objectives and compliance, or impact the operation of a single process, and so require prompt but less urgent immediate action by management.	**Grade 3:** Less significant issues or areas for improvement which consider merit attention but do not require to be prioritised by management.

Internal control weaknesses

No.	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
1.	Journal Posting by S17 Officer – In 2024/25, the S17 Officer posted 316 journals directly to the general ledger (2023/24: 17). We extended our testing to include the material journals and have not identified any accounting issues arising. However, as a Senior Officer, the S17 Officer should refrain from posting journals to ensure proper segregation of duties and maintain robust internal controls.	We recommend that the S17 Officer does not post journals and instead reviews them where their input is required. ▪ Grade 2	Management agree that this is an issue, however due to the capacity of the relatively small finance team this is not always possible and as a result the S17 Officer does post journals on occasions. As of period 9, the S17 Officer has not posted any journals for 2025/26. This has meant there has been no requirements for lower seniority staff to review any senior officer journals either.
2.	Journal Review by Lower Seniority Staff - The journals posted by the S17 Officer are reviewed by the Senior Accountant or Financial Accountant, both of whom are lower seniority. This arrangement compromises the effectiveness of the review process and does not align with best practices for oversight and accountability.	As above. ▪ Grade 2	As above.

Appendix C — Prior year recommendations

Internal control weaknesses (cont'd)

No.	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
3.	No formal Minimum Revenue Provision (MRP) policy in place - Based on statutory guidance (Capital finance: guidance on minimum revenue provision (5th edition)), all local authorities need to prepare an MRP policy statement ahead of each financial year. There is currently no policy prepared by the Authority. MRP for the Authority was £80k.	Although this will not be possible for the start of the subsequent period, we recommend that the Authority put in place a formal MRP policy statement for 2025/26 that can then be adhered to going forward. ▪ Grade 2	Management agree that they are required to publish a formal MRP policy per the statutory guidance.

Appendix D — Regulatory update

Key regulatory changes

There are a number of key regulatory developments underway relating to local authority governance and the audit of the Authority's financial statements. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Broads Authority
English Devolution and Community Empowerment Bill	The Bill has completed all scrutiny stages in the House of Commons and is now at Committee stage (Grand Committee) in the House of Lords. The following measures therefore remain proposals until Royal Assent is granted: ▪ **Local audit system reforms:** The Bill includes provisions to reform elements of the local audit framework in England alongside support measures intended to address the audit backlog. The Bill will also enable changes to the way audit oversight and local audit responsibilities operate. Section 61 of the Bill provides for the establishment of the Local Audit Office (LAO). Legislation will set out that the main objective of the LAO is to secure the effective operation of the system of audit, with a view to meeting the needs of users of audited accounts. The LAO will appoint auditors to non-NHS bodies, determine audit fees and prepare one or more Code of Audit Practice. ▪ **Combined authorities and Combined County Authorities:** The Bill expands powers and functions of combined authorities and places combined county authorities on a clearer statutory footing. This will allow further transfer of functions from constituent councils. ▪ **Devolution of functions to "Strategic Authorities":** The Bill expands the category of Strategic Authorities and allows transfer of responsibilities from central government and councils. ▪ **Local Government Reorganisation:** The Bill supports changes to council structures to support devolution.	▪ Local audit system reforms may result in changes to audit timescales or responsibilities and there may therefore be transition risks in future years. ▪ The Bill provides that the Authority must have an Audit Committee, and that at least one member of the Committee be an independent person.

Appendix D — Regulatory update

Key regulatory changes (cont'd)

Name	Summary of key measures	Impact on Broads Authority
Public Office (Accountability) Bill	The Public Office (Accountability) Bill aims to impose a duty on public authorities and public officials to "at all times act with candour, transparency and frankness in their dealings with inquiries and investigations." Breach of the duty would be a criminal liability. The Bill is expected to apply not only to both core public bodies delivering public services but also private bodies delivering public functions such as those on a government contract. The Bill also proposes: ▪ A new statutory duty on public authorities to promote and take steps to maintain high standards of ethical conduct, as defined by the Seven Principles of Public Life, or "Nolan Principles"; ▪ Reforms that will make it easier to prosecute misconduct in public office; and ▪ An offence of misleading the public.	▪ While the Bill continues to make its way through the House of Commons Committee processes, the Authority should ensure that training and support for senior officers is enhanced to take account of greater expectations in relation to local government standards.
Local audit reform: Government response to the consultation to overhaul local audit in England	The government response sets out a comprehensive overhaul of the local audit system in England. Central to the reforms is the creation of the Local Audit Office (LAO), which will assume responsibility for appointing auditors, preparing Codes of Audit Practice, enforcing quality standards, and overseeing audit delivery. A phased transition plan will move existing responsibilities from Public Sector Audit Appointments (PSAA) and other bodies to the NAO between 2026 and 2027, with the aim of stabilising the system, addressing audit backlogs, and restoring confidence in the timeliness and quality of local audit.	▪ These reforms will lead to more prescriptive expectations around audit readiness, governance, documentation quality, and responsiveness. Authorities should anticipate tighter reporting deadlines and increased scrutiny of working papers, internal controls, and VFM arrangements.

Appendix E — Required communications with the Risk, Audit and Governance Committee

We have detailed the communications that we must provide to the Risk, Audit and Governance Committee.

		Our Reporting to you
Required communications	**What is reported?**	**When and where?**
Terms of engagement	Confirmation by the Risk, Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report – April 2026 - Risk, Audit and Governance Committee
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Other significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management ▪ Circumstances that affect the form and content of our auditor's report ▪ Other matters if any, significant to the oversight of the financial reporting process	Audit results report - TBC - Risk, Audit and Governance Committee

Appendix E — Required communications with the Risk, Audit and Governance Committee

		Our Reporting to you
Required communications	**What is reported?**	**When and where?**
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements	Audit results report - TBC - Risk, Audit and Governance Committee
Misstatements	▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods	Audit results report - TBC - Risk, Audit and Governance Committee

Fraud	▪ Enquiries of the Risk, Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity
	▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist
	▪ Unless all of those charged with governance are involved in managing the entity, unless prohibited by law or regulation any identified or suspected fraud involving:
	  ▪ Management;
	  ▪ Employees who have significant roles in internal control; or
	  ▪ Others, when the identified or suspected fraud is other than clearly inconsequential.
	▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected
	▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud
	▪ Any other matters related to fraud, relevant to Risk, Audit and Governance Committee responsibility
		Audit results report - TBC - Risk, Audit and Governance Committee

Appendix E — Required communications with the Risk, Audit and Governance Committee

		Our Reporting to you
Required communications	**What is reported?**	**When and where?**
Related parties	Significant matters arising during the audit in connection with the entity's related parties	Audit results report - TBC - Risk, Audit and Governance Committee
Independence	Communication of the relevant ethical requirements, including those related to independence, that we apply for the audit engagement, including any independence requirements specific to audits of financial statements of the entity. Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence ▪ Breaches of IESBA Code of Ethics, local independence regulations or professional standards (for breaches of the FRC Ethical Standard, include details of the breach and its significance) Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place. Communication of relevant information to those charged with governance, to enable them to provide concurrence on the non-audit services being provided.	Audit planning report – April 2026 - Risk, Audit and Governance Committee Audit results report - TBC - Risk, Audit and Governance Committee

Appendix E — Required communications with the Risk, Audit and Governance Committee

		Our Reporting to you
Required communications	**What is reported?**	**When and where?**
External confirmations	▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures	Audit results report - TBC - Risk, Audit and Governance Committee
Consideration of laws and regulations	▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the Risk, Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Risk, Audit and Governance Committee may be aware of	Audit results report - TBC - Risk, Audit and Governance Committee
Internal controls	▪ Significant deficiencies in internal controls identified during the audit ▪ Significant deficiencies identified in the Authority's system of internal control	Audit results report - TBC - Risk, Audit and Governance Committee
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report - TBC - Risk, Audit and Governance Committee
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report - TBC - Risk, Audit and Governance Committee
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report - TBC - Risk, Audit and Governance Committee
Auditors report	Any circumstances identified that affect the form and content of our auditor's report	Audit results report - TBC - Risk, Audit and Governance Committee Auditor's annual report - TBC - Risk, Audit and Governance Committee

Appendix F — Additional audit information

Objective of our audit

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Other required procedures during the course of the audit

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Risk, Audit and Governance Committee reporting appropriately addresses matters communicated by us to the Risk, Audit and Governance Committeeand reporting whether it is materially inconsistent with our understanding and the financial statements.
- Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- The locations at which we conduct audit procedures to support the opinion given on the financial statements; and
- The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

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Ernst & Young LLP

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Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

UKC-038208 (UK) 03/25. Creative UK.
ED None

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Risk, Audit and Governance Committee

21 July 2026
Agenda item number 10

Annual Governance Statement 2025/26 and Code of Corporate Governance 2026

Report by Head of Governance

Summary

Every year the Broads Authority reviews its governance and internal control systems, including risk management, and publishes an Annual Governance Statement and action plan, supported by a Code of Corporate Governance, to show how it is complying with the principles of good governance. The Annual Governance Statement 2025/26 and Code of Corporate Governance 2026 are appended to this report.

Recommendation

To recommend the Annual Governance Statement 2025/26 to the Broads Authority for approval and note 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 2024, we must publish our draft un-audited annual Statement of Accounts by 30 June 2026. 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 AGS and Code of Corporate Governance (CCG) were both published on the Authority’s website on 19 June 2026.

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 CCG all provide evidence for the AGS.

1.3. Once the Risk, Audit and Governance Committee has reviewed the AGS, any suggested amendments or recommendations will be presented to the Broads Authority on the 24 July 2026. Once the Authority approves the Statement, it will be signed by the Chair and Chief Executive and the Action Plan 2026/27 will be 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 2025/26 is "reasonable", with one of the three audits (Tolls System and income collection) having a "substantial" assurance grading. The audits for Corporate Governance and Risk Management, and Planning and Enforcement received "reasonable" assurances. The Authority's Management Team accepted 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: Lorraine Taylor

Date of report: 17 June 2026

Background papers: none

Broads Plan strategic objectives: n/a

Appendix 1 – Draft Annual Governance Statement 2025/26 and Code of Corporate Governance 2026

Annual Governance Statement 2025/26 & Action Plan 2026/27 and Code of Corporate Governance 2026

This draft published June 2026

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Contents

Executive Summary

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 24 July 2026 and available via this link. Our action plan 2026/27 and a review of last year's action plan are at Appendices 1(a) and 1(b).

Summary of key conclusions

The Broads Authority's governance framework is fit for purpose, but requires some minor improvements in the Authority's framework of governance, risk management and control as set out in Appendix 1.

Decision-Making and Accountability: The Authority's decisions are transparent, reasoned, and lawful and align with the Local Government Association's Guide to effective decision making.

Scrutiny and Challenge: The Authority's procedures and policies are regularly reviewed by the Management Team, Governance, audit, as well as the Risk, Audit and Governance Committee, Standards Committee, and approved by the Board. Members of the public can raise concerns through the Authority's complaints process and are able to participate at Authority meetings via public questions or public speaking.

Financial Management and Risk: Both the Authority and Navigation committee receive regular updates on the finances throughout the year, with the section 17 officer in attendance to answer questions. Members are consulted on the toll increases and the draft budget, through to final approval. Through annual internal audit, the Authority's internal controls are resilient and have achieved either substantial or reasonable assurances. The Statement of Accounts are annually audited by EY the Authority's external auditors. The

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

Accounts and Audit (Amendment) Regulations 2024 sets out the backstop dates to clear the backlog faced by Local Government bodies. As set out in the 2024/25 audit results report the Authority is on a good trajectory to move away from disclaimed/qualified except for opinions to unqualified. The Authority's risk registers are up-to-date and are reviewed by the Risk, Audit and Governance Committee on a regular basis and form part of the annual governance internal audit review. **Culture and Conduct:** The Nolan Principles of Public Life (integrity, objectivity, accountability, openness, honesty, leadership) are embedded in the Authority's Codes of Conduct. There has been no Code of Conduct complaints, whistleblowing reports, or public complaints in 2025/26.

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 Authorities[2]. 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.

1.2. 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.

A work plan and timetable for the review of the current Broads Plan and preparation for a new Broads Plan to cover the period 2028-2033 was approved by the Broads Authority on 27 February 2026 and the work has now commenced in line with that work plan.

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, Landscape Character Assessment and other planning guidance, to help with the implementation of policies. The Local Plan is subject to

[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.

regular review, and the current review is underway. The consultation on Issues and Options happened between April and May 2024 and was followed by a consultation on the Submission version of the Local Plan (Reg 19) in the summer of 2025. The Local plan was submitted to the Planning Inspector in December 2025 and examination will be held in September 2026.

Our Annual Business Plan outlines 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 2026/27 outlines our work plans for 2026/27 and 3-year financial strategy for 2026/27 to 2028/29.

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. Protected Landscapes Targets and Outcomes Framework

The Government announced how it will monitor the delivery of Protected Landscapes in January 2024. The Protected Landscapes Target Outcome Framework (PLTOF) includes 10 targets against the following themes: thriving plants and wildlife, Mitigating and adapting to climate change, and Enhancing beauty, heritage and engagement with the natural environment. A PLTOF Framework was presented to the Broads Authority on 19 September 2025, where the Board approved the addition of an annex setting out PLTOF targets to the Broads Plan section of the Broads Authority's website. When the new Broads Plan is prepared, the PLTOF targets will be included. Further detail on the targets is set out in the Broads Nature Recovery Strategy 2024/29.

The Authority approved the Broads Nature Recovery Strategy (2024-29) (BNRS) in November 2024. The BNRS includes a five-year Delivery Plan which outlines priority actions, either led by the Broads Authority or in partnership with others, as well as projects managed by other organisations working in the Broads. The Strategy will be monitored by the Broads Biodiversity Partnership, a network of organisations, businesses and individuals working collaboratively to enhance habitats and species.

2.2. Environment Act, Agricultural Transition and Land Use

Recent changes to environment and agricultural policies continue to shape the funding landscape, project delivery and land use management 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. Notably Section 40 of the Environment Act imposes a duty on public authorities to have due regard to conserving and enhancing biodiversity, especially habitats and species of greatest conservation importance.

A key mechanism introduced by the Act is the creation of Local Nature Recovery Strategies (LNRSs). These are locally-led, spatial strategies that identify priorities for nature's recovery and map specific proposals for creating or improving habitat. LNRSs will play a critical role in influencing land use decisions and aligning local environmental priorities with national goals, including Biodiversity Net Gain (BNG), protected site management including Protected Site Strategies, and Environmental Land Management (ELM) scheme delivery. The Broads Authority must have regard to the Norfolk and Suffolk LNRSs as they are developed and adopted. The Norfolk LNRS and Suffolk LNRS were published in October 2025.

In parallel, under the Agricultural Transition Plan, the government is rolling out Environmental Land Management schemes, which are designed to support the provision of environmental and climate benefits through land management with three schemes to pay for environmental and climate goods and services:

- Sustainable Farming Incentive (SFI): Supports farmers to adopt sustainable practices that benefit the environment alongside food production, when funding is available.
- Countryside Stewardship (CS): Provides payments for targeted environmental management actions.
- Landscape Recovery: Funds larger-scale, long-term projects focused on habitat and landscape restoration.

Additional funding is provided through the Farming in Protected Landscapes programme (FiPL), also as part of Defra's Agricultural Transition Plan. It offers funding to farmers and land managers in National Landscapes, National Parks and the Broads to support nature recovery, climate resilience, heritage, and public access. FiPL started in 2021, and has been extended for 3 years, until March 2029.

The England Peatland Action Plan (2021) outlines a long-term vision for the management, protection and restoration of peatlands, for the benefits of wildlife, people and the planet. The Caudwell Report (June 2023) addresses the role of lowland peat in reducing greenhouse gas emissions. The ambitions are supported by funding from the Nature for Climate scheme programme.

Natural England has changed its approach to monitoring SSSI condition, from individual unit assessments to whole feature evaluation. This change could impact restoration planning and the management of pressures on SSSI sites across the Broads.

The Land Use Framework for England was published in March 2026. Its aim is to guide the use of land to meet competing demands (food production, nature recovery, carbon sequestration, housing, and energy infrastructure) within environmental limits. The Framework provides the blueprint for how land in England can be used effectively to ensure there is sufficient land to deliver key nature environment and climate targets. It will help identify where habitat restoration is most needed and ensure space for nature is integrated into urban, as well as rural, landscapes. It sets a clear pathway to nature recovery, supporting the government's 30by30 commitment.

2.3. Planning policy changes

Changes to planning policy need to be considered, as follows:

- In February 2025, the Government published a revised National Planning Policy Framework (NPPF) which replaced the previous NPPF published in March 2012. The changes to the NPPF were reflected in the emerging Local Plan. The Local Plan was submitted to the Planning Inspectorate on 16 February 2026 and the Inspectorate confirmed that the hearing would be held in September 2026.
- The Planning and Infrastructure Bill gained Royal Assent on 18 December 2025 setting out wide-ranging reforms to streamline the planning system, speed up the delivery of infrastructure, and simplify decision-making processes. It will make provision about infrastructure, town and country planning, environmental outcomes, and will provide a more streamlined process for Nationally Significant Infrastructure Projects (NSIPs). This Bill will provide both opportunities and risks for the Broads, and could affect the governance and planning responsibilities of the Broads Authority, particularly in ensuring environmental protection remains robust.
- Planning fees in England are set nationally by the government. The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2023 introduced an automatic, annual increase to planning fees. As from 1 April 2025, this increases planning fees annually, on 1 April each year.

2.4. Devolution and Local Government Reorganisation

The Government is reorganising local government in the UK to create more efficient and streamlined structures. The Government's long-term vision is for simpler council structures, which make it clear who is responsible for services.

For Norfolk and Suffolk, this means fewer and larger unitary councils compared to the current two-tier model. In March 2026, the government announced that Norfolk and Suffolk will replace their current two-tier council systems with six new unitary authorities (three in each county) by April 2028.

This plan will therefore have an impact on s.1(3) of the Norfolk and Suffolk Broads Act 1988 in relation to the number local authority members appointed to the Authority, and their appointing authority. The Broads Authority has taken an active approach, responding to the consultation, and will respond to any changes over the next three years.

2.5. Defra revenue grant for 2026/27

National Parks in England capital and revenue remained at 2025/26 levels from Department for Environment, Food & Rural Affairs (Defra) in the 2026/27 financial year. In addition, National Parks in England have been awarded a one-off revenue payment to be spent by 31 March 2027.

Over the next financial year, the organisation will identify ways to spend both the capital grant and one-off revenue payment by 31 March 2027.

2.6. Ministry review of Code of Conduct

The Ministry of Housing, Communities and Local Government (MHCLG) consulted on a whole system reform of the standards and conduct framework for local government. The proposed reforms consulted on reflected the government's ambition to introduce a clearer and consistently applied standards and conduct framework for local government in England.

The Consultation closed on the 26 February 2025 and MHCLG published the Consultation results and government response in November 2025, however, the government were yet to present the framework to the House of Commons and were waiting for parliamentary time to do so.

Within the proposals is the requirement for authorities to adopt a mandatory Code of Conduct. The Broads Authority is keeping a watching brief on any changes to the national code of conduct. The government considers that there is merit in standards committees being chaired by someone who is independent and not an elected member of the authority, but that it would not be appropriate to be the Independent Person whose role is defined in law as an advisor on standards investigations and if adopted, would require changes to the make-up of the Standards Committee.

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 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 Board meets five times a year. Members also get invited to site visits and workshops as required, to give members more time to interact informally outside the main business meetings and to get first-hand experience with what is happening on 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 various 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.

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 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 four 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 meets two times a year.

The Authority has two **Independent Persons,** appointed for a 4-year term, who are consulted to help the Authority achieve high ethical standards. The current postholders were appointed in 2024 and will serve until 2028.

3.2. Officers

The Authority has 130.35 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 Resources), Monitoring Officer, and Navigation Officer (Head of Ranger Services).

The Chief Executive, Director of Resources, Director of Delivery, and the Head of Communications make up the Management Team. There are eight section heads, covering the following sections: Operations; Communications; Governance; 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 Delivery as a qualified Data Practitioner.

These are the most up to date figures on full time equivalent staff and the organisational structure when this report was first published.

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 Resources 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 several 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 March 2026. We also reviewed our Procurement Strategy in July 2023 and our Capital, Treasury and Investment Strategy in February 2026. 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 RAG in November 2024). The Committee agreed to update 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). These include standing orders, terms of reference of committees, codes of conduct, scheme of delegated powers and protocol on member and officer relations.

There have been many changes to our arrangements over the years:

2026 – A review of the Scheme of powers delegated to Chief Executive and other authorised officers is underway and it is envisaged that this will be brought to the Broads Authority at its July meeting to approve.

2025 - Adopted an updated Member Code of Conduct based on the LGA's new model code. Adopted a revised Register of Interests form.

2023 - Completed the implementation of governance and procedural improvements. Updated complaints procedure to reflect the new Standards Committee and Hearings Sub-Committee. Adopted the Monitoring Officer Protocol. Adopted a series of recommendations for improvements in governance and procedures following an external review into a formal complaint.

2022 - Revised complaints procedure adopted.

2021 - Updated and adopted the Code of Practice for Members of the Planning Committee and Officers. Updated and adopted the Protocol on Member and Officer Relationships.

An additional review of the Code of Conduct will be conducted in 2026 once the Government has concluded its formal consultation strengthening the standards and conduct framework for local authorities in England.

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, until such time the audio recording is destroyed is in accordance with the Authority's adopted data retention and information management policy.

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 2019/20 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 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 March 2025. 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, 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, 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. It is noted, however, that Broads Engage has not met since the pandemic and it is recommended that stakeholder engagement is reviewed with the new Chief Executive after they have started in August 2026. We also continued to engage with stakeholders through remote means, which can be more accessible to certain demographics.

A key project of the Broads Partnership is to develop a bid for the Landscape Connections scheme, a strategic initiative from the National Lottery Community Fund aiming to support long-term projects to boost nature recovery and connect more people to our most treasured landscapes.

During a review of the Broads Plan 2022-27 ahead of producing a Broads Plan for 2028-2033, the Broads Authority held a series of workshops with Members, partners, stakeholders and other organisation to maximise engagement.

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 two **Directorate Risk Registers** (DRRs), together with a Risk Management Policy. The registers are reviewed every four months 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 July 2027.

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 **recorded briefing** from officers is made available to all staff, members and volunteers every other 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, with a minor update in October 2024, 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.

Annually, the HIA is required to provide an annual opinion of the Authority's framework of governance, risk management and control, to those charged with governance to support the Authority's Annual Governance Statement (AGS). To achieve this, a risk-based internal audit plan is developed, and audits are carried out. The HIA's 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 2025/26 is **reasonable**, with one of the three audits (Tolls System and income collection) concluding with a **substantial** assurance grading and the Corporate Governance and Risk Management, and Planning and Enforcement Audit concluding with a **reasonable** assurance. The Authority's Management Team accepted the recommendations raised and assigned responsibilities and deadline dates, as shown in Appendix 2(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 considered. 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 2026/27 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

Emma Krelle (Chief Executive)

Dated: 24 July 2026

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Appendix 1 – Assessment of effectiveness

The Broads Authority concludes that:

- Governance arrangements are adequately aligned to support the Authority's delivery of planned outcomes and to meet its responsibilities for best value. The Authority has several procedures in place to make sure we obtain best value for money in all that the Authority does, and these are reviewed on a regular basis.
- Governance arrangements are in place and operating effectively to support and deliver each of the principles of good governance.
- That each of the core arrangements for the local code are operating effectively as set out in the Broads Authority Code of Corporate Governance schedule on page 22. However, it has been identified that the Authority could improve Principle B in relation to stakeholder engagement by holding regular Broads Engage meetings.
- As set out in section 8 above, the results of external assurance providers and internal audit's annual conclusion that 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.

The Management Team and the Head of Governance have carried out a thorough annual review of the governance of the Broads Authority and are satisfied that it meets the benchmark of the seven principles of good governance, as set out in the Governance Framework.

Appendix 2(a) - Audit recommendations: Action Plan 2026/27 and areas of improvement

Table 1

Actions arising from 2025/26 audit and outstanding actions from previous audits

Audit recommendation	Lead officer	Target/status
Corporate Governance and Risk Management		
R1: Delegated Decisions Publish records of decisions to include the date of decision, reason for decision, and alternative options considered.	Director of Resources and Head of Governance	31 July 2026
R2: Directorate Risk Registers Review directorate risk registers on a regular basis to identify any recurring issues or themes. Anything identified reported to Management Team and Risk, Audit and Governance Committee.	Head of Governance	31 July 2026
R3: Directorate Risk Register (DRR) Update the format of the DRR to include clear timescales and ownership for mitigating actions and links to work plans in directorate risk registers.	Head of Governance	31 July 2026
Planning and Enforcement		
R1: Habitats Regulations Assessments (HRA) To establish a consistent approach to HRAs and to ensure that all relevant planning applications are appropriately screened and assessed in line with the Conservation of Habitats and Species Regulations 2017	Head of Planning	30 June 2026
R2: Planning Enforcement Management to ensure that sufficient knowledge and capability is maintained within the enforcement function by formalising current practices and documenting key processes.	Development Manager	31 December 2026

R3: Resilience Review the current resourcing and workforce planning arrangements within Planning team to improve resilience.	Head of Planning	31 December 2026
R4: Planning Complaints Ensure that complaints received are supported by evidence on file. Regular management oversight to be introduced to ensure compliance within three working day requirement.	Development Manager	31 July 2026
Cyber Security Maturity Assessment		
Outstanding from 2024/25 **R9: Supply Chain Security** IT suppliers must be reviewed periodically to ensure that they are meeting contractual security obligations and key performance targets.	Senior ICT Support Officer	30 June 2026 Ongoing. The Authority is working with Cyber GSeC (Government Security Centre for Cyber) and a SoW (statement of works) has been agreed. Awaiting Cyber GSeC to provide advice and guidance.

Appendix 2(b) - Audit recommendations: Progress against Action Plan 2025/26 and summary of improvements

Table 1

Actions arising from 2024/25 audit and any outstanding actions from previous audits.

Audit recommendation	Lead officer	Target/status
Corporate Governance and Risk Management		
R1: Risk Appetite Agree an organisational risk appetite statement covering all risks	Head of Governance	Completed and adopted by the Broads Authority on 25 July 2025.
R2: Format of Risk Registers Review format of risk registers as follows: 1. To separate controls, assurances and gaps. 2. To ensure all mitigating actions have clear deadlines and ownership. 3. Add a target risk rating in line with risk appetite. Add links to Annual Business Plan workplans in the directorate risk registers.	Head of Governance	1. Completed July 2025. 2. Deadlines and ownership added to mitigating actions in Corporate Risk Register. 3. Completed July 2025. Links have been added.
R3: 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	Completed by 31 March 2026. The Broads Authority's Safety Management System (SMS) has been rewritten and in the correct format for the new Port Marine Facilities Safety Code (PMFSC). Following review at the Boat Safety Management Committee on 30 March 2026 and the Navigation Committee meeting on 16 April

		2026, it has been submitted to the MCA for ‘approval as compliant’. Once approved by the MCA, the PMFSC plan will be listed on the Government's website as approved, and the Authority’s outstanding Audit requirement will be completed.
Cyber Security Maturity Assessment		
R1: Engagement and Training A policy must be in place requiring all staff to receive cyber security and information security training.	Senior ICT Support Officer	A single ICT security policy covering R1 to R8 is in place as at 30 September 2025.
R2: Asset Management A policy must be in place to require digital assets to be inventoried and accounted for centrally.	Senior ICT Support Officer	
R3: Architecture and Configuration An IT Security and Network Security policy must be in place.	Senior ICT Support Officer	
R4: Vulnerability Management A policy must be in place to cover patching and updates of digital assets.	Senior ICT Support Officer	
R5: Identity and Access Management A policy must be in place to cover user authentication and access controls	Senior ICT Support Officer	
R6: Data Security A policy/plan must be in place to cover backup and recovery of data.	Senior ICT Support Officer	
R7: Logging and monitoring	Senior ICT Support Officer	

A policy must be in place to cover the organisation’s security logging and monitoring requirements		
R8: Supply Chain Security Regular assurance must be obtained from third parties to provide confidence in supplier's security measures and controls.	Senior ICT Support Officer	
R9: Supply Chain Security IT suppliers must be reviewed periodically to ensure that they are meeting contractual security obligations and key performance targets.	Senior ICT Support Officer	Ongoing. The Authority is working with Cyber GSeC (Government Security Centre for Cyber) and a SoW (statement of works) has been agreed. Awaiting Cyber GSeC to provide advice and guidance.

Appendix 3 - Broads Authority Code of Corporate Governance 2026

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 because 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 2026 was approved by the Authority on 24 July 2026 and signed off by the Chair and Chief Executive.

Chair of the Authority

Emma Krelle, Chief Executive

Date: 24 July 2026

Broads Authority Code of Corporate Governance: Schedule (July 2026)

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 2026 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
Behaving with integrity 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 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) 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	• 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 • 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
Demonstrating strong commitment to ethical values Establishing, monitoring, and maintaining the organisation's ethical standards and performance Underpinning personal behaviour with ethical values that permeate all aspects of the organisation's culture and operation Developing and maintaining robust policies and procedures that place emphasis on agreed ethical values Making sure external providers of services on behalf of the organisation act with integrity and in compliance with ethical standards expected by the organisation	• Annual performance appraisal for Members and Officers • BA Core Values • 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
Respecting the rule of law Demonstrating a strong commitment to the rule of the law as well as adhering to relevant laws and regulations Making sure statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with	• 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 • Compliance with CIPFA's statement on the role of the Chief Finance Officer in Local Govt (CIPFA 2016) • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Disciplinary Procedures for Officers

legislative and regulatory requirements Making the best use of the full powers available for the benefit of citizens, communities, and other stakeholders Dealing effectively with breaches of legal and regulatory provisions Dealing effectively with corruption and misuse of power	• 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

Table 2
Principle B: Ensuring openness and comprehensive stakeholder engagement

Sub-principles	Our evidence to support this principle
Ensuring openness Demonstrating, documenting, and communicating the organisation's commitment to openness 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 justification for the reasoning for keeping a decision confidential is provided Providing clear reasoning and evidence for decisions, in both public records and explanations to stakeholders, being explicit about the criteria, rationale and	• 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) • 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 the public on request • Corporate Partnerships Register • Fair and transparent data processing through privacy notices

considerations used. In due course, making sure the impact and outcomes of those decisions are clear Using formal and informal consultation and engagement to determine the most appropriate and effective interventions or courses of action	• 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
Comprehensive stakeholder engagement and communications Engaging effectively with all stakeholders, making sure the purpose and aims for each stakeholder relationship are clear so outcomes are successful and sustainable Developing formal and informal partnerships to encourage more efficient use of resources and more effective outcomes Basing partnerships on trust, shared commitment to change, culture that promotes and accepts challenge among partners, and clear awareness of the added value of partnership working 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 Having effective communication methods and making sure	**Engagement:** • Appointment process to Navigation Committee and Broads Local Access Forum • Broads Local Access Forum • Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement) • KPI annual reporting as part of NPA monitoring process to Defra • Navigation Committee • 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 **Communications:** • Annual Business Plan, Annual Report and visitor publications (e.g. Broadcaster), social media accounts • Broads Briefing newsletter from CEO • Broadsheet (toll payer newsletter) • Learning resources on BA website, including Broads Curriculum materials for schools • Notices to Mariners

members and officers are clear on their roles in community engagement Encouraging, collecting, and evaluating the views and experiences of stakeholders of different backgrounds, including reference to future needs Implementing effective feedback mechanisms to show how stakeholder views have been considered Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity Taking account of the impact of decisions on future generations of taxpayers and service users	

Table 3
Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub-principles	Our evidence to support this principle
Defining outcomes 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 Specifying the intended impact on/ changes for stakeholders in the short and longer term Delivering defined outcomes sustainably basis within available resources Identifying and managing risks to achieving outcomes	• 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 • Corporate Partnerships Register • Norfolk & Suffolk Broads Act 1998 (BA statutory purposes)

Managing service user expectations with regard to setting priorities and making the best use of available resources	
Considering social, economic and environmental benefits Considering and balancing the combined economic, social, and environmental impact of policies and plans when taking decisions about service provision 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 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 Ensuring fair access to services	• Broads Local Plan • Broads Plan and guiding level strategies • Norfolk & Suffolk Broads Act 1998 (BA statutory purposes) • 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
Determining interventions Making sure decision makers receive objective and rigorous analyses of various options showing how intended outcomes would be achieved and associated risks, to achieve best value.	• BA and partner/stakeholder working groups • Budget setting process • Chairs' briefing sessions • Chairs' Group • Financial Regulations and Standing Orders Relating to Contracts • Member working groups

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.	• Project boards for large partnership projects (e.g., FiPL) • Public consultation responses informing strategic plan and policy reviews (e.g., Broads Plan, Broads Local Plan)
Planning interventions Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities, and targets Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered Considering and monitoring risks facing each partner when working collaboratively, including shared risks Having flexible and agile arrangements so mechanisms for delivering goods and services can adapt to changing circumstances 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 Ensuring capacity exists to generate the information required to review service quality regularly Preparing budgets in accordance with objectives, strategies, and the medium-term financial plan Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure, aimed at	• 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

developing a sustainable funding strategy	
Optimising achievement of outcomes Ensuring the medium-term financial strategy integrates and balances service priorities, affordability, and other resource constraints Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term 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 Ensuring 'social value' through service planning and commissioning	• Annual setting of tolls in consultation with the 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
Developing capacity Reviewing operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness Improving resource use through techniques such as benchmarking Recognising the benefits of partnerships and collaborative	• 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

working where added value can be achieved Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• Whistleblowing Policy for Officers
Developing leadership capacity 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 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body 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 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 Having structures in place to encourage public participation Considering the leadership's own effectiveness and ensuring leaders	• Director of Resources 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

are open to constructive feedback from peer review and inspections Holding staff to account through regular performance reviews that take account of training or development needs Maintaining the health and wellbeing of the workforce and helping individuals to maintain their own physical and mental wellbeing	

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
Managing risk Recognising risk management is integral to all activities and must be considered in all aspects of decision making Implementing robust and integrated risk management arrangements and making sure they work effectively Allocating clear responsibilities for managing individual risks	• 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
Managing performance Effectively monitor service delivery including planning, specification, execution, and independent post implementation review 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 Ensuring an effective scrutiny or oversight function is in place that provides constructive challenge and	• 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

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 Effectively and constructively challenging policies and objectives to support balanced and effective decision making Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement Ensuring consistency between specification stages (such as budgets) and post implementation reporting (such as financial statements)	• Statement of Accounts follows directorate headings • Terms of Reference for Committees
Developing robust internal control Aligning the risk management strategy and policies on internal control with achieving objectives Regularly evaluating and monitoring risk management and internal control Having effective counter fraud and anti-corruption arrangements in place 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 Having an audit committee or equivalent group/function, independent of the executive and accountable to the governing body	• 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 reference to governance, risk management and internal control arrangements • Risk, Audit and Governance Committee • 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
Managing data Having effective arrangements in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data Having effective arrangements in place and operating when sharing data with other bodies Regularly reviewing and auditing the quality and accuracy of data used in decision making and performance monitoring	• Annual Governance Statement • Data and Information Retention Policy • 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
Having strong public financial management Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	• 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 • Director of Resources 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
Implementing good practice in transparency 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 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	• 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 the website on an 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)
Implementing good practice in reporting Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way Ensuring members and senior management own the results reported 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	• Annual Governance Statement and Action Plan • S17 officer reporting requirements • Statements of Accounts narrative report • Strategic Direction reports (BA annual strategic priorities)

evidence to demonstrate good governance (AGS) Apply Framework to jointly managed or shared service organisations as appropriate Ensure performance information that accompanies the financial statements on a consistent and timely basis and the statements allow for comparison with other, similar organisations	
Developing assurance and effective accountability Acting upon recommendations for corrective action made by external audit 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 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations Gaining assurance on risks associated with delivering services through third parties and evidencing this in the AGS When working in partnership, make sure arrangements for accountability are clear and the need for wider public accountability is recognised and met.	• 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 • Corporate and Directorate Risk Registers • Follow up internal audit recommendations by Director of Resources 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

(end of document)

Risk, Audit and Governance Committee

21 July 2026
Agenda item number 11

Corporate Risk Register

Report by Head of Governance

Summary

The Broads Authority's Risk Register is presented for the Authorities 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. The Risk Management Policy sets out the rules and standards for managing strategic and operational risk and guides staff in assessing, monitoring and managing risk.

1.4. The Management Team (MT) 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.

1.5. As requested at the meeting on 21 September 2021, the Corporate Risk Register is presented at every Risk, Audit and Governance Committee meeting.

2. Review of risk registers

2.1. A thorough review of the Directorate Risk Registers was undertaken in June 2026 which informed the updating of the CRR. The content of the CRR was then reviewed by the Management Team on 2 July 2026, and the updated register is at Appendix 1.

2.2. Following a request by a Member at the last Broads Authority meeting to ask that the Broads Authority consider the impact of the Super El Niño in terms of strategic risk. The Management Team has reviewed this and although not a significant risk at present, would continue to monitor the risk through the Directorate Risk Registers.

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. New Risks

No new risks have been added, however, updates have been made to some of the existing risks, which are set out below.

2.5. Updated Risks

Risk 1: Loss of key staff – updated to reflect a review of the Business Continuity Plan following the interim Chief Executive taking up the role. The Plan will be reviewed again once the new Chief Executive has started in August 2026.

Risk 2: Harmful actions undermining public confidence in Broads – updated to reflect the appointment of an in-house Monitoring Officer. Wilkin Chapman Rollits have been appointed as Deputy Monitoring Officers. Additional actions added in relation to the timescale for review of Scheme of powers delegated to Chief Executive and other authorised officers, and the review of the Monitoring Officer protocol.

Risk 3: Reduction in income and increase in costs – updated to remove historic mitigation.

Risk 4: Failure to meet statutory purposes or requirements of other relevant legislation – updated to reflect the appointment of an in-house Monitoring Officer. Risk score has been increased to 9 following discussions at the last meeting of the Risk, Audit and Governance committee.

Risk 5: Safety-related incidents (operational works) resulting in death or serious injury – updated to show progress of Safety Management System review.

Risk 6: Safety-related incidents (boating) resulting in death or serious injury – addition of mitigation task regarding ongoing communication of safety information.

Risk 7: A Cyber security event or a loss of service – updated to show the progress in migrating on-premise system and data to the cloud, and the project to migrate the planning system to the cloud. Also removal of historic mitigation.

Risk 8: A breach in data security or data protection – updated to show that the handover process from Director of Delivery to his successor as appointed Data Protection Officer is underway.

2.6. At the meeting held on 24 February, Members requested that Risk 4, Failure to meet statutory purposes or requirements of other relevant legislation, be re-evaluated in light of the uncertainty around the National Park Grant. It was agreed that Risk 4 be increased to an amber risk score of 9 with a with a view to increasing to 12 once confirmation of funding from Defra had been received in March 2026.

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 25 July 2025 Broads Authority meeting and is due to be reviewed again in July 2027.

Author: Lorraine Taylor

Date of report: 02 July 2026

Background papers: Risk Management Policy

Broads Plan strategic objectives: All objectives are considered in the Risk Register.

Appendix 1 – Corporate Risk Register (July 2026)

Broads Authority Corporate Risk Register

(Updated ~~January~~ July 2026)

Contents

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	5
	Severity					

Likelihood definitions

Rating	Definition	Value
Highly likely	The event is expected to occur	5
Probable	The event will probably occur	4
Possible	The event may occur at some time	3
Unlikely	The event is not expected to occur in normal circumstances	2
Rare	The event may occur only in exceptional circumstances	1

Severity definitions

Schedule	Cost	Performance and quality	Value
<2 weeks delay	<1% of budget	Cosmetic impact only	1 Insignificant
2 weeks to 1 month's delay	1%-<2%	Some minor elements of objectives affected	2 Minor
1 month to <2 months delay	2%-<8%	Significant areas of some objectives affected	3 Moderate
2 months to <4 months delay	8%-<12%	Wide area impact on some objectives	4 Major
>4 months delay	>12% of budget	Significant failure resulting in the project not meeting its objectives	5 Extreme

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; 0D6; 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

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

Additional actions required:
Implement ~~MS Teams~~SharePoint online project to share data across Authority more effectively.
Monitor ~~the implementation of~~ ongoing hybrid working which was introduced to increase flexible working options.
Annual review of Directorate resilience plans.
Business Continuity Plan is reviewed annually. The Business Continuity Plan was reviewed in May 2026. The Plan will be reviewed again once the new CEO starts in August 2026.

Successful hand over of a new CEO.

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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

Tasks to mitigate risk:

Additional Chair Briefing Notes ~~will be included in November~~ to remind members before each meeting of their responsibility to follow the code of conduct, in particularly the principles of fairness and respect towards others.

Code of Conduct Training offered to all member in September 2025.

An email was issued from the BA Chair Reminding Members of their Code of Conduct Responsibilities in September 2025.

Code of Conduct for Members (updated March 2025) 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 202~~1~~5).
Scheme of Powers Delegated to CEO and other authorised officers (updated Sept 202~~3~~5).
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~~. In house Monitoring Officer (MO) in post from 18 May 2026, and Wilkin Chapman Rollits, with specialisms in Local Authority governance and Code of Conduct issues, remaining as Deputy Monitoring Officer. The MO is a member of the Association of Monitoring Officers and Local Government Lawyers. This enables the MO to keep abreast of changes in legislation and practices.

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 Standing Orders adopted by the BA in Nov. 2024 for implementation wef 1 Jan. 2025

Revised likelihood	3	**Revised severity**	2	**Revised risk score**	6

Additional actions required: Review of Scheme of powers delegated to Chief Executive and other authorised officers – July 2026; and review of Monitoring Officer protocol – August 2026

Risk 3 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 Resources

Date first entered on register 19/08/2019

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

Initial likelihood	4	Initial severity	5	Initial risk score	20

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 and Counter Fraud, Bribery and Corruption 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.
Reducing expenditure to reflect reduced/declining income.

Revised likelihood	3	Revised severity	4	Revised risk score	12~~↑~~

Additional actions required:

Model expenditure options are being considered based on the new grant set lement and toll increases (Aug 2026).

Make provision for reduction in tolls income.

Explore options on income generation and capital maximisation.

Toll/Budget workshop to be held with members Autumn 2026.

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Risk 4 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

Tasks to mitigate risk:

The Monitoring Officer work programme was presented to the Management Team in October which includes assessing legal compliance, disciplinary action process for statutory officers and member complaint procedures.

Provision of external legal services and Monitoring Officer (MO) in place until May 2026 when transferred in house.
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**	9~~4~~↑

Additional actions required:

Monitor annual external legal MO services.

Transfer MO services in house once training completed ~~(April 2026)~~- MO services transferred in-house following Broads Authority approval on 15 May 2026

Continue review of Broads Local Plan.

Continue to monitor the Cunliffe Report, on the supply of safe drinking water and treatment of wastewater, and any legislation or regulation reform that will directly impact the Broads Authority.

Continue to monitor the Corry Review, on how to frame and organise regulation so that it efficiently delivers the right outcomes, and any direct changes that will impact the Broads Authority.

Continue to monitor the impact of reduced funding on the Authority's ability to undertake its statutory purposes or requirements of other relevant legislation

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Risk 5 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 Delivery

Date first entered on register 19/08/2019

Workplan ref: OD2; OD3; OD4; OD5; 0D7; OD8; OD17; SD26

Initial likelihood	5	Initial severity	5	Initial risk score	25

Tasks to mitigate risk:

Health and safety policies in place and reviewed regularly by H&S Commit ee and risk owners.
H&S Commit ee 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 are provided to the appropriate staff.
Safety observations system in place to record near misses and learn from incidents that nearly happened. 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 it is fit for purpose and compliant.
External review of Hazard logs under the PMFSC carried out by ABPmer in 2025. The Safety Management System (SMS) ~~is~~ has been~~being~~ updated and brought into an MCA format, by ABPmer, to ensure compliance ~~when the window for registering SMS's is open between Jan-Mar 2026~~and submit ed for compliance with the MCA.

The Health, Safety & Wellbeing Policy was reviewed and adopted by the Authority in September 2024 and updated to reflect organisational changes in 2025

Revised likelihood	2	Revised severity	5	Revised risk score	10

Additional actions required:

Monitor changes in H&S legislation.

Continuous monitoring of industry best practice and implement changes where required.

Report on Health & Safety, Audit results from PMFSC and internal H&S Audit programme due to Navigation Commit ee in 2026/2027.

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Risk 6 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 Delivery

Date first entered on register 18/06/2021

Workplan ref: OD10; OD11; OD12; OD13; OD14; 0D15; OD16

Initial likelihood	5	Initial severity	5	Initial risk score	25

Tasks to mitigate risk:

Safety videos were provided to boat hirers in advance of the holiday.
Improved safety information provided by Broads Authority webpages.

Ongoing safety information provided via communications channels, signage etc during the main boating season as appropriate and in reaction to emerging accident trends.

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 licensing 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).

Refresher training for Hire Operator staff on fast tidal waters by Rangers and safety partners delivered in 20254 at GYYS.

Annual programme of summer spot check of Hire Boat operators.

Revised likelihood	3	Revised severity	5	Revised risk score	15

Additional actions required: Review of safety incident data from 2026~~5~~/27~~6~~, so trends and key areas to review can be determined in Spring ~~2026~~2027.

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Risk 7 A Cyber security event or a loss of service

Risk description: Failure by staff to follow IT 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 Resources

Date first entered on register 19/08/2019

Workplan ref: FD8

Initial likelihood	4	Initial severity	4	Initial risk score	16

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. Microsoft 365 security features implemented.

Cloud back-ups.

Bi-annual internal audit of IT systems and processes carried out, including Cyber Security.

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.

Disaster recovery plan outlines potential disaster scenarios and associated recovery procedures.

Patching and upgrade policy.

Regular internal phishing exercises run to identify staff training needs.

Revised likelihood	3	Revised severity	4	Revised risk score	12

Additional actions required:

~~The Date Protection Officer presented to the Management Team in October the GDPR Compliance work programme. This is to ensure there are standards in place to demonstrate compliance by design and default. The work programme includes establishing a data governance framework, undertaking assessments of our data inventory, mapping, GAP and RADAR analysis, establishing a Privacy Framework, and compliance/monitoring actions.~~

Review existing policies on a regular basis to ensure they follow most up to date security measures

Ongoing at ach simulation training targeting higher risk roles including user education and awareness

Implement additional security policies – e.g. conditional access / app protection policies to control access via unmanaged or personal devices

Implementation of any actions identified through the cyber security audit.

Migration of on-premise system and data to cloud. Supplier chosen following G-Cloud evaluation and selection process. The project to start beginning of July 2026.

Cost/benefit review of network security scanning.

Project to migrate the planning system to the cloud has commenced. Target date for implementation Sept 2026.

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Risk 8 A breach in data security or data protection

Risk description: Failure by staff to follow GDPR processes or protocols, allowing data breach.

Primary impact areas: performance; reputation

Risk owner: Chief Executive

Date first entered on register 19/08/2019

Workplan ref: FD8

Initial likelihood	4	**Initial severity**	4	**Initial risk score**	16

Tasks to mitigate risk:

The Data Protection Officer offered Freedom of Information and Data Breach Training to all staff in October.

A review of the Data Request processes, including FOI and DSAR, was presented by the Data Protection Officer to the Management Team in September. This included the adoption of a new workflow management process and the establishment of internal Service Level Agreements (SLAs).

New Data Protection Officer is no longer in post and the responsibility has reverted back to the Director of Delivery until the successor has completed DPO Certification. Certified GDPR Data Protection Officer(s) and GDPR Compliance Plan in place, and data protection training given to all staff.
All new staff to the Authority are inducted on Data Protection and the principles of GDPR.

All new staff are required to complete a Data Security induction with the DPO.

Regular ELMS training in Data Security

Revised likelihood	2	**Revised severity**	4	**Revised risk score**	8

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.

The Director of Delivery is still acting as Data Protection Officer. The successor has undertaken the DPO Certification and both officers are undertaking a handover process.

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Risk 9 Devolution and Local Government Reorganisation

Risk description: Failure to engage with a new territorial authority, in particularly with a new Mayor, on environmental, climate change, economic and transport (including navigation) which directly impacts service delivery within The Broads.

Primary impact areas: performance; reputation

Risk owner: Chief Executive

Date first entered on register 28/10/2025

Workplan ref: GOV4

Initial likelihood	5	Initial severity	4	Initial risk score	20↑

Tasks to mitigate risk:

The CE continues to engage with CEs at territorial authorities on transitional planning.

The Chair continues to engage with respective member bodies on transitional planning.

Revised likelihood	3	Revised severity	3	Revised risk score	9↑

Additional actions required:

Engage any newly established territorial authority to support strategic planning and transitional work.

Arrange a meeting with the newly appointed Mayor to develop a collective view and relationship with the Broads Authority. Awaiting more information on when Mayor is likely to be appointed.

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Risk, Audit and Governance Committee

21 July 2026
Agenda item number 12

Implementation of internal audit recommendations summary of progress

Report by Senior Accountant

Summary

This report gives a summary of progress in implementing Internal Audit recommendations arising out of audits carried out during 2023/24, 2024/25 and 2025/26.

Recommendation

To note the report.

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 2023/24, 2024/25 and 2025/26, 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. The actions on the Port Marine Safety Code – November 2023 were implemented in March 2026 as the The Broads Authority PMFSC, Safety Management Plan has been successfully approved by the MCA and is listed as confirming compliance with the PMSC. In addition to the PMFSC listing, The Broads Authority's Oil Pollution Preparedness, Response & Co-operation Regulations (OPRC) processes has also been fully audited by the MCA, with comments updated in Table 1.

2.2. The actions on the Corporate Governance and Risk Management from February 2024 are completed.

2.3. Recommendation number nine in table three, on the Cyber Security Maturity Assessment from March 2025 is awaiting Cyber GSeC to provide advice in guidance.

3. Internal Audit Programme 2025/26

3.1. Since this report to the Committee in February 2026, two audits have been undertaken. Corporate Governance & Risk Management audit has taken place in March 2026 and Planning and Enforcement has taken place in April 2026. Both audits resulted in “reasonable assurance” audit opinion.

4. Corporate Governance & Risk Management

4.1. The objective of this audit was to provide assurance that the controls in place to manage delegated decisions are adequate and effective. The second objective of the audit was to provide assurance that the recommendations made in the 2024/25 Risk Management audit have been implemented. The audit resulted in “reasonable assurance” audit opinion, with one “important” and two “routine” recommendations

5. Planning and Enforcement

5.1. The objective of this audit was to provide assurance that the Broads Authority as a local planning authority is meeting its specific responsibilities regarding planning permissions and enforcement under the Town and Country Planning Act 1990 and related legislation. This resulted in “reasonable assurance” audit opinion, with three “important” and one “routine” recommendations being raised. Actions on recommendations one and four have been completed in July 2026, and actions on recommendations two and three are currently ongoing (see Appendix 3, Table 5).

Author: Izabela Foley

Date of report: 08 July 2026

Broads Plan strategic objectives: All

Appendix 1 – Summary of actions and responses to Internal Audit 2023/24

Appendix 2 – Summary of actions and responses to Internal Audit 2024/25

Appendix 3 – Summary of actions and responses to Internal Audit 2025/26

Appendix 1 – Summary of actions and responses to Internal Audit 2023/24

Table 1

Port Marine Safety Code – November 2023

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
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.	Important	Head of Safety Management	We will contact the MCA and discuss the compliance report, the timing and format to ensure we are consistent with other PMSC duty holders. Update: The MCA still needs to open the window to allow compliance to be reported. RR registered with the MCA, and when the reporting window opens, will be notified and able to document the Authority's compliance with the code. The DfT said the new edition PMSC sits with the Minister and awaits Ministerial sign-off and is expected to be published during February or early March. The code will be renamed as the Port and Marine Facilities Safety Code to emphasise the inclusion of non-statutory harbour authority facilities into the code requirements.	By 31/01/2026 Updated to 31/03/2026 **Completed July 2026**

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			The MCA detailed the updates to the Guide to Good Practice which they suggested will align better with the structure of the revised Code and said this should be published alongside the Code. However, in terms of the Duty Holder and Designated Person the key principles of the Code will remain as they currently are now. It is anticipated that the 2025 PMSC Compliance Exercise will be launched six months after the publication of the Code so that ports and their Duty Holder shall have time to consider the new edition Code and associated GtGP and any changes that maybe necessary to make to enhance code compliance Update Jul 2025: The PMSC (a Government guidance standard) has been reviewed by the Government and amended. The new guidance, “Port Marine & Facility, Safety Code”, came into effect in April 2025. The MCA has agreed to open its compliance window in January	

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			2026, meaning the Authority will review the new standard, apply any changes following the Government review, take these changes through the committee structures (BSMG, Navigation Committee & Broads Authority) and report our compliance, as per the audit recommendation at the open window in Jan 2026. This open window (Jan 2026) will have been the first opportunity since the PMSC Audit, for the Authority to register our PMSC plan as compliant. Update Nov 2025: The following window to meet compliance of the Broads Authority Safety Management System (SMS) will be opened by the MCA in January-March 2026. External auditors have audited the Authority's SMS, and although it is compliant, its formatting differs from that of other SMSs. This is because the Government changed the PMSC to the Port, Marine & Facility Safety Code (PMFSC) and added a new set of 10	

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			headings. We are using a marine specialist to compile our SMS into a compliant format and hope to meet the new MCA compliance deadline (Jan- Mar 2026) Update Feb 2026: The Broads Authority’s Safety Management System (SMS) is being rewritten to put it into the correct format for the new PMFSC (items listed against the new 10 headers). This is being undertaken by ABPMer; the draft should be ready for the Director of Delivery to review in the first week of Feb 2026. Once approved, the SMS and the PMFSC will be submitted to the MCA for ‘approval as compliant’. Drafting our PMFSC into the MCA format will assist this process. Once approved by the MCA, our PMFSC plan will be listed on the Government's website as approved, and our outstanding Audit requirement will be completed. Please note that MCA compliance window has not been open for three years, which is why we’ve not been able to submit our SMS before now. The MCA	

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			compliance window has now been opened between Jan -March 2026, we are submitting during this window. The Broads SMS & PMSC (now the PMFSC) has been audited against the new PMFSC standard and is compliant, the formatting is to make referencing our code easier against the new Government standard. **Update July 2026:** The Broads Authority PMFSC, Safety Management Plan has been successfully approved by the MCA and is listed as confirming compliance with the PMSC. The PMFSC approved list, maintained by the MCA demonstrates that the Broads Authority is adhering to government and industry recognised practices, contained in the Code. In addition to the PMFSC listing, The Broads Authority's Oil Pollution Preparedness, Response & Co-operation Regulations (OPRC) processes has also been fully audited by the MCA, which commented that "*It was impressive to see such detailed*	

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			knowledge of your obligations under OPRC and to see such a high level of compliance."	

Table 2

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	Head of Governance	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. Update: The Code of Conduct is being reviewed by the Standards Committee on 20 February 2025. As part of the review, SGO consulted the Authority's Monitoring Officer, and his view is that it would not be appropriate to include this in the Code of Conduct. His recommendation is that we include in the Members' Handbook. SGO confirms that the Broads Authority do monitor attendances, advise members as necessary and the	By 31/12/2025 Updated to 31/03/2026 Completed

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			requirement is included in members' appointment letters. Update Jul 2025: Added to the members handbook. Consequently, to be updated in the Code of Conduct at the end of 2025. Update Feb 2026: Members' attendances have been continuously monitored, and this will be highlighted in the individual Member's Annual Review form to be sent in February 2026 with a follow-up by the Chair of the Authority in one-to-one meetings.	

Appendix 2 – Summary of actions and responses to Internal Audit 2024/25

Table 3

Cyber Security Maturity Assessment – March 2025

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
9. Supply Chain Security IT suppliers must be reviewed periodically to ensure that they are meeting contractual security obligations and key performance targets.	Important	Senior ICT Support Officer	Policy will be put in place as recommended Update: This is ongoing. We are working with Cyber GSeC (Government Security Centre for Cyber) and a SoW (statement of works) has been agreed. Cyber GSeC will provide the following deliverables during the lifetime of the engagement: • Review the current state: A review of existing due diligence checks and level of maturity. • Advice and guidance: where to find valuable sources of information regarding good practice for supply chain risk • Creation of standard process: advice and guidance with regards developing appropriate checks of suppliers for example, pre-procurement questions, security requirements and schedules, annual compliance checks.	By 30/09/2025 Updated to 31/12/2025 Updated to 30/06/2026

Recommendations	**Priority Rating**	**Responsible Officer(s)**	**BA Response/action**	**Timetable**
			• Record keeping advice and guidance with regards to supplier registers and record keeping, to ensure suppliers are tracked and engaged at appropriate times. We are waiting for Cyber GSeC (Government Security Centre for Cyber) to provide their advice and guidance.	

Appendix 3 – Summary of actions and responses to Internal Audit 2025/26

Table 4

Corporate Governance and Risk Management – April 2026

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
1. Delegated Decisions Ensure that records of officer delegated decisions are published, in accordance with The Openness of Local Government Bodies Regulations 2014. This should include decisions to award a permission or licence, planning decisions and decisions to award contracts. The record of the decision should state the date of the decision, reasons and alternative options considered.	Important	Director of Resources and Head of Governance	In progress	By 31/07/2026
2. Directorate Risk Registers Review directorate risk registers on a regular basis to identify any recurring issues or themes. Anything identified should be reported to Management Team and Risk, Audit and Governance Committee.	Routine	Head of Governance	In progress	By 31/07/2026
3. Directorate Risk Register (DRR) Update the format of risk registers to include clear timescales and ownership for mitigating actions, and links to work plans in directorate risk registers.	Routine	Head of Governance	In progress	By 31/07/2026

Table 5

Planning & Enforcement – April 2026

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
1. Habitats Regulations Assessments (HRA) The Authority to establish and implement a consistent approach to Habitats Regulations Assessments (HRA), to ensure that all relevant planning applications are appropriately screened and assessed in line with the Conservation of Habitats and Species Regulations 2017. This should include clear guidance for officers, records of decisions about whether screening assessments have been undertaken, and transparency about the use of third-party information in assessments.	Important	Head of Planning	1. New procedural guidance produced and shared with all ecologists and planning officers. Ensure they are using it. New guidance produced. All relevant staff using guidance. 2. Hold refresher training for both the ecologists and development management officers. Meeting arranged and held on 01/07/26 with both teams. Good collaborative discussion and clarifications. Actions arising to improve processes & transparency e.g. ecologists to add their name to consultation response. 3. The of use of 3rd party information will be made clear in the ecology response. This has benn uploaded to the public record (Planning Portal). 4. Include a field on the ecologists' consultation response form to make it clear if the screening is or is not necessary and the reason why in either case, which will be publicly available.	By 30/06/2026 Completed in July 2026

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			5. Include a field on the ecologists' consultation response form to make it clear that if needed the screening assessment has been done. The screening will be uploaded to the application as set out in the new internal procedural guidance.	
2. Planning Enforcement Management to ensure that sufficient knowledge and capability is maintained within the enforcement function by formalising current practices and documenting key processes. Consider reviewing resilience within the enforcement function through training additional staff or succession planning, to reduce reliance on single officer and ensure continuity of service.	Important	Development Manager	1. Formally review the responsibilities and current functions of enforcement officer to ensure compliance with regulations and job description. This is ongoing. 2. Ensure the enforcement officer receives targeted training and ongoing guidance to fill knowledge gaps, build confidence, and enhance performance in their role. Enforcement officer has attended workshop and training from RTPI. He continues to research further appropriate training. 3. Review and remove practices currently undertaken that are no longer deemed necessary or required by legislation. 4. Produce standard operating procedures for enforcement	By 31/12/2026

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			activities. Ensure all planning officers are familiar with these. To be started once all practices are confirmed as statutorily or locally necessary.	
3. Resilience Management to review the current resourcing and workforce planning arrangements within the Planning Team to improve resilience.	Important	Head of Planning	1. Discussion with Management Team/new Chief Executive. 2. When new P&HO starts need to review how new team structure is working. New Team structure started 29 June. Need to allow time then review. 3. Consider alternative ways of resourcing (e.g. current BNG, landscape, and arboricultural consultants). Ongoing	By 31/12/2026
4. Planning Complaints The Authority to ensure that complaints received are to be supported by evidence on file. Regular management oversight to be introduced to ensure compliance within three working day requirement.	Routine	Development Manager	1. All staff has been made aware of this short fall and instructed to comply and record all correspondence. 2. Development manager reviews response times regularly.	By 31/07/2026 Completed