

Audit and Risk Committee

Agenda 17 November 2020

2.00pm

This is a remote meeting held under the Broads Authority's [Standing Orders on Procedure Rules for Remote Meetings](#).

Participants: You will be sent a link to join the meeting. The room will open at 1.00pm and we request that you **log in by 1.30pm** to allow us to check connections and other technical details.

Members of the public: We will publish a live stream link two days before the meeting at [Audit & Risk Committee – 17 November 2020](#) The live stream will be suspended for any exempt items on the agenda. Please email committees@broads-authority.gov.uk with any queries about this meeting.

Introduction

1. To receive apologies for absence
2. Introduction of members and declarations of interest
3. To note whether any items have been proposed as matters of urgent business
4. Public question time – to note whether any questions have been raised by members of the public
5. **To receive and confirm the minutes of the Audit and Risk Committee meeting held on 21 July 2020** (Pages 3-7)

Financial direction

6. **Update on financial position – impact of COVID** (Pages 8-12)
Report by Chief Executive and Chief Financial Officer
7. **Statement of Accounts 2019/20** (Pages 13-132)
Report by Chief Financial Officer
8. **Annual Audit Results 2019/20 (includes letter of representation to EY)** (Pages 133-184)
Report by Chief Financial Officer

Risk Management

9. **Corporate Risk Register – update** (Pages 185-189)
Report by Head of Governance
10. **Corporate Partnerships Register – update** (Pages 190-203)
Report by Head of Governance

Items for consent

11. **Implementation of internal audit recommendations – summary of progress** (Pages 204-210)
Report by Chief Financial Officer

Other Matters

12. Other items of business
Items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B (4)(b) of the Local Government Act 1972
13. To answer any formal questions of which due notice has been given
14. **To note the date of the next meeting – Tuesday 2 March 2021 at 2.00pm**

Audit and Risk Committee

Minutes of the meeting held on 21 July 2020

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Present

Nicky Talbot – in the Chair, Matthew Bradbury, Bill Dickson, Gail Harris, Simon Roberts, Fran Whymark

In attendance

John Packman – Chief Executive, Maria Conti (minutes), Esmeralda Guds (meeting moderator), Emma Krelle – Chief Financial Officer, Sarah Mullarney (meeting moderator), Rob Rogers - Director of Operations, Hilary Slater - Monitoring Officer, Faye Haywood – Internal Audit Manager, Jacob McHugh – External Audit, Ernst & Young, Mark Hodgson – External Audit, Ernst & Young

1. Apologies and welcome

Apologies were received from Tristram Hilborn and Greg Munford.

Openness of Local Government Bodies Regulations 2014 and Standing Orders

The Chair welcomed everyone. She advised that the meeting was being recorded and the Broads Authority retained the copyright. Anyone wishing to have a copy of the recording should contact the Authority's Governance Team. No-one present indicated that they would be recording or filming the meeting.

The Chair also advised that the meeting was being held remotely and in accordance with the Coronavirus Act regulations and the Standing Orders and protocol for remote meetings agreed at the Broads Authority meeting on 22 May.

2. Introduction of members and declarations of interest

Members indicated they had no further declarations of interest other than those already registered.

3. Items of urgent business

There were no items of urgent business.

4. Public question time

No public questions had been received.

5. Minutes of last meeting

The minutes of the Audit and Risk Committee meeting on 3 March 2020 were approved as a correct record.

6. Update of financial position – impact of COVID-19 crisis

The Committee received a report outlining the latest position on the Authority's navigation income and the financial support from Defra in response to the COVID-19 crisis. The Chief Financial Officer (CFO) updated the navigation income figures as at 17 July, which showed

private boat income at £222,600 below the same point last year. Hire boat income was at £144,456 below the same point last year, but this assumed that the remaining split payments would be received in full.

A member queried the savings total of £602,364 in Table 1, as officers had identified the potential for the Authority to fund £800,000 of its potential Navigation deficit from reserves and through savings. The CFO clarified that the table showed the consolidated figure, with Navigation showing £372,535 total savings and £400,000 being transferred from the National Park (General) reserve. The remaining gap in navigation income would be between £200,000 and £800,000, which Defra had agreed to fill. By September, the performance of the hire boat industry would be clearer, and this would inform the Navigation Committee and Broads Authority's recommended approach towards the outstanding toll charges.

7. Draft Statement of Accounts 2019/20

The Chief Financial Officer (CFO) introduced an update report on the draft Statement of Accounts and external audit for the year ended 31 March 2020. She thanked members who had attended in-house accounts training the previous week.

The external auditors from Ernst & Young (EY) outlined the latest audit status. The original deadlines had been set back by the Covid-19 situation and a small number of tasks remained outstanding. The deadline to approve the final Statement was now 30 November. The CFO added that the auditors had asked for a restatement of the 2018/19 accounts to note the Authority's mini restructure in 2019/20, when some Directorate sections were transferred. As a result, two redundancies were made in line with the Authority's policy on restructuring.

Mark Hodgson, EY Audit Partner, agreed to inform the Committee how many days had been spent on the audit to date. He advised that EY had noted the Authority's response to the proposed increase in auditor's fees, and they had responded to the audit regulators.

A member referred to the matter of repaying the Public Works Loan taken out by the Authority to purchase the Dockyard Operation from May Gurney. The CFO advised that the matter had been discussed at the last meeting, and would be referred to the Navigation Committee in September (held over from the cancelled meeting in May) before going to the Broads Authority for decision.

8. Internal Audit Annual Report and Opinion 2019/20

The Internal Audit Manager introduced the Annual Audit and Opinion report for 2019/20. Presenting a 'reasonable' assurance grading for 2019/20 overall with no significant issues raised that would need to be highlighted in the Authorities Annual Governance Statement. Progress against implementing audit recommendations from 2018/19 and 2019/20 were also presented within this report.

The Chair noted that internal audit took an average of 36 days, hence her earlier question on the timescales for external audit, to allow the Committee to make a comparison.

9. Draft Model Member Code of Conduct

The Monitoring Officer outlined the Local Government Association (LGA) consultation on its draft Model Member Code of Conduct. She invited the Committee's comments and said Authority members could also respond individually to the consultation. The closing date was 17 August 2020 and a link to the consultation site would be sent to all Authority members.

Members thought it would be useful to have a consistent approach across local authorities, and this was a sensible updating of policy. They suggested there should be more clarity on action taken if a member did not adhere to the code, and that this area generally needed strengthening. The Monitoring Officer agreed to take the Committee's views back to the LGA.

10. Investment Strategy and Performance Annual Report 2019/20

The Committee noted the CFO's report setting out details of the Authority's investment of its unallocated cash to 31 March 2020.

11. External Audit

The Committee noted the report by the CFO, appending the Local Government Audit Committee Briefing by Ernst & Young.

12. Implementation of Internal Audit recommendations - summary of progress

The Committee noted the CFO's progress report on implementing Internal Audit recommendations arising out of audits carried out during 2018/19 and 2019/20.

13. Updated Procurement Strategy

The CFO introduced the updated Procurement Strategy. A member asked about the internal audit recommendation on applying a seal to contracts over £100,000, and it was noted that this procedure was in the Authority's Standing Orders Relating to Contracts.

By 5 votes for and 1 abstention, **it was resolved** to adopt the amendments to the Procurement Strategy in response to the comments in the audit.

14. Corporate Risk Register – 6-month review

Members received the latest Corporate Risk Register (formally called the Strategic Risk Register), which had been updated alongside the three Directorate Risk Registers and the Risk Management Policy. It was noted that the risk scores for item 5 in the Corporate Risk Register relating to a significant public health crisis should be highlighted in red as 'high risk' scores.

The report was noted.

15. Other items of business

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

16. Formal questions

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

17. Date of next meeting

It was noted that the next meeting of the Audit and Risk Committee meeting would be on **Tuesday 17 November 2020** at 2.00pm.

The meeting ended at 15.12pm

Signed by

Chair

Audit and Risk Committee

17 November 2020

Agenda item number 6

Update on financial position – impact of COVID

Report by Chief Executive and Chief Financial Officer

Summary

This report updates the Committee on the Authority's financial position

Recommendation

The Committee notes the content of the report and supports the approach proposed to increase patrolling by the Rangers and the use of National Park Reserves to fund the safety package for the first two years.

1. Introduction

- 1.1. Since the outbreak of COVID-19, regular reports have provided an update on the financial position of the Broads Authority. The report to the Navigation Committee on 22 October provided members with an update on the financial position specific to Navigation and consulted on the proposed level of navigation charges for 2021/22. This report provides an update on the consolidated financial position to 30 September and an update on negotiations with DEFRA regarding the potential use of National Park Reserves to fund a navigation safety package of measures in 2021/22 and 2022/23. The level of Navigation charges will be agreed by the Broads Authority on 20 November.

2. Overview of actual income and expenditure

- 2.1. Since the relaxation of the first round of COVID restrictions, the financial positions of the hire boat companies and the Broads Authority have considerably improved and the Authority no longer needs to use the arrangements agreed with Defra for the deployment of National Park Reserves or additional Defra funding to meet the shortfall in income in this financial year.
- 2.2. Table 1 shows that the overall position as at 30 September 2020 is an adverse variance of £110,604 or a 4.83% difference from the latest available budget (LAB).

Table 1

Actual consolidated income and expenditure by directorate to 30 September 2020

Directorate	Profiled Latest Available Budget £	Actual Income and Expenditure £	Actual Variance £
Income	(6,078,234)	(5,502,233)	- 576,001
Operations	2,143,800	1,757,610	+ 386,190
Strategic Services	776,822	675,781	+ 101,041
Chief Executive	912,717	815,463	+ 97,254
Projects, Corporate Items and Contributions from Earmarked Reserves	(46,467)	72,621	- 119,088
Net (Surplus) / Deficit	(2,291,362)	(2,180,758)	- 110,604

- 2.3. Core navigation income was behind the profiled budget at the end of September. This position has improved significantly since July where the variance reported was £1,182,466 adverse. This position continued to improve on a daily basis throughout October and the shortfall against the budget as of 20 October reported to the Navigation Committee was £99,000 on private boat income and £98,700 on hire boat income, assuming all the final instalment of the hire boat tolls is collected. At this stage of the year, it is not thought that the second lockdown will have any significant impact on income. Interest income is also behind the profiled budget due to the fall in interest rates which is forecast to continue in the short to medium term.
- 2.4. Expenditure is also behind the profiled budget due to the LAB remaining unchanged since the carry forwards were approved in May 2020, a deficit of £266,695 to be balanced through the use of reserves. The decision made at the time was not to adjust the LAB whilst there was uncertainty on the level of toll income that may be achieved. Instead, the forecast outturn has been continuously adjusted to reflect savings identified by budget holders, the cancellation of the annual contributions to the earmarked reserves and the latest income position.

3. Overview of forecast outturn 2020/21

- 3.1. At the September Broads Authority meeting, it was reported that a deficit of £160,088 was anticipated. The improvement of toll income means that a deficit of £83,912 is now predicted. This is split a surplus of £110,485 on National Park and a deficit of £26,573 on Navigation.

- 3.2. The Navigation Committee considered a report on improving safety on the waterways and in particular making provision for a significant increase in the level of patrolling of the waterways by the Ranger Team. The report identified the need to amend the split between National Park and Navigation for Ranger Services. This year, the pressures on the waterways has seen more Ranger time being spent on navigation (currently 83% of Ranger time to date). It was recommended that for this year and future years, 70% of Ranger activity is devoted to navigation and funded accordingly to increase the level of patrolling along with an expansion of the Team. The impact of the change in allocation is moving £75,389 expenditure from National Park to Navigation in 2020/21. The forecast outturn in 3.1 has been updated to reflect this.
- 3.3. The other measure proposed to increase patrolling coverage is the expansion of the Team through the employment of an additional Ranger, who will focus on prosecutions and the Boat Safety Scheme, and four more Seasonal Rangers. That should mean that all our launches can be out patrolling every day of the week. The cost of those additional staff and an on-line safety video is approximately £130,000 in 2021/22 and £120,000 in 2022/23. Rather than funding this additional navigation expenditure from tolls with a 7.5% increase, officers suggested seeking approval from Defra to use National Park Reserves to fund the safety measure in 2021/22 and 2022/23 alongside a 4% increase in tolls which would fund the maintenance of the existing level of services and assist in supporting a decision for 2023/24 for the continuation of the safety measure funded from tolls.
- 3.4. Since the meeting of the Navigation Committee, Defra officials have responded favourably to the request for a one-off transfer as outlined above and this will be proposed for adoption by the Broads Authority Board at its November meeting.
- 3.5. It is likely that the second lockdown will create further savings due to the lack of travel and training for staff, members and volunteers. It is also anticipated that there will be further savings from reduced office expenses whilst staff continue to work from home. In addition, initial forecasts regarding reduced planning income have not come to fruition. It is proposed that any further savings or additional income are used to reinstate some of the contributions to the earmarked reserves. The first priority would be the contributions for replacement vehicles due to the move towards greener vehicles and the additional associated costs related to this. These contributions would not be made until the end of March so that the Authority could be sure that these additional income and savings had materialised.
- 3.6. Members will recall that during 2019, the Authority partnered with Norfolk County Council as part of the Interreg EXPERIENCE project. The project looked to extend the tourist season with the Authority's budget being £240,000. This was to be financed 69% from Europe and 31% from existing Authority budgets over three years. First year expenditure that was due to take place in 2020/21 has been significantly reduced as a result of the pandemic. As with other European projects, the time difference between expenditure and reimbursement can take a number of months. It is proposed to set up

a new earmarked reserve at the end of March and transfer this year under spend on the project to it. Whilst in the past we have given earmarked reserves project-based names, this reserve would be called match funding. This would mean that any future projects would not need another reserve to be created unless there are more than two projects operating at once. Expenditure for 2021/22 and 2022/23 would then be managed through the reserve. If members are supportive of this it would then need to be agreed by the Authority in due course.

- 3.7. Table 2 gives an overview of the balances on the earmarked reserves at the end of September.

Table 2

Consolidated Earmarked Reserves

Reserve	Balance at 1 April 2020 £	20/21 In-year movements £	Current reserve balance £
Property	663,487	1,129	664,616
Plant, Vessels and Equipment	349,280	(45,950)	303,330
Premises	246,701	(29,826)	216,875
Planning Delivery Grant	220,082	(1,202)	218,880
Upper Thurne Enhancement	146,317	(6,849)	139,468
Section 106	43,561	(1,441)	42,120
HLF	11,955	(143,140)	(131,185)
Catchment Partnership	75,185	17,485	92,670
CANAPE	311,844	(75,692)	236,152
Computer Software	21,770	(937)	20,833
UK Communications	28,140	51,459	79,599
Total	2,118,322	(234,964)	1,883,358

4. Conclusion

- 4.1. Overall, the Authority's financial position is much stronger than could have been envisaged in the spring and summer. There are still many uncertainties and challenges ahead and a prudent approach is necessary. However, the judicious use of some of the

Authority's National Park Reserves to fund a package of navigation safety measures, now agreed with Defra, will be a significant step forward.

- 4.2. The current forecast position for the year suggests a surplus of £110,485 on National Park and a deficit of £26,573 on Navigation, resulting in an overall surplus of £83,912 within the consolidated budget. This would indicate a general fund balance of £1,224,945 and a navigation reserve of £516,627 at the end of 2020/21 before any transfer of interest. This will mean both reserves will remain above the minimum level of net expenditure which will help balance the deficit's expected for 2021/22.

Author: John Packman and Emma Krelle

Date of report: 03 November 2020

Audit and Risk Committee

17 November 2020

Agenda item number 7

Statement of Accounts 2019/20

Report by Chief Financial Officer

Summary

This report provides an update on the Broads Authority Statement of Accounts and its audit for the year ended 31 March 2020.

Recommendation

To recommend to the Broads Authority the Statement of Accounts for 2019/20 for approval, subject to any further audit amendments or amendments suggested by the Committee.

1. Introduction

- 1.1. Members will recall that the COVID-19 emergency and Financial Position report to the Broads Authority on 22 May 2020 provided draft year-end figures for 2019/20, which detailed a consolidated surplus of £196,652. These figures were used to produce the draft Statement of Accounts, signed and published on our website on 15 May.
- 1.2. The impacts of COVID saw the Accounts and Audit (Coronavirus) (Amendments) Regulations 2020 (SI 2020/404) move the deadline for approving the final Statement of Accounts from 31 July to 30 November. This means the audit has now spanned several months since the start in May. Where amendments have been notified up to this date, they have been incorporated into the final document at Appendix 1. Amendments required after this date will be reported verbally at this meeting. Ernst and Young LLP (EY) draft Annual Audit Results is the next item on this agenda.

2. Changes to the 2019/20 Accounts

- 2.1. The draft surplus of £196,552 has remained unchanged but there have been some minor adjustments to the disclosure notes and formatting. Further details on these can be found on page 7 of the Audit results report. This means that the information in the [report to the Audit and Risk Committee in July](#) and details in tables 1-3 in that report summarising the year-end adjustments have not changed.
- 2.2. One of the adjustments identified through the audit process related to the mini restructure in 2019/20, when some departments moved directorates. For example, IT and the Collection of Tolls moved from Strategic Services to Chief Executive, Head Office from Chief Executive to Operations, HLF from Strategic Services to Operations,

and CANAPE from Operations to Strategic Services. As a result, the Expenditure and Funding Analysis on page 18, the Comprehensive Income and Expenditure statement on page 19 and the Navigation Income and Expenditure Account on page 80 for 2018/19 have been restated to reflect the new structure. This has not changed the overall figures, only how they are allocated to the individual directorates.

3. Balance sheet

- 3.1. There have been no further changes to the Balance Sheet identified by the audit work completed so far. The bottom section of the Balance Sheet (page 21) splits the reserves between usable and unusable reserves. Usable 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.
- 3.2. The closing positions on the National Park (General), Navigation and Earmarked Reserves are the same as those reported in July. The individual balances that make up the Earmarked Reserves are within note 10 on page 43 The year end balances of the reserves are:
 - National Park £1,114,460;
 - Navigation £543,200; and
 - Earmarked £2,118,322 of which £956,757 relates to Navigation.

4. Annual Governance Statement

- 4.1. The Accounts and Audit (England) Regulations 2015 contain a requirement that an Annual Governance Statement (AGS), 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. While the Authority approved its AGS for issue on 22 May 2020, external audit asked that it be updated to reflect the invoice fraud that occurred in April 2019. This was previously reported in the 2018/19 AGS at the request of internal audit. The updated text is on page 10 in Appendix 2. The Broads Authority will consider the amended version on 20 November, which is included in the Statement of Accounts and published on the Authority's website.

5. Audit of the Statement of Accounts

- 5.1. The Authority's auditors EY have completed the majority of their audit work, but at the time of writing a few items remain outstanding. A verbal update on these will be given at this meeting. Their draft audit results are at item 8 on this agenda.
- 5.2. On completion of any outstanding items, the report will be signed and incorporated into the Statement of Accounts.

6. Financial implications

- 6.1. The Statement of Accounts for 2019/20 shows revenue reserves of £1,687,660 (national park (general) reserves of £1,144,460, navigation reserves £543,200) that are considered to be adequate. The navigation reserve at the end of 2019/20 stands at 16.3% of net expenditure. While this is higher than the Financial Strategy forecast for the end of 2019/20, the carry forwards agreed in May will reduce these during 2020/21. With these taken alongside the earmarked reserves, balances are considered acceptable. A detailed review will be undertaken in 2021/22 on whether the minimum levels require increasing to mitigate any further lockdowns as a result of COVID.

Author: Emma Krelle

Date of report: 02 November 2020

Background papers: Draft Statement of Accounts 2019/20

Appendix 1 – Broads Authority Statement of Accounts 2019/20

Appendix 2 – Broads Authority Annual Governance Statement 2019/20 and Action Plan 2020/21 and Code of Corporate Governance 2020

Broads Authority

Statement of Accounts 2019/20

Presented to Parliament pursuant to Section 20 (2) of the Norfolk and Suffolk Broads Act 1988

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Narrative report

Introduction

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

About the Broads Authority

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

Its duties, as subsequently amended by the Natural Environment and Rural Communities Act 2006, are to manage the Broads for the purpose of:

- conserving and enhancing the natural beauty, wildlife and cultural heritage of the Broads;
- promoting opportunities for the understanding and enjoyment of the special qualities of the Broads by the public; and
- protecting the interests of navigation.

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

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

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

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

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

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

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

The Broads Plan is a 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 current plan covers the period 2017-22 and is publicly available via the website. A six-monthly newsletter is produced to provide updates and can also be found in the link below.

<https://www.broads-authority.gov.uk/about-us/how-we-work/strategy>

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 2019/20 can be found in the link below:

https://www.broads-authority.gov.uk/data/assets/pdf_file/0027/263808/Strategic_Priorities_ba31-01-20.pdf

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. These are approximately equal to each other and are used to fund the activities (including staffing) across the organisation.

Governance

The Annual Governance Statement provides details of progress against the current year and provides the new financial year action plan. This was considered by the Authority on 20 November and is available via the link below:

https://www.broads-authority.gov.uk/data/assets/pdf_file/0033/295890/Annual-Governance-Statement-2019_2020-and-Code-of-Corporate-Governance-2020.pdf

In 2018 the Government commissioned a review of National Parks and Areas of Outstanding Natural Beauty (AONBs) looking at coverage of designations, how designated areas deliver their responsibilities, how designated areas are financed, and whether there is scope for expansion. The review team, led by Julian Glover, visited the Broads in November 2018. The team's report was published in September 2019. The Authority received a paper at its January committee identifying some short term priorities. A link to the committee report can be found below that also contains a link to the final report.

https://www.broads-authority.gov.uk/_data/assets/pdf_file/0026/263807/Landscape-Review-Response-with-Appendix-Glover-report-Recommendations-31-01-20.pdf

Operational model

The Authority consists of the Chief Executive team and two Directorates; Operations and Strategic Services. The total number of staff employed by the Authority gives a head count of 150 or 132.5 Full Time Equivalents (FTE) as at 31 March 2020. This is split 74 (70.1 FTE) Operations, 51 (42.4 FTE) Strategic Services and 25 (20 FTE) Chief Executive. Due to the seasonal nature of the Authority's activities the levels of staff can vary throughout the year and the year-end position may vary depending on when Easter falls. During 2019/20 the Authority carried out a mini restructure which led to some departments being transferred within Directorates. This has resulted in the 2018/19 income and expenditure being restated to reflect these changes so that comparisons can be made between the two years. The key statements affected are the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement and the Navigation Income and Expenditure Account.

The Chief Executive is supported by the Governance Team who service the Authority's various committees; and the Chief Financial Officer who is responsible for the Asset Management, IT, Collection of Tolls, Finance and Insurance team.

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

The Strategic Services Directorate consists of; Planning - responsible for all planning applications, enforcement and the Local Plan within the Authority's executive area Communications - responsible for all publications, events and visitor services; HR - supporting all of the Authority's employees; other strategic priorities; the management of the European Regional Development Fund (ERDF) INTERREG project 'Creating A New Approach to Peatland Ecosystems' (CANAPE) and Volunteer Services which support volunteering opportunities across all areas of the Authority.

The Authority's income is supplemented by income from planning fees, contributions from landowners towards fen management and from the Rural Payments Agency, Visitor Centres and Yacht Station sales and external funding such as HLF and ERDF.

Risks

Whilst the Authority has some degree of confidence over the level of its National Park Grant funding for 2020/21, uncertainty remains about future years' settlements and their duration. The impact of COVID-19 on the income it receives from its toll payers could be considerable depending on how long lockdown extends for both Private and Hire Craft Tolls. Differing scenarios have been modelled and support is being sought from DEFRA to help with any potential shortfall. Cuts to National Park Grant in years 2010/11 to 2015/16 has meant the Authority has already restructured from four Directorates to two. If there were future reductions to the National Park grant beyond 2021/22 it would mean difficult decisions would need to be made to determine future services. This uncertainty is further emphasised by the outcome of the Comprehensive Spending Review, which was delayed for an additional year in 2019. The current level of National Park reserves means that such impact would be cushioned in the short term until the longer vision of services is determined; however, this is not sustainable in the longer term.

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 Audit and Risk 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.

https://www.broads-authority.gov.uk/_data/assets/pdf_file/0022/263812/Risk_Management_policy_and_register_I3FZ3W.pdf-ba310120.pdf

Review of Corporate Risk Register

Following a recommendation from internal audit's Corporate Governance and Risk Management review the risk register and policy was reviewed and updated during 2019/20. The risk register is now split between the Corporate Risk register, focusing on risks that are strategic and Directorates, focusing on operational day to day risk. The Corporate Risk register continues to be reviewed bi-annually by the Audit and Risk committee with the option for significant risks being reported to the Broads Authority.

Opportunities

External funding opportunities continue to be investigated and supported by National Parks Partnership LLP (NPP). NPP continues to promote corporate partnerships for the UK National Parks with the aim to make a significant, sustainable and discernible contribution to the improved quality of UK National Parks and the benefits they offer for generations to come. There has already been a high level of success including funding from; the HLF for Water, Mills and Marshes, ERDF for CANAPE, Tesco for Broadland Catchment Partnership, Forest Holidays who are partnering on projects that will enable young people to experience and explore the best of the UK countryside and Columbia providing clothing to all front-line staff for five years from 2017/18.

The UK National Parks also continue to investigate efficiencies through joint procurement and services and also to create resilience amongst the Parks. 2019/20 saw the creation of

the UK National Parks Communication Team hosted by the Authority. This service is jointly funded by all 15 UK National Parks and seeks to promote a shared sense of identity.

Prior to the outbreak of COVID-19 opportunities were being explored for a Visitor Services presence at the Norwich Forum and Lowestoft Train station. These were to help with the loss of the Visitor Centre at Whitlingham Country Park due to the Trust wishing to take back responsibility for the Park. Whilst these new locations are currently on hold it is hoped these will be progressed once restrictions are lifted.

Strategy and resource allocation

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

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

On 20 November 2007, the Authority took out a £290,000 loan from the Public Works Loan Board. 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 2020 is £129,668.

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.

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

The Authority received National Park Grant of £3,414k from Defra (£3,356k in 2018/19). In addition to this, the income received from external grant support, sales, fees, charges and interest totalled £1,315k (£1,064k in 2018/19). Total income for 2019/20 was £4,729k (£4,420k in 2018/19).

The Authority set a budget for 2019/20 with a forecast deficit of £78k (£71k deficit for 2018/19). This deficit was to be balanced through the use of reserves. The Authority monitors its budget throughout the year against a forecast outturn which is updated on a monthly basis. The final forecast outturn for the year 2019/20 indicated an anticipated deficit of £26k. The actual outturn saw a surplus of £61k (a favourable variance of £87k). The Authority has a policy for carry forward requests in respect of underspends. This year there has been an increased number of requests due to the COVID-19 outbreak. These are due to be considered by the Authority on 22 May for £23k (£9k for 2018/19) and if approved will be added to the 2020/21 budget.

Navigation Income and Expenditure

Income from tolls was £3,375k (£3,336k in 2018/19), other income received for the year from external grant support, yacht stations charges, sales of tide tables, works licences and other miscellaneous services was £322k, (£263k in 2018/19) and interest was £25k (£18k in 2018/19). Total income for 2019/20 was £3,722k (£3,617k in 2018/19).

The Authority set a budget with a forecast deficit of £32k for 2019/20 (deficit of £3k for 2018/19). This deficit was to be balanced through the use of reserves. The Authority monitors its budget throughout the year against a forecast outturn which is updated on a monthly basis. The final forecast outturn for 2019/20, which took account of approved budget changes, indicated an anticipated surplus of £25k. The actual outturn saw a surplus of £136k (a favourable variance of £111k). The Authority has a policy for carry forward requests in respect of underspends. This year there has been an increased number of requests due to the COVID-19 outbreak. These are due to be considered by the Authority on 22 May for £88k (£6k for 2018/19) and if approved will be added to the 2020/21 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 19 and the EFA on page 18.

Outlook

2020/21 continues to focus on the successful delivery of our two external funded projects from the HLF and ERDF. Although both projects are claimed in arrears the impact and the Authority's cash flows is minimal. However, there is some uncertainty on future exchange rates which are difficult to forecast for the ERDF grant which is contracted in Euro. The use of a prudent exchange rate during the application phase should minimise any future impact of Brexit. The Authority is also keen to support the Hire Boat Industry, where possible, following the outbreak of COVID-19. Normally, the Authority receives a large proportion of its toll income prior to the start of the financial year but this year there has been challenges to this whilst boat owners are unable to use their boats. To assist with cash flow the National Park Grant, which is normally received quarterly, has been paid 35% in advance. The budget was based on all existing boat owners paying their tolls, with Navigation funding originally projecting a deficit of £134k in 2020/21 (after taking into account carry forward requests), with reserves at 11.2% of net expenditure at the end of the year. For General (National Park) funding there is a projected deficit of £132k (after taking into account carry

forwards requests) in 2020/21, with reserves at 27.5% of net expenditure. Both the National Park and Navigation deficits will be balanced through the use of reserves.

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

There are a significant number of variables – and some unknown quantities, such as future inflation – which could impact on these figures. The Financial Strategy will therefore be reviewed and updated by the Authority, having regard to any changes in circumstances and the annual outturn figures, at its meeting in January 2021. The annual toll increase for 2020/21 was set at 1% for unpowered vessels and 2.9% for powered. When setting the future strategy, the Authority will continue to consult with the Navigation Committee and other stakeholders. 2020/21 continues to focus on the development of partnership work. This incorporates projects at a number of sites; including Norwich Forum and Lowestoft Railway Station. Work will also continue with partners to help shape the future of land management schemes post Brexit. Climate change remains a threat to the Authority. Broadland Futures Initiative in collaboration with the Environment Agency will look at engaging with stakeholders.

Changes to the 2019/20 Accounts

Following the mini restructure in 2019/20 where some departments moved Directorates the 2018/19 income and expenditure has been restated to enable year on year comparisons. This has affected Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement and Navigation Income and Expenditure Account note.

The accounting statements

The Broads Authority's accounts for the year 2019/20 are set out on pages 12 to 81. 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 35 on page 80.

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

The Chief Financial Officer's Responsibilities

The Chief Financial Officer 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 2019/20 (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer 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 Chief Financial Officer 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.

Chief Financial Officer's Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Broads Authority at 31 March 2020 and its income and expenditure for the year ended 31 March 2020.

Emma Krelle (Chief Financial Officer)

Certificate of Committee Resolution

I confirm that these accounts were approved by The Broads Authority at its meeting held (insert date).

Signed on behalf of The Broads Authority:

(Chair of meeting approving the accounts)

date

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

Expenditure and Funding Analysis

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

Restated 2018/19 Net Expenditure chargeable to the General and Navigation fund balances £000	Restated 2018/19 Adjustments between the funding and accounting basis ¹ £000	Restated 2018/19 Net expenditure in the comprehensive income and expenditure statement £000	Function	2019/20 Net expenditure chargeable to the General and navigation fund balances £000	2019/20 adjustments between the funding and accounting basis £000	2019/20 Net expenditure in the comprehensive income and expenditure statement £000
1,527	(25)	1,502	Operations	1,257	207	1,464
1,051	139	1,190	Strategic Services	1,286	210	1,496
701	51	752	Chief Executive	720	63	783
47	109	156	Corporate Amounts	57	0	57
(222)	424	202	Broads Navigation Account	(232)	445	213
3,104	698	3,802	Net cost of services (subtotal)	3,088	925	4,013
(3,494)	215	(3,279)	Other income and expenditure	(3,463)	269	(3,194)
(390)	913	523	Surplus or (Deficit)	(375)	1,194	819
(1,426)			Opening general and navigation fund balance	(1,490)		
(390)			Less/plus surplus or (deficit) on general and navigation balance in year	(375)		
326			Transfer (to)/from earmarked reserves	207		
(1,490)			Closing general and navigation fund balance at 31 March	(1,658)		

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.

¹Further details on the adjustments between Funding and Accounting Basis can be found in Note 7.

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.

Restated 2018/19 Gross expenditure £000	Restated 2018/19 Income £000	Restated 2018/19 Net expenditure/ (income) £000	Description	Note	2019/20 Gross expenditure £000	2019/20 Income £000	2019/20 Net expenditure/ (income) £000
2,099	(598)	1,501	Operations		2,187	(723)	1,464
1,662	(473)	1,189	Strategic Services		2,026	(530)	1,496
775	(22)	753	Chief Executive		821	(38)	783
156	0	156	Corporate Items		57	0	57
3,850	(3,647)	203	Broads Navigation Account	35	3,905	(3,692)	213
8,542	(4,740)	3,802	Cost of services (subtotal)		8,996	(4,983)	4,013
		(6)	(Gains)/Losses on the disposal of non-current assets				12
		83	Financing and investment income and expenditure	11			262
		(3,356)	DEFRA National Park grant income				(3,414)
		-	Donated Asset	26			(54)
		523	(Surplus) or deficit on provision of services (subtotal)				819
		(73)	(Surplus) or deficit on revaluation of fixed assets				(118)
		2,253	Actuarial (gains)/losses on pension assets/liabilities				(3,111)
		2,180	Other comprehensive income and expenditure (subtotal)				(3,229)
		2,703	Total comprehensive income and expenditure				(2,410)

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.

2018/19	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 2018	1,426	0	1,585	3,011	(2,926)	85
Total comprehensive income and expenditure	(523)	0	0	(523)	(2,181)	(2,704)
Adjustments between accounting basis and finding basis under regulations (Note 9)	913	405	0	1,318	(1,318)	0
Transfers to or from Earmarked Reserves (Note 0)	(326)	0	326	0	0	0
Increase or (decrease) in 2018/19 (B) (subtotal)	64	405	326	795	(3,499)	(2,704)
Balance at 31 March 2019 (=A+B)	1,490	405	1,911	3,806	(6,425)	(2,619)

2019/20	General fund and navigation fund balance £000	Capital receipts reserve £000	Earmarked reserves £000	Total useable reserves £000	Useable reserves £000	Total Authority reserves £000
Balance at 31 March 2019 (A)	1,490	405	1,911	3,806	(6,425)	(2,619)
Total comprehensive income and expenditure	(819)	0	0	(819)	3,229	2,410
Adjustments between accounting basis and funding basis under regulations (Note 9)	1,194	0	0	1,194	(1,194)	0
Transfers to or from Earmarked reserves (Note 0)	(207)	0	207	0	0	0
Increase or (decrease) in 2019/20 (B) (subtotal)	168	0	207	375	2,035	2,410
Balance at 31 March 2020 (=A+B)	1,658	405	2,118	4,181	(4,390)	(209)

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 2019 £000	Category	Note	As at 31 March 20 £000
4,709	Property, plant & equipment	12	4,592
28	Intangible Assets		18
4,737	Long term assets (subtotal)		4,610
3,508	Short term investments		4,010
88	Inventories	13	114
808	Short term debtors	14	2,250
1,198	Cash and cash equivalents	15	681
5,602	Current assets (subtotal)		7,055
(15)	Short term borrowing		(15)
(1,747)	Short term creditors	16	(2,782)
(47)	Provisions	17	(107)
(1,809)	Current liabilities (subtotal)		(2,904)
(109)	Long term borrowing		(94)
(11,040)	Other long term liabilities	29, 31	(8,876)
(11,149)	Long term liabilities (subtotal)		(8,970)
(2,619)	Net assets (liabilities)		(209)
-	Useable reserves	-	-
1,064	General account fund balance		1,115
426	Navigation account fund balance		543
405	Capital receipts reserve		405
1,911	Earmarked reserves	0	2,118
-	Unusable reserves	19	-
1,950	Revaluation reserve		1,771
2,484	Capital adjustment account		2,618
(10,812)	Pension reserve		(8,719)
(47)	Accumulated absence reserve		(60)
(2,619)	Total reserves		(209)

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2020 and its income and expenditure for the year ended 31 March 2020. These financial statements replace the unaudited statements certified by the Chief Financial Officer on 15 May 2020.

Emma Krelle (Chief Financial Officer)

20 November 2020

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.

2018/19 £000	Revenue activities	Note	2019/20 £000
(523)	Net surplus or (deficit) on the provision of services		(819)
1,395	Adjustments to net surplus or deficit on the provision of services for non-cash movements		1,054
(11)	Adjust for items in the net surplus or deficit on the provision of services that are investing and financing activities		(4)
861	Net cash flows from operating activities (subtotal)	20	231
(1,287)	Investing activities	21	(676)
(70)	Financing activities	22	(72)
(496)	Net increase or (decrease) in cash and cash equivalents (subtotal)		(517)
1,694	Cash and cash equivalents at the beginning of the reporting period		1,198
1,198	Cash and cash equivalents at the end of the reporting period	15	681

Notes to the Statement of Accounts

1. Accounting policies

i. General principles

The Statement of Accounts summarises the Authority's transactions for the 2019/20 financial year and its position at the year end of 31 March 2020. 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 2019/20 and the Service Reporting Code of Practice 2019/20, 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 takes into account 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 (ie where the cash flows do not take the form of a basic debt instrument).

Financial assets measured at amortised cost

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

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

Expected Credit Loss Model

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

The Authority has not made any material loans.

xi. Foreign currency translation

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

xii. Government Grants and Contributions

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

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

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

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

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

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

xiii. Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being

available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xiv. 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.

xv. Leases

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

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

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

The Authority as lessee

Finance leases

Property, Plant and Equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the

present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

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

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

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

Operating leases

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

The Authority as lessor

Operating leases

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

xvi. 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 accruals 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;
- vehicles, plant, furniture and equipment – straight-line allocation between 5 and 10 years, as advised by a suitably qualified officer; and
- infrastructure – straight-line allocation between 20 and 25 years, as advised by a suitably qualified officer.

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

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

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

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

Disposals and non-current assets

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

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

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

xvii. 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, taking into account 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 32) 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.

xviii. 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.

xix. 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 2019/20, however in note 35 to the accounts the navigation income and expenditure is shown.

xx. 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.

xxi. 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.

xxii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her 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 2019/20 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 2020:

- Although delayed by a further year until April 2021, IFRS 16 Leases will be a significant change in Local Authority Accounting. Its introduction will remove the distinction between operating and finance leases for lessees. The standard will require assets to be recognised on the balance sheet as well as the liability for

outstanding lease payments. This will apply where the right to use the asset exceeds 12 months and it is not considered low value. This will be a significant change to the Authority as it holds a number of operating leases relating to land that is used for moorings.

3. Critical judgements in applying accounting policies

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

- Despite the one year settlement from DEFRA for 2020/21 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. Whilst the Authority did have significant influence in the management of the Trust, it 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	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall.

Item	Uncertainties	Effect if actual results differ from assumptions
	current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	It is estimated that the annual depreciation charge would increase by £68,000 for every year that useful lives had to be reduced.
Property	The assets valued during 2019/20 were undertaken prior to the outbreak of COVID-19. The pandemic is likely to adversely impact the valuations and the property consultants valuations have stated that there is 'material valuation uncertainty'.	If valuations of property reduce by 1% this is estimated to reduced the value of land and buildings by approximately £30,000.
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 pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £3,358,000. Further details are set out in the sensitivity analysis in note 31.

5. Material items of income and expenditure

There are no material items of expense in relation to 2019/20 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 Chief Financial Officer on 22 November 2020. Events that occur after this date are not reflected in the financial statements or notes.

Following the disclosure in note 4 that our property consultants valuation stated that 'material uncertainty' existed on our Property as at 31 March 2020 this has been subsequently reviewed in line with the RICS update issued on 9 September 2020. The guidance recognised that there can be a general 'lifting' of uncertainty on certain categories of property. This means that the valuations relating to the Authority's property is no longer subject to material uncertainty as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

7. Note to the expenditure and funding analysis

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

Restated 2018/19 Adjustments for capital purposes (Note 1) £000	Restated 2018/19 Net change for the pensions adjustments (Note 2) £000	Restated 2018/19 Other differences (Note 3) £000	Restated 2018/19 Total adjustments £000	Description	2019/20 Adjustments for capital purposes (Note 1) £000	2019/20 Net change for the pensions adjustments (Note 2) £000	2019/20 Other differences (Note 3) £000	2019/20 Total adjustments £000
(153)	128	(1)	(26)	Operations	38	162	7	207
(6)	146	0	140	Strategic Services	24	191	(5)	210
2	49	0	51	Chief Executive	(5)	65	3	63
0	109	0	109	Corporate Items	0	0	0	0
85	341	(2)	424	Broads Navigation Account	107	331	7	445
(72)	773	(3)	698	Net Cost of Services (subtotal)	164	749	12	925
0	215	0	215	Other income and expenditure from the Expenditure and Funding analysis	0	269	0	269
(72)	988	(3)	913	Difference between General and Navigation Fund surplus or deficit and comprehensive Income and Expenditure	164	1,018	12	1,194

Restated 2018/19 Adjustments for capital purposes (Note 1) £000	Restated 2018/19 Net change for the pensions adjustments (Note 2) £000	Restated 2018/19 Other differences (Note 3) £000	Restated 2018/19 Total adjustments £000	Description	2019/20 Adjustments for capital purposes (Note 1) £000	2019/20 Net change for the pensions adjustments (Note 2) £000	2019/20 Other differences (Note 3) £000	2019/20 Total adjustments £000
				Statement Surplus of Deficit on the Provision of Services				

Note

- 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 ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- 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.
- Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute including accumulated absences.

Income received on a segmental basis is analysed below:

Service	Restated 2018/19 Income from services (£000)	2019/20 Income from services (£000)
Operations	(598)	(723)
Strategic Services	(473)	(530)
Chief Executive	(22)	(38)
Corporate items	0	0
Specialist ringfenced account (navigation)	(3,647)	(3,692)
Total income analysed on a segmental basis	(4,740)	(4,983)

8a. Expenditure and income analysed by nature

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

Expenditure	2018/19 £000	2019/20 £000
Employee benefits expenses	5,454	5,694
Other services expenses	3,412	3,621
Depreciation, amortisation, impairment	395	452
Interest payments	35	42
Expenditure in relation to investment properties	(130)	0
Loss/(gain) on the disposal of assets	(6)	12
Total expenditure	9,160	9,821

Income	2018/19 £000	2019/20 £000
Fees, charges and other service income	(4,751)	(4,988)
Interest and investment income	(37)	(49)
Contributions from reserves	(493)	(497)
Government grants and contributions	(3,356)	(3,468)
Total income (subtotal)	(8,637)	(9,002)
Surplus or deficit on the provision of services	523	819

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	2018/19 £000	2019/20 £000
Revenue from contracts with service recipients	270	324
Total included in comprehensive income and expenditure	270	324

Amounts included in the Balance Sheet for contracts with service recipients

Outstanding Revenue	2018/19 £000	2019/20 £000
Receivables, which are included in debtors (Note 14)	25	14
Total included in net assets	25	14

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.

2018/19 General fund and navigation fund £000	2018/19 Capital receipts reserve £000	2018/19 Movement in unusable reserves £000	Adjustments	2019/20 General fund and navigation fund £000	2019/20 Capital receipts reserve £000	2019/20 Movement in unusable reserves £000
			Adjustments primarily involving the Capital Adjustment Account:			
(130)	130	0	Reversal of items debited or credited to the Comprehensive Expenditure and Income Statement:			
			Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	0	0	0
0	0	0	Donated Asset	(54)	0	54
372	0	(372)	Charges for depreciation and impairment of non-current assets	392	0	(392)
14	0	(14)	Revaluation losses on property, plant and equipment	51	0	(51)
9	0	(9)	Amortisation of intangible assets	9	0	(9)
5	0	(5)	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	16	0	(16)
			Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:			
(70)	0	70	Statutory provision for the financing of capital investment	(72)	0	72
0	0	0	Derecognition of finance lease liability	(8)	0	8
(273)	0	273	Capital expenditure charged against the General Fund	(170)	0	170
			Adjustments involving the Capital Receipts Reserve:			
0	275	(275)	Cash receipts from disposal of investment property	0	0	0
			Adjustments involving the Pensions Reserve:			
1,699	0	(1,699)	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 31)	1,762	0	(1,762)
(711)	0	711	Employer's pension contributions and direct payments to pensioners payable in the year	(744)	0	744
			Adjustments involving the accumulated Absences Account:			
(2)	0	2	Adjustments in relation to short-term compensated absences	12	0	(12)
			Adjustments involving the Capital Grant Unapplied Account:			
0	0	0	Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	0	0	0
913	405	(1,318)	Total adjustments	1,194	0	(1,194)

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 2019/20. A description of each of the earmarked reserves follows in the table below.

Reserve Name	Balance at 31 March 2018 £000	Transfers in 2018/19 £000	Transfers out 2018/19 £000	Balance at 31 March 2019 £000	Transfers in 2019/20 £000	Transfers out 2019/20 £000	Balance at 31 March 2020 £000
Property	(479)	(95)	4	(570)	(93)	0	(663)
Plant, vessels and equipment	(202)	(176)	103	(275)	(173)	99	(349)
Premises	(149)	(83)	36	(196)	(83)	32	(247)
Planning delivery grant	(227)	(42)	0	(269)	(29)	78	(220)
Upper Thurne Enhancement Scheme	(100)	(23)	3	(120)	(26)	0	(146)
Section 106 Agreements	(102)	(1)	0	(103)	(6)	65	(44)
Heritage Lottery Fund	(114)	(523)	547	(90)	(522)	600	(12)
Catchment Partnership	(100)	(24)	34	(90)	(31)	46	(75)
CANAPE	(72)	(264)	149	(187)	(232)	107	(312)
Computer Software	(40)	0	29	(11)	(11)	0	(22)
UK National Park Communications	0	0	0	0	(28)	0	(28)
Total	(1,585)	(1,231)	905	(1,911)	(1,234)	1,027	(2,118)

Included in the closing balance of £2,118k, £957k 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.

Section 106 Agreements

A reserve account established to hold ring-fenced developers' contributions relating to planning application conditions.

Heritage Lottery Fund

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

Catchment Partnership

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

CANAPE

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

Computer Software

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

UK National Parks Communications

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

11. Financing and investment income and expenditure

2018/19 £000	Expenditure and income detail	2019/20 £000
35	Interest payable and similar charges	42
215	Net interest on the net defined benefit liability (asset)	269
(37)	Interest receivable and similar income	(49)
(130)	Income and expenditure in relation to investment properties and changes in their fair value including disposal	0
83	Total	262

12. Property, plant and equipment

Movements on balances 2018/19

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 2018	2,885	3,319	302	323	22	6,851
Additions	0	235	0	0	38	273
Revaluation increases/(decreased) recognised in the Revaluation reserve	12	(53)	0	0	0	(41)

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
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(4)	(11)	0	0	0	(15)
Derecognition-disposals	0	(31)	0	0	0	(31)
At 31 March 2019	2,893	3,459	302	323	60	7,037

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 2018	23	1,851	223	0	0	2,097
Depreciation charge	32	325	15	0	0	372
Derecognition – disposals	0	(27)	0	0	0	(27)
Depreciation written out to the Revaluation Reserve	(3)	(111)	0	0	0	(114)
At 31 March 2019	52	2,038	238	0	0	2,328

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 2019	2,841	1,421	64	323	60	4,709
At 31 March 2018	2,862	1,468	79	323	22	4,754

Movements on balances 2019/20

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 2019	2,893	3,459	302	323	60	7,037
Additions	0	125	13	0	32	170
Donated Assets	54	0	0	0	0	54
Revaluation increases/(decreased) recognised in the Revaluation reserve	112	(442)	0	0	0	(330)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(62)	(5)	0	0	0	(67)
Derecognition-disposals	0	(38)	0	0	0	(38)
At 31 March 2020	2,997	3,099	315	323	92	6,826

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 2019	52	2,038	238	0	0	2,328
depreciation charge	24	353	15	0	0	392
derecognition – disposals	0	(22)	0	0	0	(22)
depreciation written out to the Revaluation Reserve	(6)	(442)	0	0	0	(448)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(12)	(4)	0	0	0	(16)
At 31 March 2020	58	1,923	253	0	0	2,234

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 2020	2,939	1,176	62	323	92	4,592
At 31 March 2019	2,841	1,421	64	323	60	4,709

Depreciation

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

Category of Asset	Depreciation method	Depreciation period
Operational Land and Buildings	Straight line. (The split between land and buildings is determined by the Authority's property consultant)	Between 5 to 50 years as per professional advice
Community Land	Not depreciated	Not depreciated
Infrastructure Asset	Straight line	Between 20 to 25 years
Vehicles, Vessels and Equipment	Straight line	Between 5 to 10 Years
Computer and Office Equipment	Straight line	5 years

Capital Commitments

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

Impairments

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

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued every five years. Valuations were carried out internally and externally. Valuations of land and buildings were carried out externally by NPS Property Consultants Ltd, in accordance with methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment 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	0	48	323	0	371
Valued at current value as at 31 March 2020	913	189	14	0	32	1,148
31 March 2019	1,381	300	0	0	0	1,681
31 March 2018	262	339	0	0	60	661
31 March 2017	144	224	0	0	0	368
31 March 2016	239	124	0	0	0	363
Total cost or valuation	2,939	1,176	62	323	92	4,592

13. Inventories

Description	Consumable stores 2018/19 £000	Consumable stores 2019/20 £000	Maintenance materials 2018/19 £000	Maintenance materials 2019/20 £000	Total 2018/19 £000	Total 2019/20 £000
Balance outstanding at start of year	37	36	54	52	91	88
Purchases	35	24	60	144	95	168
Recognised as an expense in year	(36)	(29)	(62)	(113)	(98)	(142)
Written off balances	0	0	0	0	0	0
Balances outstanding at year end	36	31	52	83	88	114

14. Debtors

31 March 2019 £000	Debtor types	31 March 2020 £000
79	Trade receivables	1,265
592	Prepayments and accrued income	825
137	Other receivable amounts	160
808	Total	2,250

15. Cash and cash equivalents

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

31 March 2019 £000	Cash and cash equivalent types	31 March 2020 £000
2	Cash held by the Broads Authority	2
1,196	Bank current accounts	679
1,198	Total cash and cash equivalents	681

16. Creditors

31 March 2019 £000	Creditor types	31 March 2020 £000
313	Trade payables	279
1,211	Accruals and income in advance	2,301
223	Other payable amounts	202
1,747	Total	2,782

17. Provisions

2018/19 Accumulate absences provision £000	2018/19 HMRC provision £000	2018/19 Total £000	Description	2019/20 Accumulated absences provision £000	2019/20 Whitlingham Dilapidations provision £000	2019/20 Total £000
50	16	66	Balance at 1 April	47	0	47
47	0	47	Additional provisions made in year	60	47	107
(50)	(16)	(66)	Settlements or cancellation of provision made at end of proceeding year	(47)	0	(47)
47	0	47	Balance at 31 March	60	47	107

The HMRC Provision related to the non-taxation of members expenses for attendance at committee meetings during the period 2012/13-2017/18. Settlement was agreed with HMRC in August 2018.

The Whitlingham Dilapidations Provision relates to end of lease dilapidations as assessed by Whitlingham Charitable Trust. Due to COVID-19 the Authority has been unable to have it's own survey conducted to potentially reduce the liability.

For more information on the Accumulated Absence Account, see note 19.

18. Usable reserves

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

19. Unusable reserves

31 March 2019 £000	Description	31 March 2020 £000
1,950	Revaluation reserve	1,771
2,484	Capital Adjustment Account	2,618
(10,812)	Pensions Reserve	(8,719)
(47)	Accumulated Absences Account	(60)
(6,425)	Total unusable reserves	(4,390)

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.

2018/19 £000	Description	2019/20 £000
1,774	Balance at 1 April	1,950
75	Upward revaluation of assets	132
(3)	Downward revaluation of assets	(14)
72	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on Provision of Services (subtotal)	118
105	Difference between current value depreciation and historical cost depreciation	(297)
(1)	Asset disposed of 2019/20, balance still on reserve	0

2018/19 £000	Description	2019/20 £000
104	Amount written off to the Capital Adjustment Account (subtotal)	(179)
1,950	Balance at 31 March	1,771

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.

2018/19 £000	Description	2019/20 £000
2,921	Balance at 1 April	2,484
130	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement: Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	0
(372)	Charges for depreciation and impairment of non-current assets	(392)
(14)	Revaluation losses on property plant & equipment	(51)
(130)	Movements in the market value of investment properties	0
0	Movement in the Donated Assets	54
(9)	Amortisation of intangible assets	(9)
(280)	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	(16)
(105)	Adjusting amounts written out of the revaluation reserve	297

2018/19 £000	Description	2019/20 £000
(780)	Net written out amount of the cost of non-current assets consumed in the year (subtotal)	(117)
70	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	72
0	Derecognition of finance lease liability	9
273	Capital expenditure charges against the General Fund	170
2,484	Balance at 31 March	2,618

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.

2018/19 £000	Description	2019/20 £000
(7,571)	Balance at 1 April	(10,812)
(2,253)	Remeasurements of the net defined benefit liability/(asset)	3,111
(1,699)	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	(1,762)
711	Employer's pension contributions and direct payments to pensioners payable in the year	744
(10,812)	Balance at 31 March	(8,719)

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.

2018/19 £000	Description	2019/20 £000
(50)	Balance at 1 April	(47)
50	Settlement or cancellation of accrual made at the end of the preceding year	47
(47)	Amounts accrued at the end of the current year	(60)
0	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
(47)	Balance at 31 March	(60)

20. Cash Flow Statement – Operating Activities

The cash flows from operating activities include the following items:

2018/19 £000	Operating activity	2019/20 £000
(34)	Interest received	(49)
35	Interest paid	42
1	Net cash flows from operating activities	(7)

21. Cash flow statement – investing activities

2018/19 £000	Investing activity	2019/20 £000
(273)	Purchase of property, plant and equipment, investment property and intangible assets	(170)
(1,000)	Purchase of short term investments	(500)
(3)	Other payments from investing activities	(2)
(11)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(4)
(1,287)	Net cash flows from investing activities	(676)

22. Cash flow statement – financing activities

2018/19 £000	Financing activity	2019/20 £000
(55)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(57)
(15)	Repayments of short and long term borrowing	(15)
(70)	Net cash flows from financing activities	(72)

23. Members' allowances

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

2018/19 £000	Member payment type	2019/20 £000
37	Allowances	39
6	Expenses	7
43	Total	46

24. Officers' remuneration

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

Job Title	Year	Salary, feed and allowances £000	Bonuses £000	Expenses allowances £000	Pension contribution £000	Total £000
Chief Executive	2018/19	87	0	0	16	103
	2019/20	88	0	0	16	105
Director of Strategic Services	2018/19	58	0	0	11	69
	2019/20	59	0	0	11	70
Director of Operations	2018/19	57	0	0	10	67
	2019/20	59	0	0	11	70

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

Number of employees 2018/19	Remuneration amount band	Number of employees 2019/20
0	£50,000 - £54,999	0
2	£55,000 - £59,999	2
0	£60,000 - £64,999	0
0	£65,000 - £69,999	0
0	£70,000 - £74,999	0
0	£75,000 - £79,999	0
0	£80,000 - £84,999	0
1	£85,000 - £89,999	1

Exit packages

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

Exit package cost band	Number of compulsory redundancies 2018/19	Number of compulsory redundancies 2019/20	Number of other departures agreed 2018/19	Number of other departures agreed 2019/20	Total number of exit packages by cost band 2018/19	Total number of exit packages by cost band 2019/20	Total cost of exit packages in each band 2018/19 £000	Total cost of exit packages in each band 2019/20 £000
£0-£20,000	0	1	0	0	0	1	0	12
£20,001-£40,000	0	1	0	0	0	1	0	24
Total	0	2	0	0	0	2	0	36

The total cost in the table above for exit packages have been charges to the authority's comprehensive income and expenditure statement in the previous year.

25.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

2018/19 £000	Type of external audit cost	2019/20 £000
11	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	11
11	Total	11

26. Grant income

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

2018/19 £000	Grant Name	2019/20 £000
3,356	Credited to taxation and non-specific grant income:	3,414
0	Defra National Park Grant	54
	Donated Asset (Acle WC)	
459	Credited to serves:	495
	Heritage Lottery Fund – Landscape Partnership Scheme	
202	CANAPE - ERDF	95
0	Defra Environment Land Management Scheme	24
0	Water Environment Grant	26
4,017	Total	4,108

27. 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 23.

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 Louis Baugh was a member of the Broads Authority and Audit & risk committee. The Authority completed remedial repair works in 2019/20 relating to a joint land access

agreement in place with Mr Baugh. No monies were exchanged, however, the overall value of work and materials was £7,276.

Mr Andrew Hamilton is a member of the Navigation Committee and is Director of "Eastwood Whelpton Ltd". "Eastwood Whelpton Ltd" paid £10,989.29 (£10,731 2018/19) navigation tolls to the Broads Authority in 2019/20.

Mr James Knight is a member of the Broads Authority and Planning Committee and is a Director of 'Waveney River Centre (2003) Ltd'. Waveney River Centre (2003) Ltd paid £18,032 (£8,019 2018/19) navigation tolls to the Broads Authority in 2019/20. The Authority also made fuel purchases of £1,294 (£1,036 in 2018/19) and used mooring facilities of £2,400 during 2019/20 (£2,400 2018/19) and prepaid £2,500 in advance relating to 2020/21. No amounts were outstanding at 31 March 2020. Mr Knight took no part in the decision-making process associated with these contracts.

Mr Greg Munford is a member of the Broads Authority, Navigation Committee and Audit & risk Committee and is Chief Executive of 'Richardson's Leisure Ltd'. Richardson's Leisure paid £384,802 (£382,281 2018/19) navigation tolls to the Broads Authority in 2019/20. The Authority also made fuel purchases of £730 during 2019/20 (Nil in 2018/19). No amounts were outstanding at 31 March 2020. Mr Munford took no part in the decision-making process associated with this contract.

Mr Simon Sparrow is a member of the Navigation Committee and is Director of Hippersons Boatyard Ltd. Hippersons Boatyard paid £4,652 (£3,826 2018/19) navigation tolls to the Broads Authority in 2019/20. The Authority also made fuel purchases of £72 during 2019/20 (Nil 2018/19). £72 was outstanding at 31 March 2019. Mr Sparrow took no part in the decision-making process associated with this contract.

Officers

The Chief Executive represents the Broads Authority on the board of the Whitlingham Charitable Trust. Officer remuneration is detailed in note 24.

Whitlingham Charitable Trust

During the year the Authority provided administration services for Whitlingham Charitable Trust of £36,632 (£45,555 in 2018/19). The balance outstanding at 31 March 2020 was £6,953 (£15,384 at 31 March 2019).

The Broads Authority also provides a recharge service for purchase invoices and salaries of £72,832 (£82,513 in 2018/19). The balance outstanding at 31 March 2020 was £6,914 (£10,115 at 31 March 2019).

The Whitlingham Charitable Trust also invoiced the Authority £15,880 (£18,789 in 2018/19) for rental income for the lease of the visitor centre and moorings, and £4,339 for income collected on behalf of the Trust (£3,991 in 2018/19). The balance outstanding at 31 March 2020 was £864 (£2,159 in 2018/19). The Trust can also recharge purchase invoices, although there were none in 2019/20 (none in 2018/19).

Birketts LLP

Birketts LLP provides legal services to the Broads Authority. The Authority paid £54,866 for legal services in 2019/20 (£5,133 2018/19). £8,656 was outstanding at 31 March 2020 (£Nil 2018/19). The Senior Associate at Birketts LLP serves as Monitoring Officer to the Broads Authority and was appointed in May 2019.

Other Public Bodies

The Authority recharged Broadland District Council for staff time of £5,667 during 2019/20 (£12,009 in 2018/19). No amounts were outstanding at 31 March 2020 (£1,565 at 31 March 2019).

Norfolk County Council provides legal services to the Broads Authority via its legal practice, NPLaw. The Authority paid £34,155 for legal services in 2019/20 (£57,249 in 2018/19). £1,491 was outstanding at 31 March 2020 (Nil 2018/19).

Norfolk County Council also provides payroll services to the Broads Authority. The Authority paid £9,291 for this in 2019/20 (£6,952 in 2018/19). £2,295.13 was outstanding at 31 March 2020 (Nil 2018/19).

The Authority recharged Norfolk County Council for staff time of £2,520 during 2019/20 (Nil in 2018/19). No amounts were outstanding at 31 March 2020.

28. 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.

2018/19 £000	Description	2019/20 £000
364	Opening Capital Finance Requirement	294
273	Capital investment: Property, plant and equipment	224
(273)	Sources of finance Sums set aside from revenue: Direct revenue contributions	(170)
0	Donated Asset	(54)
(70)	MRP	(72)
294	Closing capital finance requirement	222

2018/19 £000	Description	2019/20 £000
(70)	Explanation of movements in year Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	(72)
(70)	Increase/(decrease) in capital financing requirement	(72)

29. Leases

Authority as lessee

Finance Leases

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

2018/19 £000	Asset Type	2019/20 £000
0	Other Land and Buildings	0
190	Vehicles, Plant, Furniture and Equipment	128
190	Total	128

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

2018/19 £000	Time periods	2019/20 £000
50	Finance lease liabilities (net present value of minimum lease payments): Current	43
130	Non-current	72
7	Finance costs payable in future years	4
187	Minimum lease payments	119

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

Time periods	Minimum lease payments 31 March 2019 £000	Minimum lease payments 31 March 2020 £000	Finance lease liabilities 31 March 2019 £000	Finance lease liabilities 31 March 2020 £000
Not later than one year	53	45	50	43
Later than one year and not later than 5 years	134	74	130	72
Later than 5 years	0	0	0	0
Total	187	119	180	115

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2019/20, no (£nil) contingent rents were payable by the Authority (2018/19 £nil).

Operating Leases

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

2018/19 £000	Time period	2019/20 £000
138	Not later than one year	141
380	Later than one year and not later than 5 years	280
194	Later than 5 years	207
712	Total	628

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

2018/19 £000	Expenditure	2019/20 £000
170	Minimum lease payments	162
170	Total	162

Authority as Lessor

Finance Leases

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

Operating Leases

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

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

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

2018/19 £000	Time Period	2019/20 £000
0	Not later than one year	0
0	Later than one year and not later than 5 years	0
0	Later than 5 years	0
0	Total	0

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

30. Termination benefits

The Authority terminated the contracts of two employees who were made redundant at the beginning of 2019/20 as part of the Broads Authority's organisational restructuring. In terminating these contracts the Authority incurred liabilities of £36,315, of which £nil related to enhanced pension benefits. No additional liabilities relating to termination benefits were incurred during 2019/20 and no provision for any future redundancy payments was established in the year.

31. 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.

Guaranteed minimum pension

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the State Second Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of the Broads Authority for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards.

The McCloud Judgement

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied.

The impact of the ruling is uncertain. It is looking likely that benefits accrued from 2014 may need to be enhanced so that all members, regardless of age, will benefit from the underpin. However, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections. In this outcome, there would likely be a retrospective increase to members' benefits, which in turn would give rise to a past service cost for the Fund employers when the outcome is known.

Quantifying the impact at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The effect of the judgement has been included in the pension liabilities recognised in the balance sheet.

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:

2018/19 £000	Transaction	2019/20 £000
	Comprehensive Income and Expenditure Statement	
	Cost of services:	
1,289	• current service cost	1,493
195	• past service cost	0
	Financing and investment income and expenditure	
215	• net interest expense	269
1,699	Total post-employment benefits charged to the surplus or deficit on the provision of services	1,762
	Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement:	
(710)	• return on plan assets (excluding the amount included in the net interest expense)	2,218
-	• actuarial gains and losses arising on changes in demographic assumptions	(996)
2,945	• actuarial gains and losses arising on changes in financial assumptions	(3,142)
18	• other experience	(1,191)
(2,253)	Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	(3,111)

2018/19 £000	Transaction	2019/20 £000
1,699	Movement in Reserves Statement <ul style="list-style-type: none"> reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code 	1,762
(711)	Actual amount charged against the General Fund balance for pensions in the year: <ul style="list-style-type: none"> employers' contributions payable to scheme 	(744)

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:

2018/19 £000	Type	2019/20 £000
(37,640)	Present value of the defined benefit obligation	(33,898)
26,828	Fair value of plan assets	25,179
(10,812)	Net liability arising from defined benefit obligation	(8,719)

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

2018/19 £000	Movements	2019/20 £000
25,211	Opening fair value of scheme assets	26,828
683	Interest income	644
710	Remeasurement gain / (loss): <ul style="list-style-type: none"> The return on plan assets, excluding the amount included in the net interest expense 	(2,218)
711	Contributions from employer	744
216	Contributions from employees into the scheme	222
(703)	Benefits paid	(1,041)
26,828	Closing fair value of scheme assets	25,179

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

2018/19 £000	Movements	2019/20 £000
32,782	Balance at 1 April	37,640
1,289	Current service cost	1,493
898	Interest cost	913

2018/19 £000	Movements	2019/20 £000
216	Contributions from scheme participants	222
-	Remeasurement (gains) and losses: <ul style="list-style-type: none"> Actuarial gains / losses from changes in demographic assumptions 	(996)
2,945	<ul style="list-style-type: none"> Actuarial gains / losses arising from changes in financial assumptions 	(3,142)
18	<ul style="list-style-type: none"> Other 	(1,191)
195	<ul style="list-style-type: none"> Past Service Cost 	-
(703)	Benefits paid	(1,041)
37,640	Balance at 31 March	33,898

Local Government Pension Scheme Assets

Local Government Pension Scheme assets comprised:

Fair value of scheme assets 2018/19 £000				Fair value of scheme assets 2019/20 £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
-	669.8	669.8	Cash and cash equivalents: <ul style="list-style-type: none"> All cash and cash equivalents 	-	666.1	666.1
1,663.0	-	1,663.0	Equity instruments: <ul style="list-style-type: none"> Consumer 	933.0	-	933.0
1,373.9	-	1,373.9	<ul style="list-style-type: none"> Manufacturing 	739.8	-	739.8
600.6	-	600.6	<ul style="list-style-type: none"> Energy and utilities 	225.6	-	225.6
1,454.6	-	1,454.6	<ul style="list-style-type: none"> Financial institutions 	632.5	-	632.5
645.6	-	645.6	<ul style="list-style-type: none"> Health and care 	584.4	-	584.4
1,312.8	-	1,312.8	<ul style="list-style-type: none"> Information technology 	777.1	-	777.1
0.9	-	0.9	<ul style="list-style-type: none"> Other 	0.4	-	0.4
-	-	-	Bonds (Debt securities): <ul style="list-style-type: none"> Corporate bonds (investment grade) 	-	-	-
-	-	-	<ul style="list-style-type: none"> Corporate bonds (non-investment grade) 	-	-	-
307.4	-	307.4	<ul style="list-style-type: none"> UK Government 	292.6	-	292.6
-	1,656.3	1,656.3	Private equity: <ul style="list-style-type: none"> All private equity 	-	1,515.2	1,515.2
-	2,655.6	2,655.6	Property:	-	2,166.6	2,166.6

Fair value of scheme assets 2018/19 £000				Fair value of scheme assets 2019/20 £000		
-	512.6	512.6	<ul style="list-style-type: none"> • UK property • Overseas property 	-	496.1	496.1
4,616.3	-	4,616.3	Other investment funds and unit trusts:	7,277.4	-	7,277.4
9,289.4	-	9,289.4	<ul style="list-style-type: none"> • Equities • Bonds 	8,204.2	-	8,204.2
-	-	-	<ul style="list-style-type: none"> • Infrastructure 	-	703.3	703.3
76.6	-	76.6	Derivatives	-	-	-
(7.4)	-	(7.4)	<ul style="list-style-type: none"> • Other derivatives • Foreign exchange 	-	(35.3)	(35.3)
21,333.7	5,494.3	26,828.0	Total	19,667.0	5,512.0	25,179.0

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 2019.

The principal assumptions used by the actuary have been:

31 March 2019	Assumption	31 March 2020
	Long term expected rate of return on assets in the scheme:	
2.4%	• Equity investments	2.3%
2.4%	• Bonds	2.3%
2.4%	• Property	2.3%
2.4%	• Cash	2.3%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
22.1 years	• Men	21.7 years
24.4 years	• Women	23.9 years
	Longevity at 65 for future pensioners:	
24.1 years	• Men	22.8 years
26.4 years	• Women	25.5 years
2.5%	Rate of inflation	1.9%
2.8%	Rate of increase in salaries	2.6%
2.5%	Rate of increase in pensions	1.9%
2.4%	Rate for discounting scheme liabilities	2.3%
	Take up of option to convert annual pension into retirement lump sum:	
50%	Pre- April 2008 service	50%
75%	Post- April 2008 service	75%

*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 2020	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	10%	3,358
1 year increase in member life expectancy	3-5%	Dependent on revised assumption
0.5% increase in the salary increase rate	1%	262
0.5% increase in the pension increase rate	9%	3,072

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 (50% of scheme assets) and bonds (34%). These percentages are materially the same as the previous year. The scheme also invests in properties as part of the diversification of the scheme's investments.

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

Impact on the Authority's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a 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 2022.

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 £740,000 to the scheme in 2020/21.

32. 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 £6.4m. 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.

33. Financial Instruments

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

Financial Assets

Type	Non-Current Investments 31 March 2019 £000	Non-Current Investments 31 March 2020 £000	Non- Current Debtors 31 March 2019 £000	Non- Current Debtors 31 March 2020	Current Investments 31 March 2019 £000	Current Investments 31 March 2020 £000	Current Debtors 31 March 2019 £000	Current Debtors 31 March 2020	Total 31 March 2019 £000	Total 31 March 2020 £00
Amortised Cost	0	0	0	0	4,704	4,689	559	2,015	5,263	6,704
Total financial assets	0	0	0	0	4,704	4,689	559	2,015	5,263	6,704
Non- financial assets	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	4,704	4,689	559	2,015	5,263	6,704

Financial Liabilities

Type	Non-Current Borrowings 31 March 2019 £000	Non-Current Borrowings 31 March 2020 £000	Non-Current Creditors 31 March 2019 £000	Non-Current Creditors 31 March 2020	Current Borrowings 31 March 2019 £000	Current Borrowings 31 March 2020 £000	Current Creditors 31 March 2019 £000	Current Creditors 31 March 2020	Total 31 March 2019 £000	Total 31 March 2020 £00
Amortised Cost	239	167	0	0	64	57	1,697	2,740	2,000	2,964
Total financial liabilities	239	167	0	0	64	57	1,697	2,740	2,000	2,964
Non-financial liabilities	0	0	0	0	0	0	0	0	0	0
Total	239	167	0	0	64	57	1,697	2,740	2,000	2,964

Income, Expense Gains and Losses

Interest Type	Surplus or Deficit on the Provision of Services 2018/19 £000	Other Comprehensive Income and Expenditure 2018/19 £000	Total 2018/19 £000	Surplus or Deficit on the Provision of Services 2019/20 £000	Other Comprehensive Income and Expenditure 2019/20 £000	Total 2019/20 £000
Interest Expense	35	0	35	42	0	42

Interest Type	Surplus or Deficit on the Provision of Services 2018/19 £000	Other Comprehensive Income and Expenditure 2018/19 £000	Total 2018/19 £000	Surplus or Deficit on the Provision of Services 2019/20 £000	Other Comprehensive Income and Expenditure 2019/20 £000	Total 2019/20 £000
Interest Income	(37)	0	(37)	(49)	0	(49)

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;
- 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 2019 Carrying Amount £000	31 March 2019 Fair Value £000	31 March 2020 Carrying Amount £000	31 March 2020 Fair Value £000
PWLB	123	146	109	130
Finance Leases	180	180	115	115
Short Term Creditors	1,697	1,697	2,740	2,740
Total	2,000	2,023	2,964	2,985

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 2020) 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 2019 Carrying Amount £000	31 March 2019 Fair Value £000	31 March 2020 Carrying Amount £000	31 March 2020 Fair Value £000
Fixed term investments	3,508	3,508	4,010	4,010
Cash at banks	1,196	1,196	679	679
Short Term debtors	559	559	2,839	2,015
Total	5,263	5,263	7,528	6,704

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

34. 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, and only a small proportion of invoices were overdue and outstanding as at 31 March 2020 for which a bad debt provision had not been put in place.

Liquidity Risk

A one year funding agreement from DEFRA means the Broads Authority has some certainty over 2020/21. 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 2020/21 states that if the Authority enters into any contractual arrangements above £100,000 which involve foreign currency, the advice of the Chief Financial Officer will be sought on the advisability of hedging the exchange risk before entering into the contract.

35. Navigation Income and Expenditure Account

Restated 2018/19 Gross expenditure £000	Restated 2018/19 Income £000	Restated 2018/19 Net expenditure/ (income) £000	Description	2019/20 Gross expenditure £000	2019/20 Income £000	2019/20 Net expenditure/ (income) £000
2,525	(114)	2,411	Operations	2,587	(87)	2,500
519	(171)	348	Strategic Services	580	(160)	420
688	(8)	680	Chief Executive	700	(14)	686
117	0	117	Corporate Items	38	0	38
0	(3,354)	(3,354)	Navigation Income (Tolls)	0	(3,431)	(3,431)
3,849	(3,647)	202	Cost of services (subtotal)	3,905	(3,692)	213
		(4)	(Gains)/Losses on the disposal of non-current assets			(4)
		51	Financing and investment income and expenditure			123
		0	Donated Asset			(54)
		249	(Surplus) or deficit on provision of services (subtotal)			278
		(64)	(Surplus) or deficit on revaluation of fixed assets			(96)
		994	Actuarial (gains)/losses on pension assets/liabilities			(1,376)
		930	Other comprehensive income and expenditure (subtotal)			(1,472)
		1,179	Total comprehensive income and expenditure			(1,194)

36. Going Concern

The CIPFA Code confirms that local authority accounts must be prepared on a going concern basis. The Corona virus restrictions across the UK, have created significant issues for many businesses and residents and as a result from April 2020, Authority income was affected as payers sought to defer payments or were unable to pay at all. The impact of this on cashflow was mitigated by DEFRA forwarding 35% of National Park Grant at the beginning of April and expenditure either being delayed or rescheduled into 2021/22. The government has provided some support for lost income and for the additional costs borne by authorities because of the crisis. The Authority has received just over £20,000 in this regard. DEFRA has agreed to underwrite lost income between £200,000 and £800,000 which will be drawn down in line with identified need. However current forecasts indicates this will not be required.

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

Date	General Fund	Navigation Fund	Earmarked reserves
31/3/20	£1.115m	£0.543m	£2.118m

We have carried out an assessment of the impact of Covid-19 on our future finances and we are satisfied that there is no material uncertainty relating to the Authority's going concern. Through our assessment we have identified that we expect in 2020/21:

Reductions in revenue relating to:

1. Toll Income – where we have assumed a reduction of 5% for the year, as a consequence of where Private and Hire Boats were unable to operate due to social distancing restrictions.
2. Visitor Services Income – 25% fall relating to lost trading from closed sites for the first 3 months of the year, given the seasonality of our business.

Additional costs relating to Covid-19 have been estimated at £35,000 based on the expectations of the Authority's Management on preparing customer facing sites for reopening and facilitating staff being able to work from home.

If the lockdown arrangements are to extend beyond the 6 months window into 2020/21 that we have set out above, we have not assumed any additional central government grants within in our assumptions, and we have yet to make any assessment of further additional costs due to the uncertainty.

Therefore, we would expect our 2020/21 outturn to show a revised consolidated surplus – taking into account all the above factors of £57,230. This would be added to the General and Navigation Fund balance – which would then have a predicted balance of £1,703,890 at 31 March 2021.

The Authority has undertaken cash flow modelling through to March 2022 which demonstrates the Authority's ability to work within its Capital Financing Requirement and Cash management framework, with a minimum headroom of £0.210 million.

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'

Broads Authority Annual Governance Statement 2019/20 and Action Plan 2020/21 and Code of Corporate Governance 2020

Published May 2020



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About this Statement

As a public body, the Broads Authority is responsible for making sure its governance and internal control systems are robust, up-to-date and in line with the principles of good governance. This is about conducting our business in accordance with the law and with proper standards, using public money wisely and efficiently, and having the right arrangements in place to protect our assets and meet our strategic aims. It is also about our staff and Members 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 was adopted in May 2020. Our action plan for 2020/21 and a review of last year's action plan are at Appendices 1(a) and 1(b).

1 Our governance framework

1.1. Purposes and duties

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

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

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

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

1.2. Strategy and policy

The [Broads Plan](#) is the key partnership strategy for the Broads, setting out a long-term vision and short-term objectives to benefit of the environment, local communities and visitors. The current Plan was adopted in March 2017 and we publish 6-monthly [progress updates](#) in May and November.

The [Broads Local Plan](#) adopted in 2019 sets out the policies used in determining planning applications for the plan period up to 2036. We are also producing supporting supplementary planning documents and guidance to help with the interpretation and implementation of some policies.

Sitting under the Broads Plan are more detailed [guiding strategies](#), generally focusing on a single theme and covering a short-term period. In the last year we reviewed and updated the Broads Integrated Access Strategy and the Broads Biodiversity & Water Strategy.

Our [Annual Business Plan](#) outlines our work priorities for the coming year and summarises last year's progress. The Plan is a link between the strategies for the Broads and our Directorate work plans. The Plan for 2020/21 is deferred until we have more information on the financial impact to the Authority as a result of the COVID-19 lockdown (see section 3).

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. Coronavirus (COVID-19) pandemic

Government measures put in place at the end of 2019/20 in response to the coronavirus (COVID-19) outbreak are significantly affecting the Broads Authority's operations, including its governance processes. Under the provisions of the [Coronavirus Act 2020](#), temporary standing orders for remote meeting procedure rules will be in place to May 2021. Some scheduled meetings were cancelled pending the remote meeting rules being in place.

The main impact to the Authority at the time of writing is the loss of income from tolls, especially from the hire boat industry. The Authority is liaising with the Government to seek support from Defra towards this loss, as well as support for the local tourism industry.

We may need to update this Annual Governance Statement with any further significant governance issues arising from the COVID-19 outbreak later in the year.

2.2. Brexit

Leaving the European Union has been overshadowed by the COVID-19 crisis. However, it remains a significant change for the country and will impact on the Authority, such as

closing off a source of funding for joint projects with European partners. The timescale for CANAPE, our current EU-funded project, has been extended.

2.3. Landscapes Review

The [Landscapes Review Final Report](#) was published in September 2019, setting out 27 proposals to protect and improve England's protected landscapes. We await the Government's full response to the report, but have started to identify what we can do within our existing resources.

2.4. Peer Review

In May 2018, we implemented changes to our governance processes in response to the recommendations of a commissioned **Peer Review**. In 2019/20 a desk-based review of the effectiveness of the changes was carried out by a Lead Member and a Managing Director from two of the Norfolk local authorities. Their report made a number of suggestions, including the following:

- (a) The Authority's Chair and Chief Executive would attend the Norfolk Leaders and Chief Executives meeting every six months to give an update on progress and to hear challenges or concerns;
- (b) The Authority's Chief Executive would attend the Norfolk Chief Executives' meeting on a quarterly basis to update on areas of concern, discuss any proposal issues impacting or within the potential to impact on other Local Authorities;
- (c) The monthly Broads Briefing from the Authority's Chief Executive would be circulated to all Local Authorities and Parish Councils.
- (d) The Authority had engaged the support of the LGA and the Regional Peer (Cllr William Nunn) to support the leadership of the Authority in its relationship with the Local Authorities. This work includes:
 - Helping Authority members, particularly Local Authority appointees, to better understand their roles and responsibilities;
 - Supporting improved ways of working between the Local Authorities and understanding each other's values; and,
 - Supporting the Authority in operating within a complex political environment both locally and nationally.

3 Our committees and executive

3.1. Committees

The **Broads Authority** has unique governance arrangements, reflecting the interests of both national and local stakeholders. Of its 21 Members, ten are appointed by the Secretary of State, nine are locally elected County and District Councillors, and two are co-opted from

the Navigation Committee. Other than Planning Committee and those matters specifically delegated to the Chief Executive, all matters are dealt with by the full Broads Authority as the prime decision maker. Routine decision making is delegated by Members to Officers of the Authority through the Scheme of Delegated Powers.

As mentioned above, the COVID-19 pandemic will impact our governance processes on a temporary basis. Committee meetings will be held remotely through video-conferencing, with live streaming for the public. Times of meetings may differ to those shown on the committee timetable for 2020/21.

Normally, the Broads Authority meets six times a year. Two of the scheduled meeting dates are allocated for site visits or workshops, to give Members more time to interact informally outside the main business meetings, and to see what is happening out in the Broads. There is a transparent process for the annual appointment of Chairs and Vice-Chairs, committee membership and appointments to outside bodies, which allows Members to express their preferences for serving on 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 **Audit and Risk Committee (ARC)** is an advisory committee meeting 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.

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 Planning website.

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

The **Broads Local Access Forum** is a semi-independent body that advises the Authority on improving public access to land within the Broads executive area. It meets at least twice a year.

The Authority has two **Independent Persons**, appointed for a 4-year period, who are regularly consulted to help the Authority achieve high ethical standards. The current postholders were appointed in July 2016. Any new appointments may be on hold until the COVID-19 lockdown restrictions are eased.

3.2. Officers

The Authority has 132 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

(Chief Financial Officer), Navigation Officer (Head of Ranger Services) and Monitoring Officer. The Chief Executive, Chief Financial Officer, Director of Strategic Services and Director of Operations make up our Management Team. We are also required to have a Data Protection Officer, and this role is currently held by the Director of Operations as a qualified Data Practitioner.

3.3. Financial arrangements

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

We have a number of procedures in place to make sure we obtain best value for money in all we do, and we review them all on a regular basis. The Financial Regulations, reviewed in March 2018, were updated to reflect that the Section 17 Officer and Treasury is now managed in-house. Our Counter Fraud, Corruption and Bribery Strategy was updated in March 2018 and our Standing Orders Relating to Contracts in May 2018. We also reviewed our Vehicle Procurement Strategy in October 2019 and our Capital, Treasury and Investment Strategy in March 2020. Work is underway to update the Procurement Strategy and Standing Orders Relating to Contracts following recommendations from the Procurement Audit.

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 ARC reports.

4 Decision making and openness

Our arrangements for decision making are set out in publicly available documents. These include Standing Orders, Scheme of Delegated Powers and a Protocol on Member and Officer Relations. In 2019/2020 we commissioned Birketts LLP to carry out a review of our constitutional and governance documents to make sure they are fit for purpose, in line with best practice and legislation, and easy to understand. This work is not completed. As mentioned above, we may be required to make temporary revisions to processes under the Coronavirus Act 2020.

Our committees each have 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. Our committee meetings are audio recorded and the public may request a copy of the recording.

Staff roles and responsibilities are defined through job descriptions and regularly updated policies and procedures, including an officer code of conduct and annual performance appraisals. In 2019/2020 we started to use the Best Companies Employee Survey. Our first

Best Companies Index score was classed as 'good', which in terms of accreditation means we are 'one to watch'. We plan to run the next survey at the end of 2021, funding permitting, and aim to improve our baseline score.

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**. Our Independent Persons provide external scrutiny of our standards processes.

We also have our own set of corporate **core values** which we promote to our staff and Members through posters and screen savers, codes of conduct and protocols, recruitment and appraisal processes, and development programmes.

Our Core Values

We show commitment - Working together for a common purpose; Showing flexibility, trust and enthusiasm; Delivering on our promises

We are caring - Setting realistic and properly resourced workloads; Supporting each other to get things done; Giving praise and daring to challenge

We are exemplary – Being visible, approachable and professional; Making sound judgements on strong evidence; Aiming higher, smarter and always inspiring

We are open and honest – Being fair and consistent in our words and actions; Always willing to ask, listen and respond; Doing what's right and being accountable

We are sustainable – Looking after our resources wisely; Understanding the impact of our choices; Doing work that adds real value

6 Engaging with stakeholders

We encourage our partners, interest and user groups and local communities to engage with us in various ways. This includes drop in events such as partnership working groups and Parish Forums, 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. Due to the COVID-19 social distancing requirements, we are developing ways to engage with stakeholders through remote means.

7 Managing risk and performance

The Audit and Risk Committee's (ARC) 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. Actions in this year's Action Plan to strengthen our risk management processes have been completed. We updated our Corporate Risk Register (previously called the Strategic Risk Register) and Directorate Risk Registers in 2019 and they are monitored every six months by ARC and by Management Team.

In 2019/20, we tested our **IT Disaster Recovery Infrastructure** and are updating our **Business Continuity and Emergency Response Plan**, which has been put into practice in response to the current COVID-19 situation.

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, and the Monitoring Officer has a duty to write a report if the Authority or any of its committees proposes action that would be unlawful or amount to maladministration.

8 Internal and external audit

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

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

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

The Management Team responds to each recommendation in the internal audit report, stating whether it is agreed and what action will be taken. The ARC 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 controls at the Broads Authority is **reasonable**, with all audits concluding with a positive opinion. There are therefore no issues raised by internal audit that are significant enough for inclusion in the Annual Governance Statement.

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

Note: The internal audit report and the Annual Governance Statement for 2018/19 highlighted an incident when the Authority had been subject to an invoice fraud, which resulted in the Authority making a payment erroneously. This incident took place in 2019/20. External Audit was also informed about this incident, and the CFO carried out a formal investigation and acted to protect the Authority against this happening again. External Audit subsequently requested that this incident also be noted in this year's Statement. This addition was reported to the Broads Authority on 20 November 2020.

9 Action Plans

Our Annual Governance Statement Action Plan for 2020/21 and a summary of progress against last year's plan are in Appendices 1a and 1b.

This year's Action Plan focuses on performance monitoring and further refinements to our risk management policy and corporate risk register. We are satisfied that the Action Plan will address the identified weaknesses, and will report back on its implementation as part of our next Statement.

Signed

Chair of the Authority

Date2020

Signed.....

Chief Executive

Date2020

Appendix 1a - Broads Authority Annual Governance Statement

Audit recommendations - Action Plan 2020/21

Audit recommendations	Lead Officers	Target date
Accountability and monitoring of performance		
<p>Performance indicators:</p> <p>Report annual National Park Authority 'family' indicators composite data to Management Team to compare and address any adverse areas of performance. Review how indicators align to Broads Plan and Annual Business Plan priorities and whether meaningful targets can be set for each indicator. Publish annual NPA family indicator outturn data relating to Broads Authority on BA website.</p> <p>Clarify how DEFRA uses and publicises family indicator data.</p> <p>Consider whether State of the Park indicators (where BA is data source) can be collected annually and reported in annual business planning process.</p>	Head of Governance	By 31/08/20
Complete Operations Directorate Risk Register as part of Individual Performance Review process.	Director of Operations	By 31/05/20
Risk Management		
<p>Define specific risk appetite statement within Risk Management Policy to complement risk tolerance levels, to provide more definite basis over level of risk BA is prepared to accept and which risks require additional action/mitigation.</p> <p>Assign target risk score to show risk level BA is aiming for. Report any risks sitting over tolerance/risk appetite and monitor until mitigated below tolerance levels.</p>	Head of Governance	Risk appetite statement updated in Risk Management Policy. No further action.

Ensure links to BA website pages in Annual Business Plans (ABP) are correct and update where necessary.	Head of Governance	Updated in this year's ABP
Procurement		
Review procurement strategy and Standing Orders Relating to Contracts to ensure both documents are up to date whilst reflecting current practices and revised job titles. In addition, the procurement strategy provides guidance on high risk/high value contracts and additional risks associated with such contracts. Refresher training to be rolled out to all relevant staff.	Chief Financial Officer	By 31/08/20
Review standard terms and conditions for contracts (goods and services) to provide template for all contracts over £5,000 in conjunction with the Authority's legal provider.	Chief Financial Officer	By 31/07/20
Communications and branding		
Continue updating of BA Communications Policy and guidance, and roll out of associated member and officer training.	Head of Comms	Work in progress (carried forward from 2019/20 action plan)
Governance		
Adopt revised constitutional documents following external review by Birketts LLP.	Chief Executive	Work delayed by COVID-19 crisis. Restart after Authority meetings are held in person.
Human Resources		
Continue preparation of report on equality assessment of employment policies and practices (Equalities Working Group)	Head of HR	By 31/3/21

Appendix 1b Broads Authority Annual Governance Statement

Audit recommendations – progress against Action Plan 2019/20

Actions	Lead Officers	Target date	Progress
Governance			
Commission external team to assess effectiveness of Peer Review Action Plan a year after its implementation	Chief Executive	31/07/19	Completed. Reviewed by Trevor Holden (CEO Broadland District Council and South Norfolk Council) and Steve Blatch (CEO North Norfolk District Council)
Commission Birketts LLP to review BA's constitutional documents to make sure they are fit for purpose, represent best practice, are in line with up-to-date legislation and are simpler to understand.	Chief Executive	Report to BA in Nov 2019	Consultant delays – work in progress (c/f to 2020/21 action plan)
Legal services			
Review performance of current legal services contractor and consider future arrangements, including potentially tendering for the work	Chief Financial Officer	6-month review in Sept 2019	Completed. Exempt report to BA 31/01/20
Risk management			
Update Risk Management Policy to reflect governance arrangements and responsibilities for risk, including those assigned to Audit & Risk Committee (ARC). Following Authority approval, publish policy on BA intranet.	Management Team	29/11/19	Completed
Review Strategic Risk Register (SRR) to identify which risks are strategic and which are operational/service level. Score all strategic risks and state which strategic objective they relate to, with colour coding clarifying 'risk appetite'.	Management Team	01/11/19	Completed. Strategic Risk Register is now called 'Corporate Risk Register'

Actions	Lead Officers	Target date	Progress
<p>Define scoring criteria for high/medium/low (H/M/L) risk in relation to severity/impact (for categories such as financial, reputation and service provision) and to likelihood.</p> <p>Explain changes from previous SRR in reports to ARC.</p>		12/11/19	Completed
<p>Update Risk Management page on BA intranet, incorporating revised documents and how risks are managed. Identify training needs across Authority.</p>	Head of Governance	29/11/19	Completed
<p>Introduce standard risk implications section on committee report template.</p>	Head of Governance	31/01/20	'Risk implications' on committee report templates and reported if required.
<p>Make sure senior managers are aware that Business Continuity recovery timelines of up to 24 hours may not be achievable if such recovery has to be undertaken using tape backups stored at Dockyard. Formally document staff acceptance (or otherwise) to support this.</p> <p>Look at options to enhance Data Replication (DR) service so it covers priority services such as Finance and Tolls.</p> <p>Formally document all DR testing in test reports to relevant senior managers and use lessons learned to inform updating of DR plans.</p> <p>Update relevant project management processes to include work to understand DR requirements for new or changed infrastructure.</p> <p>Move server rack containing DR infrastructure from Dockyard to more appropriate location.</p>	Head of IT & Collector of Tolls	31/07/19	All actions completed

Actions	Lead Officers	Target date	Progress
Communications and branding			
Update Communications Team workplan to include completion of Broads National Park branding strategy and work in relation to audit recommendations including training, updating intranet communications page and issuing internal guidance on use of BA and Broads National Park logos.	Head of Comms	05/07/19	Completed
<p>Following approval of NPA branding guidelines, update Communications Policy to include roles/responsibilities for overseeing management of correct branding, and include in separate branding section of policy.</p> <p>Include information on role of Communications Team and on updated branding policy within BA induction checklist.</p> <p>Produce guidance for staff on criteria for applying either BA or Broads National Park logo (or both) including reference to partnership/project work and to Broads National Park brand standards and branding strategy.</p> <p>Revise and relaunch Communications page on BA intranet, to include strategy and associated documents, Communications Team details, and provision of staff and member training on branding.</p>	Head of Comms	31/10/19	Work in progress (c/f to 2020/21 action plan)
Human Resources			
Continue preparation of report on equality assessment of employment policies and practices (Equalities Working Group)	Head of HR	31/03/20	Work in progress (c/f to 2020/21)
Complete Phase 2 of updating internal HR policies and procedures	Head of HR	31/03/20	Process ongoing; key policies and procedures updated.

Broads Authority

Code of Corporate Governance 2020

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 all 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 Audit and Risk Committee. Any significant areas of concern raised in the review are referred to our Management Team or to the appropriate committee for comment or decision.

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

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Chair of the Authority

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Chief Executive

Date: May 2020 (Review date April 2021)

Broads Authority Code of Corporate Governance: Schedule (May 2020)

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 2020/21 and report the results to the Broads Authority in July 2020 as part of the Annual Governance Statement.

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

Sub-principles	Our evidence to support this principle
<p>Behaving with integrity</p> <p>Behaving with integrity and leading a culture where acting in the public interest is visibly and consistently demonstrated, thereby protecting the reputation of the organisation</p> <p>Establishing and communicating specific standard operating principles or values for the organisation and its staff, building on the Seven Principles of Public Life (the Nolan Principles)</p> <p>Leading by example, embedding the above principles in effective, up-to-date policies and processes and using them as a framework for decision making and other actions</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Appointment of Independent Persons • Audit and Risk Committee oversight • Codes of Conduct for Employees (HR Policy 2), Members and Planning Committee Members • Members Counter Fraud, Corruption and Bribery Strategy & Response Plan • Declaration of Gifts and Hospitality for Members and Officers • Disciplinary Procedures for Officers (HR Policy 11) • Financial Regulations, Contract Standing Orders and Procurement Strategy • Internal and External Audit • Local Protocol on Member and Officer Relations • Member and Officer induction and annual appraisals • BA Core Values • Register of Interests for Members and declarations of interests made at meetings and recorded in minutes • Safeguarding Policy (HR Policy 22) • Standing Orders Relating to Contracts • Standing Orders for the regulation of Authority proceedings • Terms of Reference of Committees • Whistleblowing Policy for Officers (HR Policy 15)

<p>Demonstrating strong commitment to ethical values</p> <p>Establishing, monitoring and maintaining the organisation's ethical standards and performance</p> <p>Underpinning personal behaviour with ethical values that permeate all aspects of the organisation's culture and operation</p> <p>Developing and maintaining robust policies and procedures that place emphasis on agreed ethical values</p> <p>Making sure external providers of services on behalf of the organisation act with integrity and in compliance with ethical standards expected by the organisation</p>	<ul style="list-style-type: none"> • Annual performance appraisal for Members and Officers • BA Core Values • Codes of Conduct for Employees (HR Policy 2), Members and Planning Committee Members • Equality Policy (HR Policy 1) • Best Companies Index employee survey • Procurement Strategy and procedures • Recruitment & Selection Policy (HR Policy 16) and procedures • Use of Independent Persons in complaints procedures • Whistleblowing Policy for Officers (HR Policy 15)
<p>Respecting the rule of law</p> <p>Demonstrating a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p> <p>Making sure statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p> <p>Making the best use of the full powers available for the benefit of citizens, communities and other stakeholders</p> <p>Dealing effectively with breaches of legal and regulatory provisions</p> <p>Dealing effectively with corruption and misuse of power</p>	<ul style="list-style-type: none"> • Codes of Conduct for Employees (HR Policy 2), 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 2015) • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Disciplinary Procedures for Officers (HR Policy 11) • 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 • Provision of legal advice to Members and Officers • Register of Member and Officer interests and related party interests • Role descriptions for Members

	<ul style="list-style-type: none"> • Scheme of Powers Delegated to Officers • Statutory Officers appointed by the Authority • Whistleblowing Policy for Officers (HR Policy 15)
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Principle B: Ensuring openness and comprehensive stakeholder engagement

Sub-principles	Our evidence to support this principle
<p>Ensuring openness</p> <p>Demonstrating, documenting and communicating the organisation's commitment to openness</p> <p>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness - if that is not the case, a justification for the reasoning for keeping a decision confidential is provided</p> <p>Providing clear reasoning and evidence for decisions, in both public records and explanations to stakeholders, being explicit about the criteria, rationale and considerations used. In due course, making sure the impact and outcomes of those decisions are clear</p> <p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions or courses of action</p>	<ul style="list-style-type: none"> • 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 Engage stakeholder events and promotion • Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement) • Chairman's briefings • Committee meetings held in public and audio recordings of meetings available to public on request • Fair and transparent data processing through privacy notices • Financial Regulations and Standing Orders Relating to Contracts • Financial statements • Information published in respect of expenditure over £250 • Member Allowance Scheme • Public consultation processes for strategic plan reviews (e.g. Broads Plan, guiding strategies) • Public question time at committee meetings • Publication of agendas and reports in line with Local Government Act 1972 requirements • Record of decisions in committee minutes • Corporate Partnerships Register • Use of Transparency Regulations 2015
<p>Comprehensive stakeholder engagement</p> <p>Engaging effectively with all stakeholders, making sure the</p>	<ul style="list-style-type: none"> - Annual Business Plan, Annual Report and visitor publications (e.g. Broadcaster), social media accounts - Appointment process to Navigation Committee and Broads Local Access Forum

<p>purpose and aims for each stakeholder relationship are clear so outcomes are successful and sustainable</p> <p>Developing formal and informal partnerships to encourage more efficient use of resources and more effective outcomes</p> <p>Basing partnerships on trust, shared commitment to change, culture that promotes and accepts challenge among partners, and clear awareness of the added value of partnership working</p> <p>Establishing a clear policy on the type of issues the organisation will meaningfully consult on or involve communities, individuals, service users and other stakeholders to make sure the service (or other) provision is contributing towards intended outcomes</p> <p>Having effective communication methods and making sure members and officers are clear on their roles in community engagement</p> <p>Encouraging, collecting and evaluating the views and experiences of stakeholders of different backgrounds, including reference to future needs</p> <p>Implementing effective feedback mechanisms to show how stakeholder views have been considered</p> <p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p>	<ul style="list-style-type: none"> - Broads Briefing monthly newsletter from CEO - Broads Engage stakeholder events (e.g. workshops, Parish Forums), feedback processes and promotion - Broads Local Access Forum - Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement) - Broads Plan 6-monthly progress update report (and continual progress monitoring on e-system) - Broadsheet (toll payer newsletter) - KPI annual reporting as part of NPA monitoring process to Defra - Learning resources on BA website, including Broads Curriculum materials for schools - Navigation Committee - Notices to Mariners - Public questions time at committee meetings - Regular meetings between Chairs and CEOs of BA and constituent local authorities - Regular officer level liaison with partner organisations - Visitor and user surveys
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Taking account of the impact of decisions on future generations of tax payers and service users	
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Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Sub-principles	Our evidence to support this principle
<p>Defining outcomes</p> <p>Having a clear vision statement of the organisation's purpose and intended outcomes, with performance indicators, that provide the basis for its overall strategy, planning and other decisions</p> <p>Specifying the intended impact on/ changes for stakeholders in the short and longer term</p> <p>Delivering defined outcomes sustainably basis within available resources</p> <p>Identifying and managing risks to achieving outcomes</p> <p>Managing service user expectations with regard to setting priorities and making the best use of available resources</p>	<ul style="list-style-type: none"> • 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) • Norfolk & Suffolk Broads Act 1998 (BA statutory purposes) • Corporate and Directorate Risk Registers • Corporate Partnerships Register
<p>Considering social, economic and environmental benefits</p> <p>Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</p> <p>Taking a longer-term view in decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term</p>	<ul style="list-style-type: none"> • Broads Local Plan • Broads Plan and guiding level strategies • Equalities Working Group • Norfolk & Suffolk Broads Act 1998 (BA statutory purposes) • Project Development Group procedures • Public consultation for strategic plan reviews

<p>factors such as the political cycle or financial constraints</p> <p>Determining the wider public interest associated with balancing conflicting interests in achieving the various economic, social and environmental benefits, through consultation where possible, to ensure appropriate trade-offs</p> <p>Ensuring fair access to services</p>	
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Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub-principles	Our evidence to support this principle
<p>Determining interventions</p> <p>Making sure decision makers receive objective and rigorous analyses of various options showing how intended outcomes would be achieved and associated risks, to achieve best value.</p> <p>Considering stakeholder feedback when making decisions about service improvements, or where services are no longer required, to prioritise competing demands and limited resources such as people, skills and land, and bearing in mind future impacts.</p>	<ul style="list-style-type: none"> • BA and partner/stakeholder working groups • Budget setting process • Chairman's briefing sessions • Chairs' Group • Financial Regulations and Standing Orders Relating to Contracts • Member working groups • Project boards for large partnership projects (e.g. CANAPE and Water, Mills & Marshes) • Public consultation responses informing strategic plan and policy reviews (e.g. Broads Plan, Broads Local Plan)
<p>Planning interventions</p> <p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p> <p>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p> <p>Considering and monitoring risks facing each partner when working</p>	<ul style="list-style-type: none"> • Annual budget processes approved by BA with consultation by Navigation Committee • Financial Monitor • 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

<p>collaboratively, including shared risks</p> <p>Having flexible and agile arrangements so mechanisms for delivering goods and services can adapt to changing circumstances</p> <p>Establishing appropriate key performance indicators (KPIs) as part of the planning process to identify how the performance of services and projects is to be measured</p> <p>Ensuring capacity exists to generate the information required to review service quality regularly</p> <p>Preparing budgets in accordance with objectives, strategies and the medium-term financial plan</p> <p>Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure, aimed at developing a sustainable funding strategy</p>	<ul style="list-style-type: none"> • 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 Audit & Risk Committee
<p>Optimising achievement of outcomes</p> <p>Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints</p> <p>Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p> <p>Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues, or responses to changes in the external environment that may arise during the budgetary period, to achieve</p>	<ul style="list-style-type: none"> • Annual setting of tolls in consultation with Navigation Committee and Member Working Group • Asset Management Strategy • Budget and 3-year Financial Strategy agreed by BA • Budget reports, management procedures and training • Budgets monitored by Audit & Risk Committee and BA • Capital, Treasury and Investment Strategy • Procurement Strategy and reference guide • Standing Orders Relating to Contracts

<p>outcomes while optimising resource use</p> <p>Ensuring 'social value' through service planning and commissioning</p>	
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Principle E: Developing the Authority's capacity, including the capacity of its leadership and the individuals within it

Sub-principles	Our evidence to support this principle
<p>Developing capacity</p> <p>Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</p> <p>Improving resource use through techniques such as benchmarking</p> <p>Recognising the benefits of partnerships and collaborative working where added value can be achieved</p> <p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<ul style="list-style-type: none"> • Annual presentation to BA on major partnerships • Health and Safety policies and procedures • ICT Corporate Group review of ICT performance • Management Team decision in recruitment processes • Member and Officer induction and appraisal programmes • Strategic Risk Register review • Whistleblowing Policy for Officers (HR Policy 15)
<p>Developing leadership capacity</p> <p>Developing protocols to ensure elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship, and that a shared understanding of roles and objectives is maintained</p> <p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>Ensuring the Chair and Chief Executive Officer have clearly</p>	<ul style="list-style-type: none"> • Chief Finance Officer 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 Officers

<p>defined and distinctive leadership roles within a structure whereby the CEO leads in implementing strategy and managing the delivery of services and other outputs set by members, and each provides a check and a balance for each other's authority</p> <p>Developing the capabilities of members and senior management to achieve effective leadership, and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks</p> <p>Having structures in place to encourage public participation</p> <p>Considering the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p> <p>Holding staff to account through regular performance reviews that take account of training or development needs</p> <p>Maintaining the health and wellbeing of the workforce and helping individuals to maintain their own physical and mental wellbeing</p>	<ul style="list-style-type: none"> • Standing Orders for the Regulation of Authority Proceedings • Terms of Reference for Committees
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Principle F: Managing risks and performance through robust internal controls and strong public finance management

Sub-principles	Our evidence to support this principle
<p>Managing risk</p> <p>Recognising risk management is integral to all activities and must be considered in all aspects of decision making</p> <p>Implementing robust and integrated risk management</p>	<ul style="list-style-type: none"> • Business Continuity Plan and Disaster Recovery Plan • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Risk analysis in BA reports • Risk Management Policy

<p>arrangements and making sure they work effectively</p> <p>Allocating clear responsibilities for managing individual risks</p>	<ul style="list-style-type: none"> • Corporate Risk Register (reviewed every 6 months and reported to Audit and Risk Committee)
<p>Managing performance</p> <p>Effectively monitor service delivery including planning, specification, execution and independent post implementation review</p> <p>Making decisions based on relevant, clear objective analysis and advice, pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p> <p>Ensuring an effective scrutiny or oversight function is in place that provides constructive challenge and debate on policies and objectives before, during and after decisions are made. This will help enhance the performance of the organisation and any other organisation (or committee system) for which it is responsible</p> <p>Effectively and constructively challenging and policies and objectives to support balanced and effective decision making</p> <p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p> <p>Ensuring consistency between specification stages (such as budgets) and post implementation reporting (such as financial statements)</p>	<ul style="list-style-type: none"> • Audit and Risk Committee • Capital, Treasury and Investment Policy • Chairs' Group • Financial Monitor • Financial Regulations and procedures • Management Team and Section Head reviews of Directorate work plans and budgets • Procurement Strategy • Regular finance reports to BA, Audit & Risk Committee and Navigation Committee • Risk and financial implications in reports to BA • Standing Orders Relating to Contracts • Statement of Accounts follows budget headings • Terms of Reference for Committees

<p>Developing robust internal control</p> <p>Aligning the risk management strategy and policies on internal control with achieving objectives</p> <p>Regularly evaluating and monitoring risk management and internal control</p> <p>Having effective counter fraud and anti-corruption arrangements in place</p> <p>Making sure that additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p> <p>Having an audit committee or equivalent group/function, independent of the executive and accountable to the governing body</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Annual Internal Audit plans include key control and corporate governance • Annual Report and Opinion provided by Head of Internal Audit with ref to governance, risk management and internal control arrangements • Codes of Conduct for Employees (HR Policy 2), for Members, and for Planning Committee Members • Standing Orders Relating to Contracts • Procurement Strategy • Counter Fraud, Corruption and Bribery Strategy and Response Plan • Disciplinary Procedures for Officers (HR Policy 11) • Effective internal audit function resourced and maintained • Financial Regulations, Contract Standing Orders and Procurement Strategy • Audit and Risk Committee • Best Companies Index employee survey • Internal and external annual audit processes • Local Protocol on Member and Officer Relations • Publication of reports and meeting minutes showing declarations of interest made • Risk Owners (e.g. reporting to Corporate Risk Register) • Scheme of Delegation of Powers to Officers • Standing Orders Relating to Contracts • Training for Members • Treasury and Investment Strategy
<p>Managing data</p> <p>Having effective arrangements in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p> <p>Having effective arrangements in place and operating when sharing data with other bodies</p>	<ul style="list-style-type: none"> • Annual Governance Statement • Data and Information Retention Policy • Data Asset Register, privacy notices and Protection policy • Data Protection Officer (qualified Data Practitioner), data protection training to Members and Officers • Encryption of portable devices • IT security arrangements

Regularly reviewing and auditing the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> • Review of contracts to ensure data security provisions are incorporated • Statement of Accounts narrative report
<p>Having strong public financial management</p> <p>Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance</p> <p>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p>	<ul style="list-style-type: none"> • 3-year Financial Strategy • Annual budget and budget management procedures • Annual Business Plan • Annual Statement of Accounts • Asset Management Strategy • Chief Finance Officer compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government • Earmarked reserves for long-term replacement of assets • External Audit reports • Financial Regulations and procedures • Financial statements • Reports to BA include financial and risk considerations • Treasury and Investment Strategy

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

Sub-principles	Our evidence to support this principle
<p>Implementing good practice in transparency</p> <p>Writing and communicating reports for public and other stakeholders in fair, balanced and understandable style, appropriate to the intended audience and easy to access and interrogate</p> <p>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny, while not being too onerous to provide or for users to understand</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Information published in respect of expenditure over £250 • Monthly data published on BA website in line with Local Government Transparency Code • Record of delegated decisions • Scheme of Delegation of Powers to Officers

<p>Implementing good practice in reporting</p> <p>Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</p> <p>Ensuring members and senior management own the results reported</p> <p>Ensuring robust arrangements for assessing the extent to which principles in this Framework have been applied, and publishing the results on this assessment, including action plan for improvement and evidence to demonstrate good governance (AGS)</p> <p>Apply Framework to jointly managed or shared service organisations as appropriate</p> <p>Ensure performance information that accompanies the financial statements on a consistent and timely basis and the statements allow for comparison with other, similar organisations</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Broads Plan 6-monthly progress reports • S17 officer reporting requirements • Statements of Accounts narrative report • Strategic Direction reports (BA annual strategic priorities)
<p>Developing assurance and effective accountability</p> <p>Acting upon recommendations for corrective action made by external audit</p> <p>Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements, and acting upon recommendations</p> <p>Welcoming peer challenge, reviews and inspections from</p>	<ul style="list-style-type: none"> • Annual Governance Statement and Action Plan • Attendance of internal and external auditors at Audit and Risk Committee (ARC) • Audit actions formally logged, followed up and reported to ARC • Follow up of internal audit recommendations by Chief Finance Officer and periodically reported to ARC • 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 • Best Companies Index employee survey

<p>regulatory bodies and implementing recommendations</p> <p>Gaining assurance on risks associated with delivering services through third parties and evidencing this in the AGS</p> <p>When working in partnership, make sure arrangements for accountability are clear and the need for wider public accountability is recognised and met.</p>	<ul style="list-style-type: none"> • Peer Review (2017) and Action Plan (reviewed 2019/20) • Corporate and Directorate Risk Registers
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Audit and Risk Committee

17 November 2020

Agenda item number 8

Annual Audit Results 2019/20

Report by Chief Financial Officer

Summary

This report appends the draft Annual Audit Results for 2019/20 prepared by the External Auditors, Ernst & Young LLP (EY).

Recommendation

- i. To note the Annual Audit Results 2019/20; and
 - ii. That the Letter of Representation in connection with the Audit of the Financial Statements for 2019/20 be signed by the Chief Financial Officer and the Acting Chair of the Audit and Risk Committee.
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1. Annual Audit Results 2019/20

- 1.1. The External Audit for the Broads Authority's 2019/20 Statement of Accounts was undertaken during May and June 2020 and the draft Audit Results by EY for 2019/20 is at Appendix 1 to this report.
- 1.2. The External Auditors will attend today's meeting to present this item and answer any questions.
- 1.3. Appendix 2 to this report is the draft Letter of Representation in connection with the Audit of the Financial Statements for 2019/20. It is presented for consideration and approval by the Committee in order to be signed and sent to the External Auditors.

Author: Emma Krelle

Date of report: 04 November 2020

Background papers: Statement of Accounts 2019/20

Appendix 1 – draft EY audit results 2019/2020

Appendix 2 – draft Letter of Representation

Broads Authority Audit Results Report

Year ended 31 March 2020

4 November 2020



**Audit & Risk Committee
Broads Authority**

4 November 2020

Dear Committee Members

We are pleased to attach our audit results report for the forthcoming meeting of the Audit and Risk Committee. This report summarises our preliminary audit conclusion in relation to the audit of the Broads Authority for 2019/20. We will issue our final report after the Broads Authority meeting scheduled for 20 November 2020.

We have substantially completed our audit of the Broads Authority for the year ended 31 March 2020. Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at Section 3, before the deadline of 30 November 2020. We have no matters to report on your arrangements to secure economy, efficiency and effectiveness in your use of resources.

This report is intended solely for the use of the Audit and Risk Committee, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Risk Committee meeting on 17 November 2020.

Yours faithfully

Mark Hodgson

Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP

Encl

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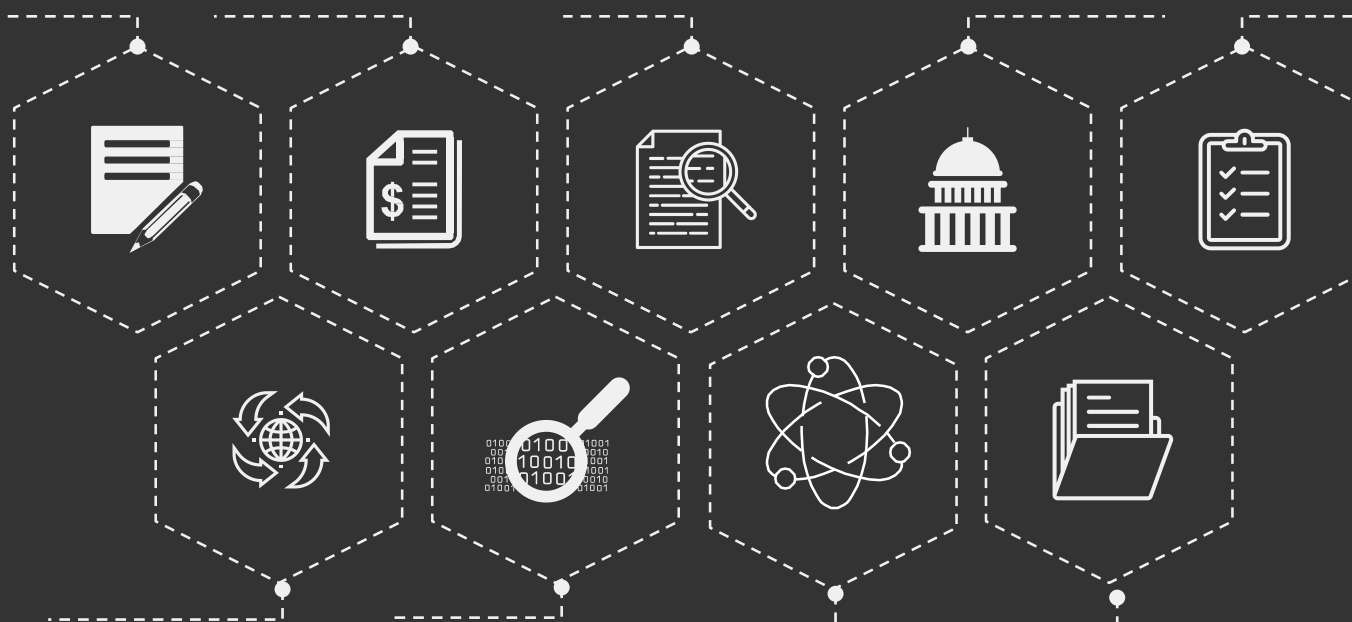
01 Executive Summary

02 Areas of Audit Focus

03 Audit Report

04 Audit Differences

05 Value for Money



06 Other reporting issues

07 Assessment of Control Environment

08 Independence

09 Appendices

Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk). This 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 (updated April 2018)' issued by 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 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary



Executive Summary

Scope update

In our Audit Plan dated 7 February 2020 (presented at the 3 March 2020 Audit & Risk Committee) and our Audit Plan Addendum dated 14 May 2020, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- ▶ Changes to reporting timescales - As a result of COVID-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for approved financial statements from 31 July to 30 November 2020 for all relevant authorities.
- ▶ Changes to our risk assessment as a result of Covid-19
 - ▶ Disclosures on Going Concern - Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Authority would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Authority's actual year end financial position and performance.
 - ▶ Events after the balance sheet date - We identified an increased risk that further events after the balance sheet date concerning the current Covid-19 pandemic will need to be disclosed. The amount of detail required in the disclosure needed to reflect the specific circumstances of the Authority.
- ▶ Change in materiality - We have considered whether any change to our materiality is required in light of Covid-19. Following this consideration we remain satisfied that the basis for planning materiality, performance materiality and our audit threshold for reporting differences reported to you in our Audit Plan remain appropriate.

We updated our planning materiality assessment using the 2019/20 draft statement of accounts. Based on our materiality measure of 2% of gross expenditure on the provision of services, we have updated our overall materiality assessment to £0.186 million (Audit Plan – £0.176 million).

This results in updated performance materiality, at 75% of our overall planning materiality, of £0.140 million, and an updated threshold for reporting misstatements of £9,307. (5% of Planning Materiality).



Executive Summary

Status of the audit

We have substantially completed our audit of the Broads Authority financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our Audit Plan.

The outstanding work at the date of this report is:

- ▶ Procedures in relation to assurances over the IAS 19 Pension Liability; and
- ▶ Whole of Government Accounts procedures.

Closing Procedures:

- ▶ Review of the final version of the financial statements;
- ▶ Completion of subsequent events review, including unrecorded liability procedures;
- ▶ Receipt of the signed management representation letter; and
- ▶ Final Manager and Engagement Partner reviews.

Subject to satisfactory completion of the following outstanding items above, we expect to issue an unqualified opinion on the Authority's financial statements in the form which appears at Section 3.

We expect to issue the audit certificate at the same time as the audit opinion, subject to the work requirements for Whole of Government Accounts.

Executive Summary

Audit differences

We are aware of potential changes in the pension liability due to a revised estimate of the impact of McCloud, and as a result of updated Pension Fund asset valuations. We are yet to receive quantification of these and therefore whether Management will choose to adjust for them within the revised financial statements.

Unadjusted differences

At the date of this report there are no unadjusted audit differences arising from our audit.

Adjusted differences

During the audit we have identified some disclosure audit amendments in the draft financial statements which management have chosen to adjust. We have judged that the majority of these do not warrant flagging to the Audit and Risk Committee in this report. There are three that we do believe merit the attention of the Committee:

1. Going Concern - The impact of Covid-19 has substantial implications for the Authority's finances. We therefore assessed the work performed by the Authority to ensure that it was still operating as a going concern up to 12 months from the audit opinion date. Our procedures resulted in an additional disclosure in the statement of accounts, see Note 36.

2. Estimation Uncertainty - The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Authority's external valuer. As further guidance has been produced, the valuer have removed the uncertainty clause from their valuation. Appropriate disclosures have been included in the statement of accounts.

3. Prior year restatement - As a result of restructuring during the 2019/20 financial year, the prior year Comprehensive Income & Expenditure and associated notes have been restated. This is per Code requirements to allow year on year analysis, and does not represent an error in the prior year statement of accounts.

As above, until all our audit work is complete, further amendments may arise.

Areas of audit focus

Our Audit Plan identified key areas of focus for our audit of the Broads Authority's financial statements. This report sets out our observations and conclusions, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, in the "Areas of Audit Focus" section of this report.

We ask you to review these and any other matters in this report to ensure:

- ▶ There are no other considerations or matters that could have an impact on these issues;
- ▶ You agree with the resolution of the issue; and
- ▶ There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Risk Committee.



Executive Summary

Correspondence from the Public

We did not receive any items of correspondence from members of the public during the year.
We did not receive any formal objections from members of the public.

Control observations

We have adopted a fully substantive audit approach, so have not tested the operation of controls.

Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties.

We did not identify any Value for Money risks in our Audit Plan or Audit Plan addendum. We did however note that at the time of our Audit Plan, the Authority had not received notification of its grant allocation for 2020/21. This has now been provided.

Subject to completion of our planned procedures, we have no matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources.

Other reporting issues

We have reviewed the information presented in the draft version of the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as at the date of this report, the NAO have not issued their guidance to auditors. However, as we do expect, based on prior year guidance, the Authority would fall below the testing threshold set by the NAO for detailed procedures on the consolidation return (Threshold - £500 million). We do not expect therefore to have any issues to report.

We have no other matters to report.

Independence

Please refer to Section 8 for our update on Independence. There are no relationships from 1 April 2019 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.



02

Areas of Audit Focus



Areas of Audit Focus

Fraud risk - misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What did we do?

In order to address this risk we undertook the following audit procedures:

- ▶ Identified fraud risks during the planning stages;
- ▶ Inquired of management about the risks of fraud and the controls put in place to address those risks;
- ▶ Documented our understanding of the oversight given by those charged with governance of management's processes over fraud;
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- ▶ Reviewed the accounting estimates for evidence of management bias; and
- ▶ Evaluated the business rationale for significant unusual transactions.

ISA 240 mandates we perform procedures on; accounting estimates, significant unusual transactions and journal entries to ensure they are appropriate and in line with expectations of the business.

What are our conclusions?

We have not identified any material weakness in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied, or of any management bias in accounting estimates.

We have not identified any inappropriate journal entries or other adjustments to the financial statements.



Areas of Audit Focus

Significant risks

Misstatements due to fraud or error – the incorrect capitalisation of revenue expenditure

What is the risk?

The Authority is under financial pressure to achieve budget and maintain reserve balances above the minimum approved levels. Manipulating expenditure is a key way to achieve these targets.

We consider the risk applies to capitalisation of revenue expenditure. Management could manipulate revenue expenditure by incorrectly capitalising expenditure which is revenue in nature and should be charge to the comprehensive income and expenditure account.

The Authority had capital additions of £0.273 million in 2019/20.



What did we do and what judgements did we focus on?

We identified a risk of expenditure misstatement due to fraud or error that could affect the income and expenditure accounts and the balance sheet.

We have focused on the Authority's judgement that an item is capital expenditure in nature. To address this risk we:

- ▶ Sample tested additions to property, plant and equipment to ensure that they had been correctly classified as capital transactions and included at the correct value; and
- ▶ Applied our data analytics tool to identify and test journal entries that moved expenditure into capital codes.

What are our conclusions?

- ▶ Our sample testing of additions to Property, Plant and Equipment found that they had been correctly classified as capital and included at the correct value;
- ▶ Our sample testing of additions to Property, Plant and Equipment did not identify any revenue items that were incorrectly classified; and
- ▶ Our data analytical procedures did not identify any journal entries that incorrectly moved expenditure into capital codes.

Areas of Audit Focus – Other Areas of Audit Focus

Valuation of Land & Buildings -Inherent risk

What is the risk?

The fair value of Property, Plant and Equipment (PPE) represent significant balances in the Authority's accounts and are estimates which are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

We note that Management have changed their external valuers for 2019/20 and will address this risk in our procedures..

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.

What did we do and what judgements did we focus on?

We have identified a specific risk of misstatement that could affect the balance sheet. We consider the risk applies to the valuation of property, plant and equipment assets in the balance sheet. To address this risk we:

- ▶ Considered the work performed by the Authority's valuer, including the adequacy of scoping the work, their professional capabilities and the results of their work;
- ▶ Sample tested key asset information used by the valuer in performing their valuation;
- ▶ Considered the annual cycle of valuations to ensure that assets have been valued within the appropriate time frame and any changes communicated to the valuer;
- ▶ Reviewed assets not subject to valuation in 2019/20 to confirm that the remaining asset base was not materially misstated; and
- ▶ Tested accounting entries had been correctly processed in the financial statements.

What are our conclusions?

- ▶ We did not identify any issues with the Authority's valuer, their scoping of work, professional capabilities or results of their valuation procedures;
- ▶ Our sample testing of key asset information used in the valuations did not identify any material differences;
- ▶ Our testing of assets not subject to valuation in 2019/20 did not identify any material differences;
- ▶ Our testing confirmed that assets had been valued within the appropriate timeframe and those valued in the year had been performed correctly; and
- ▶ No issues were identified with the useful economic lives of assets or the accounting entries disclosed in the financial statements and supporting notes.

The revised financial statements include enhanced disclosure narrative in respect of estimation uncertainty as a result of our procedures.



Areas of Audit Focus

Other Areas of Audit Focus – continued

Pension liability valuation- Inherent risk

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body

The Authority's current pension fund deficit is a material (£8.8 million) and a sensitive item, and the Code requires that this liability be disclosed on the Authority's Balance Sheet.

The information disclosed is based on the IAS19 report issued by the actuary to the administering body.

Accounting for this scheme involves significant estimation and judgement.

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.

What did we do and what judgements did we focus on?

We have identified a specific risk of misstatement that could affect the balance sheet. We consider the risk applies to the valuation of the pension liability in the balance sheet and supporting disclosure notes. To address this risk we:

- ▶ Liaised with the auditors of Norfolk Pension Fund to obtain assurances over the information supplied to the actuary in relation to the Broads Authority;
- ▶ Assessed the work of the Pension Fund actuary (Hymans) including the assumptions they used by relying on the work of PwC - Consulting Actuaries commissioned by National Audit Office (NAO) for all Local Government sector auditors, and considering the corresponding reviews performed by the EY actuarial team; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19, including the 31 March 2019 triennial valuation.

What are our conclusions?

We have reviewed the assessment of the Pension Fund actuary by PwC and EY pensions and have undertaken the work required without identifying any issues; At the time of writing we are still awaiting the final assurance report from the Norfolk Pension Fund auditor, which will include assurances over the triennial valuation; and

We are aware that the Actuary has updated their assumptions in light of the McCloud Consultation remedy (July 2020) and that the Authority is planning to receive an updated liability report from the Actuary. We will review this updated report alongside the assurance letter from the Pension Fund Auditor.



Areas of Audit Focus

Other Areas of Audit Focus – continued

Impact of Covid-19 – going concern

What is the risk?

Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19.

We considered the unpredictability of the current environment gave rise to a risk that the Authority may not appropriately assess and disclose the key factors relating to going concern, underpinned by managements assessment, with particular reference to Covid-19 and the Authority's actual year end financial position and performance.

What did we do and what judgements did we focus on?

In order to address this risk we performed a range of procedures including:

- ▶ Obtaining management's going concern assessment and reviewing it for any evidence of bias and consistency with the accounts;
- ▶ Reviewing the financial forecasts prepared by the Authority. This considered key assumptions, and the risk to cash flow up to the date of 12 months after the signing date of the accounts and opinion;
- ▶ Ensuring that an appropriate going concern disclosure has been made within the statement of accounts; and
- ▶ Considering the impact on our audit report and complying with EY consultation requirements.

What are our conclusions?

We have received and reviewed Management's assessment of Going Concern and challenged the assessment appropriately.

Management have used the basis of the assessment to include an additional disclosure note within the revised financial statements at Note 36. We are satisfied, subject to some minor amendments, that this disclosure note appropriately sets out the circumstances surrounding the financial implications.

Management had initially included disclosure regarding the 'material valuation uncertainty' around PPE valuations in Note 4. This has been updated through Note 6 to indicate that the valuers have subsequently concluded that the asset base is no longer subject to this uncertainty



03

Audit Report

DRAFT



Audit Report

DRAFT

Our proposed opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADS AUTHORITY

Opinion

We have audited the financial statements of Broads Authority for the year ended 31 March 2020 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement,
- the Expenditure and Funding Analysis and the related notes 1 to 36.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

In our opinion the financial statements:

- give a true and fair view of the financial position of Broads Authority as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Audit Report – continued

DRAFT

Our proposed opinion on the financial statements

Other information

The other information comprises the information included in the “Statement of Accounts 2019-20”, other than the financial statements and our auditor’s report thereon. The Chief Finance Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in April 2020, we are satisfied that, in all significant respects, the Broads Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.



Audit Report – continued

DRAFT

Our proposed opinion on the financial statements

Responsibility of the Corporate Director and Chief Finance Officer

As explained more fully in the “Statement of Responsibilities for the Statement of Accounts”, set out on page 12, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in April 2020, as to whether the Broads Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Broads Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Broads Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.



Audit Report - continued

DRAFT

Our proposed opinion on the financial statements

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of Broads Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Or

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Use of our report

This report is made solely to the members of Broads Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.



04 Audit Differences



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of Adjusted differences

We highlight misstatements greater than £9,307 which have been identified during the course of the audit and which management have chosen to adjust within the revised financial statements.

We have not identified any audit differences above this level at the time of drafting this report.

Disclosure Notes

1. Going Concern - The impact of Covid-19 has substantial implications for the Authority’s finances. We therefore had to assess the work performed by the Authority to ensure that it was still operating as a going concern up to 12 months from the audit opinion date. Our procedures resulted in Management including an additional disclosure in the revised Statement of Accounts.

2. Estimation Uncertainty - Management has enhanced the narrative within Notes 4 & 6 to explain the basis of the Property, Plant & Equipment valuation and the valuers initial clause about a material uncertainty over that valuation at the balance sheet date, plus the subsequent consideration of the uncertainty.

3. Combined Income & Expenditure Statement Re-presentation of Prior Year Figures - As a result of restructuring, the comparative figures in the Combined Income & Expenditure Statement, Expenditure & Funding Analysis, Note 35 (Navigation Income and Expenditure account) and related notes, have been restated to reflect the same structure as in 2019/20.

A small number of other disclosure and presentational items have been highlights to management for amendment. We do not deem these to merit inclusion in this report.

Summary of Unadjusted differences

There are no uncorrected material misstatements identified as part of our audit at the date of this report.



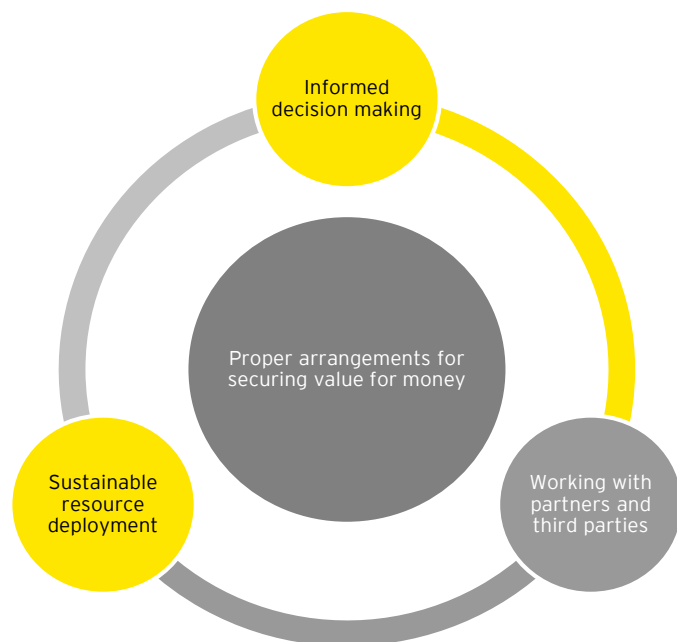
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Value for Money Risks





Value for Money



Background

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. This is known as our value for money conclusion.

For 2019/20 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

Impact of covid-19 on our Value for Money assessment

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Authorities' response to Covid-19 only as far as it relates to the 2019/20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019/20 VFM arrangements conclusion. We did not identify any significant failures.

Overall conclusion

We identified in our audit plan that the Authority had not yet received notification of their grant allocation for 2020/21. This has subsequently been received. We have reviewed revised budget forecasts as part of our going concern assessment, but also from a Value for Money perspective, and how Covid-19 could affect the Authority's ability to deploy resources in a sustainable manner.

As a result of our procedures, we have nothing to report at this stage from our Value for Money work. We therefore propose an unqualified Conclusion, as set out in Section 3 - Audit Report.



06 Other reporting issues



Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2019/20 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance. We have reviewed the Annual Governance Statement and confirm it is consistent with other information from our audit of the financial statements. This is to be updated with reference to the fraud against the Broads Authority that was included in the 2018/19 Annual Governance Statement, but occurred in the 2019/20 financial year.

Financial information in the Statement of Accounts 2019/20 and published with the financial statements was consistent with the audited financial statements.

We have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as at the date of this report the NAO have not issued their guidance to auditors. However, we do expect based on prior year guidance the Authority to fall below the testing threshold set by the NAO for detailed procedures on the consolidation return (Threshold - £500 million). We do not expect therefore to have any issues to report.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest").

We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues and have not had course to use this duty.

Other reporting issues – continued

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations.

We have reported on respect to Going Concern earlier in this report on page 14. We have no other matters to report.



07

Assessment of Control Environment



Assessment of Control Environment

Financial controls

It is the responsibility of Broads Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether Broads Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention.



08

Independence

Confirmation

We confirm that there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 7 February 2020.

We complied with the APB Ethical Standards. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Audit and Risk Committee consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Audit and Risk Committee on 17 November 2020.

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, and its directors and senior management and its affiliates, including all services provided by us and our network to your Authority, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 01 April 2019 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Below includes a summary of the fees that you have paid to us in the year ended 31 March 2020 in line with the disclosures set out in FRC Ethical Standard and in statute.

We confirm that none of the services listed in have been provided on a contingent fee basis.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Independence

Fee Analysis

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2020. We confirm that we have not undertaken non-audit work.

	Proposed Final Fee 2019/20	Scale Fee 2019/20	Final Fee 2018/19
	£'s	£'s	£'s
Total Audit Fee - Code work (see note below)	10,736	10,736	10,736
Changes in work required to address professional and regulatory requirements and scope associated with risk (See Note 1)	33,963	-	-
Revised Proposed Scale Fee	44,699	-	-
Additional work required for Covid-19 considerations (See Note 2)	To be confirmed	-	-
Total Fees	To be confirmed	10,736	10,736

All fees exclude VAT

Notes:

Note 1 - For 2019/20 the scale fee has been re-assessed to take into account a number of risk factors as outlined below:

- Procedures performed to address the risk profile of the Authority - £26,195
- Additional work to address increase in Regulatory standards - £7,768
- Client readiness and IT support for Data Analytics - £0

This revised scale fee has been discussed with management, who have disputed the proposed fee increase.

Note 2 - As set out in this report, we have had to perform additional audit procedures to respond to the financial reporting and associated audit risks pertaining to Covid-19. As we are concluding our work in relation to these areas, we cannot quantify the fee impact at this time. We will provide an update on the additional fee implications at the conclusion of the audit and report this within the Annual Audit Letter.

New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
 - Tax advocacy services
 - Remuneration advisory services
 - Internal audit services
 - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit & Risk Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the Audit & Risk Committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

Next Steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2016 which will continue to apply 31 March 2020 as well as the recently released FRC Revised Ethical Standard 2019 which will be effective from 1 April 2020. We will work with you to ensure orderly completion of the services or where required, transition to another service provider within mutually agreed timescales.

We do not provide any non-audit services which would be prohibited under the new standard.

Other communications

EY Transparency Report 2019

Ernst & Young (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 year end 30 June 2019:

https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/about-us/transparency-report-2019/ey-uk-2019-transparency-report.pdf






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Appendices





Appendix A

Required communications with the Audit and Risk Committee

There are certain communications that we must provide to the Audit & Risk Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit & Risk 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.	Audit Plan - 7 February 2020 presented to the Audit and Risk Committee on 3 March 2020
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit Plan - 7 February 2020 presented to the Audit and Risk Committee on 3 March 2020
Significant findings from the audit	<ul style="list-style-type: none"> ▶ 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 ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020

Appendix A – continued

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	No conditions or events were identified, either individually or together to raise any doubt about Broads Authority ability to continue for the 12 months from the date of our report.
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiry of the Audit and Risk Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Audit and Risk Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority ▶ 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 Authority any identified or suspected fraud involving: <ul style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Any other matters related to fraud, relevant to Audit and Risk Committee responsibility. 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020



Appendix A – continued





		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the Authority 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ 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 <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Plan – 7 February 2020 presented to the Audit and Risk Committee on 3 March 2020</p> <p>Audit Results Report presented to the Audit and Risk Committee on 17 November 2020</p>



Appendix A – continued

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	We have received all requested confirmations
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit and Risk Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Risk Committee may be aware of 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020

Appendix A – continued

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> ▶ Written representations we are requesting from management and/or those charged with governance 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> ▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Auditors report	<ul style="list-style-type: none"> ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report presented to the Audit and Risk Committee on 17 November 2020
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the Audit Plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	<p>Audit Plan – 7 February 2020 presented to the Audit and Risk Committee on 3 March 2020</p> <p>Audit Results Report presented to the Audit and Risk Committee on 17 November 2020</p>



Appendix B – Request for a Management Representation Letter

Request for a Management Representation Letter



Ernst & Young LLP
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Emma Krelle,
Chief Finance Officer
Broads Authority
Yare House,
62-64 Thorpe Road,
Norwich
Norfolk,
NR1 1RY

2 November 2020

Ref:
Your ref:
Direct line: 01223 394547
Email: MHodgson@uk.ey.com

Dear Emma,

Broads Authority – 2019/20 financial year Request for a letter of representation

International Standards on Auditing set out guidance on the use by auditors of management representations (ISA (UK&I) 580) and on possible non-compliance with laws and regulations (ISA (UK&I) 250). I have interpreted this guidance as it affects Local Government bodies and I expect the following points to apply:

- auditors may wish to obtain written representation where they are relying on management's representations in respect of judgemental matters (for example the level of likely incidence of a claim), which may not be readily corroborated by other evidence;
- auditors are likely to request written representations on the completeness of information provided;
- auditors may wish to obtain written representation on issues other than those directly related to the Statement of Accounts;
- the letter is dated on the date on which the auditor signs the opinion and certificate;
- the letter is signed by the person or persons with specific responsibility for the financial statements; and
- the letter is formally acknowledged as having been discussed and approved by the Audit Committee, as those charged with governance of the Council.

I would expect the letter of representation to include the following matters.

General statement

That the letter of representations is provided in connection with our audit of the financial statements of Broads Authority ("the Authority") for the year ended 31 March 2020.

That you recognise that obtaining representations from you concerning the information contained in this letter is a significant procedure in enabling us to form an opinion as to whether the financial statements give a true and fair view of the Authority financial position of the Broads Authority as of 31 March 2020 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2NF, the firm's principal place of business and registered office.



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You understand that the purpose of our audit of your financial statements is to express an opinion thereon and that our audit is conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent we considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, you make the following representations, which are true to the best of your knowledge and belief, having made such inquiries as you considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. That you have fulfilled your responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 (as amended in 2020 for Covid-19) and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
2. That you acknowledge as members of management of the Authority, your responsibility for the fair presentation of the Authority's financial statements. We believe the Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and are free of material misstatements, including omissions. We have approved the Authority financial statements.
3. That the significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, that are free from material misstatement, whether due to fraud or error. You have disclosed to us any significant changes in your processes, controls, policies and procedures that you have made to address the effects of the COVID-19 pandemic on our system of internal controls.
5. That you believe that the effects of any unadjusted audit differences, summarised in the Audit Results Report, if relevant, accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

That you have not corrected these differences identified and brought to your attention by us because (please specify the reasons for not correcting the misstatements).

or;

That there are no unadjusted differences identified during the current audit and pertaining to the latest period presented.



Appendix B – Request for a Management Representation Letter (continued)

Request for a Management Representation Letter



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B. Non-compliance with law and regulations, including fraud

1. That you acknowledge that you are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that you are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. That you acknowledge that you are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. That you have disclosed to us the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. You have no knowledge of any identified or suspected non-compliance with laws and regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers") including non-compliance matters:
 - involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. You have provided us with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
 - Additional information that we have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.
2. That all material transactions have been recorded in the accounting records and are reflected in the financial statements, including those related to the COVID-19 pandemic.
3. That you have made available to us all minutes of the meetings of the Authority and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 17 November 2020.



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4. That you confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority related parties and all related party relationships and transactions of which you are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
6. That you have disclosed to us, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. That from the date of your last management representation letter to us, through the date of this letter, you have disclosed to us any unauthorized access to your information technology systems that either occurred or to the best of your knowledge is reasonably likely to have occurred based on your investigation, including of reports submitted to you by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to your information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to us and are appropriately reflected in the financial statements.
2. That you have informed us of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. That you have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements (please specify the Note) all guarantees that you have given to third parties.

E. Subsequent Events

1. That other than the disclosure described in Note X (insert Note) to the Authority's financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.



Appendix B – Request for a Management Representation Letter (continued)

Request for a Management Representation Letter



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F. Accounting Estimates

1. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements:
 - That you believe the measurement processes, including related assumptions and models, you used in determining accounting estimates is appropriate and the application of these processes is consistent.
 - That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
 - That the assumptions you used in making accounting estimates appropriately reflects your intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

G. Expenditure Funding Analysis

1. You confirm that the financial statements reflect the operating segments reported internally to the Authority.

H. Going Concern

1. That the Authority has prepared the financial statements on a going concern basis and that Note X (insert note) to the financial statements discloses all of the matters of which you are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, your future financial plans and the veracity of the associated future funding allocations from the Department of Food & Rural Affairs (DEFRA), the sufficiency of cash flows to support those financial plans.

I. Ownership of Assets

1. That except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet(s).

J. Reserves

1. You have properly recorded or disclosed in the Authority financial statements the useable and unusable reserves.



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K. Valuation of Property, Plant and Equipment Assets

1. That you agree with the findings of the experts engaged to evaluate the values of the Authority's land and buildings and have adequately considered the qualifications of the experts in determining the amounts and disclosures included within the Authority's financial statements and the underlying accounting records. That you did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and that you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.
2. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
3. You confirm that the significant assumptions used in making the valuation of assets appropriately reflect your intent and ability to carry out specific courses of action on behalf of the entity.
4. You confirm that the disclosures made in the Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
5. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Authority financial statements due to subsequent events.
6. You confirm that you have performed a desktop review of all assets not subject to revaluation as part of the 5 year rolling programme for valuations and that each asset category is not materially misstated.
7. You confirm that for assets carried at historic cost, that no impairment is required.

L. Retirement benefits

1. That on the basis of the process established by you and having made appropriate enquiries, you are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with your knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.
2. You agree with the findings of the specialists that you engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Authority financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
3. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.



Appendix B – Request for a Management Representation Letter (continued)

Request for a Management Representation Letter



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4. You confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
5. You confirm that the disclosures made in the consolidated and Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
6. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and Authority financial statements due to subsequent events.

M. Use of the Work of a Specialist – Pension Liabilities

1. You agree with the findings of the specialists that you engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and council financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

N. Valuation of Pension Liabilities

1. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
2. You confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
3. You confirm that the disclosures made in the consolidated and council financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
4. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and council financial statements due to subsequent events.

O. Other information

1. You acknowledge your responsibility for the preparation of the other information. The other information comprises the Narrative Report included in the "Statement of Accounts 2019/20".
2. You confirm that the content contained within the other information is consistent with the financial statements.



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P. Specific Representations

We do not require any specific representations in addition to those above.

I would be grateful if you could provide a letter of representation, which is appropriately signed and dated (by the s151 officer and Chair of Audit Committee) on the proposed audit opinion date (date to be advised) on formal headed paper.

Yours sincerely

Mark Hodgson
Associate Partner
Ernst & Young LLP
United Kingdom

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ED None

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ey.com

Mark Hodgson
Associate Partner
Ernst & Young
One Cambridge Business Park
Cambridge
CB4 0WZ

Date 20 November 2020

Our ref

Your ref

Dear Mark

Broads Authority Letter of Representation

This letter of representations is provided in connection with your audit of the financial statements of Broads Authority ("the Authority") for the year ended 31 March 2020.

We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Authority financial position of the Broads Authority as of 31 March 2020 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 (as amended in 2020 for COVID-19) and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the Authority's financial statements. We believe the Authority's financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and are free of material misstatements, including omissions. We have approved the Authority's financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system on internal controls.
5. That the effects of unadjusted audit differences, summarised in the Audit Results Report, if relevant, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in aggregate, to the financial statements taken as a whole.

That there are no unadjusted differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or

- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements, including those related to the COVID-19 pandemic.
3. We have made available to you all minutes of the meetings of the Authority and committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 17 November 2020.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. That from the date of our last management representation letter to you, through the date of this letter, we have disclosed to you any unauthorised access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorised access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed these in the financial statements, within note 32. There are no guarantees we have given to third parties.

E. Subsequent Events

1. Other than described in Note 6 to the Authority's financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Accounting Estimates

1. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements:
 - We believe the measurement processes, including related assumptions and models, we used in determining accounting estimates is appropriate and the application of these processes is consistent.
 - The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
 - The assumptions we used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

G. Expenditure Funding Analysis

1. We confirm that the financial statements reflect the operating segments reported internally to the Authority.

H. Going Concern

1. That the Authority has prepared the financial statements on a going concern basis and that Note 36 to the financial statements discloses all of the matters of which you are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, your future financial plans and the veracity of the associated future funding allocations from the Department of Food & Rural Affairs (DEFRA), the sufficiency of cash flows to support those financial plans.

I. Ownership of Assets

1. That except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet.

J. Reserves

1. We have properly recorded or disclosed in the Authority financial statements the useable and unusable reserves.

K. Valuation of Property, Plant and Equipment Assets

1. That we agree with the findings of the experts engaged to evaluate the values of the Authority's land and buildings and have adequately considered the qualifications of the experts in determining the amounts and disclosures included within the Authority's financial statements and the underlying accounting records. That we did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and that we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.
2. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
3. We confirm that the significant assumptions used in making the valuation of assets appropriately reflect your intent and ability to carry out specific courses of action on behalf of the entity.
4. We confirm that the disclosures made in the Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
5. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Authority financial statements due to subsequent events.
6. We confirm that we have performed a desktop review of all assets not subject to revaluation as part of the 5 year rolling programme for valuations and that each asset category is not materially misstated.
7. We confirm that for assets carried at historic cost, that no impairment is required.

L. Retirement benefits

1. That on the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly

accounted for.

2. We agree with the findings of the specialists that we have engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
3. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
4. We confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
5. We confirm that the disclosures made in the consolidated and Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Authority's financial statements due to subsequent events.

M. Use of the Work of a Specialist – Pension Liabilities

1. We agree with the findings of the specialists that we engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

N. Valuation of Pension Liabilities

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
2. We confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

3. We confirm that the disclosures made in the consolidated and Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and council financial statements due to subsequent events.

O. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report included in the Statement of Accounts 2019/20.
2. We confirm that the content contained within the other information is consistent with the financial statements.

Yours sincerely

(Chief Financial Officer)

(Chairman of the Audit and Risk Committee)

Audit and Risk Committee

17 November 2020

Agenda item number 9

Corporate Risk Register – update (Nov 2020)

Report by Head of Governance

Summary

The Authority's Corporate Risk Register has been reviewed and updated.

Recommendation

To note the updated Corporate Risk Register.

1. Introduction

- 1.1. The Broads Authority's Corporate Risk Register was reviewed and updated in November 2020 (Appendix 1). The Register focuses on high level strategic risk, with more detailed operational level risks contained in separate Directorate Risk Registers.
- 1.2. Ten risks are identified under the core areas of people, finance, assets, performance and reputation. Each risk is scored for likelihood and severity, and the two scores multiplied to produce an initial risk score. Each risk is then scored again, with mitigation measures in place, to produce a revised risk score.
- 1.3. The revised risk scores show that one risk is assessed as 'low risk' and eight as 'medium risk'. In all these cases, applying mitigation measures has reduced the initial risk scores. Since the last update in November 2019, a new risk has been added relating to the current COVID situation. While applying mitigating measures has reduced this score, the risk remains 'high'.

Author: Maria Conti

Date of report: 03 November 2020

Appendix 1 – Corporate Risk Register (November 2020)

Broads Authority Corporate Risk Register (November 2020)

Impact area People, finance, assets, performance, reputation	Risk no.	Risk name Risk that may affect the BA	Risk description Impact on delivery of BA objectives, service delivery, reputation	Date entered on risk register	Initial likelihood Score 1-5	Initial severity Score 1-5	Initial risk score Likelihood x severity	Tasks to mitigate risk (controls/safeguards/precautions) What we have done to date, noting any other factors that may influence the risk	Revised likelihood Score 1-5	Revised severity Score 1-5	Revised risk score Likelihood x severity	Additional actions required What we plan to do within the next year	Risk owner Officer ultimately responsible for the risk
People	1	Loss of key staff knowledge and expertise	Loss of knowledge, expertise or working associations, due to key staff leaving the BA or not being available for long periods	19/8/2019	4	4	High risk 16	Plan in place for handover period when key staff leave BA or are absent for significant periods HR policies and procedures in place to monitor absence and to support staff retention Electronic data storage being reviewed to support access to any officer's files Business Continuity Plan in place with system back up	3	3	Medium risk 9	Continue Data Project to ensure access to all staff e-folders Draft resilience plan for key staff and services (by end of 2020) Review Business Continuity Plan (by end 2020)	Chief Executive
Reputation	2	Harmful actions undermining public confidence in BA	Damage caused by comments/actions by BA Members or officers, with consequent harm to relationships with stakeholders or undermining of public confidence in BA	19/8/2019	2	4	Medium risk 8	Code of Conduct for Members in place containing Nolan Principles of Conduct and training given to all Members Code of Conduct for Officers in HR policies Protocol on Member and Officer Relations in place Proactive communication policy with local media and social media in place Monitoring Officer and Deputy Monitoring Officer appointed, with specialisms in Local Authority governance	2	3	Medium risk 6	Review and rewrite constitutional and corporate documents to make them shorter and clearer	Chief Executive
Assets	3	Loss of key physical assets	Damage, loss or malfunction to key assets, impacting on BA functions/ duties and affecting public access or services (e.g. navigation, moorings, Mutford Lock, rail bridges, Port of Norwich)	19/8/2019	3	4	Medium risk 12	Asset Management Strategy in place Integrated Access Strategy and Moorings Strategy in place (updated 2019) Legal undertaking and regular meetings in place with Network Rail regarding rail bridge maintenance BA attendance at Network Rail meetings Insurance in place for equipment and buildings over £250 - cover includes business interruption Landowner negotiations processes in place BA in Working Group with Norfolk County Council, New Anglia and Network Rail	3	2	Medium risk 6	Implement action plan to consolidate network of mooring provision across system	Director of Operations

Impact area People, finance, assets, performance, reputation	Risk no.	Risk name Risk that may affect the BA	Risk description Impact on delivery of BA objectives, service delivery, reputation	Date entered on risk register	Initial likelihood Score 1-5	Initial severity Score 1-5	Initial risk score Likelihood x severity	Tasks to mitigate risk (controls/safeguards/precautions) What we have done to date, noting any other factors that may influence the risk	Revised likelihood Score 1-5	Revised severity Score 1-5	Revised risk score Likelihood x severity	Additional actions required What we plan to do within the next year	Risk owner Officer ultimately responsible for the risk
								regarding Trowse bridge and rail swing bridges Programmed inspection regime in place and regular maintenance carried out					
Finance	4	Reduction in income	Uncertainty about BA funding from Defra from 1/4/21 and toll income, as any reduction would affect our ability to deliver our duties Loss of money as a result of fraud incident against the BA, including cybercrime	19/8/2019	3	5	Medium risk 15	Regular contact with Government (DEFRA) regarding Comprehensive Spending Review and COVID-19 impacts. Additional support for COVID for 2020/21 made available through Control Change Notice from DEFRA Regular input to Government consultations Prudent budgeting for Navigation and National Park expenditure. Reserves in place to mitigate against sudden drop in income. Savings identified with budget holders to ease some of COVID-19 pressures Some significant blocks of work delivered through external funds won by BA Training in cybercrime given to all budget holders	2	3	Medium risk 6	Model expenditure options depending on proposed grant settlement and toll increases Review impact of COVID restrictions on boat numbers and levels of BA reserves Achieve cyber essentials accreditation	Chief Financial Officer
People	5	Impact on people's health	Significant public health crisis whereby imposed measures prevent visitors accessing the Broads for prolonged period	02/07/2020	5	5	High Risk 25	Constant monitoring of Government announcements and guidance and working closely with Defra officials to understand the implications for our stakeholders and safeguard financial position Provided clear and appropriate advice to staff, volunteers, members and the general public on Covid-19 Yare House, TICs and remote offices and facilities all risk assessed Maintained all key services where possible using Covid secure measures Weekly meeting of key managers to determine and review appropriate actions, services and measures required to react to crisis Reviewed key services, budgets and reserves to safeguard delivery of Broads Plan priorities and externally funded projects	5	4	High Risk 20	Maintain a precautionary approach to protect staff, volunteers, Members and the public Regular contact with Defra officials and national park and navigation authority colleagues to monitor the situation and respond appropriately Review use of head office at Yare House as COVID restrictions progress	Chief Executive

Impact area People, finance, assets, performance, reputation	Risk no.	Risk name Risk that may affect the BA	Risk description Impact on delivery of BA objectives, service delivery, reputation	Date entered on risk register	Initial likelihood Score 1-5	Initial severity Score 1-5	Initial risk score Likelihood x severity	Tasks to mitigate risk (controls/safeguards/precautions) What we have done to date, noting any other factors that may influence the risk	Revised likelihood Score 1-5	Revised severity Score 1-5	Revised risk score Likelihood x severity	Additional actions required What we plan to do within the next year	Risk owner Officer ultimately responsible for the risk
Performance	6	Not meeting BA statutory purposes or the requirements of external legislation related to those statutory purposes	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)	19/8/2019	3	5	Medium risk 15	Provision of external legal services and Monitoring Officer (MO) in place Constitutional documents in place Strategic plans and Broads Local Plan subject to Sustainability Appraisal and Habitats Regulations Assessment Detailed environmental practices in place, including Environmental Standard Operating Procedures Collaborative working ongoing 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	2	2	Low risk 4	Monitor external legal and MO services Develop timetable for Broads Plan review	Chief Executive
Performance	7	Not meeting statutory duties as a local planning authority	Underperformance of planning function resulting in legal issues/ negative impacts	19/8/2019	3	4	Medium risk 12	Statutory duties identified as part of appraisal process with key staff Staff training in place Planning delivery monitored formally (Planning Committee review performance quarterly and appeals annually)	2	4	Medium risk 8	Continue to monitor delivery	Director of Strategic Services
People	8	Safety incidents resulting in death or serious injury	Death or serious injury to staff, volunteer or member of public while carrying out operational works	19/8/2019	5	5	High risk 25	Health and safety policies in place and reviewed regularly by H&S Committee and risk owners Safety Committee monitors and reviews incident reports and risk assessments reviewed and updated regularly All staff and volunteers trained in key H&S issues, regular tool box talks given before carrying out tasks Safety observations ONS system in place to catch near misses and learn from incidents	2	5	Medium risk 10	Monitor changes in H&S legislation Monitor industry best practice and implement changes where required Review Codes of Practice to maintain operational suitability and safety end 2020	Director of Operations

Impact area People, finance, assets, performance, reputation	Risk no.	Risk name Risk that may affect the BA	Risk description Impact on delivery of BA objectives, service delivery, reputation	Date entered on risk register	Initial likelihood Score 1-5	Initial severity Score 1-5	Initial risk score Likelihood x severity	Tasks to mitigate risk (controls/safeguards/precautions) What we have done to date, noting any other factors that may influence the risk	Revised likelihood Score 1-5	Revised severity Score 1-5	Revised risk score Likelihood x severity	Additional actions required What we plan to do within the next year	Risk owner Officer ultimately responsible for the risk
								All accidents investigated, regular audits used to check control measures Insurance in place for legal expenses Quarterly reports on Health and Safety Monitoring assessed by Management Team Safety system externally audited to ensure fit for purpose and compliance				Safety Officer to carry out internal review of key H&S legislation to ensure BA processes are appropriate (end 2020) Respond to recommendations from forthcoming MAIB report	
Reputation	9	Disruption in key project partnerships	Failure to deliver projects on time and within budget leading to potential financial issues, lack of service delivery or adverse publicity	19/8/2019	3	4	Medium risk 12	Contractual arrangements in place for key partnerships (see Partnerships Register) Regular project progress reporting to BA members Proactive role maintained within formal and informal partnerships at officer and member level Regular meeting with funders to discuss progress and highlight issues in timing or delivery	3	3	Medium risk 9	Review and update Partnerships Register (by Nov 2020) Develop risk register for UK NP Comms Team	Chief Executive
Performance	10	Breach in data security or data protection, or loss of data	Failure by staff to follow IT and/or GDPR processes or protocols resulting in in-built security being bypassed and allowing data loss or data breach	19/8/2019	4	4	High risk 16	Data/IT systems secured through firewalls, anti-virus software, password and security policies, online training for staff and HR policy Bi-annual internal audit of IT systems and processes carried out Certified GDPR Data Protection Officer(s) and GDPR Compliance Plan in place, and data protection training given to all staff ICT reviewed IT security protocols as staff working from home to ensure compliance	2	4	Medium risk 8	Monitor and review case law and keep up to date with GDPR and data protection information/ best practice Provide refresher GDPR & Data Protection online training via ELMS to all staff (by end 2020)	Director of Operations

Prepared by: Management Team, Head of Governance
Date updated: November 2020
Next update due: July 2021

Audit and Risk Committee

17 November 2020

Agenda item number 10

Corporate Partnerships Register – update (Nov 2020)

Report by Head of Governance

Summary

The Broads Authority maintains a register of its key partnerships with external organisations. The latest Corporate Partnerships Register is appended to this report.

Recommendation

To note the Corporate Partnerships Register (November 2020).

1. About our corporate partnerships

- 1.1. The Broads Authority works in partnership with a wide range of organisations to meet its statutory purposes and deliver the [strategic objectives](#) for the Broads.
- 1.2. These partnerships add value to the Authority's work by helping us to:
 - coordinate and increase project delivery, access new resources, achieve economies of scale and reduce waste and duplication;
 - tackle complex, cross-sector and Broads-wide issues and share risks;
 - build understanding and relationships between different organisations and sectors, and with our stakeholders and local communities;
 - develop new ideas and ways of working; and
 - hold greater influence together than as individual partners.
- 1.3. A 'partnership' refers to an arrangement involving the Authority and one or more external organisations, from any sector, who share responsibility for agreeing and implementing actions to meet common goals. Within each partnership, partners agree a formal structure or identifiable working process, contribute to objectives, share any risk in proportion to the benefits each receives, and share information.
- 1.4. In this context, a partnership does not include a traditional contractual arrangement where the delivery of a service or project has been awarded to a contractor (with or without a competitive tendering process), or to groups of elected members or

officers from local authorities and others who come together to discuss strategy or policy. It also excludes ongoing day-to-day contact with statutory agencies whose responsibilities impact on or link closely to our work, such as Natural England or the Environment Agency. That said, there are occasions when the relationship with such bodies may constitute a partnership arrangement.

2. Partnerships protocol

- 2.1. The Authority will only enter into a formal partnership arrangement if it is able to invest the staff time, assets, knowledge and funding to play a full and constructive role. Before entering into a new arrangement, it will make sure that:
- the partnership's aims and objectives are clear, and it can be shown how they contribute to the Authority's statutory purposes and objectives;
 - there are clear terms of reference setting out how the partnership proposes to achieve its objectives;
 - the financial responsibilities of the respective parties are clearly established;
 - the partnership represents value for money, and the Authority could not achieve the same outcome more cost effectively;
 - there is a clear exit strategy should the partnership fail to meet its objectives;
 - there is a nominated responsible officer for the Authority; and
 - the need for member involvement in any Partnership Board is considered.
- 2.2. Management Team approval, and full Authority approval in some cases, will be obtained before entering into a new partnership agreement.

3. Corporate Partnerships Register

- 3.1. The Corporate Partnerships Register details each partnership including name and purpose, partners and responsible Authority officer, perceived benefits to the Authority, duration, financial arrangements and actions. Associated risks and mitigation measures are noted in our Corporate Risk Register or operational level Directorate Risk Registers.
- 3.2. The Authority's Management Team reviews the Partnerships Register on a regular basis, and may also commission an evaluation of the internal management and governance arrangements in place for any partnership.
- 3.3. Having reviewed the Register in October 2020, the Management Team considers that all partnerships are meeting their original aims and objectives, that internal management and governance arrangements are adequate and appropriate, and that the partnerships continue to represent value for money.

- 3.4. Changes since the last review include the addition of partnerships for the Ant Broads and Marshes SSSI Restoration Project, the Broadland Futures Initiative, and the Broads Test & Trial of the Environmental Land Management (ELM) scheme.
- 3.5. The updated Corporate Partnerships Register is at Appendix 1 to this report.

Author: Maria Conti

Date of report: 26 October 2020

[Broads Plan](#) objectives: All

Appendix 1 – BA Corporate Partnerships Register (Nov 2020)

Corporate Partnerships Register (November 2020)

This Register shows the Broads Authority's corporate partnership arrangements with external organisations. Within each partnership, partners agree a formal structure or identifiable working process, contribute jointly to meeting objectives, share any risk in proportion to the benefits each receives, and share information and good practice. Any risks to the Authority associated with these partnerships are noted in its Corporate or Directorate Risk Registers.

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
ANT BROADS AND MARSHES SSSI RESTORATION PROJECT Purpose: To monitor and model water and restore fen to enhance habitat quality across Sutton Fen (RSPB), Catfield Fen (Butterfly Conservation), the How Hill National Nature Reserve (Broads Authority) and Barton Broad National Nature Reserve (NWT). Partners: BA, RSPB, Butterfly Conservation, Norfolk Wildlife Trust BA lead officer: Environment Policy Advisor	This work is critical to prevent the loss of more than 5,000 fen orchid plants and the continued loss of fen habitat that supports most of the UK conservation priority species associated with this habitat, including fen orchid and swallowtail butterfly.	To March 2021	Grant of £300k from European Agricultural Fund for Rural Development – Water Environment Grant and Biffa funding. BA to receive £50,749.55 grant. BA cash financial contribution is zero.	Submit claims in accordance with agreed schedule.
ASSOCIATION OF INLAND NAVIGATION AUTHORITIES (AINA) Purpose: Represents the collective views of navigation authorities to Government, regulators, other policy makers, funders and	Gives a collective voice greater than the sum of its constituent members; e.g. it gives access to senior DEFRA officials and	Ongoing	BA contribution £3,400 in 2019/20	None

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>stakeholders. Provides information, advice and good practice for managing, operating and developing inland waterways for navigation and wider use.</p> <p>Partners: 18 partners including the Canal & Rivers Trust, Environment Agency, BA and National Park Authorities, local government authorities, private canal companies, internal drainage boards, public and charitable trusts.</p> <p>BA lead officer: Director of Operations</p>	a chance to influence policy and regulations.			
<p>BROADLAND CATCHMENT PARTNERSHIP</p> <p>Purpose: Steers a catchment approach to source funding, agree targets and deliver practical projects in collaboration. It is an informally constituted partnership.</p> <p>Partners: Broads Authority, Norfolk Rivers Trust, Environment Agency, Natural England, Water Management Alliance, Anglian Water, Essex & Suffolk Water, NFU, RSPB, Country Land & Business Association, Norfolk Farming & Wildlife Advisory Group</p> <p>BA lead officer: Broadland Catchment Partnership Officer</p>	Supports catchment-wide project planning and delivery. Partner activities can be co-ordinated to achieve greater impact with collective ability to meet catchment water management challenges.	Ongoing	BA contribution approximately £33,260 p.a. in officer time	None

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
BROADLAND FUTURES INITIATIVE Purpose: To develop the future management of flood risk in the Broads area. Partners: Broads Authority, Environment Agency, Natural England, NFU, RSPB, Norfolk County Council, Suffolk County Council, Water Management Alliance, Coastal Partnership East BA lead officer: Director of Strategic Services	Partner activities can be co-ordinated to achieve greater impact with collective ability to meet flood risk management challenges.	Ongoing	Small financial contribution each year to facilitate meetings. Officer time (chairing meeting, comms support, review of technical reports)	Virtual exhibition early 2021
BROADS BEAT Purpose: Dedicated Police presence for the Broads alongside BA patrols to ensure safety and security on the Broads. Partners: Norfolk Constabulary (lead partner), Broads Authority, Environment Agency BA lead officer: Head of Ranger Services	Operational benefits to BA Rangers through practical day-to-day liaison with local Police.	Ongoing	Primarily financed by Norfolk Constabulary. Additional funding discretionary for all other sponsors. BA contribution £2,500 p.a. (2019/20) plus officer time to assist Broads Beat patrols.	None
BROADS BIODIVERSITY PARTNERSHIP Purpose: To steer biodiversity delivery to source funding, agree targets and deliver practical projects in collaboration. It is an informally constituted partnership. Partners: Broads Authority, Norfolk Rivers Trust, Environment Agency, Natural England, Water	Supports nature recovery project planning and delivery. Partner activities can be co-ordinated to achieve greater impact with collective ability to meet nature recovery challenges. Joint owning and updating of the	Ongoing	Small financial contribution each year to facilitate meetings. Officer time (chairing meeting, updating Strategy and Action Plan)	Complete annual review of Action Plan Partnership meetings every 3-4 months

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>Management Alliance, Anglian Water, Essex & Suffolk Water, RSPB, Norfolk Farming & Wildlife Advisory Group, Norfolk Coast AONB, Norfolk Wildlife Trust, Suffolk Wildlife Trust, Butterfly Conservation, Dragonfly Society, Norfolk Flora Group</p> <p>BA lead officer: Environment Policy Adviser</p>	Broads Biodiversity and Water Strategy and Action Plan.			
<p>BROADS LANDSCAPE PARTNERSHIP</p> <p>Purpose: To deliver the Water, Mills and Marshes Landscape Partnership Scheme.</p> <p>Partners: Broads Authority, Broads Society, Broads Tourism, City College Norwich, Easton and Otley College, Farm Conservation Limited, Great Yarmouth Preservation Trust, New Anglia LEP, Natural England, Norfolk County Council, Norfolk Windmills Trust, RSPB, Voluntary Norfolk, WLMA, Workers' Educational Association</p> <p>BA lead officer: Director of Operations</p>	In return for a proportionately small BA contribution, the area as a whole receives significant funding to make a real impact. The multi-partner, multi-project programme benefits local communities and the area's local natural, cultural and social heritage.	To 31 December 2022	<p>Total budget of £2.6m funded by National Heritage Lottery Fund, with additional income of £525k to be funded by third parties.</p> <p>BA contribution is £200k from 2015/16-2018/19. Contribution in officer time planned to 2022.</p>	None
<p>BROADS TEST AND TRIAL OF ENVIRONMENTAL LAND MANAGEMENT (ELM) SCHEME</p> <p>Purpose: To gain feedback from farmers and land managers on elements to build into the ELM scheme Brexit agriculture support system,</p>	Influencing and informing development of ELM scheme. Interaction with 300+ Broads farmers. Developing local priorities to inform Broads scheme	Originally to Oct 2020, extended to March 2021.	BA to receive £44,505 grant; with additional extension of £12,000, BA cash financial contribution is zero.	Complete extension of contract and submit outputs in accordance

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>which is based around paying for achieving public goods (storing water, carbon and biodiversity)</p> <p>Partners: Steering Group of 9 land management organisations and 6 farmers and reed and sedge cutters including Broads Authority, Natural England, Water Management Alliance, NFU, RSPB, Norfolk Farming & Wildlife Advisory Group, Norfolk Wildlife Trust, Suffolk Wildlife Trust</p> <p>BA lead officer: Environment Policy Adviser</p>	<p>approach, collaboration and governance. Outputs include Broads Tier Structure, locally derived payment rates to sustain public benefits over Broads landscape, defining local collaboration topics and creating mechanisms and priorities for local delivery board.</p>			<p>with contract with Defra.</p> <p>Steering group meetings every 2-3 months.</p>
<p>BROADS TOURISM</p> <p>Purpose: To develop and promote a high quality and environmentally-friendly tourism industry in the Broads, fulfilling the BA's second statutory purpose and the duty to foster the economic and social well-being of those who live and work in the Broads.</p> <p>Partners: Broads Authority, local tourism businesses and promoters</p> <p>BA lead officer: Head of Communications</p>	<p>Supports coordinated approach to working with tourism businesses and promoters to encourage and manage common messages and sustainable tourism in the Broads.</p>	Ongoing	<p>BA provides in-kind administrative support to Broads Tourism board, as well as occasionally producing publications and attending shows or other promotional events.</p>	None
CANAPE	<p>Project falls within overarching purpose of</p>	To March 2023 (extension)	<p>BA to receive c.€729,508 EU grant</p>	<p>Submit project modification to</p>

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>Purpose: Creating a new approach to peatland ecosystems (EU Interreg North Sea Region project).</p> <p>Partners: BA (lead partner), VHL University of Applied Sciences (NL), Waterschap Hunze En Aas (NL), Naturstyrelsen (DK), Natuurpunt Beheer VZW (BE), Landkries Diepholz (DE)</p> <p>BA lead officer: Director of Strategic Services</p>	<p>creating a sustainable North Sea Region, protecting against climate change and preserving the environment.</p> <p>Funding makes significant difference to BA's ability to sustain the natural environment, ecosystems and landscape in the Hickling Broad area.</p>	<p>agreed by partnership, still to be formally endorsed as part of project modification)</p>	<p>benefit from project budget of €1.459m.</p> <p>In 2020/21 project funded from existing CANAPE reserve with no additional contribution. Officer time and equipment provided as required match funding.</p>	<p>the North Sea Programme.</p> <p>Hold steering group meeting twice a year.</p>
<p>EXPERIENCE</p> <p>Purpose: EU Interreg project to develop and promote 'experiential tourism' to extend the visitor season and attract new visitors.</p> <p>Partners: Norfolk County Council (lead partner), 14 partners in France and the UK (Norfolk, Kent, Cornwall, Pas-de-Calais, Compiègne, Brittany)</p> <p>BA lead officer: Head of Communications</p>	<p>Develops English National Park Experience Collection projects locally, supported by local accommodation providers. Immersive experiences tell the story of our unique landscapes, the people who live there and their history and culture.</p>	<p>Bid successful in July 2019, cooperation agreement with NCC signed in September 2020. Project to run to Mar 2023.</p>	<p>Overall value is €23.3m.</p> <p>BA budget is £254k over life of project, with £167k from EU.</p>	<p>Hold quarterly steering group meetings.</p> <p>Launch of innovation incubator scheme due by end 2020.</p>

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
NATIONAL PARKS ENGLAND Purpose: Association of the authorities that look after the 10 National Parks in England. Partners: The 9 National Park Authorities in England and the Broads Authority BA lead officer: Chief Executive. BA Chair sits on NPE Chairs' Group. BA Chief Executive sits on NPE Chief Executive's Group.	Provides a collective voice for English National Parks to coordinate interaction with the Government, develop policy positions and work with other agencies. Raises the national and international profile of the National Parks family.	Ongoing	BA contribution is £21,300 in 2020/21	None
NATIONAL PARKS PARTNERSHIP Purpose: Limited Liability Partnership (LLP) set up to pursue engagement of the UK National Parks family with the corporate sector. Partners: The 14 National Park Authorities and the Broads Authority. BA lead officer: Chief Executive	Brings in additional funding, corporate support and a raised profile to the Broads as a member of the National Parks family.	Ongoing	BA contribution is £10,000 in 2020/21	None
NATIONAL PARKS UK Communication Team Purpose: National promotion and branding of all 15 UK National Parks Partners: The UK National Park Authorities, National Park Partnerships and the Broads Authority	Raises the profile of National Parks with the public through a jointly funded Communications Team, based with the Broads Authority.	Until 2022/23	Funding from 15 UK National Parks and from National Parks Partnerships. BA contribution in 2020/21 is £ 5,920. This replaces the NPUK subscription. BA	Keep Chairs and Chief Executives informed of progress.

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
BA lead officer: Head of Communications			employs two members of staff.	
RIVER WENSUM STRATEGY PARTNERSHIP Purpose: To promote the regeneration and management of the River Wensum in Norwich Partners: Norwich City Council, Norfolk County Council, Environment Agency, Norwich HEART, Norwich Society, BA BA lead officer: Director of Strategic Services	Coordinated management of River Wensum. Opens up opportunities for funding and supports partnership working on cross-party issues such as access, mooring, anti-social behaviour and abandoned vessels.	Strategy adopted by BA in July 2018. Action plan to end 2022. Delivery board attended by Waterways and Recreation Officer.	Project delivery underway and further funding needed for future activity. Anticipated that significant part of any project cost will be raised from external funding applications or CIL.	Deliver action plan by 2022.
UK NATIONAL PARKS CHARITY FOUNDATION Purpose: To provide a vehicle for charitable giving by the corporate sector. Partners: UK's National Park Authorities, though not all have yet committed to membership BA lead officer: Chief Executive	National charity established in response to experience of National Park Partnerships in engaging with the corporate sector, which showed that some companies would like to contribute to National Parks but can only do so to a registered charity.	The Charities Commission has approved the new charity. The next step is to set up a bank account.	No assets as yet.	None
WATER RESOURCES EAST Purpose: To safeguard a sustainable supply of water for the East of England, resilient to future	WRE's mission is "To work in partnership to safeguard a sustainable supply of water for the	BA agreed to join WRE board in Sept 2019, with review after one	BA contribution is £15,000 for one year.	BA to review participation in WRE (Nov 2020).

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>challenges and enabling the area's communities, environment and economy to reach their full potential.</p> <p>Partners: Anglian Water, Essex & Suffolk Water, Cambridge Water Company, Severn Trent Water, Affinity Water, County Councils, NFU. Other organisations may join in.</p> <p>BA lead officer: Director of Strategic Services</p>	<p>East of England, resilient to future challenges and enabling the area's communities, environment and economy to reach their full potential." It is a Company Limited by Guarantee pioneering a collaborative approach to water resources planning.</p>	<p>year to decide future involvement.</p>		
<p>TRINITIES PARTNERSHIP</p> <p>Purpose: To safeguard and enhance the Trinity Broads for wildlife and people through the delivery of improved water quality, biodiversity and public access. It is an informally constituted partnership.</p> <p>Partners: Essex & Suffolk Water (lead), BA, Environment Agency, Natural England, Norfolk Wildlife Trust</p> <p>BA lead officer: Environment Policy Adviser</p>	<p>Supports comprehensive and coordinated approach to managing specific area of the Broads in accordance with 5-year Trinity Broads Management Plan.</p>	<p>Ongoing</p>	<p>Primarily financed by Essex & Suffolk Water with additional funding discretionary for all other partners, including BA.</p>	<p>Hold quarterly Board and technical meetings.</p>
<p>TROWSE RAIL BRIDGE WORKING GROUP</p> <p>Purpose: To promote the need for investment and improvements to this low level rail bridge spanning the River Wensum. Future investment</p>	<p>Enables the Broads Authority to promote the navigational needs within the City boundary, whilst enabling input into</p>	<p>Ongoing to make sure navigation and National Park interests are</p>	<p>No financial contribution</p>	<p>Raise profile of rail bridge limitations to protect navigation and</p>

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>need to consider navigational requirements, rail transport needs and the development of East Norwich.</p> <p>Partners: Norfolk County Council, Norwich City Council, Local Enterprise Council, Network Rail and Greater Anglia (Abelio)</p> <p>BA lead officer: Director of Operations</p>	<p>strategic thinking regarding future developments needs for the east of Norwich, as well as the other swing bridges within the broads.</p>	<p>brought to wider group.</p>		<p>assist in wider development of Norwich.</p>

Recently ended partnerships

Name, purpose, partners and BA lead officer	Benefits of partnership to BA	Duration of partnership	Financial arrangements	Actions for partnership
<p>WHITLINGHAM COUNTRY PARK (ended March 2020)</p> <p>Purpose: To secure the effective management of Whitlingham Country Park including the development of policies and provision of visitor services on site.</p> <p>Partners: Whitlingham Charitable Trust (WCT), BA</p> <p>BA lead officer: Director of Operations.</p> <p>Nov 2020 update: BA CEO continues as member of WCT but BA no longer has four members on Board of Trustees.</p>	<p>Whitlingham Country Park is a gateway to the Broads and helps raise the profile of the Broads with the public, particularly people living in Norwich.</p>	<p>Ended March 2020</p>	<p>Dilapidation cost under negotiation.</p>	<p>No longer relevant.</p>
<p>NATIONAL PARKS UK</p> <p>Purpose: To deliver training and development and coordinate National Parks branding and corporate sponsorship.</p> <p>Partners: UK National Park Authorities (9 in England, 3 in Wales and 2 in Scotland) and BA.</p> <p>BA lead officer: Chief Executive</p>	<p>Provides vehicle for collaboration with UK National Park Authorities. Company replaced with more distributed arrangements, as for communications.</p>	<p>Ongoing</p>	<p>None</p>	<p>Wind up company.</p>

Register updated: November 2020

Next update: November 2021

Contact officer: Head of Governance

Audit and Risk Committee

17 November 2020

Agenda item number 11

Implementation of internal audit recommendations – summary of progress

Report by Chief Financial Officer

Summary

This report gives a summary of progress in implementing Internal Audit recommendations arising out of audits carried out during 2018/19 and 2019/20.

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 and 2 give details of the audits carried out in 2018/19 and 2019/20, in particular:
 - recommendations not yet implemented;
 - recommendations implemented since the last meeting; and
 - new recommendations since the last meeting.

2. Summary of progress

- 2.1. Since the previous report to this committee in July, the outstanding recommendation relating to the External Funding – Water, Mills and Marshes and Corporate Governance and Risk Management audit has been completed. The outstanding recommendations regarding the Branding and Procurement audits have been delayed due to the ongoing pressures of the pandemic.

3. Internal Audit Programme 2020/21

- 3.1. Due to the impact of COVID-19, the audits scheduled for 2020/21 have been rescheduled for quarters three and four, and all audits will be conducted remotely. The

first audit, Key Controls, is due to start on 30 November, followed by The Port Marine Safety Code on 8 December and Planning on 14 December. The results of these audits will be reported to the next committee meeting.

Author: Emma Krelle

Date of report: 29 October 2020

Appendix 1 – Summary of actions and responses to Internal Audit 2018/19

Appendix 2 – Summary of actions and responses to Internal Audit 2019/20

Appendix 1 – Summary of actions and responses to Internal Audit 2018/19

Table 1

Branding April 2019

Recommendations	Priority rating	Responsible Officer(s)	BA response/action	Timetable
<p>2. Broads Authority branding - strategies, guidelines / procedures</p> <p>The Broads Authority Communications Policy be updated to include the roles and responsibilities for overseeing management of correct branding. This should be included within a separate branding section which the policy does not currently have. This should make the branding area more easily to locate within the policy and helps mitigate the risk that responsibilities for branding are unclear.</p>	Needs Attention	Head of Communications	<p>New communications strategy delayed by COVID comms activity but many elements completed and anticipate strategy will be in place by end Sept 2020</p> <p>Update:</p> <p>New 'branding' area on intranet developed that incorporates updated and new documents, including:</p> <ul style="list-style-type: none"> • Communications Team Guide • BA Brand guidelines • BA brand guidelines supplement • BA language style guide • Words commonly used in BA publications • BA signs guide 	<p>By 31/10/19</p> <p>Updated to 31/03/21</p>

Recommendations	Priority rating	Responsible Officer(s)	BA response/action	Timetable
			<ul style="list-style-type: none"> Logos and templates for letterheads, reports and PowerPoint presentations. <p>Instructions for email signatures added Nov 2020. Full strategy overview not yet written due to rescheduled priorities in 2020; due to be completed by March 2021.</p>	
<p>5. Broads Authority branding - use of the Broads Authority logo</p> <p>A review and update of the communications page on the Authority's intranet be undertaken once the national parks' branding strategy and associated documents, including the local broads national park strategy and Broads Authority Communications Policy, are finalised. This should be re-launched with staff including the provision of staff and member training in relation to branding, incorporating the use of both the Broads Authority logo and Broads National Parks logo. The communications intranet page should include the communications team details; branding strategies and communications policy; and the Broads Authority New Signs guide.</p>	Needs Attention	Head of Communications	<p>Agreed. Intranet content to be produced in conjunction with strategy, guidelines and procedures. Awaiting completion of new communication strategy (see recommendation two above)</p> <p>Update: As per recommendation 2 above – all completed except overarching strategy document, now due March 2021.</p>	<p>By 31/10/19</p> <p>Updated to 31/03/21</p>

Appendix 2 – Summary of actions and responses to Internal Audit 2019/20

Table 2

External Funding – Water, Mills and Marshes October 2019

Recommendations	Priority rating	Responsible Officer(s)	BA response/action	Timetable
1. Governance The Broads Authority Business Continuity Plan (BCP) is reviewed and updated to take into account the recent organisational re-structure and to ensure major projects such as the WMM Project are provided for. Ensuring the Corporate BCP is reviewed and updated in a timely manner mitigates the risk that BC management procedures and priorities are not embedded in the Broads Authority resulting in a lack of effective management of any disruption to normal services and externally funded major projects.	Important	Head of Governance	Agreed by Management Team on 26/09/2019. Update: BCP updated in July. Directorate Risk Registers also updated to include staff contingency plans and referral to major projects. These will be cross referenced in the BCP.	By 31/12/19 Updated to 30/08/20 Action completed by 30/08/20

Table 3

Procurement - December 2019

Recommendations	Priority rating	Responsible Officer(s)	BA response/action	Timetable
6. Procurement To consolidate the standard terms document with the contract conditions outlined in the CSOs to have an overall set of terms and conditions. These should be	Needs Attention	Chief Financial Officer	Agreed. Standard terms and conditions to be drawn up with legal provider, including conditions for contracts over	By 31/03/20 Updated to 31/03/21.

Recommendations	Priority rating	Responsible Officer(s)	BA response/action	Timetable
<p>consolidated in conjunction with the Broads Authority's legal advisor and included within the CSOs.</p> <p>A consolidated set of terms and conditions protect the purchaser against unforeseen financial losses, e.g. goods not delivered as agreed, mitigating the risks of delay in services/goods and quality of goods which could also lead to a poor reputation.</p>			<p>£5k. Work initiated with our Legal provider.</p> <p>Update: Delayed due to ongoing work on COVID-19 response, the Statement of Accounts and budget preparation for 2021/22. Contracts available for staff to use for Engineering (Professional Services and Construction) and Services. The goods contract in process of being finalised with our Legal Provider. The use of these will be covered in the training below.</p>	
<p>7. Procurement</p> <p>Procurement training is provided to all relevant members of staff, and Members, where applicable. Up to date procurement training ensures that staff are aware of and are adhering to the correct guidelines, thereby mitigating the risk of non-compliance with CSOs and OJEU requirements</p>	Needs Attention	Chief Financial Officer	<p>Agreed.</p> <p>Update: Delayed due to ongoing work on COVID-19 response, the Statement of Accounts and budget preparation for 2021/22.</p>	<p>By 30/06/20</p> <p>Updated to 31/03/21</p>

Table 4

Corporate Governance and Risk Management - April 2020

Recommendations	Priority rating	Responsible Officer(s)	BA response/action	Timetable
<p>1. Accountability and monitoring of performance</p> <p>The 2019/20 family indicator composite data is formally reported to Management Team to review comparison data with the national park family and take further action as required, to address any adverse areas of performance. Going forward, each set of annual family indicator composite data is reported to management team. This should include reviewing how the indicators align to the Broads Plan and annual business plan priorities and whether a meaningful target can be set for each indicator.</p> <p>Furthermore, the purpose of the family indicators from DEFRA, including if and how they are publicly reported on, be ascertained.</p> <p>Formal reporting of the family indicators demonstrates that the data is being reviewed at the senior management level which provides the opportunity to assess the authority's strengths and weaknesses. This helps reduce the risk that the Broads Authority is not capitalising on its strengths and not focussing on any areas of weakness/adverse performance.</p>	Important	Head of Governance	<p>Agreed. Annual NPA family indicator composite data to be reported regularly to Management Team. Lead NPO on Performance confirms that composite data is submitted to DEFRA but is not published publicly as far as he is aware. Subject of family indicators to be included in DEFRA's examination of 'Metrics and Measures' – Measuring the delivery of the 25 Year Environment Plan.</p> <p>Update: Process in place to report to MT. Draft composite NPA data 2019/20 issued Oct 2020.</p>	<p>By 31/08/20</p> <p>Action completed by 31/08/20</p>