

# Risk, Audit and Governance Committee

## Agenda 23 July 2025

10.00am

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

John Packman, Chief Executive – Wednesday, 16 July 2025

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

### Introduction

1. To receive apologies for absence
2. To receive declaration of interest (see [Appendix 1](#) to the Agenda for guidance on your participation having declared an interest in the relevant agenda item)
3. To note whether any items have been proposed as matters of urgent business
4. **To receive and confirm the minutes of the Risk, Audit and Governance Committee meeting held on 11 February 2025** (Pages 4-11)

### Financial direction

5. **Draft Statement of Accounts 2024/25** (Pages 12-103)  
Report by Senior Accountant
6. **Investment Strategy and Performance Annual Report 2024/25** (Pages 104-106)  
Report by Director of Finance

### Audit and Governance

7. **Internal Audit Annual Report and Opinion 2024/25** (Pages 107-132)  
Report by Head of Internal Audit
8. **Internal Audit Strategic and Annual Plans 2025/26** (Pages 133-159)  
Report by Head of Internal Audit
9. **External Audit** (Pages 160-229)  
Report by Ernst & Young External Auditor

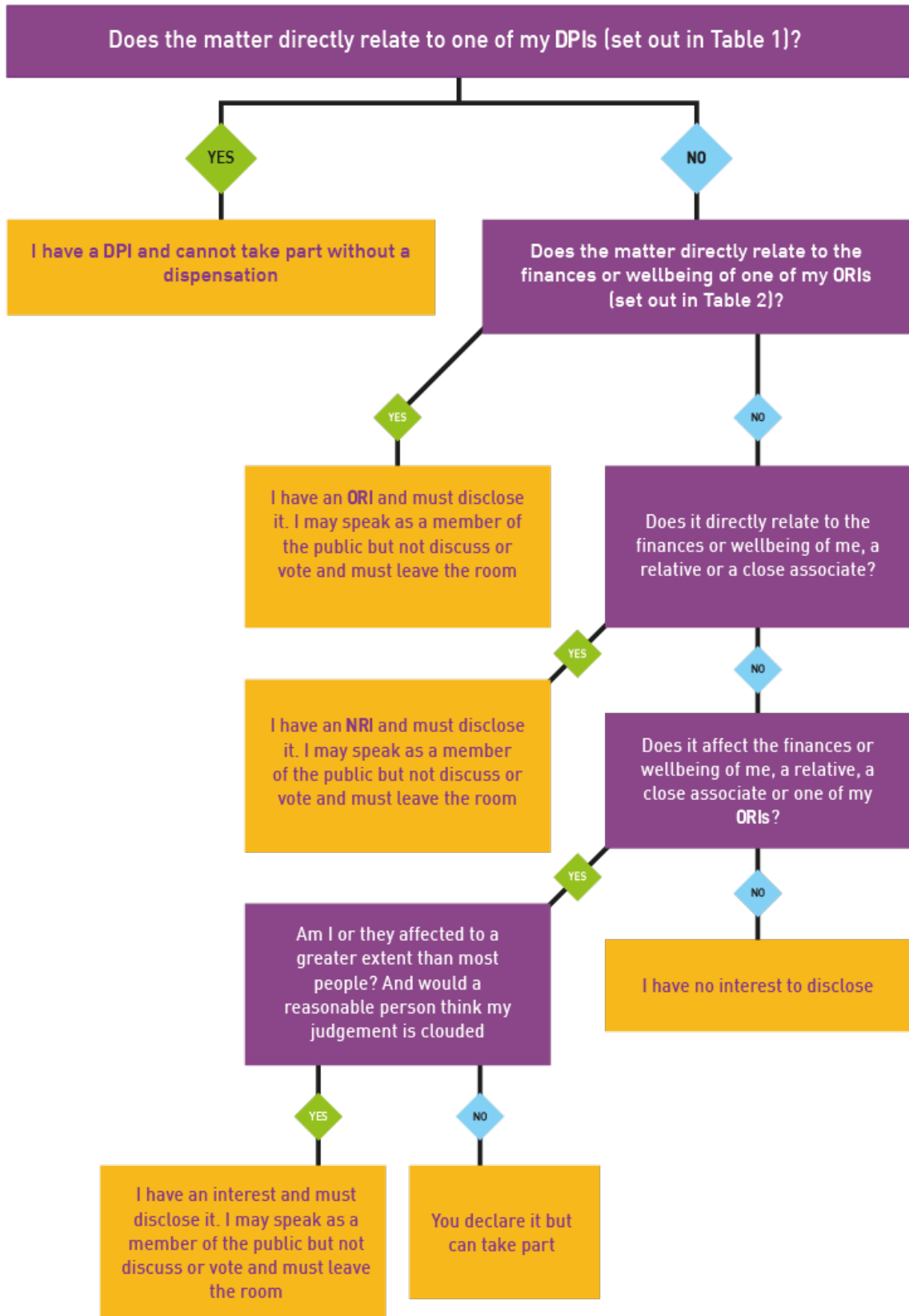
10. **Annual Governance Statement 2024/25 and Code of Corporate Governance 2025**  
(Pages 230-263)  
Report by Head of Governance
11. **Risk Management Policy** (Pages 264-291)  
Report by Head of Governance
12. **Corporate Risk Register** (Pages 292-307)  
Report by Head of Governance
13. **Implementation of internal audit recommendations: summary of progress**  
(Pages 308-321)  
Report by Senior Accountant

## Other matters

14. 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
15. To answer any formal questions of which due notice has been given
16. **To note the date of the next meeting – Tuesday 25 November 2025 at 10.00am at Yare House, 62-64 Thorpe Road, Norwich**

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

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



# Risk, Audit and Governance Committee

## Minutes of the meeting held on 11 February 2025

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### Present

Siân Limpenny – in the Chair, Harry Blathwayt, Tony Grayling, Paul Hayden, Gurpreet Padma and Michael Scott.

### In attendance

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

Jason Brewster – Governance Officer, Emma Krelle – Director of Finance, Izabela Foley – Senior Accountant (for items 8 and 11), John Packman – Chief Executive, David Riglar – Ernst & Young External Auditor (for item 5), Teresa Sharman – Head of Internal Audit (for item 10) and Sara Utting – Senior Governance Officer.

## 1. Apologies and welcome

The Chair welcomed everyone to the meeting. The Chair noted that this was the Senior Governance Officer's (SGO's) last meeting before she left the Authority to take early retirement. The Chair thanked the SGO on behalf of the committee for the support she had provided to the committee and added a personal thank you for the efforts the SGO had made to welcome the Chair to the Authority as a new member.

**Apologies** were received from Alan Goodchild and Tristram Hilborn.

### Openness of Local Government Bodies Regulations 2014

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

## 2. Introductions and declarations of interest

Members indicated that 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. Minutes of last meeting

The minutes of the meeting held on 27 November 2024 were approved as a correct record and signed by the Chair.

## 5. Annual Audit Results 2023/24

The External Auditor (EA) introduced the audit results report for financial year 2023/24 and the associated draft letter of representation. The EA provided an update on the status of the audit since the report was authored indicating that payroll expenditure testing, inventory testing, creditors testing, journal entry testing and income testing had all completed with nothing further to report other than the previously disclosed finding for inventory. These

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changes would be included in an updated version of the Annual Audit Results which would be available to be signed-off before the 2023/24 audit backstop date of 28 February 2025.

The EA indicated that the audit results contained a new appendix A (contained within Appendix 1 of the report) that was intended to track progress, over upcoming audits, in addressing the disclaimed audit opinion for financial year 2022/23. This appendix provided an assurance rating for each account area and all those areas with a partial assurance rating had their opening balance derived from the non-assured closing balances from financial year 2022/23. Although this had not happened on this occasion, the intention was to regain full assurance on the opening balances over subsequent audits and transition all the account areas to an assurance rating of substantial.

Guidance for addressing the local audit backlog, as provided by the National Audit Office, Chartered Institute of Public Finance and Accountancy and Public Sector Audit Appointments, suggested that its resolution was expected to take five years and was dependent on other measures associated with local audit reform as set out in [A strategy for overhauling the local audit system in England](#) (published by the Ministry of Housing, Communities and Local Government in December 2024).

In response to a question the EA indicated that the plan was to regain assurances on the opening balances in three years assuming other measures associated with local audit reform were delivered and if this assumption proved incorrect it would take four years.

A Member welcomed the correction associated with an overstatement of expenditure by approximately £87,000 and wondered how the resulting adjustment had been apportioned between the discrete National Park and Navigation reserve accounts. The Director of Finance explained that the technical problem associated with this correction had been resolved and confirmed that £53,000 had been transferred to the Navigation reserve (the remainder to the National Park reserve).

Members were disappointed with the progress made on the audit especially as the EA's update at the Risk, Audit and Governance (RAG) Committee meeting on 23 July 2024 had indicated that the audit was approximately 70% complete. Despite the verbal updates provided by the EA there were still a number of outstanding audit items and a Member asked whether there was anything else required from the Authority to complete those items. The EA responded that the Authority had provided all the evidence requested and the main issue for the Authority was that the audit backstop date had curtailed the necessary work required to assure the 2022/23 balances. In addition, the auditor was awaiting further guidance on how best to assure the 2022/23 balances in a manner that was consistent across this audit sector. A Member suggested that the Authority write a formal letter to the auditor to register the Authority's dissatisfaction with progress on the 2023/24 annual audit. Other Members were supportive and it was agreed that a letter be drafted, on behalf of the Chair of the RAG Committee and the Chair of the Authority, and sent to the auditor and copied to Public Sector Audit Appointments, registering the Authority's dissatisfaction with the progress on the 2023/24 annual audit.

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Members were concerned that the numerous partial assurance ratings contained within the 2023/24 audit results could be perceived, incorrectly, as a failure on the part of the Authority and not as a consequence of the legislative process associated with addressing the audit backlog. Members noted that there would be other Local and National Park Authorities in a similar position and it was agreed that communications would be prepared in advance of the publication of the audit results. These communications would emphasise that the 2023/24 audit results reflected the legislative process associated with the audit backlog and were not due to any limitations or omissions on the part of the Authority.

**The report was noted.**

## 6. Statement of Accounts 2023/24

The Director Finance (DoF) introduced the report that provided an update on the Authority's Statement of Accounts for the year ended 31 March 2024. Since the draft Statement of Accounts 2023/24 was reported to committee on 23 July 2024 adjustments to the outturn, due to a number of incorrectly processed accruals, had been applied giving an overall consolidated surplus of £5,662. These adjustments had resulted in a surplus for National Park of £88,839 and a deficit for Navigation of £83,177.

The DoF highlighted Table 1 Summary Income and Expenditure 2023/24, Table 2 Summary of adjustments and Table 3 Detailed adjustments of the report and explained that further changes had been identified by the audit as detailed in the disclosure notes. Since the report was authored another disclosure note had been identified that related to a subsequent audit/revaluation of the Norfolk Pension Fund since the accounts had been drafted which required a further adjustment to be applied to the accounts. This change related only to assets and would not impact the balance sheet.

The DoF indicated that in order to comply with the 2023/24 audit backstop date of 28 February 2025, a change to the approval process for the 2023/24 Statement of Accounts had been made. The Broads Authority, at its meeting on 24 January 2025, had delegated authority to the DoF in consultation with the Chair of the Authority to approve the 2023/24 Statement of Accounts.

There was a discussion concerning contingent liabilities during which the Chief Executive provided an update on the removal of abandoned vessels from the navigation area.

**The report and Statement of Accounts were noted.**

## 7. Investment Strategy and Performance Report 2024/25 and Draft Capital, Treasury and Investment Strategy 2025/26

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

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The DoF indicated that table 1 of the report provided a summary of investment holdings for financial year 2024/25 up to 31 December 2024. Interest rates had fallen at a slower rate than previously expected and interest earned was greater than the budgeted amount. The DoF would provide an update on the forecast for interest at the next Broads Authority meeting on 14 March 2025.

The Draft Capital, Treasury and Investment Strategy provided a number of prudential indicators and the capital finance requirement for 2025/26. The DoF indicated that the Authority was waiting for Defra to confirm the 2025/26 National Park grant. There was a risk that Defra could choose to provide an element of the grant for capital spending and this could require the strategy to be revised. This strategy would need to be approved, before the start of the 2025/26 financial year, at the Broads Authority meeting on 14 March 2025.

In response to a question the DoF indicated that the Authority's budget had assumed a flat cash grant for 2025/26 which was consistent with the experience of recent years. She added that capital grant funding was problematic as it required additional planning, required some revenue funding and larger capital projects could not be completed within the requisite financial year. The Chief Executive added that this form of funding was not helpful as the local government framework, that the Authority operated within, precluded using capital to fund the necessary maintenance of the Broads and the navigation system.

A Member noted that the investment strategy was predicated on investments being held for less than a year and Members asked if longer term investments could be considered. The DoF confirmed that none of the Authority's current investments extended beyond six months and that, given the uncertainty regarding funding for 2025/26 and beyond, it was prudent not to tie funds up for longer periods. The DoF explained that when Defra provided an indicative three year grant allocation it included a disclaimer that enabled the allocation to be amended during its lifetime. The Chief Executive highlighted that the Authority was dealing with long-term issues, such as maintenance of the navigation, improving biodiversity and addressing climate change, which required planning over 5 to 10 years while the funding model could only provide certainty for two or three years at best.

Members wondered whether there was anything that could be done to improve Defra's understanding of the challenges posed by the current funding model. The DoF noted that the Parliamentary Under-Secretary of State (Minister for Nature) had only visited one of the National Park Authorities and Members supported extending an invite to the Minister of Nature at the earliest mutually convenient opportunity.

Tony Grayling proposed, seconded by Gurpreet Padda

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

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

## 8. Consolidated income and expenditure – 1 April to 31 December 2024 actual and 2024/25 forecast outturn

The Senior Accountant (SA) presented the report which detailed actual income and expenditure for the nine month period to 31 December 2024, and a forecast of the projected expenditure at the end of the financial year (31 March 2025).

The SA indicated that since the report had been published the following income figures in section 2.1 of the report had been revised. Hire Craft Tolls was £30,687 rather than £37,527 as stated in the report and Private Craft Tolls was £101,320 instead of the previously stated £101,190.

**The report was noted.**

## 9. Standing Orders Relating to Contracts

The Director of Finance (DoF) presented the report which detailed changes to the Standing Orders Relating to Contracts (SORC) required to meet new rules associated with the Procurement Act 2023 and The Procurement Regulations 2024 that would come into effect from 24 February 2025. Section 2 of the report provided a summary of the changes applied to the SORC the most significant of which was the transition from Most Economically Advantageous Tenders (MEAT) to Most Advantageous Tenders (MAT). This reflected a change in priorities when contracts were awarded whereby price was not the determining factor and other considerations over the life of the contract would be taken into account. The updated SORC with changes marked was available in Appendix 1 of the report. The new regulations required contract limits to include VAT however not all the amount references within the SORC had been amended to reflect this change. The DoF indicated that where section 30 referred to £100,000 this would be updated to correctly state £120,000.

Paul Hayden proposed, seconded by Michael Scott

**It was resolved unanimously to approve the updated Standing Orders Relating to Contracts.**

## 10. Internal Audit Strategic and Annual Plans 2025/26

The Head of Internal Audit (HoIA) provided a verbal update on planning for the Authority's Internal Audit for financial year 2025/26. The HoIA explained that previously internal audit had focussed on areas of the organisation on a cyclical basis. The intention was to adopt an approach for 2025/26 that maintained a focus on risk and governance and provided time to audit areas more aligned to the strategic objectives of the Authority. The Audit Strategy would be updated to reflect the inclusion of the wider strategic objectives of an organisation and incorporate a move to data driven audits and considerations for data analytics and Artificial Intelligence. The strategy would need to reflect the needs of all the members of the consortium and it was not anticipated being available in time for the next committee meeting on 22 July 2025.

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The Audit Charter had been updated to reflect recent changes to internal audit standards, following a new template available from the internal audit professional body, and would be available at the next committee meeting on 22 July 2025.

In response to a question the HoIA confirmed that the scope of the 2025/26 internal audit would be agreed first with the Director of Finance (DoF) and the Management Team and the associated Audit Plan and Audit Charter would be reported to committee at the meeting on 22 July 2025.

A Member asked whether the production of the audit plan at the start of the second quarter would jeopardise the timely delivery of the annual audit results. The HoIA responded that very little audit work was undertaken during the first quarter. The DoF added that the first quarter was a busy time for the wider organisation and that the audit plan would seek to avoid overloading this resource.

**The update was noted.**

## 11. Implementation of internal audit recommendations - Summary of progress

The Senior Accountant (SA) introduced the report summarising progress in implementing Internal Audit recommendations arising from audits performed during 2020/21, 2022/23, 2023/24 and 2024/25. Since the previous meeting, the Key Controls audit had completed in December 2024 and achieved a “substantial assurance” audit opinion with no further formal recommendations. Audits on Cyber Security and Corporate Governance and Risk had both completed and the Authority was awaiting both audit opinions. Recommendation 1 Health and Safety at Work policy, from the 2020/21 audit result for Corporate Health and Safety, had been completed in December 2024. Recommendation 4 from the Port Marine Safety Code audit in 2023/24 would not progress until the Maritime and Coastguard Agency had responded and there was no indication of when their response would be issued.

In response to a question the SA confirmed that in relation to Recommendation 3 Pilotage, Port Marine Safety Code June 2021, the intended timetable date was summer 2025 and not 20 February 2025 as stated in Appendix 1 of the report.<sup>1</sup>

**The report was noted.**

## 12. Code of Practice on good governance for Statutory Officers

The Senior Governance Officer introduced the report that provided a review of the Authority’s governance arrangements in light of a recently published Code of Practice on Good Governance for Local Authority Statutory Officers produced by SOLACE (Society of Local Authority Chief Executives), CIPFA (Chartered Institute of Public Finance and Accountancy)

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<sup>1</sup> Since the meeting the Head of Ranger Services had indicated that the estimated timetable date was 1 June 2025

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and LLG (Lawyers in Local Government). The report concluded that there were no issues of concern or areas for improvement.

**The report was noted.**

### 13. Corporate Risk Register

The Senior Governance Officer (SGO) introduced the report which provided the latest version of the Corporate Risk Register (CRR) with changes marked since the previous meeting. The SGO confirmed that the feedback provided at the previous meeting had been incorporated into the CRR as detailed in sections 2.4 and above of the report.

A Member noted that risks 2 and 5 had scores below the CRR threshold (of 16) and had been below this threshold for a significant period of time. Both these factors indicated that these items were being managed as business as usual and they no longer needed to be included in the CRR.

A Member asked whether the CRR could, on occasion, be included earlier in the agenda. Members were supportive of this request noting that the inclusion of the CRR earlier in the agenda could help frame and provide context to discussions associated with subsequent items. It was agreed to include the CRR as the first item on the agenda at the next meeting.

**The updated Corporate Risk Register was noted.**

### 14. 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.

### 15. Formal questions

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

### 16. Date of next meeting

The next Risk, Audit and Governance Committee meeting would be on **Tuesday 22 July 2025** at Yare House, 62-64 Thorpe Road, Norwich, commencing at 10.00am.

The meeting ended at 11:27am.

Signed by

Chair

# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 5

## Draft Statement of Accounts 2024/25

Report by Senior Accountant

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### Summary

This report provides an update on the Broads Authority's Statement of Accounts and its audit for the year ended 31 March 2025.

### Recommendation

To note the current position regarding the Draft Statement of Accounts for 2024/25.

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## 1. Introduction

- 1.1. In the Financial Performance and Direction report to the Authority on 9 May 2025, there were draft figures for 2024/25 that provided for a consolidated surplus of £552,334. This has now moved up by £32,580 and is currently £584,914. This was due to a release of a deferred income for Yare House rent incentive on the old and the new lease.

## 2. Changes to the 2024/25 Accounts

- 2.1. The introduction of IFRS16 has had an impact on the Authority's long-term liabilities due to leases that were previously classified as operational are now included within the balance sheet to recognise rental payments due in future years and the balances outstanding on the balance sheet. These leases were previously regarded as operating leases under old reporting standards. In addition, peppercorn leases not previously recognised have been included and has resulted in a donated asset in 2024/25.
- 2.2. As with previous years, Table 1 below has been produced to help members understand the additional adjustments made at the year end.

**Table 1**

Summary Income and Expenditure 2024/25

Income and Expenditure	Operations £000's	Strategic Services £000's	Finance & Support Services £000's	HLF & CANAPE £000's	Corporate Amounts £000's	Total £000's
Fees, charges, interest and other service income	(346)	(1,399)	(35)	(142)	(4,714)	(6,636)
Contribution from reserves	0	0	0	0	(520)	(520)
Government Grants	0	0	0	0	(3,914)	(3,914)
<b>Total Income</b>	<b>(346)</b>	<b>(1,399)</b>	<b>(35)</b>	<b>(142)</b>	<b>(9,148)</b>	<b>(11,070)</b>
Employee expenses	2,860	1,955	1,090	11	8	5,924
Other service expenses	1,743	1,079	1,715	24	0	4,561
<b>Total Expenditure</b>	<b>4,603</b>	<b>3,034</b>	<b>2,805</b>	<b>35</b>	<b>8</b>	<b>10,485</b>
<b>Net Expenditure</b>	<b>4,257</b>	<b>1,635</b>	<b>2,770</b>	<b>(107)</b>	<b>(9,140)</b>	<b>(585)</b>

Table 2

Summary of adjustments

Adjustments	Amounts £000's
Net Expenditure	(585)
Amounts in the Comprehensive Income and Expenditure Statement (CIES) not reported to management	341
Amounts included in Table 1 not in the CIES	3,746
<b>Cost of Services in the CIES</b>	<b>3,502</b>

2.3. Items in the amounts included in the CIES not reported to management include year-end adjustments for the Pension Scheme. The Accounts are adjusted to reflect the difference between the actual costs assessed by the Actuary and the contributions paid

over during the year. Further adjustments are also made for untaken staff leave, depreciation and movements on the revaluation of fixed assets.

2.4. The main adjustments in the third line, which is in the analysis above but not the Comprehensive Income and Expenditure Statement, is the removal of the DEFRA grant, interest and investment income and interest payable. These items are added back in the lines under the cost of services. Further adjustments relate to the accounting treatment of capital expenditure and reserve expenditure.

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

**Table 3**

Detailed adjustments

<b>Income and Expenditure type</b>	<b>Service Analysis £000's</b>	<b>Not reported to Management £000's</b>	<b>Not included in the CIES £000's</b>	<b>Net Cost of Services £000's</b>	<b>Other operating expenditure, finance &amp; investment income and Government Grant £000's</b>	<b>Deficit on the Provision of Services £000's</b>
Fees, charges and other service income	(6,329)	0	0	(6,329)	0	(6,329)
Interest and investment income	(307)	0	307	0	(307)	(307)
Contribution from reserves	(520)	0	42	(478)	0	(478)
Government Grants	(3,914)	0	3,914	0	(4,054)	(4,054)
<b>Total Income</b>	<b>(11,070)</b>	<b>0</b>	<b>4,263</b>	<b>(6,807)</b>	<b>(4,361)</b>	<b>(11,168)</b>
Employee expenses	5,924	(38)	0	5,886	(9)	5,895
Other services expenses	4,561	0	(517)	4,043	0	4,044

Income and Expenditure type	Service Analysis £000's	Not reported to Management £000's	Not included in the CIES £000's	Net Cost of Services £000's	Other operating expenditure, finance & investment income and Government Grant £000's	Deficit on the Provision of Services £000's
Depreciation, amortisation & revaluation	0	379	0	379	0	379
Interest payments	0	0	0	0	69	69
Gain on disposal of Assets	0	0	0	0	(12)	(12)
<b>Total Operating Expenditure</b>	<b>10,485</b>	<b>341</b>	<b>(517)</b>	<b>10,309</b>	<b>66</b>	<b>10,375</b>
<b>(Surplus) / Deficit on the Provision of Services</b>	<b>(585)</b>	<b>341</b>	<b>3,476</b>	<b>3,502</b>	<b>(4,295)</b>	<b>(793)</b>

### 3. Balance Sheet

- 3.1. At the end of 2024/25, the Balance Sheet was reporting a net asset position of £23,046,000. This is an increase from the 2023/24 net asset position of £11,164,000. The main cause of this is the movement in the Pension Fund liability, which changed from a net liability, with a movement of £10,868,000. The pension fluctuations are due to the changes in financial assumptions as calculated by the actuary. The Fund also seeks to maintain contributions at a consistent rate to minimise the impact on the Authority's cash flows. The Authority makes additional contributions to the Fund to reduce the deficit over the next 20 years. Funding levels are monitored on an annual basis, whilst the contributions and the annual deficit payments are recalculated as part of triennial valuation. Additional information about the Pension Fund Assets and Liabilities can be found within the Statement of Accounts under Note 32.
- 3.2. The bottom section of the Balance Sheet on page 19 splits the reserves between useable and unusable reserves. The useable reserves can be used to fund future

operating expenditure, while the unusable reserves are kept to manage accounting processes such as unrealised gains or acquisitions of Fixed Assets and the movements on the Pension Reserve.

3.3. The closing position on the National Park (General), Navigation and Earmarked reserves has reduced when compared to those reported verbally on 9 May 2025 due to the audit adjustment. The individual balances that make up the Earmarked Reserve can be found within the Statement of Accounts under note 10, page 41. The year end balances of the reserves are:

- National Park £1,169,983;
- Navigation £627,571;
- Earmarked £3,556,519 of which £1,340,622 relates to Navigation.

## 4. Annual Governance Statement

4.1. The Accounts and Audit (England) Regulations 2015 contain a requirement that an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control, must be approved by the relevant body and must accompany the Statement of Accounts. The Annual Governance Statement includes a link to the draft Annual Governance Statement and will be considered by this committee (see agenda item 10) and Broads Authority. After consideration at this meeting, it will be presented to the Broads Authority on 25 July 2025. Once this has been approved by Broads Authority, the Draft Statement of Accounts will be updated to include the approved Annual Governance Statement.

## 5. Audit of the Statement of Accounts

5.1. The Authority's external auditors, Ernst & Young (EY) will start work on 21 July 2025 on the 2024/25 accounts. The auditors will provide a verbal update under agenda item 9 on their progress.

## 6. Financial Implications

6.1. The Statement of Accounts for 2024/25 shows revenue reserves of £1,797,554 (National Park (general) reserves £1,169,983, Navigation reserves £627,571) that are considered to be adequate. The National Park reserve at the end of 2024/25 stands at 31.2% of net expenditure, while the Navigation reserve is 14.6%.

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

Author: Izabela Foley

Date of report: 09 July 2025

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Draft Statement of Accounts 2024/25](#)

# Broads Authority

## Draft Statement of Accounts 2024/25

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# Narrative report

## Introduction

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

## About the Broads Authority

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

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

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

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

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

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

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

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

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

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

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

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

The Authority's Strategic Priorities are set annually by the members in line with objectives in the Broads Plan. Progress against the Strategic Priorities is reported regularly to the Authority and details of 2024/25 can be found in the link below:

[Strategic Priorities](#)

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

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

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

## Governance

The Annual Governance Statement provides details of progress against the current year and provides the new financial year action plan. This is currently available in draft and will be considered by the Authority on 25 July and is available via the link below:

[Draft Annual Governance Statement](#)

In June 2025, Natural England published the guidance for developing and reviewing management plans for Protected Landscapes in England:

[Landscapes in England - GOV.UK](#). The guidance will need to be considered for the next review of the Broads Plan.

## Operational model

The Authority consists of three Directorates; Finance and Support Services, Operations and Strategic Services. The total number of staff employed by the Authority gives a head count of 156 or 137.8 Full Time Equivalents (FTE) as at 31 March 2025. This is split 25 (21.4 FTE) Finance and Support Services, 75 (69.5 FTE) Operations, 56 (46.9 FTE) Strategic Services. Due to the seasonal nature of the Authority's activities the levels of staff vary throughout the year and the year-end position may vary depending on when Easter falls.

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

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

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

The Authority receives income from planning fees, contributions from landowners and the Rural Payments Agency towards fen management, Visitor Centres and Yacht Station sales and external funding such as the Grant from the Nature for Climate Peatland Scheme and Defra support for FiPL.

## Risks

Uncertainty exists about future years' settlements and their duration. Cuts to the National Park Revenue Grant in years 2010/11 to 2015/16 has meant the Authority has already restructured to make savings. For the 2025/26 both sides of the budget will have a deficit which will be balanced through the use of reserves. The further reduction of National Park revenue grant in 2025/26 has created additional pressures on future years budgets whilst the outcome of the Comprehensive Spending Review is determined for funding 2026/27 to 2028/29. Whilst the receipt of National Park capital funding is welcomed this is only a one year settlement that requires expenditure to be complete by 31 March 2026. There

continues to be uncertainty around the impact of inflation, wage increases and rising fuel costs. The Landscape Review recommended that “Central Government funding should continue and be both extended and secured across a five-year period.” This would greatly assist the Authority in its financial planning.

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

### [Corporate Risk Register](#)

#### Review of Corporate Risk Register

The Authority reviewed the risk register and updated it during 2024/25. The risk register is split between the Corporate Risk Register, focusing on risks that are strategic, and Directorates’ risk registers, focusing on operational day to day risk. The Corporate Risk Register is reviewed at every Risk, Audit and Governance Committee meeting with the option for significant risks being reported to the Broads Authority.

#### Opportunities

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

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

The Authority has already been successful in gaining external funding from; the NHLF for Water, Mills and Marshes, Nature for Climate Peatland Scheme, Active Travel England, Access for All, LAPSIP, LAPWDP, Generation Green 2, BMW and Electrifying the Broads.

The Authority attended the Norfolk Show in June 2024, hosting the Broads village and promoting the National Park and partner organisations. It was a popular destination with twenty stands and was visited by up to 90,000 visitors, including hundreds of school children. The Authority is planning to return to the Show in June 2025.

2025/26 will see the Authority benefit from £1,385m additional grant funding from DEFRA. This capital funding will need to be spent in 2025/26. The Authority plans to use the funding to support our annual capital programme. DEFRA has also confirmed that FiPL will be extended to March 2027.

## Strategy and resource allocation

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

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

On 20 November 2007, the Authority took out a £290,000 loan from the Public Works Loan Board (PWLB). The repayment period of the loan is 20 years at a fixed interest rate of 4.82%, repayable by equal instalments of principal. The Public Works Loan Board has advised that the fair value of the debt as at 31 March 2025 is £36,738.

The purpose of this loan was to finance the purchase of the Dockyard Operation from May Gurney to enable the Authority to continue to dredge the Broads in an economical and efficient manner.

During 2020/21, the Authority took out a further loan from the PWLB for £105,000. The purpose of the loan was to fund the purchase of a new JCB excavator. These types of purchases have typically been financed by finance leases in the past, but the fixed rate of interest at 2% made the loan the cheapest option. The loan is to be repaid over five years, repayable by annuity. The PWLB has advised that the fair value of the debt as 31 March 2025 is £21,857.

## Performance

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

### General (National Park) Income and Expenditure

In 2024/25 the Authority received National Park Grant of £3,914k from Defra (£3,564k in 2023/24). This included one-off additional revenue and capital funding from DEFRA of £250k each. 2023/24 included the deferred capital grant of £150k for the purchase of Hulver Ground. In addition to this, the income received from external grant support, sales, fees, charges and interest totalled £1,876k (£1,464k in 2023/24). Total income for 2024/25 was £5,790k (£5,028k in 2023/24).

The Authority set a budget for 2024/25 with a forecast surplus of £15k (£38k surplus for 2023/24). The Authority monitors its budget throughout the year against a forecast outturn which is updated monthly. The final forecast outturn for the year 2024/25 indicated an anticipated surplus of £163k. The actual outturn saw a surplus of £318k (a favourable variance of £155k). The Authority has a policy for carrying forward requests in respect of underspends. These were considered and approved by the Authority on 9 May 2025 for £13k (£nil from 2023/24 added to the 2024/25 budget) and added to the 2025/26 budget.

#### Navigation Income and Expenditure

Income from tolls was £4,314k (£4,098k in 2023/24), other income received for the year from external grant support, yacht stations charges, sales of tide tables, works licences and other miscellaneous services was £293k, (£300k in 2023/24) and interest was £153k (£146k in 2023/24). Total income for 2024/25 was £4,760k (£4,544k in 2023/24).

The Authority set a budget with a forecast surplus of £87k for 2024/25 (deficit of £56k for 2023/24). This deficit was to be balanced using reserves. The Authority monitors its budget throughout the year against a forecast outturn which is updated monthly. The final forecast outturn for 2024/25, which took account of approved budget changes, indicated an anticipated surplus of £167k. The actual outturn saw a surplus of £267k (a favourable variance of £100k). The Authority has a policy for carrying forward requests in respect of underspends. These were considered and approved by the Authority on 9 May 2025 for £1k (£27k from 2023/24 added to the 2024/25) and added to the 2025/26 budget.

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

#### Outlook

2025/26 continues with the delivery of the Nature for Climate Peatland Scheme restoration and the extension of the project funded from the Paludiculture Exploration Fund. In addition, a one-year project will be delivered with funding from the Water Restoration Fund, until March 2026. Collaborative work is also under way for an ambitious bid to the NHLF. Although the projects are claimed in arrears the impact on the Authority's cash flows is minimal. The budget for Navigation is projecting a deficit of £132k in 2025/26 (after considering carry forward requests) which will be funded from reserves. This provides a forecast of the Navigation reserve at 9.9% of net expenditure at the end of the year. For General (National Park) funding there is a projected surplus of £56k in 2025/26 (after considering carry forward requests) which will be funded from reserves. This provides a forecast of the National Park reserve at 21.7% of net expenditure.

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

There are a significant number of variables – and some unknown quantities, such as future inflation, cost of utilities and salary increases – which could impact on these figures. The Financial Strategy will therefore be reviewed and updated by the Authority, having regard to

any changes in circumstances and the annual outturn figures, at its meeting in February 2026. The annual toll increase for 2025/26 was set at 5.9% for all vessels. When setting the future strategy, the Authority will continue to consult with the Navigation Committee before the Broads Authority makes a decision. 2025/26 continues to focus on the development of partnership work. The scheme administered by the Broads Authority continues to support farmers and land managers in carrying out projects that support the natural environment, mitigate the impacts of climate change, provide public access opportunities or support nature-friendly, sustainable farm businesses (Farming in Protected Landscapes). Climate change remains a threat to the Broads. Broadland Futures Initiative, in collaboration with the Environment Agency, will continue the strategy development for future flood risk management and engagement work with stakeholders.

### Changes to the 2024/25 Accounts

The introduction of IFRS16 has had an impact on the Authority's long-term liabilities due to leases that were previously classified as operational are now included within the balance sheet to recognise rental payments due in future years and the balances outstanding. These leases were previously regarded as operating leases under old reporting standards. In addition, peppercorn leases not previously recognised have been included and has resulted in a donated asset in 2024/25. See accounting policy xiv and note 30 for further details.

### The accounting statements

The Broads Authority's accounts for the year 2024/25 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 36 on page 81.

# Statement of Responsibilities for the Statement of Accounts

## The Authority's Responsibilities

The Authority is required to:

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

## The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

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

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

The Director of Finance has also:

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

## Director of Finance's Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Broads Authority at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Emma Krelle (Director of Finance)

## Certificate of Committee Resolution

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

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.

2023/24 Net expenditure chargeable to the General and navigation fund balances £000	2023/24 adjustments between the funding and accounting basis £000	2023/24 Net expenditure in the comprehensive income and expenditure statement £000	Function	2024/25 Net expenditure chargeable to the General and navigation fund balances £000	2024/25 adjustments between the funding and accounting basis £000	2024/25 Net expenditure in the comprehensive income and expenditure statement £000
1,492	(11)	1,481	Operations	1,469	36	1,505
1,340	31	1,371	Strategic Services	1,104	18	1,122
914	(83)	833	Finance & Support Services (previously known as Chief Executive)	986	(180)	806
4	0	4	Corporate Amounts	4	0	4
256	(301)	(45)	Broads Navigation Account	178	(113)	65
<b>4,006</b>	<b>(364)</b>	<b>3,642</b>	<b>Net cost of services (subtotal)</b>	<b>3,741</b>	<b>(239)</b>	<b>3,502</b>
(3,758)	(119)	(3,877)	Other income and expenditure	(4,304)	9	(4,295)
<b>248</b>	<b>(483)</b>	<b>(235)</b>	<b>(Surplus) or Deficit</b>	<b>(563)</b>	<b>(230)</b>	<b>(793)</b>
<b>(1,145)</b>			Opening general and navigation fund balance	<b>(1,308)</b>		
<b>248</b>			Less/plus surplus or (deficit) on general and navigation balance in year	<b>(563)</b>		
<b>(411)</b>			Transfer (to)/from earmarked reserves and Capital Grant Unapplied	<b>75</b>		
<b>(1,308)</b>			<b>Closing general and navigation fund balance at 31 March</b>	<b>(1,796)</b>		

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.

2023/24 Gross expenditure £000	2023/24 Income £000	2023/24 Net expenditure/ (income) £000	Description	Note	2024/25 Gross expenditure £000	2024/25 Income £000	2024/25 Net expenditure/ (income) £000
1,792	(311)	1,481	Operations		1,921	(416)	1,505
2,340	(969)	1,371	Strategic Services		2,394	(1,272)	1,122
863	(32)	831	Finance & Support Services		828	(22)	806
4	0	4	Corporate Items		4	0	4
4,340	(4,385)	(45)	Broads Navigation Account	36	4,640	(4,575)	65
<b>9,339</b>	<b>(5,697)</b>	<b>3,642</b>	<b>Cost of services (subtotal)</b>		<b>9,787</b>	<b>(6,285)</b>	<b>3,502</b>
		(12)	(Gains)/Losses on the disposal of non-current assets				(152)
		(367)	Financing and investment income and expenditure	11			(229)
		(3,498)	Taxation and non-specific grant income and expenditure	12			(3,914)
		<b>(235)</b>	<b>(Surplus) or deficit on provision of services (subtotal)</b>				<b>(793)</b>
		(422)	(Surplus) or deficit on revaluation of fixed assets				(249)
		2,815	Actuarial (gains)/losses on pension assets/liabilities				(10,840)
		2,393	Other comprehensive income and expenditure (subtotal)				(11,089)
		<b>2,158</b>	<b>Total comprehensive income and expenditure</b>				<b>(11,882)</b>

## 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.

<b>2023/24</b>	<b>General fund and navigation fund balance £000</b>	<b>Capital receipts reserve £000</b>	<b>Capital Grants Unapplied £000</b>	<b>Earmarked reserves £000</b>	<b>Total useable reserves £000</b>	<b>Unusable reserves £000</b>	<b>Total Authority reserves £000</b>
Balance at 31 March 2023 (A)	1,145	422	150	3,763	5,480	7,843	13,323
Total comprehensive income and expenditure	235	0	0	0	235	0	235
Other Comprehensive income and expenditure	0	0	0	0	0	(2,394)	(2,394)
Adjustments between accounting basis and funding basis under regulations (Note 9)	(332)	0	(150)	0	(482)	482	0
Transfers to or from Earmarked reserves (Note 10)	261	0	0	(261)	0	0	0
Increase or (decrease in 2023/24 (B) (subtotal)	164	0	(150)	(261)	(247)	(1,912)	(2,159)
<b>Balance at 31 March 2024 (=A+B)</b>	<b>1,309</b>	<b>422</b>	<b>0</b>	<b>3,502</b>	<b>5,233</b>	<b>5,931</b>	<b>11,164</b>

<b>2024/25</b>	<b>General fund and navigation fund balance £000</b>	<b>Capital receipts reserve £000</b>	<b>Earmarked reserves £000</b>	<b>Total useable reserves £000</b>	<b>Unusable reserves £000</b>	<b>Total Authority reserves £000</b>
Balance at 31 March 2024 (A)	1,309	422	3,502	5,233	5,931	11,164
Total comprehensive income and expenditure	793	0	0	793	0	793
Other Comprehensive income and expenditure	0	0	0	0	11,089	11,089
Adjustments between accounting basis and funding basis under regulations (Note 9)	(252)	21	0	(231)	231	0
Transfers to or from Earmarked reserves (Note 10)	(54)	0	54	0	0	0
Increase or (decrease in 2024/25 (B) (subtotal))	487	21	54	562	11,320	11,882
<b>Balance at 31 March 2025 (=A+B)</b>	<b>1,796</b>	<b>443</b>	<b>3,556</b>	<b>5,795</b>	<b>17,251</b>	<b>23,046</b>

## 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 24 £000	Category	Note	As at 31 March 25 £000
6,303	Property, plant & equipment	13	7,310
0	Other long-term assets	32	28
<b>6,303</b>	<b>Long term assets (subtotal)</b>		<b>7,338</b>
5,067	Short term investments		6,102
209	Inventories	14	164
710	Short term debtors	15	606
1,454	Cash and cash equivalents	16	1,624
<b>7,440</b>	<b>Current assets (subtotal)</b>		<b>8,496</b>
(36)	Short term borrowing		(36)
(2,073)	Short term creditors	17	(2,550)
(94)	Provisions	18	(103)
(69)	Grant receipts in advance	27	(195)
<b>(2,272)</b>	<b>Current liabilities (subtotal)</b>		<b>(2,884)</b>
(58)	Long term borrowing		(22)
(249)	Other long-term liabilities	30, 32	10,118
<b>(307)</b>	<b>Long term liabilities (subtotal)</b>		<b>10,096</b>
<b>11,164</b>	<b>Net assets (liabilities)</b>		<b>23,046</b>
-	<b>Useable reserves</b>	-	
779	General account fund balance		1,169
530	Navigation account fund balance		627
422	Capital receipts reserve		443
0	Capital Grants Unapplied Account		0
3,502	Earmarked reserves	10	3,556
-	<b>Unusable reserves</b>	20	
2,698	Revaluation reserve		2,724
3,513	Capital adjustment account		3,939
(216)	Pension reserve		10,652
(64)	Accumulated absence reserve		(64)
<b>11,164</b>	<b>Total reserves</b>		<b>23,046</b>

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2025 and its income and expenditure for the year 31 March 2025.

Emma Krelle (Director of Finance)

## Cash Flow statement

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

<b>2023/24 £000</b>	<b>Revenue activities</b>	<b>Note</b>	<b>2024/25 £000</b>
235	Net surplus or (deficit) on the provision of services		793
1,116	Adjustments to net surplus or deficit on the provision of services for non-cash movements		877
7,982	Adjust for items in the net surplus or deficit on the provision of services that are investing and financing activities		5,186
9,333	Net cash flows from operating activities (subtotal)	21	6,856
(8,545)	Investing activities	22	(6,606)
(36)	Financing activities	23	(80)
752	Net increase or (decrease) in cash and cash equivalents (subtotal)		170
702	Cash and cash equivalents at the beginning of the reporting period		1,454
<b>1,454</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	16	<b>1,624</b>

# Notes to the Statement of Accounts

## 1. Accounting policies

### i. General principles

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. 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 2024/25 and the Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### ii. Accruals of Income and Expenditure

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

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

### iii. Cash and cash equivalents

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

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

**iv. Exceptional items**

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

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

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

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

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

**vi. Charges to revenue for non-current assets**

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

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

**vii. Employee Benefits**

**Benefits payable during employment**

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

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

### **Termination benefits**

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

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

### **Post-employment benefits**

Employees of the Broads Authority are members of Norfolk Pension Fund for civilian employees (the Local Government Pension Scheme), administered by Norfolk County Council. This is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

### **viii. Events after the balance sheet date**

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

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

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

## **ix. Fair value measurement**

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

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

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

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

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

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

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

## **x. Financial instruments**

### **Financial liabilities**

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

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

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

### **Financial assets**

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

There are three main classes of financial assets measured at:

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

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

### **Financial assets measured at amortised cost**

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

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

### **Expected Credit Loss Model**

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

The Authority has not made any material loans.

#### **xi. Foreign currency translation**

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

#### **xii. Government Grants and Contributions**

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

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

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

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

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

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

#### **xiii. Inventories**

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

#### **xiv. Leases**

### The Authority as lessee

At inception of an arrangement, the Authority determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Authority the right to control the use of the underlying asset.

The lease liabilities arising from a lease are initially measured on a present value basis comprising the following lease payments:

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

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

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

The Authority is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate takes effect, then the lease liability is re-measured using the changed cash flows and changed discount rate. Further, a corresponding adjustment is also made to the right-of-use asset.

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

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

- The amount of initial measurement of lease liability.

- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

The right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that the Authority will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life.

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

#### Peppercorn leases

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

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

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

#### The Authority as lessor

##### Operating leases

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

#### **xv. Property, Plant and Equipment**

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

### **Recognition**

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

### **Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

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

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

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

### **Impairment**

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

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

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

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

### **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for

assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

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

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

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

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

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

#### **Disposals and non-current assets**

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

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

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

#### **xvi. Provisions, contingent liabilities and contingent assets**

##### **Provisions**

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

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

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

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

##### **Contingent liabilities**

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

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

##### **Contingent assets**

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

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

#### **xvii. Reserves**

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

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

#### **xviii. Operating segments**

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

#### **xix. Allocation of costs**

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

Recharges between the general and navigation funds are based on staff time and usage.

#### **xx. Revenue expenditure funded from capital under statute**

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

#### **xxi. VAT**

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

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

The 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 2025:

- IAS 16 and IAS 38 – amendment to the measurement of non-investment assets, particularly in relation to property, plant, and equipment.
- IFRS 17 – introduces a new accounting standard for insurance contracts.
- IAS 21 – amendment specifically focusing on the "Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability).

Changes to IFRS 17 and IAS 21 are not expected to have a material impact on the Authority's statements. The impact of changes to IAS 16 and IAS 38 will be assessed once the Code is issued and there is more details available.

### 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 2025/26 there remains a degree of uncertainty about the longer-term levels of funding for National Parks. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Authority is a member of Whitlingham Charitable Trust of which there are four members. The Authority can appoint up to four trustees and there shall be no more than nine in total. The Trust is limited by guarantee in which each member agrees to contribute £1 in the event of it being wound up. Whitlingham Charitable Trust was established to manage and maintain Whitlingham Country Park for public benefit. The Authority does not have a controlling influence, and it does not have any share equity, or any share in profits or losses. It is considered therefore that International Accounting Standard (IAS) 28 – Accounting for Investments in Associates - does not apply as the charity has no formal equity structure, and the Authority does not derive any financial benefit from the Trust.

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

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

Item	Uncertainties	Effect if actual results differ from assumptions
Property plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall. It is estimated that the annual depreciation charge would increase by £53,000 for every year that useful lives had to be reduced.
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £521,000. Further details are set out in the sensitivity analysis in note 32.

## 5. Material items of income and expenditure

There are no material items of expense in relation to 2024/25 which are not disclosed elsewhere within the Statement of Accounts.

## 6. Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Director of Finance on 27 June 2025. Events that occur after this date are not reflected in the financial statements or notes.

## 7. Note to the expenditure and funding analysis

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

2023/24 Adjustments for capital purposes (Note 1) £000	2023/24 Net change for the pension's adjustments (Note 2) £000	2023/24 Other differences (Note 3) £000	2023/24 Total adjustments £000	Description	2024/25 Adjustments for capital purposes (Note 1) £000	2024/25 Net change for the pension's adjustments (Note 2) £000	2024/25 Other differences (Note 3) £000	2024/25 Total adjustments £000
(19)	7	1	(11)	Operations	42	(6)	0	36
18	11	2	31	Strategic Services	26	(9)	1	18
(87)	3	1	(83)	Finance & Support Services	(177)	(3)	0	(180)
0	0	0	0	Corporate Items	0	0	0	0
(332)	24	7	(301)	Broads Navigation Account	(93)	(20)	0	(113)
(420)	45	11	(364)	Net Cost of Services (subtotal)	(202)	(38)	1	(239)
0	(119)	0	(119)	Other income and expenditure from the Expenditure and Funding analysis	0	9	0	9
<b>(420)</b>	<b>(74)</b>	<b>11</b>	<b>(483)</b>	Difference between General and Navigation Fund surplus or deficit and comprehensive Income and Expenditure Statement Surplus of Deficit on the Provision of Services	<b>(202)</b>	<b>(29)</b>	<b>1</b>	<b>(230)</b>

## Note

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

Income received on a segmental basis is analysed below:

<b>Service</b>	<b>2023/24 Income from services (£000)</b>	<b>2024/25 Income from services (£000)</b>
Operations	(311)	(416)
Strategic Services	(969)	(1,272)
Finance & Support Services	(32)	(22)
Corporate items	0	0
Specialist ringfenced account (navigation)	(4,386)	(4,575)
<b>Total income analysed on a segmental basis</b>	<b>(5,698)</b>	<b>(6,285)</b>

## 8a. Expenditure and income analysed by nature

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

<b>Expenditure</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Employee benefits expenses	5,771	5,895
Other services expenses	3,821	4,063
Depreciation, amortisation, impairment	186	379
Interest payments	45	69
Expenditure in relation to investment properties	0	0
Loss/(gain) on the disposal of assets	(12)	(12)
<b>Total expenditure</b>	<b>9,811</b>	<b>10,394</b>

<b>Income</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Fees, charges and other service income	(5,716)	(6,330)
Interest and investment income	(293)	(307)
Contributions from reserves	(539)	(497)
Government grants and contributions	(3,498)	(4,053)
Total income (subtotal)	(10,046)	(11,187)
<b>Surplus or deficit on the provision of services</b>	<b>(235)</b>	<b>(793)</b>

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:

<b>Contract Revenue</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Revenue from contracts with service recipients	213	174
<b>Total included in comprehensive income and expenditure</b>	<b>213</b>	<b>174</b>

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

<b>Outstanding Revenue</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Receivables, which are included in debtors (Note 15)	42	50
<b>Total included in net assets</b>	<b>42</b>	<b>50</b>

## 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.

2023/24 General fund and navigation fund £000	2023/24 Capital receipts reserve £000	2023/24 Capital Grants Unapplied Account £000	2023/24 Movement in unusable reserves £000	Adjustments	2024/25 General fund and navigation fund £000	2024/25 Capital receipts reserve £000	2024/25 Movement in unusable reserves £000
				<b>Adjustments primarily involving the Capital Adjustment Account:</b>			
				<b>Reversal of items debited or credited to the Comprehensive Expenditure and Income Statement:</b>			
0	0	0	0	Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	(21)	21	0
(84)	0	0	84	Donated Asset	(139)	0	139
331	0	0	(331)	Charges for depreciation and impairment of non-current assets	375	0	(375)
(145)	0	0	145	Revaluation losses on property, plant and equipment	4	0	(4)
0	0	0	0	Amortisation of intangible assets	0	0	0
5	0	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	30	0	(30)
				<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>			
(35)	0	0	35	Statutory provision for the financing of capital investment	(81)	0	81
(492)	0	0	492	Capital expenditure charged against the General Fund	(392)	0	392
				<b>Adjustments involving the Capital Resources:</b>			
150	0	(150)	0	Application of Capital Grant to finance Capital Expenditure	0	0	0
0	0	0	0	Transfer of Capital Grants and contributions to Capital Unapplied Grant	0	0	0
				<b>Adjustments involving the Pensions Reserve:</b>			
859	0	0	(859)	Reversal of items relating to post-employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 32)	903	0	(903)
(932)	0	0	932	Employer's pension contributions and direct payments to pensioners payable in the year	(931)	0	931
				<b>Adjustments involving the accumulated Absences Account:</b>			
11	0	0	(11)	Adjustments in relation to short-term compensated absences	0	0	0
<b>(332)</b>	<b>0</b>	<b>(150)</b>	<b>482</b>	<b>Total adjustments</b>	<b>(252)</b>	<b>21</b>	<b>231</b>

## 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 2024/25. A description of each of the earmarked reserves follows in the table below.

Reserve Name	Balance at 31 March 2023 £000	Transfers in 2023/24 £000	Transfers out 2023/24 £000	Balance at 31 March 2024 £000	Transfers in 2024/25 £000	Transfers out 2024/25 £000	Balance at 31 March 2025 £000
Property	(932)	(207)	0	(1,139)	(189)	359	(969)
Plant, vessels and equipment	(636)	(282)	278	(640)	(134)	117	(657)
Premises	(376)	(108)	53	(431)	(27)	16	(442)
Planning delivery grant	(261)	(16)	0	(277)	(270)	42	(505)
Upper Thurne Enhancement Scheme	(214)	(36)	0	(250)	(39)	6	(283)
Heritage Lottery Fund	(171)	(184)	342	(13)	(150)	163	0
Catchment Partnership	(85)	(43)	58	(70)	(60)	54	(76)
CANAPE	(463)	(26)	489	0	0	0	0
Computer Software	(153)	(30)	0	(183)	(9)	34	(158)
UK National Park Communications	(5)	(34)	35	(4)	0	1	(3)
Match Funding	(17)	0	(17)	0	0	0	0
Medium Term Financial Planning	(450)	(148)	103	(495)	(279)	311	(463)
<b>Total</b>	<b>(3,763)</b>	<b>(1,114)</b>	<b>1,341</b>	<b>(3,502)</b>	<b>(1,157)</b>	<b>1,103</b>	<b>(3,556)</b>

Included in the closing balance of £3,556k, £627k relates to Navigation funded reserves.

Earmarked reserves

**Property**

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

**Plant, Vessels and Equipment**

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

**Premises**

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

**Planning Delivery Grant**

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

**Upper Thurne Enhancement Scheme**

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

**Heritage Lottery Fund**

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

**Catchment Partnership**

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

**CANAPE**

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

**Computer Software**

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

**UK National Parks Communications**

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

**Match Funding**

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

**Medium-term Financial Planning**

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

## 11. Financing and investment income and expenditure

2023/24 £000	Expenditure and income detail	2024/25 £000
45	Interest payable and similar charges	69
(119)	Net interest on the net defined benefit liability (asset)	9
(293)	Interest receivable and similar income	(307)
<b>(367)</b>	<b>Total</b>	<b>(229)</b>

## 12. Taxation and non-specific Grant income

2023/24 £000	Income detail	2024/25 £000
	<b>Credited to Taxation and non-specific Grant income</b>	
3,414	DEFRA National Park Grant	3,414
0	DEFRA Biodiversity Capital Grant	250
0	DEFRA Biodiversity Net Gain funding	250
84	Donated Asset (Mutford Lock/ Peppercorn Leases)	139
<b>3,498</b>	<b>Total</b>	<b>4,053</b>

### 13. Property, plant and equipment

#### Movements on balances 2023/24

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

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

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

Movements on balances 2024/25

Cost or valuation	Land and buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community assets £000	Assets under construction £000	Total property, plant and equipment £000
At 1 April 2024	4,141	3,738	315	323	21	8,538
Additions	659	367	0	0	3	1,029
Donated Assets	139	0	0	0	0	139
Revaluation increases/(decreased) recognised in the Revaluation reserve	217	0	0	0	0	217
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(21)	0	0	0	0	(21)
Derecognition-disposals	0	(98)				(98)
Reclassification	0	3	15	0	(18)	0
<b>At 31 March 2025</b>	<b>5,135</b>	<b>4,010</b>	<b>330</b>	<b>323</b>	<b>6</b>	<b>9,804</b>

<b>Accumulated depreciation and impairment</b>	<b>Land and Buildings £000</b>	<b>Vehicles Plant, Furniture &amp; Equipment £000</b>	<b>Infrastructure Assets £000</b>	<b>Community Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total Property, Plant and Equipment £000</b>
At 1 April 2024	73	1,859	304	0	0	2,236
Depreciation charge	92	281	1	0	0	374
Derecognition – disposals	0	(66)	0	0	0	(66)
Revaluations - Revaluation Reserve	(33)	0	0	0	0	(33)
Revaluations - Surplus / Deficit on Provision of Services	(17)	0	0	0	0	(17)
<b>At 31 March 2025</b>	<b>115</b>	<b>2,074</b>	<b>305</b>	<b>0</b>	<b>0</b>	<b>2,494</b>

<b>Net Book Value</b>	<b>Land and Buildings £000</b>	<b>Vehicles, Plant, Furniture &amp; Equipment £000</b>	<b>Infrastructure Assets £000</b>	<b>Community Assets £000</b>	<b>Assets Under Construction £000</b>	<b>Total Property, Plant and Equipment</b>
<b>At 31 March 2025</b>	<b>5,020</b>	<b>1,936</b>	<b>25</b>	<b>323</b>	<b>6</b>	<b>7,310</b>
At 31 March 2024	4,068	1,880	11	323	21	6,303

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

## Depreciation

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

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

## Capital Commitments

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

## Impairments

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

## Revaluations

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

Significant assumptions applied in estimating the current values are:

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

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

<b>Financial Year</b>	<b>Land and buildings £000</b>	<b>Vehicles, plant, furniture &amp; equipment £000</b>	<b>Infrastructure assets £000</b>	<b>Community assets £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
Carried at historical cost	0	1,932	25	323	6	2,286
Valued at current value as at 31 March 2025	1,281	4	0	0	0	1,285
31 March 2024	1,582	0	0	0	0	1,582
31 March 2023	1,612	0	0	0	0	1,612
31 March 2022	304	0	0	0	0	304
31 March 2021	241	0	0	0	0	241
<b>Total cost or valuation</b>	<b>5,020</b>	<b>1,936</b>	<b>25</b>	<b>323</b>	<b>6</b>	<b>7,310</b>

## 14. Inventories

Description	Consumable stores 2023/24 £000	Consumable stores 2024/25 £000	Maintenance materials 2023/24 £000	Maintenance materials 2024/25 £000	Total 2023/24 £000	Total 2024/25 £000
Balance outstanding at start of year	38	33	103	176	141	209
Purchases	26	31	252	188	278	219
Recognised as an expense in year	(31)	(30)	(179)	(234)	(210)	(264)
Written off balances	0	0	0	0	0	0
<b>Balances outstanding at year end</b>	<b>33</b>	<b>34</b>	<b>176</b>	<b>130</b>	<b>209</b>	<b>164</b>

## 15. Debtors

31 March 2024 £000	Debtor types	31 March 2025 £000
123	Trade receivables	114
480	Prepayments and accrued income	329
107	Other receivable amounts	163
<b>710</b>	<b>Total</b>	<b>606</b>

## 16. Cash and cash equivalents

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

31 March 2024 £000	Cash and cash equivalent types	31 March 2025 £000
2	Cash held by the Broads Authority	2
1,452	Bank current accounts	1,622
<b>1,454</b>	<b>Total cash and cash equivalents</b>	<b>1,624</b>

## 17. Creditors

31 March 2024 £000	Creditor types	31 March 2025 £000
383	Trade payables	643
1,521	Accruals and income in advance	1,621
169	Other payable amounts	286
<b>2,073</b>	<b>Total</b>	<b>2,550</b>

## 18.Provisions

2023/24 Accumulated absences provision £000	2023/24 Audit Fees provision £000	2023/24 Biodiversity Net Gain Provision £000	2023/24 Total £000	Description	2024/25 Accumulated absences provision £000	2024/25 Biodiversity Net Gain Provision £000	2024/25 Bad Debt Provision £000	2024/25 Total £000
53	20	26	99	Balance at 1 April	64	30	0	94
64	0	11	75	Additional provisions made in year	64	16	4	84
(53)	(20)	(7)	(80)	Settlements or cancellation of provision made at end of proceeding year	(64)	(11)	0	(75)
<b>64</b>	<b>0</b>	<b>30</b>	<b>94</b>	<b>Balance at 31 March</b>	<b>64</b>	<b>35</b>	<b>4</b>	<b>103</b>

The Biodiversity Net Gain provision relates to funding confirmation received from DEFRA in March 2023. This funding will be used to fund Biodiversity projects in 2025/26.

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

## 19. Usable reserves

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

## 20. Unusable reserves

31 March 2024 £000	Description	31 March 2025 £000
2,698	Revaluation reserve	2,724
3,513	Capital Adjustment Account	3,939
(216)	Pensions Reserve	10,652
(64)	Accumulated Absences Account	(64)
<b>5,931</b>	<b>Total unusable reserves</b>	<b>17,251</b>

### 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.

2023/24 £000	Description	2024/25 £000
2,340	Balance at 1 April	2,698
619	Upward revaluation of assets	249
(198)	Downward revaluation of assets	0
421	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on Provision of Services (subtotal)	249
(63)	Difference between current value depreciation and historical cost depreciation	(223)
(63)	Amount written off to the Capital Adjustment Account (subtotal)	(223)
<b>2,698</b>	<b>Balance at 31 March</b>	<b>2,724</b>

### 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.

2023/24 £000	Description	2024/25 £000
3,030	Balance at 1 April	3,513
0	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement: Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	0
(331)	Charges for depreciation and impairment of non-current assets	(374)
145	Revaluation losses on property plant & equipment	(4)
84	Movement in the Donated Assets	139
0	Amount on Excavator w/off on disposal or sale as part of the gain/loss on disposal to CIES	
0	Amortisation of intangible assets	0
(5)	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	(31)
63	Adjusting amounts written out of the revaluation reserve	223
(44)	Net written out amount of the cost of non-current assets consumed in the year (subtotal)	(47)

2023/24 £000	Description	2024/25 £000
0	Capital grants and contributions credited to CIES applied for capital financing	0
150	Application of grants to capital financing from Capital Grants Unapplied Account	0
(150)	Transfer of capital grants and contributions to Capital Grants Unapplied	0
35	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	81
492	Capital expenditure charges against the General Fund	392
<b>3,513</b>	<b>Balance at 31 March</b>	<b>3,939</b>

#### 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.

2023/24 £000	Description	2024/25 £000
2,525	Balance at 1 April	(216)
(2,814)	Remeasurements of the net defined benefit liability/(asset)	10,840
(859)	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	(904)
932	Employer's pension contributions and direct payments to pensioners payable in the year	932

2023/24 £000	Description	2024/25 £000
(216)	Balance at 31 March	10,652

#### 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.

2023/24 £000	Description	2024/25 £000
(52)	Balance at 1 April	(64)
0	Settlement or cancellation of accrual made at the end of the preceding year	0
(64)	Amounts accrued at the end of the current year	(64)
52	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	64
(64)	<b>Balance at 31 March</b>	<b>(64)</b>

## 21. Cash Flow Statement – Operating Activities

The cash flows from operating activities include the following items:

2023/24 £000	Operating activity	2024/25 £000
280	Interest received	300
(41)	Interest paid	(46)
<b>239</b>	<b>Net cash flows from operating activities</b>	<b>254</b>

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

2023/24 £000	Non-cash movements	2024/25 £000
331	Depreciation	374
(145)	Impairment and downward valuations	4
(13)	Deferred revenue/ deferred payment agreements (IFRS 15)	(23)
(15)	Increase/(decrease) in creditors	499
1,182	(Increase)/decrease in debtors	97

2023/24 £000	Non-cash movements	2024/25 £000
(67)	(Increase)/decrease in inventories	44
(73)	Movement in pension liability	(29)
5	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	31
(89)	Other non-cash items charged to the net surplus or deficit on the provision of services	(120)
<b>1,116</b>	<b>Net non-cash movements</b>	<b>877</b>

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

2023/24 £000	Investing and Financing activities	2024/25 £000
8,000	Proceeds from short-term (not considered to cash equivalents)	5,500
(18)	Proceeds from the sale of property, plant and equipment	(64)
0	Any other items for which the cash effects are investing or financing cash flows	(250)
<b>7,982</b>	<b>Net investing and finance movements</b>	<b>5,186</b>

## 22. Cash flow statement – investing activities

2023/24 £000	Investing activity	2024/25 £000
(492)	Purchase of property, plant and equipment, investment property and intangible assets	(392)
(8,026)	Purchase of short-term investments	(6,528)
(45)	Proceeds from short term investments	64
18	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	250
<b>(8,545)</b>	<b>Net cash flows from investing activities</b>	<b>(6,606)</b>

## 23. Cash flow statement – financing activities

2023/24 £000	Financing activity	2024/25 £000
0	Cash receipts of short- and long-term borrowing	0

<b>2023/24 £000</b>	<b>Financing activity</b>	<b>2024/25 £000</b>
0	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(44)
(36)	Repayments of short- and long-term borrowing	(36)
<b>(36)</b>	<b>Net cash flows from financing activities</b>	<b>(80)</b>

## 24. Members' allowances

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

<b>2023/24 £000</b>	<b>Member payment type</b>	<b>2024/25 £000</b>
37	Allowances	36
4	Expenses	9
<b>41</b>	<b>Total</b>	<b>45</b>

## 25. Officers' remuneration

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

<b>Job Title</b>	<b>Year</b>	<b>Salary, fees and allowances £000</b>	<b>Bonuses £000</b>	<b>Expenses allowances £000</b>	<b>Pension contribution £000</b>	<b>Total £000</b>
Chief Executive	2024/25	99	0	0	20	115
	2023/24	95	0	0	21	120
Director of Strategic Services	2024/25	69	0	0	15	84
	2023/24	66	0	0	14	80
Director of Operations	2024/25	69	0	0	15	84
	2023/24	71	0	0	15	86
Director of Finance	2024/25	65	0	0	13	78
	2023/24	67	0	0	14	81
Head of Construction, Maintenance & Ecology	2024/25	51	0	0	11	62
	2023/24	52	0	0	11	63

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

<b>Number of employees 2023/24</b>	<b>Remuneration amount band</b>	<b>Number of employees 2024/25</b>
1	£50,000 - £54,999	1
0	£55,000 - £59,999	0
1	£60,000 - £64,999	0
2	£65,000 - £69,999	2
0	£70,000 - £74,999	1
0	£75,000 - £79,999	0
0	£80,000 - £84,999	0
0	£85,000 - £89,999	0
0	£90,000 - £94,999	0
1	£95,000 - £99,999	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 2023/24	Number of compulsory redundancies 2024/25	Number of other departures agreed 2023/24	Number of other departures agreed 2024/25	Total number of exit packages by cost band 2023/24	Total number of exit packages by cost band 2024/25	Total cost of exit packages in each band 2023/24 £000	Total cost of exit packages in each band 2024/25 £000
£0-£20,000	0	0	0	0	0	0	0	0
£20,001-£40,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 26.External audit costs

The Broads authority has incurred the following fees relating to audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors. The Authority has not paid an additional fee for the 2023/24 audit. Any additional fees in 2024/25 is subject to determination by PSAA Ltd under the terms of the contract, for further details please see note 18.

<b>2023/24 £000</b>	<b>Type of external audit cost</b>	<b>2024/25 £000</b>
25	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	46
<b>25</b>	<b>Total</b>	<b>46</b>

## 27. Grant income

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

2023/24 £000	Grant Name	2024/25 £000
3,414	Credited to taxation and non-specific grant income: Defra National Park Grant	3,414
0	DEFRA Biodiversity Capital Grant	250
0	DEFRA Biodiversity Net Gain Funding	250
84	Donated Asset (Mutford Lock/ Peppercorn Leases)	139
<b>3,498</b>	<b>Credited to taxation and non-specific grant income (subtotal)</b>	<b>4,053</b>
156	Credited to services: Heritage Lottery Fund	142
16	DEFRA Access Funding	72
222	Natural England – Nature for Climate Peatland Scheme (Discovery)	0
18	Natural England – Nature for Climate Peatland Scheme (Restoration)	49
129	Natural England - Paludiculture Exploration Fund	128
308	DEFRA Farming In Protected Landscapes (FiPL)	411
0	National Parks England - Generation Green	72
0	Department for Transport - Active Travel England	45
0	Broads IDB - Lowland agricultural peat small infrastructure pilot	13
0	Broadland Agricultural Water Abstractors Group - Lowland agricultural peat water discovery pilot	14
0	MHCLG Local Plan	228
<b>849</b>	<b>Credited to services (subtotal)</b>	<b>1,174</b>
<b>4,347</b>	<b>Total</b>	<b>5,227</b>

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

## Current liabilities

2023/24 £000	Grant receipts in advance (revenue grants)	2024/25 £000
31	Defra Farming In Protected Landscapes (FiPL)	26
38	Plug-in Norfolk Community Electric Vehicle Charging Points	38
0	Unspent Boat Trip grant income	65
0	Unspent Active Travel England grant income	55
0	Underspent DEFRA grant	11
<b>69</b>	<b>Total</b>	<b>195</b>

## 28.Related parties

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

### Central Government

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

### Members

Members of the Broads Authority have direct control over the Authority's financial and operating policies. Members of the Navigation Committee have a consultative role in respect of navigation matters. The Authority wrote to all Members requesting details of any related party transactions. Details of Members' expenses are included in note 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 Alan Goodchild is a member of the Broads Authority and Navigation Committee and is a Director of 'Goodchild Marine Services Ltd'. Goodchild Marine paid £836 navigation tolls in 2024/25. The Authority also moored two vessels at Goodchild Marine at a cost of £4,728 and made launch fuel and repairs of £16,053. £30 was outstanding at 31 March 2025 (£nil 2023/24).

Mr Greg Munford was a member of the Broads Authority and Navigation Committee until 30 June 2024 and is Director of 'Richardsons Leisure Ltd'. Richardsons Leisure Ltd paid £396,879 (£362,014 2023/24) navigation tolls to the Broads Authority in 2024/25. The Authority made fuel purchases of £nil from Richardsons Leisure Ltd in 2024/25 (£289 2023/24).

Mr Simon Sparrow is a member of the Navigation Committee and is a Director of 'Hippersons Boatyard Ltd' and 'HE Hipperson Ltd'. Hippersons Boatyard Ltd paid £7,922 (£6,854 2023/24) navigation tolls to the Broads Authority in 2024/25. The Authority also made fuel purchases from HE Hipperson Ltd of £nil (£nil 2023/24) in 2024/25. No amounts were outstanding at 31 March 2025 (£nil 2023/24).

Mr Daniel Thwaites is a member of the Navigation committee and is a Director of 'Barnes Brinkcraft'. Barnes Brinkcraft paid £167,303 (£154,768 2023/24) navigation tolls in 2024/25.

#### Officers

The Chief Executive represents the Broads Authority on the board of the Whitlingham Charitable Trust. Officer remuneration is detailed in note 254.

#### Other Public Bodies

Durham County Council commenced provision of payroll services to the Broads Authority from 1 April 2024. The Authority paid £9,721 in 2024/25 (£nil 2023/24). No amounts were outstanding at 31 March 2025.

Norfolk County Council provides legal services to the Broads Authority via its legal practice, NPLaw. The Authority paid £39,735 for legal services in 2024/25 (£38,812 in 2023/24). £2 was outstanding at 31 March 2025 (£1,281 2023/24).

Norfolk County Council terminated its provision of payroll services to the Broads Authority on 31 March 2024. The Authority paid £nil in 2024/25 (£12,176 in 2023/24). £nil was outstanding at 31 March 2025 (£3,227 2023/24).

The Authority charged Norfolk County Council for grant funding of £1,072 during 2024/25 (£49,834 2023/24). £849 was outstanding at 31 March 2025 (£3,802 2023/24).

Wilkin Chapman provided Jonathan Goolden as the Monitoring Officer from 1 January 2023. Prior to starting as Monitoring Officer, Jonathan provided advice to the Authority. The Authority paid £58,033 in 2024/25 (£103,433 2023/24). £3,960 was outstanding at 31 March 2025 (nil 2023/24).

## 29. Capital expenditure and capital financing

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

2023/24 £000	Description	2024/25 £000
127	Opening Capital Finance Requirement	92
492	<b>Capital investment:</b> Property, plant and equipment	1,057
	<b>Sources of finance</b>	
	Sums set aside from revenue:	
(492)	Direct revenue contributions	(393)
(35)	MRP	(81)
<b>92</b>	<b>Closing capital finance requirement</b>	<b>675</b>
(35)	<b>Explanation of movements in year</b> Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	(583)
<b>(35)</b>	<b>Increase/(decrease) in capital financing requirement</b>	<b>(583)</b>

## 30. Leases

### Authority as lessee

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment. Most are individually immaterial; however, material leases include:

- The lease for the headquarters building commenced in August 2024 for a term of 5 years with 1 extension option for an additional five years. Rentals increase every five years in line with the open market rent review. The value of the asset as at 31 March 2025 was £417k.

### Right-of-use assets

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

Type of movement	Land & Buildings £000's	Vehicles, plant and equipment £000	Total £000
Balance at 1 April 2024	354	5	359

Type of movement	Land & Buildings £000's	Vehicles, plant and equipment £000	Total £000
Additions	444	0	444
Revaluations	0	0	0
Depreciation	(59)	(1)	(60)
Disposals	0	0	0
<b>Balance at 31 March 2025</b>	<b>739</b>	<b>4</b>	<b>743</b>

### Transactions under leases

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

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

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

### Maturity analysis of lease liabilities

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

Time Period	2024/25 £000
Less than one year	59
One to five years	164
More than five years	396
<b>Total undiscounted liabilities</b>	<b>619</b>

### Authority as Lessor

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

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

<b>Operating lease income</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Total lease income	2	2
Share of lease income relating to variable lease payments that do not depend on an index rate	0	0

### Maturity analysis of lease receivables

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

<b>Time Period</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Less than one year	0	2
One to two years	1	4
Two to three years	1	1
Four to five years	0	0
More than five years	1	2
<b>Total undiscounted receivables</b>	<b>3</b>	<b>9</b>

### 31. Termination benefits

There were nil termination benefits during 2024/25. No additional liabilities relating to termination benefits were incurred during 2024/25 and no provision for any future redundancy payments was established in the year.

### 32. Defined Benefit Pension Schemes

#### Participation in Pension Schemes

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

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

#### Transactions relating to Post-Employment Benefits

The Authority recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Authority is required to make against tolls and Defra grant is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and via the Movement in Reserves Statement during the year:

2023/24 £000	Transaction	2024/25 £000
	Comprehensive Income and Expenditure Statement	
	Cost of services:	
978	• current service cost	894
0	• past service cost	0
	Financing and investment income and expenditure	
(119)	• net interest expense	9
<b>859</b>	<b>Total post-employment benefits charged to the surplus or deficit on the provision of services</b>	<b>903</b>
	Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement:	
(1,842)	• return on plan assets (excluding the amount included in the net interest expense)	837
(178)	• actuarial gains and losses arising on changes in demographic assumptions	(58)
(1,971)	• actuarial gains and losses arising on changes in financial assumptions	(5274)
1,045	• other experience	(306)
<b>(2,946)</b>	<b>Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>(4,801)</b>
	Movement in Reserves Statement	
859	• reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	904
(932)	Actual amount charged against the General Fund balance for pensions in the year:	(932)

2023/24 £000	Transaction	2024/25 £000
	<ul style="list-style-type: none"> <li>employers' contributions payable to scheme</li> </ul>	

### 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:

2023/24 £000	Type	2024/25 £000
(33,063)	Present value of the defined benefit obligation	(29,095)
32,847	Fair value of plan assets	39,747
<b>(216)</b>	<b>Net (liability)/asset arising from defined benefit obligation</b>	<b>10,652</b>

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

2023/24 £000	Movements	2024/25 £000
35,059	Opening fair value of scheme assets	32,847
1,666	Interest income	1,595
1,842	Remeasurement gain / (loss): <ul style="list-style-type: none"> <li>The return on plan assets, excluding the amount included in the net interest expense</li> </ul>	(837)
(5,760)	Asset Ceiling*	6,039
0	Other Experience	0
932	Contributions from employer	932
276	Contributions from employees into the scheme	284
(1,168)	Benefits paid	(1,113)
<b>32,847</b>	<b>Closing fair value of scheme assets</b>	<b>39,747</b>

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

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

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

2023/24 £000	Movements	2024/25 £000
32,534	Balance at 1 April	33,063
978	Current service cost	894
1,547	Interest cost	1,605
276	Contributions from scheme participants	284
(178)	Remeasurement (gains) and losses: <ul style="list-style-type: none"> <li>• Actuarial gains / losses from changes in demographic assumptions</li> </ul>	(58)
(1,971)	<ul style="list-style-type: none"> <li>• Actuarial gains / losses arising from changes in financial assumptions</li> </ul>	(5,274)
1,045	<ul style="list-style-type: none"> <li>• Other</li> </ul>	(306)
0	<ul style="list-style-type: none"> <li>• Past Service Cost</li> </ul>	0
(1,168)	Benefits paid	(1,113)
<b>33,063</b>	<b>Balance at 31 March</b>	<b>29,095</b>

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

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

## Local Government Pension Scheme Assets

Local Government Pension Scheme assets comprised:

Fair value of scheme assets 2023/24 £000				Fair value of scheme assets 2024/25 £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
587.2	-	587.2	Cash and cash equivalents: <ul style="list-style-type: none"> <li>All cash and cash equivalents</li> </ul>	1,335.9	-	1,335.9
-	-	-	Equity instruments: <ul style="list-style-type: none"> <li>Consumer</li> <li>Manufacturing</li> <li>Energy and utilities</li> <li>Financial institutions</li> <li>Health and care</li> <li>Information technology</li> <li>Other</li> </ul>	-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
964.7	-	964.7	Bonds (Debt securities): <ul style="list-style-type: none"> <li>Corporate bonds (investment grade)</li> <li>Corporate bonds (non-investment grade)</li> <li>UK Government</li> </ul>	753.3	-	753.3
-	4,861.0	4,861.0	Private equity: <ul style="list-style-type: none"> <li>All private equity</li> </ul>	-	5,085.0	5,085.0

Fair value of scheme assets 2023/24 £000				Fair value of scheme assets 2024/25 £000		
-	2,888.6	2,888.6	Property:	-	2,533.7	2,533.7
-	435.9	435.9	• UK property	-	372.4	372.4
			• Overseas property			
16,420.2	-	16,420.2	Other investment funds and unit trusts:	22,201.7	-	22,201.7
7,359.8	-	7,359.8	• Equities	3,000.7	-	3,000.7
-	4,402.4	4,402.4	• Bonds	-	4,441.4	4,441.4
-	-	-	• Infrastructure	-	-	-
			• Other			
-	-	-	Derivatives	-	-	-
687.2	-	687.2	• Other derivatives	22.9	-	22.9
			• Foreign exchange			
(3,881.9)	(1,878.1)	(5,760.0)	Asset Ceiling	0	0	0
<b>22,137.2</b>	<b>10,709.8</b>	<b>32,847.0</b>	<b>Total</b>	<b>27,314.5</b>	<b>12,432.5</b>	<b>39,747.0</b>

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary have been:

31 March 2024	Assumption	31 March 2025
	Long term expected rate of return on assets in the scheme:	
4.85%	• Equity investments	5.8%
4.85%	• Bonds	5.8%
4.85%	• Property	5.8%
4.85%	• Cash	5.8%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.4 years	• Men	21.3 years
24.4 years	• Women	24.3 years
	Longevity at 65 for future pensioners:	
22.3 years	• Men	22.2 years
25.9 years	• Women	25.9 years
2.75%	Rate of inflation	2.75%
3.45%	Rate of increase in salaries	3.45%
2.75%	Rate of increase in pensions	2.75%
4.85%	Rate for discounting scheme liabilities	5.80%
	Take up of option to convert annual pension into retirement lump sum:	
45%	Pre- April 2008 service	45%
45%	Post- April 2008 service	45%

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

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

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

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

<b>Change in assumptions at 31 March 2025</b>	<b>Approximate % increase to employer liability</b>	<b>Approximate monetary amount £000</b>
0.1% decrease in real discount rate	2%	521
1-year increase in member life expectancy	4%	1,164
0.1% increase in the salary increase rate	0%	27
0.1% increase in the pension increase rate	2%	508

#### Techniques used to manage risk

The Pensions Committee of Norfolk County Council considers long term liabilities when setting its investment strategy but does not follow a specific liability matching investment approach having taken appropriate professional advice. The Committee has agreed an asset allocation benchmark, a performance target and various controls on the Fund's investments. These reflect their views on the appropriate balance between maximising the long-term return on investments and minimising short-term volatility and risk. The Committee monitors and reviews the performance of investments and the overall strategy on a regular basis, supported by advice from professional advisers as required. A large proportion of the Fund's assets relate to equities (68.7% of scheme assets) and bonds (9.4%). The scheme also invests in properties as part of the diversification of the scheme's investments.

Further details of the Fund's investment approach are outlined in the Statement of Investment Principles and Funding Strategy Statement that are published on the Fund's website [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org).

#### Impact on the Authority's cash flows

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

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

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

The Authority anticipates paying contributions of approximately £889,000 to the scheme in 2025/26.

### **33. Contingent Liabilities**

The Authority has identified two material contingent liabilities:

#### **Postwick Tip**

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

### 34. Financial Instruments

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

#### Financial Assets

Type	Non-Current Investments 31 March 2024 £000	Non-Current Investments 31 March 2025 £000	Non-Current Debtors 31 March 2024 £000	Non-Current Debtors 31 March 2025 £000	Current Investments 31 March 2024 £000	Current Investments 31 March 2025 £000	Current Debtors 31 March 2024 £000	Current Debtors 31 March 2025 £000	Total 31 March 2024 £000	Total 31 March 2025 £000
Amortised Cost	0	0	0	0	6,520	7,724	451	606	6,971	8,330
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,520</b>	<b>7,724</b>	<b>451</b>	<b>606</b>	<b>6,971</b>	<b>8,330</b>
Non-financial assets	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,520</b>	<b>7,724</b>	<b>451</b>	<b>606</b>	<b>6,971</b>	<b>8,330</b>

## Financial Liabilities

Type	Non-Current Borrowings 31 March 2024 £000	Non-Current Borrowings 31 March 2025 £000	Non-Current Creditors 31 March 2024 £000	Non-Current Creditors 31 March 2025 £000	Current Borrowings 31 March 2024 £000	Current Borrowings 31 March 2025 £000	Current Creditors 31 March 2024 £000	Current Creditors 31 March 2025 £000	Total 31 March 2024 £000	Total 31 March 2025 £000
Amortised Cost	58	538	0	0	35	139	2,073	2,446	2,166	3,123
<b>Total financial liabilities</b>	<b>58</b>	<b>538</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>139</b>	<b>2,073</b>	<b>2,446</b>	<b>2,166</b>	<b>3,123</b>
Non-financial liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>58</b>	<b>538</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>139</b>	<b>2,073</b>	<b>2,446</b>	<b>2,166</b>	<b>3,123</b>

## Income, Expense Gains and Losses

Interest Type	Surplus or Deficit on the Provision of Services 2023/24 £000	Other Comprehensive Income and Expenditure 2023/24 £000	Total 2023/24 £000	Surplus or Deficit on the Provision of Services 2024/25 £000	Other Comprehensive Income and Expenditure 2024/25 £000	Total 2024/25 £000
Interest Expense	45	0	45	69	0	69

<b>Interest Type</b>	<b>Surplus or Deficit on the Provision of Services 2023/24 £000</b>	<b>Other Comprehensive Income and Expenditure 2023/24 £000</b>	<b>Total 2023/24 £000</b>	<b>Surplus or Deficit on the Provision of Services 2024/25 £000</b>	<b>Other Comprehensive Income and Expenditure 2024/25 £000</b>	<b>Total 2024/25 £000</b>
Interest Income	(293)	0	(293)	(307)	0	(307)

### Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. These valuations are all classified as Level 2, where market prices are not available, with valuation techniques using inputs based significantly on observable market data. The following assumptions should be noted:

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

The fair values calculated are as follows:

Financial Liabilities held at amortised cost:	31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000
PWLB	94	103	677	678
Finance Leases	0	0	619	619
Short Term Creditors	2,072	2,072	1,150	1,150
<b>Total</b>	<b>2,166</b>	<b>2,175</b>	<b>2,446</b>	<b>2,447</b>

The fair value of borrowings is higher than the carrying amount because the authority's PWLB loan is at a fixed interest rate where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions as at 31 March 2025) arising from a commitment to pay interest to lenders above the current market rate. Refinancing the loan at lower interest rates would outweigh the early repayment fee.

Financial assets held at amortised cost:	31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000
Fixed term investments	5,067	5,067	6,102	6,102
Cash at banks	1,453	1,453	1,622	1622
Short Term debtors	451	451	606	606
<b>Total</b>	<b>6,971</b>	<b>6,971</b>	<b>8,330</b>	<b>8,330</b>

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

### 35. Nature and Extent of Risks Arising from Financial Instruments

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

**Credit Risk:** The possibility that other parties might fail to pay amounts due to the Authority.

**Liquidity Risk:** The possibility that the Authority might not have funds available to meet its commitments to make payments.

**Market Risk** The possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market investments.

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

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

#### **Credit Risk**

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

The Authority's standard terms and conditions for payment of invoices are 30 days from invoice date. The Authority does not allow credit for customers. At 31 March 2025, a small amount of invoices were overdue as at 31 March 2025. The majority of this income was received in early 2025/26 and for those overdue a bad debt provision has been created.

#### **Liquidity Risk**

A one-year funding agreement from DEFRA means the Broads Authority has some certainty over 2025/26. 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 2024/25 states that if the Authority enters into any contractual arrangements above £100,000 which involve foreign currency, the advice of the Director of Finance will be sought on the advisability of hedging the exchange risk before entering into the contract.

### 36. Navigation Income and Expenditure Account

2023/24 Gross expenditure £000	2023/24 Income £000	2023/24 Net expenditure/ (income) £000	Description	2024/25 Gross expenditure £000	2024/25 Income £000	2024/25 Net expenditure/ (income) £000
2,615	(43)	2,572	Operations	2,941	(41)	2,900
748	(155)	593	Strategic Services	699	(133)	566
974	(9)	965	Finance & Support Services	996	(12)	984
3	0	3	Corporate Items	4	0	4
0	(4,178)	(4,178)	Navigation Income (Tolls)	0	(4,389)	(4,389)
<b>4,340</b>	<b>(4,385)</b>	<b>(45)</b>	<b>Cost of services (subtotal)</b>	<b>4,640</b>	<b>(4,575)</b>	<b>65</b>
		(9)	(Gains)/Losses on the disposal of non-current assets			(1)
		(168)	Financing and investment income and expenditure			(72)
		(84)	Donated Asset			(139)
		<b>(306)</b>	<b>(Surplus) or deficit on provision of services (subtotal)</b>			<b>(147)</b>
		(384)	(Surplus) or deficit on revaluation of fixed assets			(186)
		1,474	Actuarial (gains)/losses on pension assets/liabilities			(5,769)
		1,090	Other comprehensive income and expenditure (subtotal)			(5,955)
		<b>784</b>	<b>Total comprehensive income and expenditure</b>			<b>(6,102)</b>

## Glossary of Terms

### **Accounting period**

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

### **Accounting policies**

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

### **Accruals**

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

### **Actuarial gains and losses**

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

### **Amortisation**

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

### **Amortised cost**

This is cost that has been adjusted for amortisation.

### **Asset**

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

### **Budget**

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

### **Capital income and expenditure**

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

### **Capital financing**

Funds raised to pay for capital expenditure. There are various methods of financing capital

expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### **Cash equivalents**

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

### **Chartered institute of public finance and accountancy (CIPFA)**

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

### **Code of practice on local authority accounting (the Code)**

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

### **Community assets**

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

### **Contingent liabilities**

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

### **Creditors**

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

### **Current value**

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

### **Debtors**

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

### **Deficit**

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

### **Depreciation**

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

### **Expected return on pension assets**

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

**Fair value**

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

**Financial asset**

A right to future economic benefits.

**Financial instrument**

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

**Financial liability**

An obligation to transfer economic benefits.

**Finance lease**

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

**Long term assets**

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

**Government grants**

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

**Historic cost**

The cost of an asset when originally bought.

**IAS19 retirement benefits**

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

**Impairment**

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

**Infrastructure assets**

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

**Intangible assets**

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

**International financial reporting standards (IFRS)**

International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards Board. All local authorities apply international accounting regulations when preparing accounts. The Authority's accounts follow these standards where they apply to local authorities.

**Investment properties**

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

**Liability**

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

**Market price**

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

**Minimum revenue provision (mrp)**

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

**Net book value**

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

**Non-distributed costs**

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

**Operating lease**

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

**Outturn**

The actual amount spent in the financial year.

**Pension fund**

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

**Provision**

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

**Reserves**

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

**Revenue income and expenditure**

Expenditure which relates to day-to-day expenses, such as salaries and wages, general running expenses and the minimum revenue provision. Revenue income includes charges made for goods and services.

**Surplus**

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

**Value added tax (vat)**

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

**Variance / variation**

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

# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 6

## Investment Strategy and Performance Annual Report 2024/25

Report by Director of Finance

### Summary

This report sets out details of the Authority's investment of its unallocated cash, including the investment principles adopted and performance during the twelve months to 31 March 2025.

### Recommendation

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

## 1. Introduction

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

## 2. Investment Principles and Performance

- 2.1. The investment of unallocated cash was governed by the Authority's Treasury and Investment Strategy 2024/25 agreed by the Authority on 15 March 2024.
- 2.2. Unallocated cash sums are calculated by the Authority's Finance staff and transferred to either a Fixed Term Deposit or Notice Account or remain within the instant access bank account. Cash flow requirements can result in transfers in both directions as the year progresses. The key facts for the year to 31 March 2025 are below.

**Table 1**

2024/25 Summary

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

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

2.3. The figures for the previous year (2023/24) were:

**Table 2**  
2023/24 Summary

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

2.4. The amount of interest received during 2024/25 was £306,831.53 based on interest rates ranging from 1.6% to 5.3%. Forecast interest for 2024/25 was £300,000. The sum received for 2023/24 was £292,898.06 based on interest rates that ranged from 1.6% to 5.51%.

2.5. The initial investment on the 32-day notice account has remained the same since 31 March 2024 apart from small amounts of interest being added. The instant access has increased to £1.49 million and the Debt Management Office (DMO) to £3 million. The 95-day notice account has remained the same with interest being transferred to the current account once received.

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

2.7. The interest income budget for 2025/26 is £167,000, which assumes that interest received would decrease compared to 2024/25 based on a drop in the forecast base

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<sup>1</sup> Investments can be made over night or up to 6 months. The year-end balance is split £1.5 million, £1 million and £0.5 million and is invested for 182, 42 and 31 days each.

rate by the end of the financial year. Since the start of the new financial year interest rates have remained relatively stable. Current interest rates for 2025/26 means that £49,000 has already been received and the forecast will be revisited over the coming year.

Author: Emma Krelle

Date of report: 07 July 2025

Background papers: Capital, Treasury and Investment Strategy 2024/25

[Broads Plan](#) strategic objectives: All

# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 7

## Internal Audit Annual Report and Opinion

### 2024/25

Report by Head of Internal Audit

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#### Summary

This report provides the Authority with the Head of Internal Audit's annual opinion for 2024/25 on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

#### Recommendations

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- i. Receives and considers the contents of the Annual Opinion Report of the Head of Internal Audit.
  - ii. Notes that a 'Reasonable' audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2025.
  - iii. Notes that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration when developing and reviewing the Authority's Annual Governance Statement for 2024/25.
  - iv. Notes the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme (QAIP).
- 

## 1. Introduction

- 1.1. In line with the Global Internal Audit Standards in the UK Public Sector an annual opinion should be generated which concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 1.2. The Annual Report should include where relevant: -
  - An opinion on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control environment.

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

1.3. The Head of Internal Audit can provide a ‘**reasonable**’ opinion (positive) on the framework of governance, risk management and control at the Broads Authority for 2024/25.

Author: Teresa Sharman

Date of report: 09 July 2025

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Internal Audit Annual Opinion Report 2024/25](#)

EASTERN INTERNAL AUDIT SERVICES



BROADS AUTHORITY

**Internal Audit Annual Opinion Report 2024/25**

**Head of Internal Audit: Teresa Sharman**

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# Summary: Internal Audit Work 2024/25

**4**  
Audits in 2024/25 Audit Plan

**0**  
Urgent Recs Raised

**4**  
Important Recs Raised

**11**  
Routine Recs Raised

**3**  
OEMs Raised

Assurance opinions issued in year	
Substantial	2
Reasonable	2
Limited	0
None	0
Position Statement	0
Cancelled	0
2 outstanding recommendations at year-end. Oldest – from 2023/24	



# Executive Summary

## Purpose

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

This report should include the following: -

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

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

## Background

The Internal Audit Service for the Authority is provided by the Consortium, Eastern Internal Audit Services, hosted by South Norfolk Council, which utilises the services of a main contractor, TIAA Ltd. In 2024/25, two other contractors were utilised for some of the quarter 4 audits across some of the Councils in the Consortium, the Shared Internal Audit Service at Hertfordshire County Council, and BDO LLP.

All audit work is completed in accordance with the Global Internal Audit Standards and the CIPFA Local Government Application Note 2025.

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

**Scope of Responsibility**

The Authority is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

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

This opinion statement is provided for the use of the Council in support of its AGS for the year ended 31 March 2025.

**Head of Internal Audit Annual Opinion Statement**

**Opinion**

**In summary: -**

I have considered the audit work for 2024/25 for the Authority and am able to provide **Reasonable Assurance** in relation to the framework of risk management, governance, and internal control.

My opinion is based on the audit work completed in 2024/25, which resulted in positive opinions, other third-party assurances where these were available, the relative materiality of the issues arising from audit work and management's progress in addressing any control weaknesses identified.

**In detail: -**

In arriving at my overall annual opinion: -

- I have considered the outcomes of all audits completed in 2024/25, noting also the positive opinions provided in the previous three years.
- I have considered management's progress with addressing outstanding recommendations from previous years as detailed below.
- I have considered the outcome of the work that assessed the suitability and availability of the local aids to navigation under the management of the Broads Authority, against elements of the Port Marine Safety Code, which was found to be satisfactory by the Navigation Inspectorate in July 2024.

**Third party assurances**

Navigation Inspectorate audit of Local Aids to Navigation – Good and efficient order.

**Limited opinions**

No limited assurance opinions were issued in 2024/25, and no urgent recommendations were raised.

**Outstanding Recommendations**

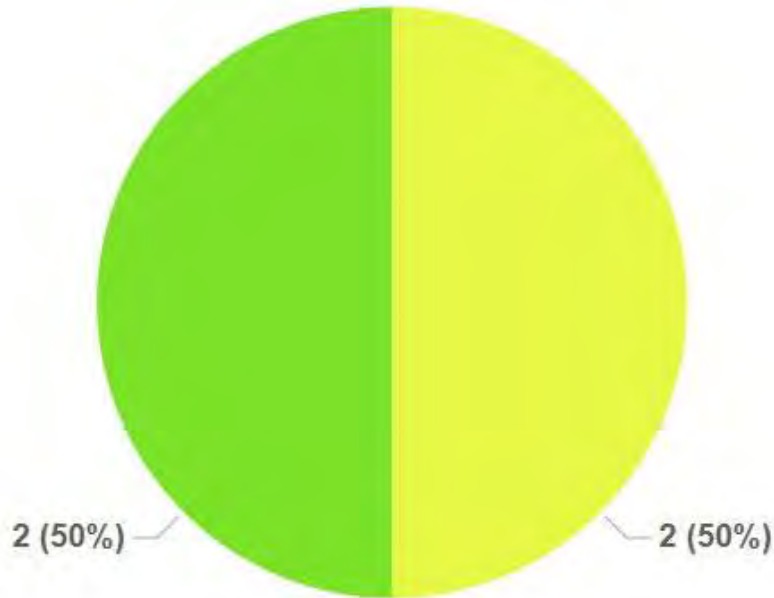
In relation to the follow up of management actions, to ensure that they have been effectively implemented, the position at year end 2024/25 is that two recommendations from 2023/24 are outstanding as the table below details which has been accounted for in my overall annual opinion. I noted that older recommendations are now implemented, and the progress made with implementing this year's recommendations.

The important recommendation from the Port Marine Safety Code audit has a revised due date of January 2026 and for the Corporate Governance audit, the routine recommendation has a revised due date of December 2025.

Audit Year	No. Outstanding	No. of Urgent	No. of Important	No. of Routine
2023/24	2	0	1	1
2024/25	0	Only the recommendations for the Cyber Security audit are still to be fully implemented; due dates for all are September 20205.		
Total	2	0	1	1

**Audit Outcomes**

Below is the spread of audit opinions across audit work completed in 2024/25. For a detailed summary of audit work completed, please refer to Appendix 1.



Appendix 2 shows the assurances provided over previous and current audit years to provide an overall picture of the control environment.

The Executive Summaries for the three audits that finalised since the last Audit Committee meeting are included in Appendix 3. Details of the recommendations for the Cyber Security audit are not detailed as these are deemed confidential.

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

# Performance Measures Outcomes

## Internal Audit PM Outcomes

### At Consortium level – all Councils

Detailed below are the outcomes of Internal Audit's performance measures which relate to the performance of the main contractor delivering internal audits across all the Councils and the Authority in the Consortium. With only four KPIs met, the overall performance status is 'Red'.

Overall Performance Status		Red
KPI Ref.	Description	Outcome
<b>Senior Management</b>		
KPI 1	S151, S17 Satisfaction, annual minimum good	Below Expected
<b>Internal Audit Process</b>		
KPI 2	APM issued minimum 20 working days before agreed start date - 90% quarterly	✗
KPI 3	Draft reports issued within 10 working days of fieldwork end date - 95% quarterly	✗
KPI 4	Final reports issued within 5 working days of management responses - 95% quarterly	✗
KPI 5	Quarterly Performance pack reported to the Contract Manager within 15 working days of the end of the quarter	✗
KPI 6	Respond to the Contract Manager within 3 working days where unsatisfactory feedback has been received	✓
KPI 7	PSIAS compliance - Deep dive review of files indicates good quality evidence saved on file - 100%. Four files per quarter.	Not completed

Clients		
KPI8	Average feedback scores from key clients, quarterly minimum average	✘
Innovation and Capabilities		
KPI9	Percentage of recommendations accepted by management 90% overall	✓
KPI 10	Percentage of qualified / experiences staff working on the contract each quarter - 60%	✓
KPI 11	Number of training hours per members of staff completed each quarter - minimum 1 day per quarter	✓

Other than KPI 1, which is measured annually and KPIs 6 and 8 which are measured continuously, all KPIs are measured quarterly.

Please note, this is the overall performance status at the time of writing our report. There are still one or two reports to be finalised across the Consortium and feedback surveys to be returned. As all KPIs are measured across all clients in the Consortium, if the remaining final reports are issued on time, KPI 4 would turn green, and if the average feedback score for remaining audits was to be 3 or more, KPI 8 could turn green overall; therefore, the overall performance status could turn amber with 6 KPIs being met. The table below shows the number of KPIs that need to be met to achieve an overall performance status red, amber or green as per the contract.

9-11 KPIs have met target	
6-8 KPIs have met target	
5 or below KPIs have met target	

**KPIs in more detail**

**Operational KPIs at Council level**

The table below shows the outcomes of the operational KPIs 2, 3, 4 and 8 for the Council: -

<b>KPI 2 (Issue of APMs)</b>	<b>KPI 3 (Issue of Drafts)</b>		
1 out of 4 on time	4 out of 4 on time		
<b>KPI 4 (Issue of Finals)</b>	<b>KPI 8 (Feedback)</b>		
4 out of 4 on time	3 out of 4 returned		
<table border="1"> <tr> <td>Feedback score</td> <td>3.6</td> </tr> </table>		Feedback score	3.6
Feedback score	3.6		

For KPI 8, the range for the possible scores is, 4 - excellent and 1 – poor with the minimum requirement being 3 - average.

Although for the Authority the minimum feedback score was achieved, this KPI is measured across all clients in the Consortium and in this case the average of all the surveys received back out of those sent at the time of writing, was 2.9.

**KPI 7 – PSIAS compliance - deep dive review of files**

Regarding KPI 7, compliance with PSIAS deep dive review of files, these have yet to be completed this year, and a sample will be reviewed post year-end. However, the Head of Internal Audit reviews and approves the issue of all APMs, draft and final reports and views all completed work programmes.

**KPI 1 S151 satisfaction**

The S151s’ satisfaction, KPI 1, was also deemed to be below that expected when reviewed as a collective although only three of the Consortium clients responded. A score of 3 – good, the minimum required, was only assigned by one out of the three S151 Officers, with the other two indicating 2 – average.

## Actions to Improve

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

### Reasons for poor performance

Performance in 2024/25 was affected by the carried forward audit work from the previous audit year and although another team was assigned to start quarter 1 audits, this did not start until May and progress was slow, with our current team eventually progressing these audits.

Delays in audits starting and progressing in year, continue to be for many reasons, with both the Councils and Contractor at fault, covering sickness, lack of responses from Council officers to communication from the Contractor, lack of escalation by the Contractor to the Head of Internal Audit or S151s when responses are not received, and audits are delayed and lack of communication from the Contractor when auditor resource issues occur.

As the issues stated above did not have a direct impact on the work completed for the Authority, the 10% quality payment, which is withheld until the end of the year annually, was paid in full, as agreed with the Authority.

### Action to address poor performance

The following action is being taken to improve performance: -

- The Contractor has been reminded of their responsibilities in particular to escalate matters in accordance with the Protocol, our 'ways of working together document' issued last year.
- As the Contractor does not have exclusivity, the two other contractors engaged with in 2024/25 continue to be used in 2025/26, BDO LLP and the shared internal audit service at Hertfordshire County Council. Both share one half of the overall audit plan across members of the Consortium.
- Support auditors have been assigned to our contract to support our current team when there is sickness and delays.
- A manager has been replaced on the contract.
- The contract is due to be re-procured in year five, 2026/27, and some preparation work on this will commence this year.

## Quality Assurance and Improvement Programme (QAIP)

### QAIP

#### What do the Standards say?

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

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

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

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

### Internal Assessment

#### What do the Standards say?

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

### **Ongoing monitoring**

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

Performance measures are in place to determine the efficiency and effectiveness of the internal audit function as reported above. Currently, we are only reporting against these for the main contractor, but several performance measures are being agreed with the two other contractors as part of their contract for the audits they will complete in 2025/26.

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

### **Periodic self-assessments**

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

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

### **Results of self-assessment**

A self-assessment has not been completed for 2024/25. This is because a wider self-assessment against the GIAS is still being completed by the Head of Internal Audit. Annual self-assessment will recommence once this is completed.

## External Assessment

### What do the Standards say?

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

### Last EQA

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

### Progress with actions

One area of partial conformance was highlighted in coordinating and maximising assurance. Within the Strategic and Annual Plans report for the audit year 2023/24 presented in March 2023, an Assurance Map was provided, outlining the then top risks, along with first, second and third lines of assurance. This has not been repeated since.

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

# Summary of Internal Audit Work 2024/25

# Appendix 1

Audit Area	Status	Opinion	Total Recs	Urgent	Important	Routine	OEMs
Farming and Protective Landscapes (FIPL) Grant Programme	Audit completed	Substantial	1	0	0	1	0
Key Controls and Assurance Framework	Audit completed	Substantial	0	0	0	0	1
Cyber Security	Audit completed	Reasonable	9	0	2	7	0
Corporate Governance and Risk Management	Audit completed	Reasonable	5	0	2	3	2

(Note: OEMs are Operational - Effectiveness Matter)

## Grant Certifications

The following grants were certified by EIAS during 2024/25: -

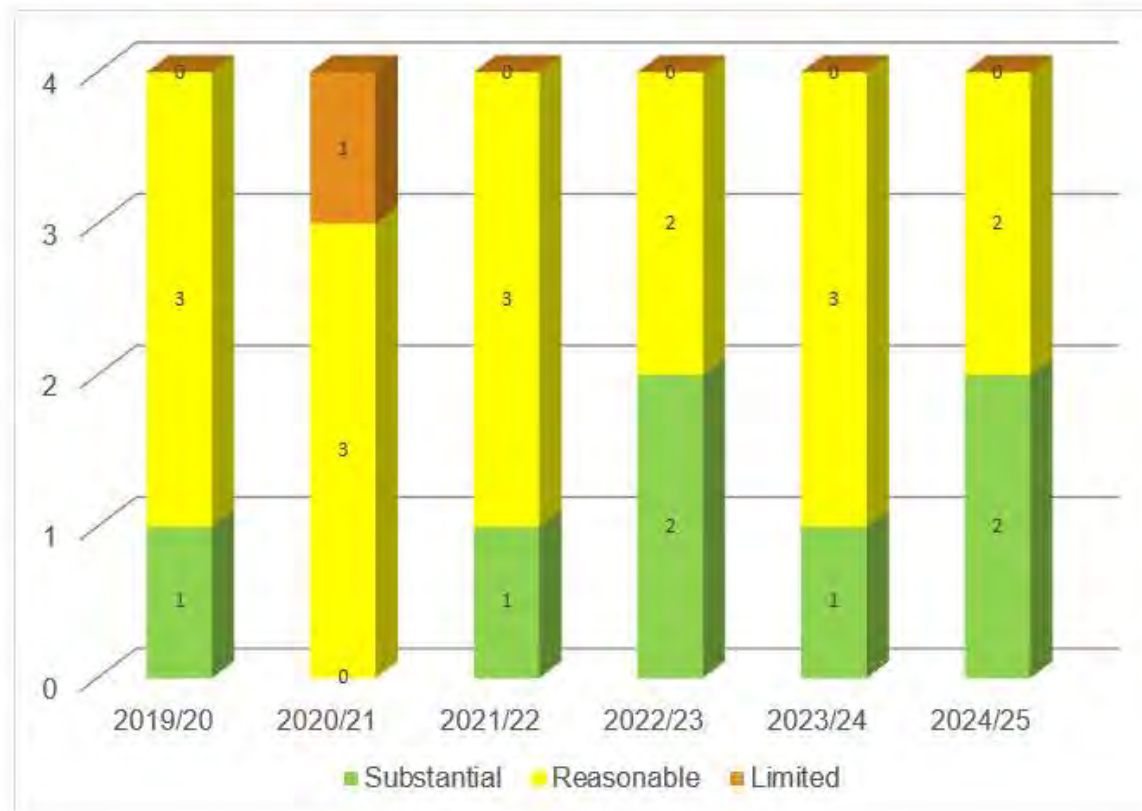
- NCF Paludiculture Exploration Fund Grant (PEF) p/e March 2023/24
- Nature for Climate Peatland Grant Scheme: Restoration Grant 2023 (RES) p/e March 2023/24

## For Your Information: -


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

## Audit Opinions by Year


The following chart shows the audit opinions over the last six years: -



Executive Summary – BA2501 Cyber Security Maturity Assessment

<p><b>OVERALL ASSESSMENT</b></p> 	<p><b>KEY STRATEGIC FINDINGS</b></p> <table border="1"> <thead> <tr> <th>Control Area</th> <th>Urgent</th> <th>Important</th> <th>Needs Attention</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>Engagement and Training</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Asset Management</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Architecture &amp; Configuration</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Vulnerability Management</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Identity and Access Management</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Data Security</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Logging &amp; Monitoring</td> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Supply Chain Security</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td><b>0</b></td> <td><b>2</b></td> <td><b>7</b></td> <td><b>0</b></td> </tr> </tbody> </table>	Control Area	Urgent	Important	Needs Attention	Operational	Engagement and Training	0	0	1	0	Asset Management	0	0	1	0	Architecture & Configuration	0	0	1	0	Vulnerability Management	0	0	1	0	Identity and Access Management	0	0	1	0	Data Security	0	0	1	0	Logging & Monitoring	0	0	1	0	Supply Chain Security	0	2	0	0	<b>Total</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>0</b>
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<p><b>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</b></p> <p>Assurance was provided over the following risk: "Risk 10 A breach in data security or data protection, or loss of data"</p>	<p><b>GOOD PRACTICE IDENTIFIED</b></p>																																																		
<p><b>SCOPE</b></p> <p>This maturity assessment has focussed on the National Cyber Security Centre's revised 10 steps to Cyber Security framework that covers Cyber Risk Management, Engagement and Training, Asset Management, Architecture and Configuration, Vulnerability Management, Identity and Access Management, Data Security, Logging and Monitoring, Incident Management and Supply Chain Security.</p>	<p><b>ACTION POINTS</b></p> <table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2</td> <td>7</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	2	7	0																																										
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## Executive Summary – BA2503 Key Controls and Assurance

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS
	<p>Adequate controls were found to be in place for Treasury Management/Investments; Asset Management; Budgetary Control; Control Accounts; Accounts Receivable; Toll Income; Payroll; Journals; Cash and Bank.</p> <p>A previous recommendation for the Asset Management Strategy (AMS) has been implemented with the Authority’s updated version effective from the 12<sup>th</sup> April 2024. This AMS will be reviewed every three years or more frequently if significant changes arise.</p> <p>The budget for 2024/25 was approved on the 26<sup>th</sup> January 2024. The Proposed navigation charges for 2024/2025 in the navigation area and adjacent waters was approved on the 24<sup>th</sup> November 2023.</p> <p>Notices of contraventions (unpaid tolls) are monitored and adequately documented on both the Tolls Management System (TMS) and SharePoint with audit trails maintained of recovery action. Recovery action was/and is being promptly taken.</p> <p>Data analysis was undertaken on the full population (596) of purchase orders (POs) raised since 1<sup>st</sup> April 2024 to date to verify that all POs were authorised within the users’ delegated authorisation limits. The review confirmed that all POs adhered to the delegated limits as outlined in the Broads Authority’s authorised signatory list with no instances of non-compliance identified.</p> <p>The Broads Authority changed payroll provider from Norfolk County Council to Durham County Council on the 1<sup>st</sup> April 2024. Checks and measures are in place, including segregation of duties, to ensure the accuracy of payroll including those for joiners/leavers, third-party payments, expenses, and mileage claims, before payments are made. Monthly pay runs are authorised in accordance with the Broads Authority’s List of Authorised Signatures; there are only four officers that can authorise the payroll.</p>


ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
The audit has sought to provide assurance over the following key risk: "Non-compliance with key financial controls".

GOOD PRACTICE IDENTIFIED

SCOPE
This audit looks at the fundamental systems that feed into the statement of accounts to provide assurance on the key financial controls. The areas reviewed as part of this audit were: Treasury Management/Investments, General ledger, Asset Management, Budgetary Control, Accounts Receivable, Accounts Payable, Toll Income, Control Accounts, Payroll and Follow Up of Internal Audit Recommendations.

ACTION POINTS			
Urgent	Important	Routine	Operational
0	0	0	1

## Executive Summary – BA2504 Corporate Governance and Risk Management

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS
 <p>The diagram illustrates the assurance levels for 'Assurance in effective Governance, risk and control processes'. It features a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring. To the right, four horizontal bars represent different assurance levels: 'SUBSTANTIAL ASSURANCE' (green), 'REASONABLE ASSURANCE' (yellow), 'LIMITED ASSURANCE' (orange), and 'NO ASSURANCE' (red). The 'REASONABLE ASSURANCE' bar is highlighted with a blue background, indicating the current assessment level.</p>	<p>The 2023/24 review of Corporate Governance and Risk Management (BA2401) found the Broads Authority does not have any rules or requirements regarding expectations for attendance and consequences for non-attendance in the Members' Code of Conduct. It was agreed to add this by 31st March 2025. This audit established that this action is still on track and the requirement has meanwhile been added to the Member appointment letter.</p> <p>Included in the previous review (BA2301) was a recommendation to link directorate workplans to risks in the Annual Business Plan. This remains outstanding, although it has been agreed to add workplan links to directorate risk registers similar to the Corporate Risk Register.</p> <p>The Risk Management Policy outlines responsibilities and processes for identifying, scoring and managing risks. However, there is no agreed risk appetite statement. We have made a recommendation for this to be added to the Risk Management Policy along with further enhancements raised in this report.</p> <p>Appropriate risks are recorded on the registers. Registers would benefit from the addition of controls, assurances, gaps, deadlines and owners for actions and target risk ratings in line with risk appetite.</p> <p>The Corporate and Directorate Risk Registers are regularly reviewed by management team including providing a moderation and escalation processes. There is insufficient resilience for the day-to-day co-ordination of risk management processes with one person currently supporting risk management processes.</p> <p>Requirements for declaring interests are set out in the Members Code of Conduct. A register of interests is maintained; meeting minutes state interests declared.</p>

**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

The audit has sought to provide assurance over the following key risks: "Failure to identify and manage risks, adversely impacting on the Authority's ability to operate effectively and reputational damage and undermining of public confidence in the Authority caused by failure to meet statutory requirements in regard Members allowances and expenses".

The constitutional documents comprehensively describe Member governance. The newly established Standards Committee is responsible for complaints and breaches.

Members are paid the correct allowance and expenses. Attendance is monitored to confirm compliance with the terms of their appointment and Members' training is provided.

**GOOD PRACTICE IDENTIFIED**

**SCOPE**

Our annual review of governance and risk management has been carried out to support the Head of Internal Audit Opinion. This audit sought to provide assurance that the systems in place to control and manage the Broads Authority are operating effectively and that significant risks are being identified and managed. Our review will also provide assurance over the Risk Management Policy to give a view as to whether it has supported the achievement of strategic priorities, that corporate and operational risks are being managed effectively and there is sufficient oversight of risks. This review will also provide assurance that Members' allowances and expenses are paid correctly and whether there is oversight of Member attendance, declarations of interest and training.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	2	3	2

Recommendation	Priority	Implementation Time
Agree an organisational risk appetite statement covering all risks.	2	31/05/2025
Review format of registers as follows: - <ul style="list-style-type: none"> <li>•To separate controls, assurances and gaps.</li> <li>•To ensure all mitigating actions have clear deadlines and ownership.</li> <li>•Add a target risk rating in line with risk appetite.</li> <li>•Add links to Annual Business Plan workplans in the directorate risk registers.</li> </ul>	2	31/05/2025
Introduce a risk proforma, available to all staff via the intranet, for capturing new risks in a standard format for inclusion on risk registers. Add this new process to the risk policy so it is clear to staff.	3	31/05/2025
Add detail on the process for the review of low scoring, high frequency risks, and high scoring low frequency risks and closing risks to the Risk Management Policy, along with the revised processes for risk appetite, the risk register format and the new risk capture proforma and process.	3	31/05/2025
Introduce greater resilience in the team that provides continuity of day-to-day co-ordination of risk management processes.	3	31/05/2025

## For Your Information

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

<b>Urgent Priority 1</b>	–	Fundamental control issue on which action to implement should be taken within 1 month.
<b>Important Priority 2</b>	-	Control issue on which action to implement should be taken within 3 months.
<b>Routine Priority 3</b>	–	Control issue on which action to implement should be taken within 6 months.

OEMs are Operational - Effectiveness Matter. These can be proposed, and these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 8

## Internal Audit Strategic and Annual Plans 2025/26

Report by Head of Internal Audit

---

### Summary

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

### Recommendation

The Committee is requested to approve:

- i. The Internal Audit Charter and Mandate 2025/26.
  - ii. The Internal Audit Plan 2025/26.
- 

## 1. Introduction

- 1.1. An Internal Audit Plan for 2025/26 has been established with senior management and is shown within the report. A new Charter and Mandate has been written following changes in internal auditing standards to include the Mandate (authority) for Internal Audit, following the template for the Public Sector, available through the professional body for internal audit.
- 1.2. The budget for internal audits remains the same for 2025/26 and three audits have been identified filling the days available. These audits focus on providing assurance against corporate risks and / or strategic priorities.
- 1.3. The principles of the Charter, which set outs the purpose, independence, organisational position and reporting relationships of Internal Audit, Audit Committee's oversight, and the roles and responsibilities of the Head of Internal Audit, are similar to the previous version in its content, with the Mandate being the addition to the document.

Author: Teresa Sharman

Date of report: 10 July 2025

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Internal Audit Plan 2025/26](#)

EASTERN INTERNAL AUDIT SERVICES



BROADS AUTHORITY

**Internal Audit Plan 2025/26**

**Head of Internal Audit: Teresa Sharman**

## Contents

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# Approach to internal audit planning 2025/26

## Introduction

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

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

## What do the Standards say?

### Creating a plan

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

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

'The Internal Audit Plan must: -

- Consider the Internal Audit Mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programme, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.
- Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls, and organisational culture.'

### Review, revise and changes to the Plan

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

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

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

### Audit universe and risk assessment

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

Our approach to preparing the Authority Internal Audit Plan is to develop an audit and risk universe based on an understanding the Authority's corporate priorities, corporate risks, and key outcomes. The risk universe is the Authority's corporate risks and any high operational risks, and the audit universe is the Authority's corporate priorities and its business services, processes, programmes, and systems. Each audit in the Plan links back to a corporate risk or corporate priority where relevant.

**Appendix 1** shows the top-level audit and risk universe, and not all the corporate risks, corporate priorities and areas within each service business area; therefore, only red and amber corporate risks and corporate priorities are detailed.

### **Audit planning**

A new audit planning model was discussed with the Director of Finance and the Authority's Internal Audit Plan developed.

Consideration was given to areas such as: -

- The importance of the service or process to the Authority i.e., whether it is a statutory or critical service, for legal or regulatory requirements or to meet corporate priorities.
- New and existing programmes and projects.
- Whether assurance is received from other parties.
- When Internal Audit last looked at the service, project, programme or system and what level of assurance was given.
- Whether there were new systems in place or proposed.
- Changes to laws and regulations.
- Authority concerns with systems or processes.
- The involvement of third parties.
- Materiality in monetary terms.
- Whether the audit would predominantly addressing financial, compliance, operational or other objectives.

### **Essential, high, medium, or low assurance requirements**

Audits were categorised and prioritised as either an essential, high, medium, or low assurance requirement for completion in the year based on a consideration of the factors as follows: -

- Whether the audit was critical to the success of the Authority's corporate priorities for the year;
- Criticality of the service or process;
- Existence of new or changed processes;

- The need for regulatory compliance and / or service statutory requirement;
- The level of current risk;
- Management need for assurance;
- Existence of unresolved issues or under performance; or
- The existence of other assurance sources.

It is expected that audit work will comprise essential, high and some medium assurance requirements which will be met through assurance or advisory work, unless due to changing circumstances. the level of assurance requirement reduces.

It is not expected that there will be time to address low assurance requirements as part of this year's Internal Audit Plan.

An overarching scope was discussed for each audit, which will be confirmed when the audit is completed. Whether the work would be advisory, or assurance work was also considered along with when would be best to complete the audit in the year, avoiding known peak work periods where possible.

The resulting plan is shown in **Appendix 2** and details where audit work links back to the Authority's corporate priorities and corporate risks. Only those corporate risks, corporate priorities and service business areas where audits are proposed are shown in Appendix 2 and not all the audit and risk universe.

### **Flexible plan**

To ensure that the plan is flexible to meet the needs of the Authority in response to changes in the business, risk operations, programmes, systems, controls, and organisational culture, the Internal Audit Plan will be reviewed with the Assurance Board quarterly and updated accordingly, including whether the assurance requirement category remains valid.

Changes to the Plan will be outlined to the Audit Committee in the Progress Report for them to review and agree.

**What to the Standards say?**

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

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

**Financial**

The budget for 2025/26 remains the same as 2024/25.

**Staffing**

The role of the Head of Internal Audit and contract management is provided by South Norfolk Council through the Eastern Internal Audit Service (EIAS) Consortium to the district councils for Breckland, Broadland, North Norfolk, and South Norfolk, Great Yarmouth Borough Council, the Broads Authority and from April 2022, Norwich City Council. A Head of Internal Audit Service is also provided to the Borough Council of Kings Lynn and West Norfolk. All councils are bound by a Partnership Agreement.

The delivery of the internal audit plans for each Council and the Authority is provided by an external audit contractor, who reports directly to the Head of Internal Audit at South Norfolk Authority. Following a successful procurement exercise the new contract with TIAA Ltd commenced from 1 April 2022 and ends on 31 March 2027, with the option to extend for a further term of two plus two.

The contract does not include any exclusivity rights to the appointed contractor and in 2024/25 two further contractors were engaged with to complete some audit work, BDO and the Shared Internal Audit Service at Hertfordshire County Authority. This will continue in 2025/26.

Other than the Head of Internal Audit, staffing within EIAS include a Senior Internal Auditor and a Trainee Internal Auditor who commence in August 2025 who also complete audits.

A mix of in-house staffing and external contractors provides a variety of daily rates, enabling overall value for money clients whilst having access to a variety of specialist auditors and more capacity at peak times. Further details on the strategy for human resources will be in the new Internal Audit Strategy that is being developed,

but a more hybrid approach to staffing resources to deliver internal audit plans is likely to be the way forward, with, at next procurement round, two contractors appointed.

### **Technology**

Further details on the strategy for technology will be in the new Internal Audit Strategy that is being developed, but the use of data for continuous auditing through data analytics and audit need is one aspect that is being considered. Currently, data analytics is used for full population testing in some audits. The use of AI is not yet formalised in audit work.

STRATEGIC PRIORITIES					
Respond to future flood risk in the Broads that better copes with changing climate and sea level rise.	Continue to provide home to thriving wildlife that can adapt to the changing climate.	Implement the five Ps2 of the Race to Zero Programme to halve emissions by 2030.	Bring significant external funding to deliver Broads Plan objectives	More people enjoying more activities in the Broads safely	Supports farmers and land managers in carrying out projects which benefit the Broads.
LINK TO DEFRA / GOVERNMENT PRIORITY					
Protect communities from the dangers of flooding	Ensure Nature’s recovery & Clean up Britain’s rivers, lakes and seas	Net Zero by 2050	Potentially all	Access for All	Support our farmers to boost Britain’s food security
CORPORATE RISKS					
No red risks					
Loss of working knowledge, expertise and/or close partnership associations due to key staff leaving Authority or being unavailable for long periods. (12)	Failure to exercise powers as a navigation authority and licencing authority, resulting in death and injury to boat hirers due to poor performance by hire boat operators. (15)		Failure by staff to follow IT processes or protocols, resulting in in-built security being bypassed and allowing data loss or data breach. (12)		

<p>Failure by staff to follow GDPR processes or protocols, allowing data breach. (8)</p>	<p>Death or serious injury to officer, volunteer or member of public in relation to the carrying out of operational works. (10)</p>	<p>Significant public health crisis (e.g. pandemic), where Government imposed measures affect the continuity of the BA's operational services and prevent visitors accessing the Broads for prolonged periods. (8)</p>	<p>Uncertainty about National Park and/or Navigation funding, as any reduction would affect our ability to deliver our duties, e.g.</p> <ul style="list-style-type: none"> <li>· Awaiting NPG funding confirmation from Defra</li> <li>· Loss of toll income due to changes to/ impacts on local tourism industry)</li> <li>· Loss of money as a result of fraud incident against the BA, including cybercrime (9)</li> </ul>	<p>Damage to, loss of or malfunction to key assets, impacting on BA operations/ duties and public access or services (e.g. navigation, moorings, Mutford Lock, rail bridges, Port of Norwich). (6)</p>	<p>Reputational damage caused by comments or actions by Authority members or officers, with consequent harm to relationships with stakeholders and/or undermining of public confidence in Authority. (6)</p>
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## Business Areas

<p>Finance and Insurance</p> <p>ICT (Cyber Security, GDPR)</p> <p>Risk Management</p> <p>Governance</p> <p>Collection of tolls</p> <p>Legal</p> <p>Climate Change and Net Zero</p> <p>Asset Management</p> <p>Local Plan</p> <p>National Park Grant</p> <p>Partnerships / HLF</p>	<p>Waterways and recreation</p> <p>Landscapes</p> <p>Toll system</p> <p>Construction and Maintenance</p> <p>Water Management</p> <p>Land Management</p> <p>Ranger Services</p> <p>Safety</p> <p>Equipment, vehicles and vessels</p> <p>Operational Property and Management</p>	<p>Visitor Centres and Yacht Stations</p> <p>Development Management</p> <p>Biodiversity</p> <p>Strategy and Projects</p> <p>Volunteers</p> <p>Communications</p> <p>HR</p> <p>Grants</p> <p>Environment Land Management System</p>
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# Internal Audit Plan 2025/26

# Appendix 2

Audit Area	No. of days	Qtr	Strategic Priority	Rationale for Audit	Overarching Audit Scope
<b>Annual Opinion audits</b>					
Corporate Governance, Risk Management and Key Financial Controls	12	4	N/A	Assurance required for annual opinion.	Risk Mgmt - Assurance that significant corporate risks are being identified and managed. Governance - TBC KFC - Assurance on the key controls in accounts payable, General Ledger, and fixed assets.
<b>Service Area audits</b>					
Toll System and Income Collection	12	3	None	Updated toll system implemented and with decreased grant funding, the importance of receiving all toll income due has increased. <b>CORP RISK: - Uncertainty about National Park and/or Navigation funding, as any reduction would affect our ability to deliver our duties.</b> Loss of toll income due to changes to/ impacts on local tourism industry. (9)	Assurance that the controls in place to manage the toll system and collect toll income are adequate and effective, ensuring that the Authority receives all income due.
Climate Change and Net Zero	12	2	Implement the five Ps2 of the Race to Zero Programme to halve emissions by 2030.	Government requirement to achieve Net Zero by 2050 and it is strategic priority for 2025/26.	Assurance that an adequate climate action plan is in place to deliver Net Zero which is appropriately managed and monitored .
<b>Total Days</b>	<b>36</b>				

EASTERN INTERNAL AUDIT SERVICES



BROADS AUTHORITY

**Internal Audit Charter and Mandate**

**Head of Internal Audit: Teresa Sharman**

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## Purpose

### Purpose

The purpose of the internal audit function is to strengthen the Authority's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances the Authority's: -

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Authority's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Chartered Institute of Internal Auditor's (CIIA) Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

### **Commitment to Adhering to the Global Internal Audit Standards in the UK Public Sector**

- The Authority's internal audit function will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards in the UK Public Sector and Topical Requirements. The chief audit executive (Head of Internal Audit) will report annually to the Audit Committee.

The chief audit executive will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Standards in the UK Public Sector, which will be assessed through a quality assurance and improvement program.

## Mandate

### Authority

The Authority's internal audit function mandate is found in the Accounts and Audit Regulations 2015, which states: - Internal Audit

5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit —

(a) make available such documents and records; and

(b) supply such information and explanations; as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.

The internal audit function's authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorises the internal audit function to: -

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Authority and other specialized services from within or outside the Authority to complete internal audit services.

## Independence, Organizational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See “Mandate” section.)

The chief audit executive will report functionally to the Audit Committee and administratively (for example, day-to-day operations) to the Chief of Staff at South Norfolk Authority. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.

The chief audit executive will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The chief audit executive will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function’s effectiveness and ability to fulfil its mandate.

## Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, Audit Committee and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to: -

- A significant change in the Global Internal Audit Standards in the UK Public Sector.
- A significant reorganisation within the organisation.
- Significant changes in the chief audit executive, Audit Committee, and/or senior management.
- Significant changes to the organisation’s strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## Audit Committee Oversight

### Oversight

To establish, maintain, and ensure that the Authority's internal audit function has sufficient authority to fulfil its duties, the Audit Committee will: -

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the "essential conditions," described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Advocate to senior management that sufficient budget and staffing resources are provided to the internal audit function to fulfil its mandate and accomplish its internal audit plan.
- Provide feedback to senior management on the appointment and removal of the chief audit executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards in the UK Public Sector.

- Review and provide feedback to the Chief of Staff at South Norfolk Authority on the chief audit executive's performance.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

## Chief Audit Executive Roles and responsibilities

### Ethics and Professionalism

The chief audit executive will ensure that internal auditors: -

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality, and the Seven Principles of Public Life (Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty, Leadership.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organisational behaviour that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

### Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including: -

- Assessing specific operations for which they had responsibility within the previous year.

- Performing operational duties for the Authority or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any the Authority employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will: -

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

## Managing the Internal Audit Function

The chief audit executive has the responsibility to: -

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Authority's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector and laws and/or regulations.

- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Authority and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Authority's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

### Communication with the Audit Committee and Senior Management

The chief audit executive will report periodically to the Audit Committee and senior management regarding: -

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.

- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the Authority's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Authority's risk appetite.

### Quality and Assurance Improvement Programme

The chief audit executive will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Authority; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

## Scope and type of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all of Authority's activities, assets, and personnel.

The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Authority.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether: -

- Risks relating to the achievement of the Authority's strategic objectives are appropriately identified and managed.
- The actions of the Authority's officers, directors, management, employees, and contractors or other relevant parties comply with the Authority's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Authority.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

## Approval

### Approval of Charter and Mandate

Approved by the Audit Committee at its meeting on 23 July 2025.

# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 9

## External Audit

Report by Director of Finance

---

### Summary

This report appends Ernst & Young LLP (EY) Auditor's Annual report for the 2023/24 Statement of Accounts and the Audit planning report for 2024/25.

### Recommendation

To note:

- i. the Auditor's Annual Report for 2023/24; and
  - ii. the Audit Plan for 2024/25.
- 

## 1. Introduction

- 1.1. This report covers two items; the auditor's Annual Report for 2023/24 and the Audit Plan for 2024/25
- 1.2. David Riglar, Partner from EY will be in attendance to present this item and answer any questions.

## 2. Auditor's Annual Report for 2023/24

- 2.1. At this last committee meeting in February members received the audit results for the 2023/24 Statement of Accounts. Following that meeting the Statement of Accounts was signed and the audit report was signed on 14 February 2025. Appendix 1 contains the annual report which confirms sign off and is required as part of the National Audit Office (NAO) code of practice.
- 2.2. Page 24 of appendix 1 sets out the fees due for 2023/24 including the scale fee adjustment requested by EY. At the time of writing this has not been included in the 2024/25 Statement of Accounts, external audit fees. This will be adjusted in the next version.

### 3. Audit Planning Report 2024/25

- 3.1. Appendix 2 contains the Audit Plan for 2024/25 Statement of Accounts. This will be the second audit delivered under phase 2 of the Government's reset and this is highlighted on pages 5 and 6.
- 3.2. Page 7 and 8 highlights key risks that the audit will focus on. This includes misstatement due to fraud or error, inappropriate capitalisation of revenue expenditure, IFRS 16 implementation, valuation of land and buildings and pension valuation. Apart from IFRS 16 and the new property valuer these risks remain consistent with those set out in the 2023/24 Audit Plan.
- 3.3. A timeline for the 2024/25 audit is on page 31 and fees are set out on page 38. The scale fee is consistent with that published by the PSAA on 27 November 2024 and has been included in the budget. Any additional works identified required under the revised standards will increase the total amount charged.

Author: Emma Krelle

Date of report: 07 July 2025

Background papers: Statement of Accounts 2023/24

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Auditor's Annual report 2023/24](#)

Appendix 2 – [Audit planning report 2024/25](#)

A person in a blue suit is holding a white pen and pointing at a tablet. The tablet displays a bar chart with four bars of increasing height, colored in shades of brown and red. The background is dark and out of focus.

# **Broads Authority**

## **Auditor's Annual Report**

**31 March 2024**

**Issued on 9 April 2025**



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

9 April 2025

Dear Risk, Audit and Governance Committee Members

**2023/24 Auditor's Annual Report**

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Broads Authority. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the Authority any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Risk, Audit and Governance Committee meeting on 22 July 2025.

Yours faithfully

David Riglar  
Partner  
For and on behalf of Ernst & Young LLP  
Encl

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## 01 Executive Summary



## 02 Audit of the financial statements



## 03 Value for Money Commentary



## 04 Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies \(from 2023/24 audits\) - PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the 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 in legislation and covers matters of practice and procedure which are of a recurring nature.

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



# 01

# Executive Summary



# Executive Summary

## Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. In doing so, we comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the Authority and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

The 2024 Code paragraph 4.10 has suspended the requirement to issue an auditor's annual report by 30 November. It states that auditors may exercise judgement to determine when to issue their annual report including their commentary on arrangements to secure value for money.

## Responsibilities of the appointed auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plan that we issued to the 12 March 2024 Risk, Audit and Governance Committee meeting. We have complied with the NAO's 2024 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- the 2023/24 financial statements;
- conclusions relation to going concern; and
- the consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Authority;
- any significant matters or written recommendations that are in the public interest; and
- if we identify a significant weakness in the Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## Responsibilities of the Authority

The Authority is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

# Executive Summary (continued)


## 2023/24 Conclusions

<p><b>Financial statements</b></p>	<p>Disclaimed: The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').</p> <p>The audit of the financial statements for the year ended 31 March 2023 for the Broads Authority was not completed for the reasons set out in our disclaimer of opinion on those financial statements dated 29 November 2024.</p> <p>Our audit work in the current year was focused on transactions in the year and the current year balance sheet.</p> <p>As a result of the disclaimer of opinion in the prior year and the scope of our audit work which was impacted by the backstop date, we do not have sufficient appropriate audit evidence over the following:</p> <ul style="list-style-type: none"> <li>• in the Authority balance sheet and accompanying notes: the opening balances, closing reserves position and the valuation of property assets held at valuation included in 'land and buildings' that were not revalued in year.</li> <li>• in the Authority comprehensive income and expenditure account and accompanying notes: comparatives and income and expenditure transactions that are impacted by the opening balances shown in the prior year balance sheet.</li> <li>• in the Authority cash flow statement and accompanying notes: opening balances, comparatives and in-year cash flow movements that are calculated as a movement between the opening and closing balance sheet.</li> </ul> <p>Therefore, we are disclaiming our opinion on the financial statements.</p>
<p><b>Going concern</b></p>	<p>As we are issuing a disclaimer of opinion, we do not provide a conclusion on whether the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>
<p><b>Consistency of the other information published with the financial statements</b></p>	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
<p><b>Value for money (VFM)</b></p>	<p>We had no matters to report by exception on the Authority's VFM arrangements. We have included our VFM commentary in Section 03.</p>

# Executive Summary (continued)

## 2023/24 Conclusions (continued)

Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Authority.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of Government Accounts	We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission as the Authority. The Authority is deemed a minor body and is therefore not required to make a Whole of Government Accounts (WGA) submission
Certificate	We issued our certificate with our audit report on 14 February 2025.



# Executive Summary (continued)

## Value for Money

### Scope

Auditors are required to be satisfied that Broads Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Authority committee reports;
- meetings with the Risk, Audit and Governance Committee and Management;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Authority Management and the finance team.

# Executive Summary (continued)

## Value for Money (continued)

### Reporting

Our commentary for 2023/24 is set in section 03. The commentary on these pages summarises our understanding of the arrangements at the Authority based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24. We include within the VFM commentary below the associated recommendation we have agreed with the Authority.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2022/23 Interim Value for Money Report and have been updated for 2023/24.

In accordance with the NAO's 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<b>Financial sustainability:</b> How the Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
<b>Governance:</b> How the Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
<b>Improving economy, efficiency and effectiveness:</b> How the Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



# Executive Summary (continued)

## Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members 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 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2024

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 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



# 02

# Audit of the financial statements

# Audit of the financial statements

## Key findings

The Statement of Accounts is an important tool for the Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

On 14 February 2025, we issued a disclaimed audit opinion on the financial statements. This is set out in the Executive Summary above.

We reported our audit scope, risks identified and detailed findings to the 11 February 2025 Risk, Audit and Governance Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant risk areas. The findings for each of the Statement of Account areas are set out in the Audit Results Report in Appendix A. We reported two areas for improvement in the control environment in the Audit Results Report.

Significant risk	Conclusion
<b>Misstatements due to fraud or error - Management override of controls</b>	<p>We identified the following matter in relation to our management override of controls procedures performed.</p> <ul style="list-style-type: none"><li>The Director of Finance (S17 Officer) posted journals directly to the general ledger in 2022/23 (14 journals) and 2023/24 (17 journals). We extended our testing to include the 17 journals and have not identified any accounting issues arising. We would not normally expect the Director of Finance to post journals in the system. We note that these journals were approved by a member of staff more junior to the Director of Finance. Given the relatively small size of the Authority we understand that sometimes this may have been required. However, we would recommend that in the future the Director of Finance does not post journals directly to the general ledger.</li></ul> <p>We did not identify any other material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.</p> <p>Our journal entry testing did not identify any instances of inappropriate posting of journals.</p>
<b>Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure</b>	<p>We identified the following matter in relation to our capital addition procedures performed.</p> <ul style="list-style-type: none"><li>We noted that the Mutford Lock donated asset of £84k was recorded for the first time in 2023/24 but our audit procedures identified that the asset transferred to the Authority in 2021. We also identified a Property, Plant and Equipment addition of £47k in 2023/24 that related to Mutford Lock which was recorded in 2023/24 but was purchased in 2021. These two transactions should have been recognised in an earlier period. Given the value of £131k was not material we deemed that no prior period adjustment was required.</li></ul> <p>Our testing of year-end journals did not identify any movements from expenditure to capital outside of the normal course of business.</p>



03

## Value for Money Commentary

# Value for Money Commentary

**Financial Sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services**

**No significant weakness identified**

The Authority is required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code of Audit Practice, the focus of our work should be on the arrangements that the Authority is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect of securing financial sustainability.

The Authority produces an annual budget and an update to the financial strategy at the start of each financial year. The 2023/24 budget and financial strategy to 2025/26 was approved by the Board on 20 January 2023.

Income and expenditure is monitored on a monthly basis with budget holders providing updates on any variances. Tolls income is carefully monitored against profile so that drops in demand can be quickly identified and expenditure plans can be reprioritised. Financial position updates are taken to each Risk, Audit and Governance Committee and Broads Authority Committee which provides members with the latest financial information to inform decision making.

The outturn position for 2023/24 showed a deficit of £0.081 million (£0.055 million surplus National Park and £0.136 million deficit Navigation). As at 31st March 2024, the Authority had a total of £3.503 million in the consolidated earmarked reserves (£2.047 million National Park and £1.456 million Navigation). In addition, The General Account Fund balance was £0.744 million, and the Navigation Account Fund Balance was £0.477 million.

**Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2023/24 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.**

# Value for Money Commentary (continued)

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

No significant weakness identified

The Authority is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the Authority is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect to Governance.

The Authority produces an annual budget alongside an update to the financial strategy at the start of each financial year. The budget is produced by the Director of Finance based on information from relevant budget holders. The Medium Term Financial Strategy includes prudent assumptions regarding cost inflation, future funding uncertainties and service demand pressures. These assumptions are reviewed by the management team and recommendations around the level of charges required are formed. The reports are then taken to the full Authority meeting for approval.

Authority risks are monitored through the Corporate and Directorate registers. The Corporate Risk Register is reviewed by the Management Team, following a review of the Directorate Risk Registers prior to each Risk, Audit and Governance Committee with the Corporate Risk Register being reported to each Risk, Audit and Governance Committee meeting.

The Head of Internal Audit provides an annual opinion on the effectiveness of controls and highlights if any areas require improvement. For 2023/24, a 'reasonable assurance' opinion was issued by Internal Audit.

**Conclusion:** Based on the work performed, the Authority had proper arrangements in place in 2023/24 to enable it to make informed decisions and properly manage its risks.

# Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Authority is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the Authority is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect to Improving economy, efficiency and effectiveness.

The 'Broads Plan' is the overarching management plan for the Broads executive area as a whole, produced by the Broads Authority as a partnership plan.

An Annual Business Plan integrating strategic priorities based on the 'Broads Plan' is agreed each year by the full Authority. Performance reporting is maintained against the identified strategic priorities, with regular reporting on performance and finances taken to the full Authority throughout the year to continuously monitor performance.

The Authority maintains a partnership register which is reviewed annually to ensure it remains appropriate and up to date. The most significant partnerships are those in respect of external funding where partnership agreements are in place. Performance for these agreements is assessed against agreed expectations and modified where required.

**Conclusion:** Based on the work performed, the Authority had proper arrangements in place in 2023/24 to enable it to use information about its costs and performance to improve the way it manages and delivers services.



# 04 Appendices

# Appendix A – VFM Summary of arrangements

## Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority produces an annual budget and an update to the financial strategy at the start of each financial year. Significant financial pressures to the Authority, based on the nature of income and expenditure, are salary increases and the number of boats within the system that will require a toll. The Authority include an element of prudence within the estimates in the annual budget setting for salary increases and monitor boat numbers through discussion with boat yards and review of annual toll payments.
How the body plans to bridge its funding gaps and identifies achievable savings	Funding gaps are considered as part of the budget setting process. In the short term funding gaps are balanced through the use of reserves, whilst appropriate savings plans and further external funding opportunities are investigated as a more long term solution. The budgeted savings are baked into the annual budget, and the tracking of delivery is reviewed against the budget monitoring reports. Management have no significant concerns over the savings plan. We note the medium term financial plan does include ongoing receipt of DEFRA grant income at a flat rate, which is still subject to some uncertainty whilst the outcome of a new settlement is awaited. A reserves policy has been put in place to ensure that minimum levels are adequate to manage future uncertainty until the end of 2026/27.
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The budget is monitored with respect to minimum levels of reserves as set by the Director of Finance, which is based on net expenditure totals. This ensures that delivery of services can be maintained into the future. The annual budget is produced on a zero base to ensure it is line with strategic priorities, assuming no rollover of previous budgets. Spending is split between essential and desirable expenditure in line with key priorities of the Authority.

# Appendix A – VFM Summary of arrangements (continued)

## Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

### Reporting Sub-Criteria

### Findings

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

Workforce planning is considered by the Directors as part of the budget setting process. Capital expenditure is funded via revenue or the earmarked reserves, dependent on the capital programme strategy. This is considered at the same time as looking at the forecast future year replacements to consider the adequacy of earmarked reserves levels and contributions. The financial plan is taken to the Broads Authority at the same time as a strategic direction update which sets priorities for the financial year. The outturn position for 2023/24 was a deficit of £0.081 million (£0.055 million surplus National Park and £0.136 million deficit Navigation). As at 31st March 2024, the authority has a total of £3.503 million in the consolidated earmarked reserves (£2.047 million National Park and £1.456 million Navigation). In addition, The General Account Fund balance was £0.744 million, and the Navigation Account Fund Balance was £0.477 million. This was adequate to absorb the adverse variance in 2023/24.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Income and expenditure is monitored on a monthly basis with budget holders providing updates on any variances. Tolls income is carefully monitored against profile so that drops in demand can be quickly identified and expenditure plans can be reprioritised. Financial position updates are taken to each Risk, Audit and Governance Committee and Broads Authority Committee which provides members with the latest financial information to inform decision making. Risk management is imbedded within the Authority's financial planning arrangements. The Medium Term Financial Strategy includes prudent assumptions regarding cost inflation, future funding uncertainties and service demand pressures. These assumptions are reviewed by the management team and subsequently approved by Members. Regular budget monitoring reports are then taken to the Risk, Audit and Governance Committee throughout the year. Any unplanned budget issues identified are discussed and appropriate action is taken to address the issue. A reserves policy is also in place to ensure that the minimum agreed reserve levels are adequate to manage future uncertainty until the end of 2026/27. This supports financial resilience for the Authority over the medium term.

# Appendix A – VFM Summary of arrangements (continued)

## Governance

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	Risks are monitored through the Corporate and Directorate registers. The Corporate Risk Register is reviewed by the Management Team, following a review of the Directorate Risk Registers prior to each Risk, Audit and Governance Committee with the Corporate Risk Register being reported to each Risk, Audit and Governance Committee meeting. Internal Audit's plan is carried out through a risk-based approach to help determine which service areas should be reviewed. Key controls and corporate governance are always reviewed annually, with IT audits on specific areas every two years, in line with the Internal Audit strategy. The Head of Internal Audit provides an annual opinion on the effectiveness of controls and highlights if any areas require improvement. For 2023/24, a 'reasonable assurance' opinion was issued by Internal Audit.
How the body approaches and carries out its annual budget setting process	The Authority produces an annual budget alongside an update to the financial strategy at the start of each financial year. The budget is produced by the Director of Finance based on information from relevant budget holders. The budget is prepared on a zero-budget basis which does not roll over any assumptions from the previous years' budgets. The Medium Term Financial Strategy includes prudent assumptions regarding cost inflation, future funding uncertainties and service demand pressures. These assumptions are reviewed by the management team and recommendations around the level of charges required are formed. The reports are then taken to the full Authority meeting for approval.
How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed	Monthly monitoring of income and expenditure is performed, with explanations for variances obtained from relevant budget holders. These are followed up at monthly meetings with the Director of Finance to ensure corrective action has been taken where required, or where savings can be re-distributed elsewhere within the Authority to relieve financial pressures. Budget monitoring is lead through the finance system, and Internal Audit include Budgetary Control within their scope of work for the year. This is included within the internal audit report of 'Key Controls and Assurance Framework' which resulted in a reasonable assurance for 2023/24. The Director of Finance was responsible for the preparation of the Statement of Accounts. The accounts and its disclosures were produced in accordance with the CIPFA code and published in compliance with the relevant legislation. The Risk, Audit and Governance Committee then approved the Statement of Accounts.

# Appendix A – VFM Summary of arrangements (continued)

## Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee	Decisions are made in line with the delegated powers, budgetary provision, strategic priorities and the wider Broads Plan. Decisions made by the membership are supported by Committee reports and openly debated at Committee. Planning delegated decisions are published and expenditure is disclosed for transparency regulations. Risk, Audit and Governance Committee terms and reference are guided by CIPFA's guidelines. All members are provided annual training in relation to their responsibilities with the Statement of Accounts.
How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)	<p>The 'Code of Conduct for Employees' and the 'Code of Conduct for Members and Complaints Procedure' sets out regulatory requirements and behaviour expectations. This also provides guidance on accepting gifts and hospitality.</p> <p>There are terms of reference for each Committee setting out responsibilities. Members interests are recorded and maintained within a formal register and any conflicts of interest must be declared at the start of each meeting so that the member does not participate in decision making for any item for which they have a conflict of interest. The Monitoring Officer is available to provide advice to members on meeting the appropriate requirements.</p>

# Appendix A – VFM Summary of arrangements (continued)

## Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

### Reporting Sub-Criteria

### Findings

How financial and performance information has been used to assess performance to identify areas for improvement

Financial outturn is compared against budget to identify areas of improvement and potential saving or service improvement. Directors are responsible for raising improvement areas where they are then investigated and discussed with the Director of Finance. Performance is assessed against progress made towards the Broads Plan, Strategic Priorities and the Budget with regular updates being provided to the Authority. Any areas tracking below target will be investigated further to identify improvements. The Authority also uses various other sources of information to identify areas for improvement, including internal and external audit findings and recommendations.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The 'Broads Plan' is the overarching management plan for the Broads executive area as a whole, produced by the Broads Authority as a partnership plan. Strategic priorities are aligned to the plan, and this is reinforced through the Business Plan. The strategies developed reinforce the day-to-day delivery and these are reviewed on a regular basis by the Board and improvements identified.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Authority maintains a partnership register which is reviewed annually to ensure it remains appropriate and up to date. The most significant partnerships are those in respect of external funding where partnership agreements are in place. Performance for these agreements is assessed against agreed expectations and modified where required.

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

The Authority has 'Financial Regulations', 'Standing Orders Relating to Contracts' and a 'Procurement Strategy' that follow the relevant legislation and are updated regularly. All tenders are reviewed by the Director of Finance to ensure the procurement meets the required standard. Contract templates build in monitoring throughout the contract against key performance indicators to ensure the contract is delivering as expected.

# Appendix B – Summary of recommendations

## Recommendations

The table below sets out the recommendations arising from the financial statements covered in this report for the 2023/24 year. All recommendations have been agreed by management.

Issue	Recommendation	Management response
<p>The Director of Finance (S17 Officer) posted journals directly to the general ledger in 2022/23 (14 journals) and 2023/24 (17 journals). We extended our testing to include the 17 journals and have not identified any accounting issues arising. We would not normally expect the Director of Finance to post journals in the system. We note that these journals were approved by a member of staff more junior to the Director of Finance. Given the relatively small size of the Authority we understand that sometimes this may have been required.</p>	<p>We recommend that in the future the Director of Finance does not post journals directly to the general ledger.</p>	
<p>The Authority made several manual adjustments to the Statement of Accounts following the closure of the General Ledger. This resulted in differences between the data we were utilising in the audit and the statement of accounts.</p>	<p>We recommend that the Authority ensure all general ledger postings are finalised before the publication of the draft Statement of Accounts in future periods.</p>	

# Appendix C – Audit Fees

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

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

As set out in our Audit Plan the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Authority; and
- ▶ The Authority has an effective control environment
- ▶ The Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Authority should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. Details of our proposed scale fee variations for the audit of the Authority are set out in the fee analysis on this page.

	Actual Fee	Planned fee	Prior Year
	£'s	£'s	£'s
Total Fee - Scale Fee for Code Work	67,107	67,107	22,736
Scale Fee Variation (Note 1 & 2)	£11,500 - £15,500 (Note 2)	-	Note 1
Central Disclaimer Consultations	TBC		
<b>Total fees</b>	<b>TBC</b>	<b>67,107</b>	<b>TBC</b>

All fees exclude VAT

Notes:

- 1) PSAA Ltd is responsible for the determination of the final audit fee in respect of 2022/23. In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.
- 2) The scale fee may be impacted by a range of other factors which will result in additional work. The areas where additional audit procedures were performed are:
  - Revisions to ISA (UK) 315 = £4,000
  - IAS 19 asset ceiling calculations = £1,500 - £2,500
  - Director of Finance journal postings = £1,000 - £2,000
  - Manual adjustments to the Statement of Accounts = £1,500 - £2,500
  - Other audit findings and adjustments = £3,500 - £4,500

Once we have been informed of the 2023/24 scale fee variation process from the PSAA, we will determine the scale fee variations required. This will be discussed with Management and then submitted in line with the PSAA Ltd process. Any scale fee variation is determined by PSAA Ltd.

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ED None

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# Broads Authority

Audit planning report

Year ending 31 March 2025

25 April 2025





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

Dear Risk, Audit and Governance Committee Members

**Broads Authority Audit planning report year ended 31 March 2025**

Attached is the audit planning report for the upcoming meeting of the Risk, Audit and Governance Committee. This report aims to provide the Risk, Audit and Governance Committee of the Broads Authority (the Authority) with a basis to review the proposed audit approach and scope for the 2024/25 audit. This is in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements. This report summarises our evaluation of the key issues driving the development of an effective audit. We have aligned our audit approach and scope accordingly. The report also addresses the broader impact of Government proposals aimed at establishing a sustainable local audit system.

As the Authority's body charged with governance, the Risk, Audit and Governance Committee plays a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the Authority's wider arrangements to support a timely and efficient audit. Failure to achieve this will affect the level of resources required to fulfil our responsibilities. We will assess and report on the adequacy of the Authority's external financial reporting arrangements, as well as the effectiveness of the Risk, Audit and Governance Committee in fulfilling its role within those arrangements as part of our Value for Money assessment. We will also consider invoking other statutory reporting powers to highlight any weaknesses in these arrangements if deemed necessary. We direct Risk, Audit and Governance Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

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

We welcome the opportunity to discuss this report with you on 23 July 2025 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

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- 8 Independence
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Public Sector Audit Appointments Ltd (PSAA) issued the 'Statement of responsibilities of auditors and audited bodies'. It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The 'Terms of Appointment and further guidance (updated July 2021)' issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



01

# Overview of our 2024/25 audit strategy

# Overview of our 2024/25 audit strategy

## Context

Timely, high-quality financial reporting and audit of local bodies play a crucial role in our democratic system. It aids in effective decision-making by local bodies and ensures transparency and accountability to local taxpayers. There is a consensus that the delay in publishing audited financial statements by local bodies has reached an unacceptable level, and it is acknowledged that cooperation among all stakeholders in the sector is necessary to address this issue. The reasons for the backlog are well-documented and include:

- Insufficient capacity within the local authority financial accounting profession.
- Increased complexity of reporting requirements within the sector.
- Insufficient capacity within audit firms with public sector experience.
- Heightened regulatory pressure on auditors, leading to an expanded scope and extent of audit procedures performed.

The Ministry for Housing, Communities and Local Government (MHCLG) has collaborated with the Financial Reporting Council (FRC) and other system partners to develop and implement measures to address the backlog. SI 2024/907, along with the NAO Code and the Local Authority Reset and Recovery Implementation Guidance, have been created to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)). In February 2025, responsibilities for leadership of the local audit system transferred from the FRC back to MHCLG. This change follows the December 2024 launch of the Government's strategy for reforming the local audit system in England, which includes plans to establish a Local Audit Office. The approach to addressing the backlog consists of three phases:

- **Phase 1: Reset;** clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This is largely complete.
- **Phase 2: Recovery from Phase 1;** from 2023/24, use backstop dates to prevent a recurrence of the backlog and allow assurance to be rebuilt over multiple audit cycles. The backstop date for the audit of the 2024/25 financial statements is 27 February 2026. Auditors are waiting for guidance from the system leader to effectively, efficiently and consistently build back assurance over disclaimed audit periods.
- **Phase 3: Reform;** involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As detailed in our Audit Results Report presented to the Risk, Audit and Governance Committee on 11 February 2025, we disclaimed our audit opinion on the Authority's 2023/24 financial statements.

We have obtained assurance over some of the closing balances in 2023/24. However, we do not have assurance over all brought-forward balances in 2024/25. Consequently, we lack assurance over all in-year movements and some closing balances for 2024/25. Although we will continue to work towards rebuilding assurance ahead of the 2024/25 backstop date (subject to guidance), we will not be able to obtain sufficient evidence to have reasonable assurance over all closing balances. We therefore expect to again issue a disclaimer of opinion in 2024/25.

# Overview of our 2024/25 audit strategy

## Rebuild of assurance – current position

The National Audit Office issued Local Audit Reset and Recovery Implementation Guidance (LARRIG) 05 on 10 September 2024, detailing the principle of returning to a state where auditors can issue audit opinions on local authority financial statements with sufficient audit evidence. This process will take several years to achieve.

Restoring assurance will need local authorities and auditors to work together. We are waiting for guidance from the National Audit Office and Financial Reporting Council to ensure a consistent approach for restoring assurance for disclaimed periods. Until then, we are unable to commence the rebuilding work programme.

We will audit the 2024/25 closing balance sheet and in-year transactions, similar to our approach for 2023/24, as well as performing additional risk assessment procedures to assess the likelihood of a material misstatement in the opening reserve position for 2024/25. Updates on rebuilding assurance for the historical position will be provided as guidance is issued and its implications for the Authority are evaluated taking into consideration the outcome of our risk assessment procedures. As the Authority's financial statements for 2022/23 and 2023/24 were subject to a disclaimer of opinion, it is highly probable that our risk assessment procedures to assess the likelihood of a material misstatement in the opening reserve position will conclude that an elevated risk of material misstatement is associated with the reserve balances, because of the way in which they accumulate over successive years.

## Responsibilities of management and those charged with governance

The Authority's Section 17 Officer is responsible for preparing the financial statements in accordance with proper practices and confirming they give a true and fair view at the 31 March 2025. To complete the audit in a timely and efficient manner, it is essential that the financial statements are supported by high-quality working papers and audit evidence, and that Authority resources are available to support the audit process within agreed deadlines. The Risk, Audit and Governance Committee has an essential role in ensuring that it has assurance over both the quality of the financial statements and the Authority's wider arrangements to support the delivery of a timely and efficient audit. Where these conditions are not met, we will:

- Consider and report on the adequacy of the Authority's external financial reporting arrangements as part of our assessment of Value for Money arrangements.
- Consider the use of other statutory reporting powers to draw attention to weaknesses in Authority financial reporting arrangements, where deemed necessary.
- Assess the impact on available audit resource and where additional resources are deployed, seek a fee variation from PSAA. We have set out the factors that will lead to a fee variation at Appendix B, together with, at Appendix A, paragraphs 26-28 of PSAA's Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements.

# Overview of our 2024/25 audit strategy

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

## Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from PY	Details
Misstatement due to fraud or error	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.  We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.
IFRS 16 Implementation	Significant risk	New significant risk	IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Authority is lessee, these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.  The Authority expected to recognise a right of use asset of approximately £0.370 million, which is material to our responsibilities. We have therefore included the implementation of IFRS 16 as a new significant risk.

# Overview of our 2024/25 audit strategy

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

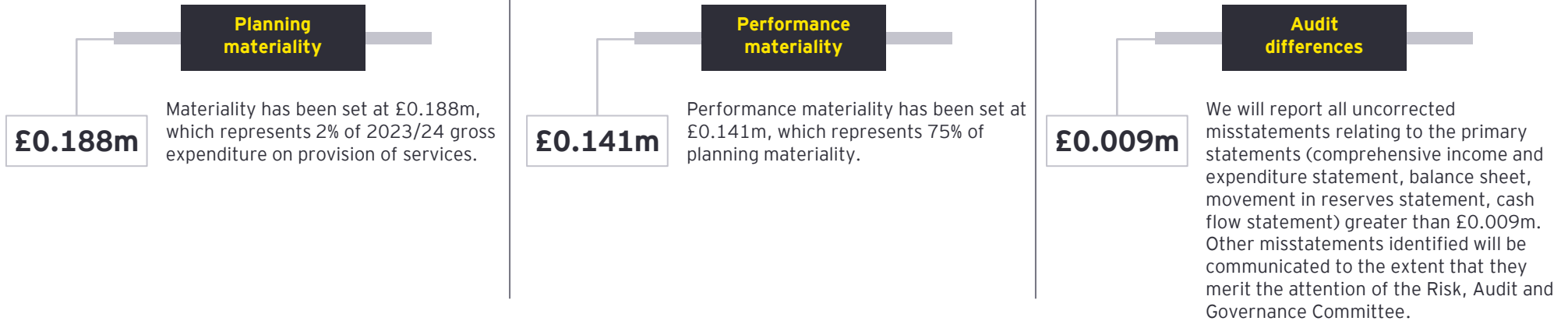
## Audit risks and areas of focus

Risk/area of focus	Risk identified	Change from PY	Details
Valuation of Land and Buildings	Significant risk	New significant risk	<p>The valuation of land and buildings included in the financial statements is complex and often includes valuations and assumptions and judgements. Enhanced procedures are required to challenge and evaluate key inputs and assumptions.</p> <p>Prior to 2024/25, the valuation of the Authority's land and buildings had been undertaken by NPS Property Consultants Ltd. For the 2024/25 financial year, valuations have been performed by a new valuer, Bruton Knowles.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert, who may apply different assumptions and methodologies to their valuations and are not as familiar with the Authority's fixed asset base as the previous valuer.</p>
Pension Liability Valuation	Inherent risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice and IAS19 require the Authority to disclose its membership in the Local Government Pension Scheme in its financial statements.</p> <p>Due to the significant estimation and judgement involved, an actuary is engaged for calculations. ISAs (UK) 500 and 540 mandate procedures on using management experts and assumptions for fair value estimates.</p>

We will continue to keep the Risk, Audit and Governance Committee updated on our assessment of any changes to audit risk.

# Overview of our 2024/25 audit strategy

## Authority Materiality



We will keep the Risk, Audit and Governance Committee updated on any changes to materiality levels as the audit progresses.

# Overview of our 2024/25 audit strategy

## Audit scope

This audit planning report covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements give a true and fair view of the financial position as at 31 March 2025 and of the income and expenditure for the year then ended; and
- Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on the value for money arrangements in Section 3.

We also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the required mandatory procedures in accordance with applicable laws and auditing standards.

When planning the audit we consider several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and
- Management's views on all the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant.

Considering the above, our professional duties require us to independently assess audit risks and take appropriate actions. The Terms of Appointment with the PSAA permit fee adjustments based on 'the auditor's assessment of risk and the work needed to meet their professional responsibilities'. Therefore, we outline these risks in this audit planning report and will discuss any impact on the proposed scale fee with management.

# Overview of our 2024/25 audit strategy

## Audit scope (cont'd)

### Effects of climate-related matters on financial statements

Public interest in climate change is growing. We recognize that climate-related risks may span a long timeframe, and while these risks exist, their impact on the current financial statements may not be immediately significant. However, it remains essential to understand these risks to conduct a proper evaluation. Additionally, comprehending climate-related risks may be pertinent in the context of qualitative disclosures in the notes to the financial statements and in assessing value-for-money arrangements.

We inquire about climate-related risks during every audit as part of our understanding of the entity and its environment. As we continually re-evaluate our risk assessments throughout the audit, we consider the information obtained to help us assess the level of inherent risk.

### Audit scope and approach

We plan to adopt a substantive audit approach.

## Value for Money

We are required to consider whether the Authority has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

The value for money planning and related risk assessment aims to collect enough evidence to document our evaluation of the Authority's arrangements, allowing us to prepare a commentary based on three reporting criteria. This process includes identifying and reporting any significant weaknesses in those arrangements and making suitable recommendations.

We will provide a commentary on the Authority's arrangements against three reporting criteria:

- Financial sustainability – How the Authority plans and manages its resources to ensure it can continue to deliver its services.
- Governance – How the Authority ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness – How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Commentary on value for money arrangements will be included in the 2024/25 Auditor's Annual Report. This will need to be issued by 30 November 2025 to comply with the revised requirements of the NAO Code.

## Timeline

An audit timetable has been agreed with management. In Section 7 we include a provisional timeline for the audit. It is essential that all parties collaborate to ensure compliance with this timeline.



# 02 Audit risks

# Our response to significant risks

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



## 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 will we do?

- Identify fraud risks during the planning stages.
- Inquire of management the risks of fraud and the controls put in place to address those risks.
- Understand the oversight given by those charged with governance of management's processes over fraud.
- Discuss with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector.
- Consider whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- Consider the effectiveness of management's controls designed to address the risk of fraud.
- Determine an appropriate strategy to address those identified risks of fraud.
- Perform mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- Undertake procedures to identify significant unusual transactions.
- Consider whether management bias was present in the key accounting estimates and judgments in the financial statements.

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

# Our response to significant risks

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



## Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

- Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger.
- Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year.

If this were to happen it would have the impact of understating revenue expenditure and overstating Property, Plant and Equipment (PPE) additions in the financial statements.

## What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

## What will we do?

- Test Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- Assess whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- Consider whether any development or other related costs that have been capitalised are reasonable to capitalise, i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

# Our response to significant risks

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



## Financial statement impact

- Following adoption of IFRS16, assets previously accounted for as an operating lease are likely to be recognised as a right of use asset on the balance sheet, along with an associated lease liability.
- Lease liabilities and right of use assets will be subject to more frequent remeasurement.
- Other amendments have been made to the CIPFA Code to expand the definition of donated assets to include right-of-use assets and on accounting for leases provided at below market rate, including peppercorn and nil consideration.

## What is the risk?

- IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/24 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Authority's 2024/25 accounts.
- IFRS 16 eliminates the operating / finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Authority is lessee these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.
- Successful transition will depend on the Authority having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Authority will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.
- The Authority performed an initial impact assessment in 2024/25 and expected to recognise a right of use asset of approximately £0.370 million which is material to our responsibilities. We have therefore included the implementation of IFRS 16 as a new significant risk.

## What will we do?

- Gain an understanding of the processes and controls developed by the Authority relevant to the implementation of IFRS 16. We will pay particular attention to the Authority's arrangements to ensure lease and lease-type arrangements considered are complete.
- Review the discount rate that is used to calculate the right of use asset and assess its reasonableness.
- Review management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components.
- Gain assurance over the right of use asset valuation included in the 2024/25 financial statements.
- Sample test leases to ensure that transition arrangements have been correctly applied.
- Consider the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

# Our response to significant risks

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



## Financial statement impact

We have assessed that the risk of Property, Plant and Equipment (PPE) could be materially misstated due to the revaluation of Land and Buildings.

If this were to happen it would impact the surplus or deficit on revaluation of fixed assets line in Comprehensive Income and Expenditure Statement (CIES) and the value of non-current assets in the Balance Sheet.

## What is the risk?

The fair value of Property, Plant and Equipment (PPE) land and buildings represent significant balances in the Authority's accounts and 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. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.

We note that not all of the Authority's PPE is subject to revaluation. The Authority's PPE is valued on a rolling programme over 5 years. The valuation basis is different depending on the type of property being revalued, with assets carried at Depreciated Replacement Cost, Existing Use Value or Fair Value. Each valuation basis is reliant on different inputs, estimation processes and assumptions.

## What will we do?

We will

- Consider the work performed by the Authority's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Sample test key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre).
- Consider the annual cycle of valuations to ensure that assets have been valued within a 5-year rolling programme as required by the Code for PPE. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer.
- Review assets not subject to valuation in 2024/25 to confirm that the remaining asset base is not materially misstated.
- Consider changes to useful economic lives as a result of the most recent valuation.
- Test accounting entries have been correctly processed in the financial statements.

We will continue to consider the need to use EY Real Estate, our internal specialists on asset valuations, to support our work in this area. Based on procedures performed at the planning stage, we do not expect to commission EY Real Estate for the 2024/25 audit.

# Other areas of audit focus

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

## What is the risk/area of focus, and the key judgements and estimates?

### Pension Liability Valuation

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Authority.

The Authority's pension deficit is a material estimated balance, and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2024, the net liability totalled £0.216 million, which consisted of assets of £32.847 million and liabilities of £33.063 million. The ISA19 reports for 31 March 2025 have not been released yet.

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

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

## Our response: Key areas of challenge and professional judgement

We will:

- Liaise with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Authority.
- Assess the work of the pension fund actuary including the assumptions they have used by relying on the work of PwC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors. We will also consider any relevant reviews by the EY actuarial team.
- Evaluate the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model.
- Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.

## What else will we do?

We will consider outturn information available at the time we undertake our work after production of the Authority's draft financial statements, for example the year-end actual valuation of Pension Fund assets.

We will use this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.



# 03 Value for Money risks

# Value for Money

## Authority's responsibilities for value for money

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

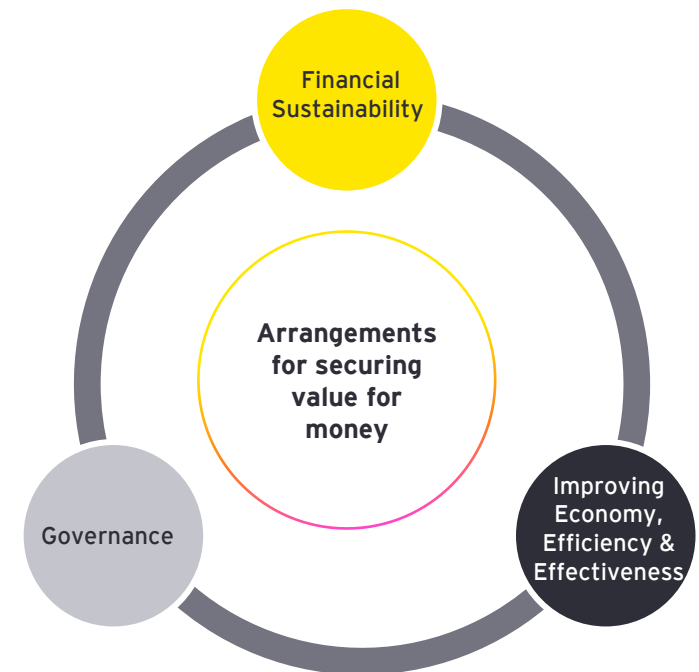
As part of the material published with the financial statements, the Authority is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Authority tailors the content to reflect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

## Auditor Responsibilities

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

The specified reporting criteria are:

- Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.



# Value for Money

## Planning and identifying risks of significant weakness in VFM arrangements

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

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

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

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

## Responding to identified risks of significant weakness

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

# Value for Money

## Reporting on VFM

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

Additionally, we are required to provide a commentary on the value for money arrangements in the Auditor's Annual Report. The NAO Code specifies that this commentary should be clear, readily understandable, and highlight any issues we wish to draw to the Authority's or the wider public's attention. This may include matters that are not considered significant weaknesses in arrangements but should still be brought to the Authority's awareness. It will also cover details of any recommendations from the audit and the follow-up of previously issued recommendations, along with our assessment of their satisfactory implementation. Our 2024/25 Auditor's Annual Report requires to be issued by 30 November 2025 to comply with the revised requirements of the NAO Code.

## Status of our 2024/25 VFM planning

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

- Our entity level controls and understanding the business assessment;
- The Authority's Corporate Risk Register;
- Committee meeting minutes;
- Our planning meetings with management;
- Key financial and budget information; and
- Key performance reports.

We have not identified any significant risks of material weakness in our value for money planning assessment.



# 04 Audit materiality

# Materiality

## Authority materiality

For planning purposes, materiality for 2024/25 has been set at £0.188m. This represents 2% of the Authority's 2023/24 audited gross expenditure on provision of services. It will be reassessed throughout the audit process. We consider that gross expenditure on the provision of services is the area of biggest interest to the users of the Authority's accounts.



We will keep the Risk, Audit and Governance Committee updated on any changes to materiality levels as the audit progresses.

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

## Key definitions

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

**Performance materiality** – The amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.141m which represents 75% of materiality.

We have considered the factors of having a higher likelihood of material misstatements based on prior year adjustments. Per our initial assessment, we do not believe there are errors that are indicative of pervasive errors throughout the financial statements or a higher likelihood of misstatement in other areas. We have therefore used a higher end or 75% of our Planning Materiality as our Performance Materiality.

**Audit difference threshold** – We propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the income statement and balance sheet that have an effect on income or that relate to other comprehensive income.

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



# 05 Scope of our audit

# Audit process and strategy

## Objective and Scope of our Audit scoping

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

We issue an audit report that covers:

### 1. Financial statement audit

Our opinion on the financial statements:

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

Our opinion on other matters:

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

Other procedures required by the Code:

- Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

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

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

# Audit process and strategy

## Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls;
- Substantive tests of detail of transactions and amounts;
- Reliance on the work of other auditors where appropriate; and
- Reliance on the work of experts in relation to areas, such as pensions and property valuations.

Our initial assessment of the key processes across the Authority has not identified any processes where we will seek to test key controls, either manual or IT. Our audit strategy will, as in previous years, follow a fully substantive approach. This will involve testing the figures within the financial statements rather than looking to place reliance on the controls within the financial systems. We assess this as the most efficient way of carrying out our work and obtaining the level of audit assurance required to conclude that the financial statements are not materially misstated.

### **Analytics**

We will use a data driven approach to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

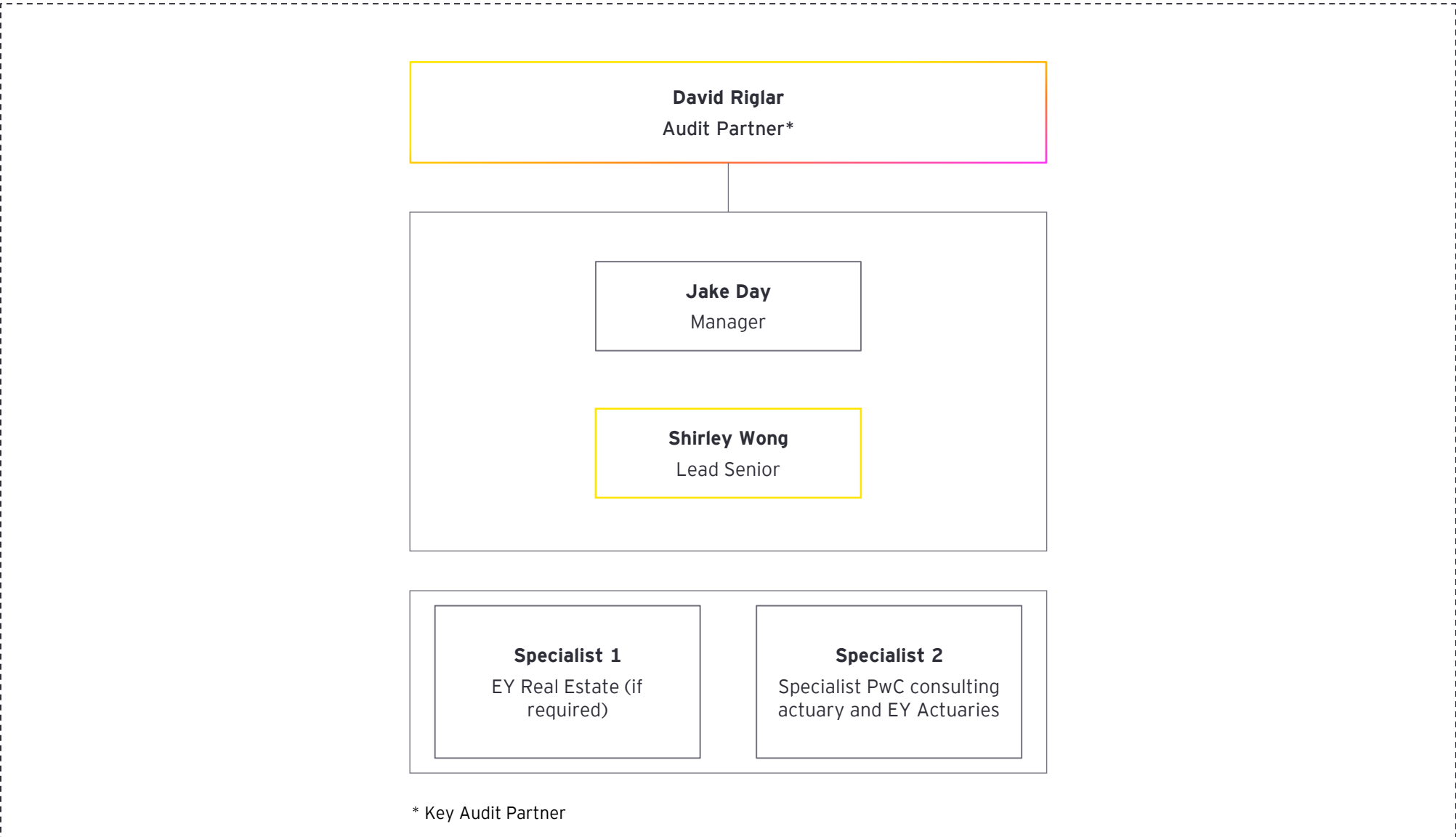
### **Internal audit**

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



# 06 Audit team

# Audit team



\* Key Audit Partner

# Use of specialists

## Our approach to the involvement of specialists, and the use of their work

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

Area	Specialists
Valuation of Land and Buildings	Management Specialist - Bruton Knowles EY Valuations Team - EY Real Estates (if deemed required)
Pensions Disclosure	Management Specialist - Hymans Robertson PwC (Consulting Actuary to the NAO) EY Actuaries
IFRS 16	Management Specialist - Norfolk Property Services & Bruton Knowles

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

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

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

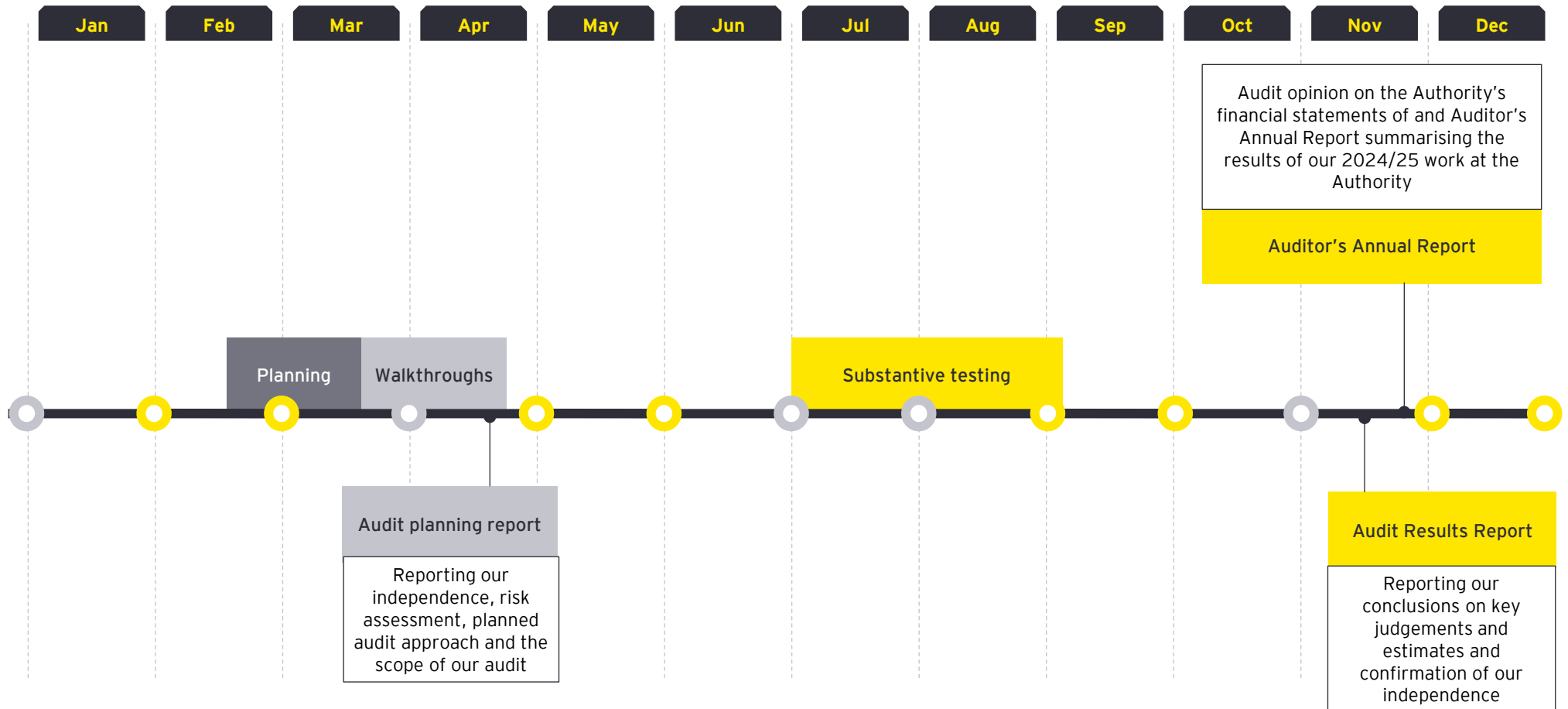


# 07 Audit timeline

# Timetable of communication and deliverables

## Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the 2024/25 audit cycle. From time to time matters may arise that require immediate communication with the Risk, Audit and Governance Committee and we will discuss them with the Risk, Audit and Governance Committee Chair as appropriate.





# 08 Independence

# Introduction

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

## Required communications

### Planning stage

- The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;
- Information about the general policies and process within EY to maintain objectivity and independence; and
- The details and significance of any breaches of this ethical standard in the relevant period.

### Final stage

- In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- Details of any additional services provided and the fees charged in relation thereto;
- Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- An opportunity to discuss auditor independence issues.

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

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

# Relationships, services and related threats and safeguards

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

## Overall Assessment

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

## Self interest threats

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

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2024 (FRC ES), and we will comply with the policies that you have approved. At the time of writing, the current ratio of non-audit fees to audit fees is approximately 0 as there are no non-audit services. No additional safeguards are required.

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

## Self review threats

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

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

## Management threats

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

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

## Other threats

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

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

# Other communications

## EY Transparency Report 2024

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2024 and can be found here: **[EY UK 2024 Transparency Report](#)**.



# 09 Appendices

# Appendix A – PSAA Statement of Responsibilities

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

## Preparation of the statement of accounts

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

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

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

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

# Appendix B – Fees

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

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

The agreed fee presented is based on the following assumptions:

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

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

	Current Year	Prior Year	Note Reference
	£	£	
Scale fee	74,259	67,107	Note 1
IFRS 16 Implementation	4,000 - 8,000	0	
New PPE Valuer	4,000 - 8,000	0	Note 2
S17 Officer Journal Testing	1,000 - 2,000	TBC	
Other scale fee variation	TBC	11,500 - 15,500	
<b>Total audit fee</b>	<b>TBC</b>	<b>TBC</b>	

## All fees exclude VAT

1. As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC, PSAA will use its fee variation process to determine the final fee the Authority have to pay for the 2022/23 and 2023/24 audits.
2. The scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:
  - Consideration of correspondence from the public and formal objections.
  - New accounting standards, for example full adoption or additional disclosures in respect of IFRS 16.
  - New or changed audit risks, for example change in management specialist for land and building valuations.
  - Non-compliance with law and regulation with an impact on the financial statements.
  - VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts.
  - The need to exercise auditor statutory powers.
  - Prior period adjustments.
  - Modified financial statement opinions.

# Appendix C – Required communications with the Risk, Audit and Governance Committee

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

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Risk, Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> <li>▪ The planned scope and timing of the audit</li> <li>▪ Any limitations on the planned work to be undertaken</li> <li>▪ The planned use of internal audit</li> <li>▪ The significant risks identified</li> </ul> <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team</p>	Audit Planning Report - 23 July 2025 - Risk, Audit and Governance Committee
Significant findings from the audit	<ul style="list-style-type: none"> <li>▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▪ Significant difficulties, if any, encountered during the audit</li> <li>▪ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▪ Written representations that we are seeking</li> <li>▪ Expected modifications to the audit report</li> <li>▪ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	<p>Audit Results Report - TBC - Risk, Audit and Governance Committee</p> <p>Auditor's Annual Report - TBC - Risk, Audit and Governance Committee</p>

# Appendix C – Required communications with the Risk, Audit and Governance Committee

		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"> <li>▪ Whether the events or conditions constitute a material uncertainty</li> <li>▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▪ The adequacy of related disclosures in the financial statements</li> </ul>	Audit Results Report - TBC - Risk, Audit and Governance Committee
Misstatements	<ul style="list-style-type: none"> <li>▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>▪ The effect of uncorrected misstatements related to prior periods</li> <li>▪ A request that any uncorrected misstatement be corrected</li> <li>▪ Material misstatements corrected by management</li> </ul>	Audit Results Report - TBC - Risk, Audit and Governance Committee
Fraud	<ul style="list-style-type: none"> <li>▪ Enquiries of the Risk, Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving:               <ol style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements</li> </ol> </li> <li>▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▪ Matters, if any, to communicate regarding management’s process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud</li> <li>▪ Any other matters related to fraud, relevant to Risk, Audit and Governance Committee responsibility</li> </ul>	Audit Results Report - TBC - Risk, Audit and Governance Committee

# Appendix C – Required communications with the Risk, Audit and Governance Committee

		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 entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▪ Non-disclosure by management</li> <li>▪ Inappropriate authorisation and approval of transactions</li> <li>▪ Disagreement over disclosures</li> <li>▪ Non-compliance with laws and regulations</li> <li>▪ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit Results Report – TBC – Risk, Audit and Governance Committee
Independence	<p>Communication of all significant facts and matters that bear on EY’s, and all individuals involved in the audit, integrity, 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"> <li>▪ The principal threats</li> <li>▪ Safeguards adopted and their effectiveness</li> <li>▪ An overall assessment of threats and safeguards</li> <li>▪ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Planning Report – 23 July 2025 – Risk, Audit and Governance Committee</p> <p>Audit Results Report – TBC – Risk, Audit and Governance Committee</p>

# Appendix C – Required communications with the Risk, Audit and Governance Committee

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> <li>▪ Management's refusal for us to request confirmations</li> <li>▪ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit Results Report - TBC - Risk, Audit and Governance Committee
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>▪ Inquiry of the Risk, Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Risk, Audit and Governance Committee may be aware of</li> </ul>	Audit Results Report - TBC - Risk, Audit and Governance Committee
Internal controls	Significant deficiencies in internal controls identified during the audit	Audit Results Report - TBC - Risk, Audit and Governance Committee
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - TBC - Risk, Audit and Governance Committee
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit Results Report - TBC - Risk, Audit and Governance Committee
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - TBC - Risk, Audit and Governance Committee
Auditors report	<ul style="list-style-type: none"> <li>▪ Key audit matters that we will include in our auditor's report</li> <li>▪ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit Results Report - TBC - Risk, Audit and Governance Committee

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# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 10

## Annual Governance Statement 2024/25 and Code of Corporate Governance 2025

Report by Head of Governance

---

### Summary

Every year the Broads Authority reviews its governance and internal control systems, including risk management, and publishes an Annual Governance Statement and action plan, supported by a Code of Corporate Governance, to show how it is complying with the principles of good governance. The Annual Governance Statement 2024/25 (AGS) and Code of Corporate Governance 2025 (CCG) are appended to this report.

### Recommendation

To recommend the Annual Governance Statement 2024/25 to the Broads Authority for approval and note that the Authority's systems of governance and internal control are considered to be adequate and effective.

---

## 1. Introduction

- 1.1. As a public body, the Broads Authority is responsible for making sure it has strong and up to date governance and internal control systems that comply with the principles of "good governance". Under the Accounts and Audit (Amendments) Regulations 2024, we must publish our draft un-audited annual Statement of Accounts by 30 June. Section 15(2) states that the Statement of Accounts should be accompanied by an Annual Governance Statement (AGS) on the effectiveness of our systems during the year, and an action plan to address any identified weaknesses. The AGS and Code of Corporate Governance (CCG) will both be published on the Authority's website.
- 1.2. The AGS is guided by the "Delivering Good Governance in Local Government: Framework" which includes principles on integrity, ethical values and the rule of law; stakeholder engagement; sustainable economic, social and environmental benefits; leadership and resources; risk and performance; and transparency, reporting and review. Our internal and external audit, internal review and other reports, and the CCG all provide evidence for the AGS.
- 1.3. Once the Risk, Audit and Governance Committee has reviewed the AGS, any suggested amendments or recommendations will be presented to the Broads Authority on the 25

July 2025. Once the Authority approves the Statement, it is signed by the Chair and Chief Executive and the Action Plan 2025/26 is implemented.

## 2. Code of Corporate Governance (CCG)

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

## 3. Audit Opinion

- 3.1. The Head of Internal Audit's overall audit opinion in relation to the framework of governance, risk management and control at the Broads Authority in 2024/25 is "reasonable", with two of the four audits (Farming in Protected Landscapes and Key Controls) having a "substantial" assurance grading. The audits for Corporate Governance and Risk Management and Cyber Security received a "reasonable" assurance. The Authority's Management Team accepted most of the recommendations raised and assigned responsibilities and deadline dates, as shown in the AGS action plan (Appendix 1).
- 3.2. In providing the opinion, the Authority's risk management framework and supporting processes, the relative materiality of the issue arising from the internal audit work during the year, and management's progress in addressing any control weaknesses identified from this were taken into account. The opinion was discussed with the Section 17 Officer prior to publication.

Author: Rob Thomas

Date of report: 08 July 2025

Background papers: None

[Broads Plan](#) strategic objectives: All objectives.

Appendix 1 – [Annual Governance Statement 2024/25 and Code of Corporate Governance 2025](#)

# Annual Governance Statement 2024/25 & Action Plan 2025/26 and Code of Corporate Governance 2025

This draft published June 2025

DRAFT

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## About this Statement

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

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

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

This Annual Governance Statement will be considered by the Authority on 25 July 2025 and available via this link. Our action plan 2025/26 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 Authorities<sup>2</sup>. 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.

---

<sup>1</sup> Regulation 6(1)(a) and (b) of the Accounts and Audit Regulations 2015

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

## 1.2. Strategy and policy

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

The [Broads Local Plan](#) (adopted in 2019) sets out the policies used in determining planning applications for the plan period up to 2036. We also produce supporting supplementary planning documents such as the [Flood Risk SPD](#), [Landscape Character Assessment](#) and other [planning guidance](#), to help with the implementation of policies. The Local Plan is subject to regular review, and the current review is underway. The consultation on Issues and Options happened between April and May 2024. This will be followed by a consultation on the Submission version of the Local Plan (Reg 19) which is scheduled for summer 2025. The aim is to submit the Local plan to the Planning Inspector by December 2025.

Our [Annual Business Plan](#) outlines work priorities for the coming year and summarises last year's progress. The Plan is a link between the strategies for the Broads and our Directorate work plans. The [Annual Business Plan 2025/26](#) outlines our work plans for 2025/26 and 3-year financial strategy for 2025/26 to 2027/28.

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

## 2. External factors influencing our governance arrangements

### 2.1. Protected Landscapes Targets and Outcomes Framework

The Government announced how it will monitor the delivery of Protected Landscapes in January 2024. The Protected Landscapes Target Outcome Framework (PLTOF) includes 10 targets against the following themes: thriving plants and wildlife, Mitigating and adapting to climate change, and Enhancing beauty, heritage and engagement with the natural environment. We are continuing to work with Natural England on the development of the Outcomes Framework. We are expecting the final version of the Framework to be completed by the end of 2025, and it will be included in the Management Plan review going forward. Seven targets will be set at a national level, and three targets have been apportioned locally and will be implemented through the Broads Nature Recovery Strategy. As always, working in partnership will be at the heart of any initiative. The Authority owns little land itself but can work with others to support major change.

The Authority approved the Broads Nature Recovery Strategy (2024-29) (BNRS) in November 2024. The BNRS includes a five-year Delivery Plan which outlines priority actions, either led by the Broads Authority or in partnership with others, as well as projects managed

by other organisations working in the Broads. The Strategy will be monitored by the Broads Biodiversity Partnership, a network of organisations, businesses and individuals working collaboratively to enhance habitats and species.

## 2.2. Environment Act, Agricultural Transition and Land Use

Recent changes to environment and agricultural policies continue to shape the funding landscape, project delivery and land use management in the Broads.

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

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

In January 2025, the Authority, in its role as Supporting Authority, approved the public consultation of the draft Norfolk Local Nature Recovery Strategy (LNRS) and Suffolk LNRS. The Broads Authority is fully engaged in the LNRS process through being included in both Norfolk and Suffolk LNRSs working groups and steering committees. Public consultation on the draft LNRS took place from 16 April to 11 June 2025. The final draft of the LNRSs is expected before the end of 2025.

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

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

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

resilience, heritage, and public access. FiPL started in 2021, and has been extended for another year, until March 2027.

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

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

The government has committed to developing a Land Use Framework for England, due to be published in 2025. Its aim is to guide the use of land to meet competing demands—such as food production, nature recovery, carbon sequestration, housing, and energy infrastructure—within environmental limits. The framework is expected to influence national funding priorities, planning policy, and environmental strategies. It could also provide an opportunity to advocate for the value of protected landscapes in delivering multiple public goods.

### 2.3. Planning policy changes

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

- In December 2024, the Government published a revised National Planning Policy Framework (NPPF). The changes to the NPPF will be reflected in the emerging Local Plan. The timeframe for the emerging Local Plan was amended because of the December revision, and the submission to the Planning Inspectorate is now scheduled for December 2025. The emerging Planning and Infrastructure Bill proposes wide-ranging reforms to streamline the planning system, speed up the delivery of infrastructure, and simplify decision-making processes. It will make provision about infrastructure, town and country planning, environmental outcomes, and for a new scheme, administered by Natural England, for a nature restoration levy payable by developers. It was first introduced in March 2025 and is progressing through the various stages in Parliament. This Bill would provide both opportunities and risks for the Broads, and officers will continue to monitor its progress. These proposals could affect the governance and planning responsibilities of the Broads Authority, particularly in ensuring environmental protection remains robust.
- Planning fees in England are set nationally by the government. The [Town and Country Planning \(Fees for Applications, Deemed Applications, Requests and Site Visits\) \(England\) \(Amendment\) Regulations 2023](#) introduced an automatic, annual increase to planning fees. This increases planning fees annually, on 1 April each year, starting on 1 April 2025.

## 2.4. Devolution and Local Government Reorganisation

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

For Norfolk and Suffolk, this means fewer and larger unitary councils compared to the current two-tier model. The exact number and shape and size of any new unitary councils for Norfolk and Suffolk is to be determined.

It is anticipated that the Local Government Review Business Case will be submitted to the Government for consideration in September 2025 with the unitary council operating in Norfolk by 2028.

The Broads Authority has taken an active approach, responding to the consultation, and will respond to any changes over the next three years.

## 2.5. Defra revenue grant for 2025/26

National Parks in England have received a reduction in operating revenue and an increase in capital expenditure from Department for Environment, Food & Rural Affairs (Defra) in the 2025/26 financial year.

Over the next financial year, the organisation will identify ways to reduce expenditure while trying to maintain services.

## 2.6. Ministry review of Code of Conduct

The Ministry of Housing, Communities and Local Government (MHCLG) is consulting on introducing strengthened sanctions for local authority code of conduct breaches in England.

The purpose of the review is to strengthen the standards and conduct a framework for local authorities in England. Consultation closed on the 26 February 2025 with recommendations expected later in the year.

The Broads Authority is keeping a watching brief on any changes to the national code of conduct. The consultation asked for views on independent person sitting on the committee which, if adopted, would require changes to the make-up of the Standards Committee.

# 3. Committees, staffing and financial arrangements

## 3.1. Committees

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

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

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

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

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

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

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

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

### 3.2. Officers

The Authority has 137.8 full-time equivalent staff. There are four statutory officers who carry out specific duties. They are the Head of Paid Service (Chief Executive), Section 17 Officer (Director of Finance), Monitoring Officer and Navigation Officer (Head of Ranger Services) .

The Chief Executive, Director of Finance, Director of Strategic Services and Director of Operations make up the Management Team. There are seven section heads, covering the

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

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

### 3.3. Financial arrangements

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

We have several procedures in place to make sure we obtain best value for money in all we do, and we review them all on a regular basis. The Financial Regulations were reviewed in November 2022. Our Counter Fraud, Corruption and Bribery Strategy was updated in March 2023 and our Standing Orders Relating to Contracts (SORC) in February 2025. We also reviewed our Procurement Strategy in July 2023 and our Capital, Treasury and Investment Strategy in March 2025. An initial assessment against CIPFA's Financial Management Code was received by Audit and Risk in July 2021 and progress is monitored against the action plan (last reported to RAG in November 2024). The Committee agreed to update every two years thereafter.

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

## 4. Decision making and openness

Our arrangements for decision making are set out in publicly available documents, published on our website at [Constitutional documents \(broads-authority.gov.uk\)](#). These include standing orders, terms of reference of committees, codes of conduct, scheme of delegated powers and protocol on member and officer relations.

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

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

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

**2022** - Revised complaints procedure adopted.

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

An additional review of the Code of Conduct will be conducted in 2025 once the Government has concluded its formal consultation.

Each committee has distinct terms of reference. Meetings are held in public, apart from agenda items that are exempt under legislative guidance, and members of the public may ask questions at Authority meetings. Committee meetings are audio recorded, and the public may request a copy of the recording, until such time the audio recording is destroyed in accordance with the Authority's adopted data retention and information management policy.

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

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

## 5. Ethics and integrity

Under the Localism Act 2011 we have the duty to promote and maintain high standards, and we work to embed this throughout our governance and internal control systems. The seven principles of public life (known as the Nolan Principles) are incorporated in the Members' Code of Conduct, which was reviewed, and the updated version adopted in March 2025. Our Independent Persons provide external scrutiny of our standards processes.

We also have our own set of corporate core values (below), which are promoted to officers and members through posters 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, direct contact such as officers or members attending user group meetings, public events, digital and social media, and formal written consultations. We also seek public opinion through surveys and the user analysis of our website and Facebook and Twitter feeds.

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

After the launch of the Broads Plan 2022-2027, the Broads key partners have received regular updates to monitor the implementation of the Broads Plan. A key project of the Broads Partnership is to develop a bid for the Landscape Connections scheme, a strategic initiative from the National Lottery Community Fund aiming to support long-term projects to boost nature recovery and connect more people to our most treasured landscapes.

## 7. Managing risk and performance

The Risk, Audit and Governance Committee’s (RAG) responsibilities include gaining assurances, from a range of measures and reports, that the Authority is obtaining value for money in the use of its resources, and that risk and performance are being actively managed to achieve best results.

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

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

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

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

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

There is a **whistleblowing policy** for our staff, with a separate policy for Members adopted at the 29 July 2022 Authority meeting, with a minor update in October 2024, and the Monitoring Officer has a duty to write a report if the Authority or any of its committees proposes action that would be unlawful or amount to maladministration.

## 8. Internal and external audit

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

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

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

The **HIA's overall audit opinion** in relation to the framework of governance, risk management and control at the Broads Authority in 2024/25 is **reasonable**, with two of the four audits (Farming in Protected Landscapes and Key Controls) concluding with a **substantial** assurance grading and the Corporate Governance and Risk Management and Cyber Security Maturity Assessment concluding with a **reasonable** assurance. The Authority's Management Team accepted the recommendations raised and assigned responsibilities and deadline dates, as shown in Appendix 1(a) below.

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

## 9. Conclusion and Action Plan

No significant governance weaknesses have been identified.

Our Annual Governance Statement Action Plan 2025/26 and a summary of progress against last year's action plan are at Appendix 1. We are satisfied the Plan will address the identified minor issues, and we will report back on its implementation as part of our next Statement.

Chair of the Authority

John Packman (Chief Executive)

Dated: 25 July 2025

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## Appendix 1(a) - Audit recommendations: Action Plan 2025/26

**Table 1**

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

Audit recommendation	Lead officer	Target/status
<b>Corporate Governance and Risk Management</b>		
<p><b>R1: Risk Appetite</b></p> <p>Agree an organisational risk appetite statement covering all risks</p>	Head of Governance	27/07/2025
<p><b>R2: Format of Risk Registers</b></p> <p>Review format of risk registers as follows:</p> <ul style="list-style-type: none"> <li>• To separate controls, assurances and gaps.</li> <li>• To ensure all mitigating actions have clear deadlines and ownership.</li> <li>• Add a target risk rating in line with risk appetite.</li> </ul> <p>Add links to Annual Business Plan workplans in the directorate risk registers.</p>	Head of Governance	27/07/2025
<p><b>R3: Compliance Statement</b></p> <ul style="list-style-type: none"> <li>• Action to be taken to ensure that an appropriate compliance statement is made by the Duty Holder when this is next required by the MCA (likely to be March 2024).</li> </ul>	Head of Safety Management	31/01/26
<b>Cyber Security Maturity Assessment</b>		
<p><b>R1: Engagement and Training</b></p> <p>A policy must be in place requiring all staff to receive cyber security and information security training.</p>	Senior ICT Support Officer	30/09/2025
<p><b>R2: Asset Management</b></p> <p>A policy must be in place to require digital assets to be inventoried and accounted for centrally.</p>	Senior ICT Support Officer	30/09/2025

<p><b>R3: Architecture and Configuration</b></p> <p>An IT Security and Network Security policy must be in place.</p>	Senior ICT Support Officer	30/09/2025
<p><b>R4: Vulnerability Management</b></p> <p>A policy must be in place to cover patching and updates of digital assets.</p>	Senior ICT Support Officer	30/09/2025
<p><b>R5: Identity and Access Management</b></p> <p>A policy must be in place to cover user authentication and access controls</p>	Senior ICT Support Officer	30/09/2025
<p><b>R6: Data Security</b></p> <p>A policy/plan must be in place to cover backup and recovery of data.</p>	Senior ICT Support Officer	30/09/2025
<p><b>R7: Logging and monitoring</b></p> <p>A policy must be in place to cover the organisation's security logging and monitoring requirements</p>	Senior ICT Support Officer	30/09/2025
<p><b>R8: Supply Chain Security</b></p> <p>Regular assurance must be obtained from third parties to provide confidence in supplier's security measures and controls.</p>	Senior ICT Support Officer	30/09/2025
<p><b>R9: Supply Chain Security</b></p> <p>IT suppliers must be reviewed periodically to ensure that they are meeting contractual security obligations and key performance targets.</p>	Senior ICT Support Officer	30/09/2025

## Appendix 1(b) - Audit recommendations: Progress against Action Plan 2024/25

**Table 1**

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

Audit recommendation	Lead officer	Target/status
<b>Governance and Risk Management</b>		
<p><b>R1: Member Attendance</b> Add expectations for attendance and consequences for non-attendance to the Members' Code of Conduct</p>	Senior Governance Officer	Added to the members handbook. Consequently, to be updated in the Code of Conduct at the end of 2025.
<b>Port Marine Safety Code</b>		
<p><b>R9: Pilotage</b> The General Direction for larger vehicles and navigation on works guidance be finalised</p>	Head of Ranger Services	Completed. Once legal advice is received, the General Direction will need a six month consultation.
<p><b>R5: Marine Safety Plan</b> Action be taken to ensure that the Authority complies with the requirement for a MSP and associated reporting process, either in the form of a separate safety plan or through relevant provisions being added to the MSMS and/or associated policies.</p>	Head of Safety Management	31/10/2024 Completed
<b>Corporate Health &amp; Safety</b>		
<p><b>R1: Health &amp; Safety at Work policy</b> The Health &amp; Safety at Work Policy be reviewed and updated if necessary, in line with the defined cyclical timescales. This will mitigate the risk of health and safety issues arising due to outdated policy</p>	Head of Safety Management	31/12/2023 Completed

## Appendix 2 - Broads Authority Code of Corporate Governance 2025

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

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

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

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

The Chief Executive is delegated to make necessary changes to the Code because of the review to keep it up to date. Significant changes to the Code are reported to the Authority in July as part of the Annual Governance Statement, and any new or outstanding actions are included in the Statement's Action Plan for the following year. The Code for 2025 was approved by the Authority on 25 July 2025 and signed off by the Chair and Chief Executive.

Chair of the Authority

John Packman, Chief Executive

Date: 25 July 2025

## Broads Authority Code of Corporate Governance: Schedule (July 2025)

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

**Table 1**

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

Sub-principles	Our evidence to support this principle
<p><b>Behaving with integrity</b></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"> <li>• Annual Governance Statement and Action Plan</li> <li>• Appointment of Independent Persons</li> <li>• Risk, Audit and Governance Committee oversight</li> <li>• BA Core Values</li> <li>• Codes of Conduct for Employees, Members and Planning Committee Members</li> <li>• Declaration of Gifts and Hospitality for Members and officers</li> <li>• Disciplinary Procedures for Officers</li> <li>• Financial Regulations, Contract Standing Orders and Procurement Strategy</li> <li>• Guide for Local Authority appointees to the Broads Authority</li> <li>• Internal and External Audit</li> <li>• Local Protocol on Member and Officer Relations</li> <li>• Member and officer induction and annual appraisals</li> <li>• Members’ Counter Fraud, Corruption and Bribery Strategy &amp; Response Plan</li> <li>• Monitoring Officer Protocol</li> <li>• Register of Interests for Members and declarations of interests made at meetings and recorded in minutes</li> <li>• Register of Interests for officers</li> </ul>

	<ul style="list-style-type: none"> <li>• Related party declarations note as part of the Statement of Accounts.</li> <li>• Safeguarding Policy</li> <li>• Social Media Policy</li> <li>• Standards Committee</li> <li>• Standing Orders for the regulation of Authority proceedings</li> <li>• Standing Orders Relating to Contracts</li> <li>• Terms of Reference of Committees</li> <li>• Whistleblowing Policy for Members</li> <li>• Whistleblowing Policy for Officers</li> </ul>
<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"> <li>• Annual performance appraisal for Members and Officers</li> <li>• BA Core Values</li> <li>• Codes of Conduct for Employees, Members and Planning Committee Members</li> <li>• Equality Policy</li> <li>• Guide for Local Authority appointees to the Broads Authority</li> <li>• Monitoring Officer Protocol</li> <li>• Procurement Strategy and procedures</li> <li>• Recruitment &amp; Selection Policy and procedures</li> <li>• Standards Committee</li> <li>• Use of Independent Persons in complaints procedures</li> <li>• Whistleblowing Policy for Members</li> <li>• Whistleblowing Policy for Officers</li> </ul>
<p><b>Respecting the rule of law</b></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</p>	<ul style="list-style-type: none"> <li>• Codes of Conduct for Employees, for Members, and for Planning Committee Members and Officers</li> <li>• Committee structure in place with Terms of Reference, including powers reserved to the BA</li> <li>• Compliance with CIPFA's statement on the role of the Chief Finance Officer in Local Govt (CIPFA 2016)</li> <li>• Counter Fraud, Corruption and Bribery Strategy and Response Plan</li> <li>• Disciplinary Procedures for Officers</li> </ul>

<p>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"> <li>• Financial Regulations, Contract Standing Orders and Procurement Strategy</li> <li>• Internal and external audit</li> <li>• Job descriptions and recruitment process for officers</li> <li>• Member induction programme and development protocol</li> <li>• Monitoring Officer appointed by BA</li> <li>• Monitoring Officer Protocol</li> <li>• Provision of legal advice to Members and officers</li> <li>• Register of Member and Officer interests and related party interests</li> <li>• Role descriptions for Members</li> <li>• Scheme of Powers delegated to Chief Executive and other authorised officers</li> <li>• Standards Committee</li> <li>• Statutory Officers appointed by the Authority</li> <li>• Whistleblowing Policy for Members</li> <li>• Whistleblowing Policy for Officers</li> </ul>
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**Table 2**

Principle B: Ensuring openness and comprehensive stakeholder engagement

Sub-principles	Our evidence to support this principle
<p><b>Ensuring openness</b></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</p>	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> <li>• BA Core Values</li> <li>• BA website (includes public information about Members and their roles, officer roles, and how the public can input to and influence BA decisions)</li> <li>• Broads Engage stakeholder events and promotion</li> <li>• Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement)</li> <li>• Chairs’ briefings</li> <li>• Committee meetings held in public and audio recordings of meetings available to the public on request</li> <li>• Committee meetings (non-decision making) held remotely and live-streamed, and also available to watch via YouTube</li> </ul>

<p>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"> <li>• Corporate Partnerships Register</li> <li>• Fair and transparent data processing through privacy notices</li> <li>• Financial Regulations and Standing Orders Relating to Contracts</li> <li>• Financial statements</li> <li>• Information published in respect of expenditure over £250</li> <li>• Member Allowances Scheme</li> <li>• Public consultation processes for strategic plan reviews (e.g. Broads Plan, guiding strategies)</li> <li>• Public question time at Authority meetings</li> <li>• Publication of agendas and reports in line with Local Government Act 1972 requirements</li> <li>• Record of decisions in committee minutes</li> <li>• Use of Transparency Regulations 2015</li> </ul>
<p><b>Comprehensive stakeholder engagement</b></p> <p>Engaging effectively with all stakeholders, making sure the purpose and aims for each stakeholder relationship are clear so outcomes are successful and sustainable</p> <p>Developing formal and informal partnerships to encourage more efficient use of resources and more effective outcomes</p> <p>Basing partnerships on trust, shared commitment to change, culture that 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)</p>	<ul style="list-style-type: none"> <li>- Annual Business Plan, Annual Report and visitor publications (e.g. Broadcaster), social media accounts</li> <li>- Appointment process to Navigation Committee and Broads Local Access Forum</li> <li>- Broads Briefing monthly newsletter from CEO</li> <li>- Broads Engage stakeholder events (e.g. workshops, Parish Forums), feedback processes and promotion</li> <li>- Broads Local Access Forum</li> <li>- Broads Local Plan - formal consultation stages (set out in Statement of Community Involvement)</li> <li>- Broads Plan 6-monthly progress update report (and continual progress monitoring on e-system)</li> <li>- Broadsheet (toll payer newsletter)</li> <li>- KPI annual reporting as part of NPA monitoring process to Defra</li> <li>- Learning resources on BA website, including Broads Curriculum materials for schools</li> <li>- Navigation Committee</li> <li>- Notices to Mariners</li> <li>- Public questions time at Authority meetings</li> </ul>

<p>provision is contributing towards intended outcomes</p> <p>Having effective communication methods and making sure members and officers are clear on their roles in community engagement</p> <p>Encouraging, collecting, and evaluating the views and experiences of stakeholders of different backgrounds, including reference to future needs</p> <p>Implementing effective feedback mechanisms to show how stakeholder views have been considered</p> <p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p> <p>Taking account of the impact of decisions on future generations of taxpayers and service users</p>	<ul style="list-style-type: none"> <li>- Regular meetings between Chairs and CEOs of BA and constituent local authorities</li> <li>- Regular officer level liaison with partner organisations</li> <li>-</li> </ul>
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**Table 3**  
Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

<b>Sub-principles</b>	<b>Our evidence to support this principle</b>
<p><b>Defining outcomes</b></p> <p>Having a clear vision statement of the organisation’s purpose and intended outcomes, with performance indicators, which provide the basis for its overall strategy, planning and other decisions</p> <p>Specifying the intended impact on/ changes for stakeholders in the short and longer term</p>	<ul style="list-style-type: none"> <li>• Annual Business Plan</li> <li>• BA guiding level strategies (e.g., Integrated Access, Sediment Management, Education, Biodiversity)</li> <li>• Broads Local Plan (spatial planning policy)</li> <li>• Broads Plan (key partnership strategy for the Broads, reviewed on 5-yearly cycle)</li> <li>• Corporate and Directorate Risk Registers</li> <li>• Corporate Partnerships Register</li> <li>• Norfolk &amp; Suffolk Broads Act 1998 (BA statutory purposes)</li> </ul>

<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>	
<p><b>Considering social, economic and environmental benefits</b></p> <p>Considering and balancing the combined economic, social, and environmental impact of policies and plans when taking decisions about service provision</p> <p>Taking a longer-term view in decision making, taking account of risk, and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</p> <p>Determining the wider public interest associated with balancing conflicting interests in achieving the various economic, social, and environmental benefits, through consultation where possible, to ensure appropriate trade-offs</p> <p>Ensuring fair access to services</p>	<ul style="list-style-type: none"> <li>• Broads Local Plan</li> <li>• Broads Plan and guiding level strategies</li> <li>• Norfolk &amp; Suffolk Broads Act 1998 (BA statutory purposes)</li> <li>• Project Development Group procedures</li> <li>• External Funding Guidance</li> <li>• Public consultation for strategic plan reviews</li> </ul>

**Table 4**

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

Sub-principles	Our evidence to support this principle
<p><b>Determining interventions</b></p> <p>Making sure decision makers receive objective and rigorous</p>	<ul style="list-style-type: none"> <li>• BA and partner/stakeholder working groups</li> <li>• Budget setting process</li> </ul>

<p>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"> <li>• Chairs’ briefing sessions</li> <li>• Chairs’ Group</li> <li>• Financial Regulations and Standing Orders Relating to Contracts</li> <li>• Member working groups</li> <li>• Project boards for large partnership projects (e.g., FiPL, Nature for Climate Peatland Scheme, FibreBroads)</li> <li>• Public consultation responses informing strategic plan and policy reviews (e.g., Broads Plan, Broads Local Plan)</li> </ul>
<p><b>Planning interventions</b></p> <p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities, and targets</p> <p>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p> <p>Considering and monitoring risks facing each partner when working collaboratively, including shared risks</p> <p>Having flexible and agile arrangements so mechanisms for delivering goods and services can adapt to changing circumstances</p> <p>Establishing appropriate key performance indicators (KPIs) as part of the planning process to identify how the performance of services and projects is to be measured</p> <p>Ensuring capacity exists to generate the information required to review service quality regularly</p> <p>Preparing budgets in accordance with objectives, strategies, and the medium-term financial plan</p>	<ul style="list-style-type: none"> <li>• Annual budget processes approved by BA with consultation by Navigation Committee</li> <li>• Financial Monitoring</li> <li>• Financial Strategy</li> <li>• Key Performance Indicator (KPI) annual reporting as part of National Park Authority monitoring process to Defra</li> <li>• Performance reporting to Committees</li> <li>• Regular monitoring undertaken by budget holders and Management Team and reported to committee</li> <li>• Review cycles for Broads Plan, guiding strategies (e.g., Integrated Access Strategy, Biodiversity &amp; Water Strategy) and Broads Local Plan</li> <li>• Risk management (see principle F)</li> <li>• Corporate Risk Register review by Risk, Audit &amp; Governance Committee</li> </ul>

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

**Table 5**

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

<b>Sub-principles</b>	<b>Our evidence to support this principle</b>
<p><b>Developing capacity</b></p> <p>Reviewing operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness</p>	<ul style="list-style-type: none"> <li>• Annual presentation to BA on major partnerships</li> <li>• Health and Safety policies and procedures</li> <li>• ICT Corporate Group review of ICT performance</li> <li>• Management Team decision in recruitment processes</li> </ul>

<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"> <li>• Member and officer induction and appraisal programmes</li> <li>• Corporate Risk Register review</li> <li>• Whistleblowing Policy for Members</li> <li>• Whistleblowing Policy for Officers</li> </ul>
<p><b>Developing leadership capacity</b></p> <p>Developing protocols to ensure elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship, and that a shared understanding of roles and objectives is maintained</p> <p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p> <p>Ensuring the Chair and Chief Executive Officer have clearly defined and distinctive leadership roles within a structure whereby the CEO leads in implementing strategy and managing the delivery of services and other outputs set by members, and each provides a check and a balance for each other's authority</p> <p>Developing the capabilities of members and senior management to achieve effective leadership, and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks</p>	<ul style="list-style-type: none"> <li>• Director of Finance compliance with CIPFA Statement on the Role of the Chief Finance Officer in Local Government</li> <li>• Conditions of employment and HR policies</li> <li>• Contract management in respect of externally provided services</li> <li>• Data Protection Officer in place</li> <li>• Financial Regulations and Standing Orders</li> <li>• Member and officer appraisal programmes, Member Development Protocol</li> <li>• Member workshops on key issues</li> <li>• Monitoring Officer appointed by BA</li> <li>• Scheme of Powers delegated to Chief Executive and other authorised officers</li> <li>• Standards Committee</li> <li>• Standing Orders for the Regulation of Authority Proceedings</li> <li>• Terms of Reference for Committees</li> </ul>

<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>	
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**Table 6**

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

Sub-principles	Our evidence to support this principle
<p><b>Managing risk</b></p> <p>Recognising risk management is integral to all activities and must be considered in all aspects of decision making</p> <p>Implementing robust and integrated risk management arrangements and making sure they work effectively</p> <p>Allocating clear responsibilities for managing individual risks</p>	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Corporate Risk Register (reviewed every 3 months and reported to every meeting of the Risk, Audit and Governance Committee)</li> <li>• Counter Fraud, Corruption and Bribery Strategy and Response Plan</li> <li>• Risk analysis in BA reports</li> <li>• Risk Management Policy</li> </ul>
<p><b>Managing performance</b></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,</p>	<ul style="list-style-type: none"> <li>• Risk, Audit and Governance Committee</li> <li>• Capital, Treasury and Investment Policy</li> <li>• Chairs’ Group</li> <li>• Financial Monitoring</li> <li>• Financial Regulations and procedures</li> <li>• Management Team and Section Head reviews of Directorate work plans and budgets</li> <li>• Procurement Strategy</li> </ul>

<p>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 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"> <li>• Regular finance reports to BA, Risk, Audit &amp; Governance Committee and Navigation Committee</li> <li>• Risk and financial implications in reports to BA</li> <li>• Standing Orders Relating to Contracts</li> <li>• Statement of Accounts follows directorate headings</li> <li>• Terms of Reference for Committees</li> </ul>
<p><b>Developing robust internal control</b></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"> <li>• Annual Governance Statement and Action Plan</li> <li>• Annual Internal Audit plans include key controls and corporate governance</li> <li>• Annual Report and Opinion provided by Head of Internal Audit with reference to governance, risk management and internal control arrangements</li> <li>• Risk, Audit and Governance Committee</li> <li>• Capital, Treasury, and Investment Strategy</li> <li>• Codes of Conduct for Employees, for Members, and for Planning Committee Members and Standing Orders Relating to Contracts</li> <li>• Counter Fraud, Corruption and Bribery Strategy and Response Plan</li> <li>• Disciplinary Procedures for Officers</li> <li>• Effective internal audit function resourced and maintained</li> </ul>

	<ul style="list-style-type: none"> <li>• Financial Regulations, Contract Standing Orders and Procurement Strategy</li> <li>• Internal and external annual audit processes</li> <li>• Local Protocol on Member and Officer Relations</li> <li>• Monitoring Officer Protocol</li> <li>• Procurement Strategy</li> <li>• Publication of reports and meeting minutes showing declarations of interest made</li> <li>• Risk Owners (e.g., reporting to Corporate Risk Register)</li> <li>• Scheme of Powers delegated to Chief Executive and other authorised officers</li> <li>• Standing Orders Relating to Contracts</li> <li>• Training for Members</li> </ul>
<p><b>Managing data</b></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> <p>Regularly reviewing and auditing the quality and accuracy of data used in decision making and performance monitoring</p>	<ul style="list-style-type: none"> <li>• Annual Governance Statement</li> <li>• Data and Information Retention Policy</li> <li>• Data Asset Register, Privacy Notices and Protection policy</li> <li>• Data Protection Officer and deputy (qualified Data Practitioner), data protection training to Members and officers</li> <li>• Encryption of portable devices</li> <li>• IT security arrangements</li> <li>• Review of contracts to ensure data security provisions are incorporated</li> <li>• Statement of Accounts narrative report</li> </ul>
<p><b>Having strong public financial management</b></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"> <li>• 3-year Financial Strategy</li> <li>• Annual budget and budget management procedures</li> <li>• Annual Business Plan</li> <li>• Annual Statement of Accounts</li> <li>• Assessment against CIPFA Financial Management Code</li> <li>• Asset Management Strategy</li> <li>• Capital, Treasury, and Investment Strategy</li> </ul>

	<ul style="list-style-type: none"> <li>• Chief Finance Officer compliance with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government</li> <li>• Earmarked reserves for long-term replacement of assets</li> <li>• External Audit reports</li> <li>• Financial Regulations and procedures</li> <li>• Financial statements</li> <li>• Reports to BA include financial and risk considerations</li> </ul>
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**Table 7**

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

Sub-principles	Our evidence to support this principle
<p><b>Implementing good practice in transparency</b></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"> <li>• Annual Governance Statement and Action Plan</li> <li>• Information published in respect of expenditure over £250</li> <li>• Monthly data published on BA website in line with Local Government Transparency Code</li> <li>• Payment performance statistics for invoices paid within 30 days published on the website on an annual basis</li> <li>• Record of delegated decisions</li> <li>• Scheme of Powers delegated to Chief Executive and other authorised officers</li> <li>• Compliance with the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations (2018)</li> </ul>
<p><b>Implementing good practice in reporting</b></p>	<ul style="list-style-type: none"> <li>• Annual Governance Statement and Action Plan</li> <li>• Broads Plan 6-monthly progress reports</li> </ul>

<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"> <li>• S17 officer reporting requirements</li> <li>• Statements of Accounts narrative report</li> <li>• Strategic Direction reports (BA annual strategic priorities)</li> </ul>
<p><b>Developing assurance and effective accountability</b></p> <p>Acting upon recommendations for corrective action made by external audit</p> <p>Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements, and acting upon recommendations</p> <p>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p> <p>Gaining assurance on risks associated with delivering services</p>	<ul style="list-style-type: none"> <li>• Annual Governance Statement and Action Plan</li> <li>• Attendance of internal and external auditors at Risk, Audit and Governance Committee (RAGC)</li> <li>• Audit actions formally logged, followed up and reported to RAGC</li> <li>• Corporate and Directorate Risk Registers</li> <li>• Follow up internal audit recommendations by Director of Finance and Senior Accountant and reported to every RAGC</li> <li>• Head of Internal Audit compliance with CIPFA Statement on the Role of the Head of Internal Audit</li> <li>• Internal audit function delivered by contract and meets PSIAS requirements</li> <li>•</li> </ul>

<p>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>	
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# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 11

## Risk Management Policy

Report by Head of Governance

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### Summary

The Authority's Risk Management Policy has been reviewed and updated

### Recommendation

The Risk Management Policy and Risk Appetite Statement is recommended to the Broads Authority for adoption.

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## 1. Introduction

- 1.1. The Broads Authority has a Risk Management Policy (RMP) setting out the rules and standards for corporate and operational risk management, which is typically scheduled to be reviewed and updated every two years. The RMP guides staff in monitoring and managing risk on a day-to-day basis when planning or implementing activities.
- 1.2. This RMP was last updated on 15 March 2024 and not scheduled to be updated until 2026. However, since adoption of the Policy, the TIAA has undertaken an Assurance Review of Corporate Governance and Risk Management in February 2025. The details of which can be found under agenda item 13, Implementation of internal audit recommendations and summary of progress. This includes recommended changes to the RMP for the Risk, Audit and Governance Committee to consider and endorse on 23 July 2025, and for the Broads Authority to consider for adoption on 25 July 2025.

## 2. Updated Policy

- 2.1. The Management Team recently reviewed the TIAA recommendations and have incorporated changes into the revised RMP:
- 2.2. The revised policy includes the following recommended changes:
  - to include a risk appetite statement,
  - a process for identifying risk appetite,
  - add details on the process for the review of low scoring, high frequency risks, and high scoring low frequency risks and closing risks,

- resourcing for the day-to-day co-ordination of risk management processes,
- a new process (Risk Proforma) is now available on SharePoint for capturing new risks, and
- Corporate Risk Register should consider additional information such as controls, assurance, gaps, deadlines, owners and targets in line with risk appetite.

2.3. A copy of the updated policy (with tracked changes) is attached at Appendix 1.

### 3. Options considered

3.1. As the Corporate Risk Register is updated every six months, we took the opportunity to work with the MT to revise the RMP, create the Risk Appetite Statement and Corporate Risk Register all at the same time to align to the audit recommendations. The streamlined process allows the revised RMP to be reviewed and adopted by the members first. Following this, the Authority can present the most current risks immediately, rather than waiting another six months to implement the policy.

3.2. When reviewing the Risk Appetite Statements at other councils, we identified some had included their statement in the policy and others treated the risk appetite statement as a separate document. Given that the Broads Authority RMP is intended to be updated every two years and the Risk Appetite Statement is intended to be a 'living document', the Authority presents our statement as an appendix to the RMP. This approach allows the statement to be updated as needed while protecting the overall integrity of the policy.

3.3. The policy terminology and process align to that being used in the Government's Orange Book on the Management of Risk – Principles and Concepts 2023.

### 4. Conclusion

4.1. Committee Members are asked to review and endorse the revised Risk Management Policy and Risk Appetite Statement for the Broads Authority to consider.

4.2. The outstanding action from the TIAA Assurance Report requires the Standards Committee to discuss changes to the Code of Conduct regarding member attendance. To ensure these infrequent committee meetings are effective, the TIAA recommendation will be considered after the Government completes its review of the Code of Conduct.

Author: Rob Thomas

Date of report: 08 July 2025

[Broads Plan](#) strategic objectives: Themes A, B, C, D, E and F

Appendix 1 – [Risk Management Policy 2025](#)

# Risk management policy

## 1. Introduction

- 1.1. This document sets out the Broads Authority's rules and standards for managing strategic and operational risk, and guides staff in assessing, monitoring and managing risk on a day-to-day basis.

## 2. Defining risk

- 2.1. In this context, 'risk' refers to an uncertain event, or set of events, which may affect the Authority's ability to operate its business or achieve its aims and objectives. An 'uncertain event' is one that might happen, rather than one that will definitely happen or is happening already.
- 2.2. Each risk has the key dimensions of 'likelihood' and 'severity'. Likelihood is the probability the event will happen, while severity is the impact the event would have if it happened.

## 3. Managing risk

- 3.1. The Authority must be able to consider the risks that may threaten or affect the running of its business and delivery of its aims and objectives, and make sure it has controls and mitigation measures in place to minimise those risks.
- 3.2. The international standard for risk management (ISO 31000) sets out useful guidance on risk management, emphasising that it should be integral to all processes and for all staff. Good principles for managing risk are that:
  - It needs to be systematic, structured and timely.
  - It is based on the best available information, including historical data, stakeholder and customer feedback, forecasting and expert judgment. It should be tailored to the organisation's internal and external context and risk profile.
  - It takes human and cultural factors into account, recognising that people's capabilities, behaviours and intentions can either help or hinder the organisation's objectives.
  - It is transparent and inclusive, needing the timely and appropriate involvement of stakeholders and decision makers at each stage, and ensuring proper representation of all those affected.
  - It needs to be iterative, dynamic and responsive to change, taking account of changes in the internal and external environment.
  - It needs to demonstrate continuous improvement.

3.3. Not having risk management procedures in place could result in a failure to identify and monitor risks, or apply appropriate and proportionate mitigation measures. It is also important to bear in mind:

- Our stakeholder and public expectations that we manage risk effectively;
- the demands of legislation and external bodies, such as regulators and auditors;
- the value of risk management in making informed decisions about the effective use of capital and resources, and in reducing costly mistakes or firefighting;
- the desire to make the organisation a better and safer place to work, and for others to work with.

## 4. Roles and responsibilities

### Risk, Audit and Governance Committee

4.1. The Risk, Audit and Governance Committee oversees the development and operation of risk management at a strategic level, and regularly reviews the Corporate Risk Register. The Committee does not review the Directorate Risk Registers.

### Management Team

4.2. Management Team (MT) is responsible for monitoring and managing risk across the organisation and making sure we have effective policies and procedures in place. MT oversees the review of the Risk Management Policy and Corporate Risk Register, with support from the Senior Governance Officer. Any significant corporate issues relating to risk management are brought to the Risk, Audit and Governance Committee's attention.

### Directors

4.3. Directors are responsible for making sure risk management is embedded into the work of their Directorates, that risk owners and all other staff are aware of its importance, and that appropriate mitigation measures are in place. Directors are also responsible for their Directorate Risk Registers, which focus on day-to-day operational activities. They will bring MT's attention to any concerns or instances where ineffective risk management is impacting on the Authority's business or the achievement of its key aims and objectives.

### Risk owners

4.4. Risk owners are responsible for monitoring and managing their assigned risks on a day-to-day basis. They will review their risks at least every six months and make sure the registers are updated accordingly. Risk owners will bring their Director's attention to any concerns or instances where ineffective risk management may be impacting on the Authority's business or the achievement of its key aims and objectives.

## Other staff

- 4.5. Risk management is not a specialist activity or only for nominated 'risk owners'. It is a core part of everyone's job and should be embedded throughout the organisation and its activities. A risk management assessment should be part of planning and implementing all activities, with risks identified and mitigation measures put in place.

## 5. Risk Registers

### Types of register

- 5.1. The Authority maintains a strategic Corporate Risk Register. This is supported by operational Risk Registers for its Strategic Services Directorate, Operations Directorate and Finance & Support Services Directorate.
- 5.2. The **Corporate Risk Register** sets out the 'across the board' risks that could threaten the Authority's core business and the way it operates.
- 5.3. **Directorate Risk Registers** identify risks that could threaten day-to-day operational activities. The Registers are maintained by each Director. Where a new risk identified within a Directorate has a revised risk score above 16 (high risk), it will automatically be referred to the Corporate Risk Register for monitoring by the Risk, Audit and Governance Committee and MT. If new mitigation measures put in place then reduce the risk's score to below 16 (moderate to low risk), the risk will be removed from the Corporate Risk Register, but retained on the Directorate register, unless considered to be a corporate risk.
- 5.4. MT has overall responsibility for the registers, and risk owners are responsible for reviewing and updating their individual risks. Every risk should be reviewed before every Risk, Audit and Governance Committee meeting, or earlier where there is a significant change in circumstances, with a note in the register of the date the risk was last reviewed.

### Format

- 5.5. All registers have the following information:
  - Area impacted by the risk (people, finance, performance, reputation or assets)
  - Risk name and description
  - Date entered on risk register
  - Initial risk scores (likelihood and severity)
  - Tasks to mitigate the risk (controls/safeguards/precautions)
  - Revised risk scores (likelihood and severity)
  - Additional actions required
  - Risk owner (by job title)

## 6. Assessing risk tolerance levels

- 6.1. The Authority assesses risk against the matrix and scoring descriptions in Tables 1 to 4. For each risk, the dimension scores of **likelihood** and **severity** are multiplied to produce an **initial risk score**. When mitigation measures are identified, the two dimensions are scored and multiplied again to produce a **revised risk score**. This score is categorised as being a low, medium or high **level of tolerance**.

**Table 1**

Risk scores matrix

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

**Table 2**

Likelihood definitions

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

**Table 3**

Severity definitions

Schedule	Cost	Performance and quality	Value
<2 weeks delay	<1% of budget	Cosmetic impact only	1 Insignificant
2 weeks to 1 month's delay	1%-<2%	Some minor elements of objectives affected	2 Minor
1 month to <2 months delay	2%-<8%	Significant areas of some objectives affected	3 Moderate
2 months to <4 months delay	8%-<12%	Wide area impact on some objectives	4 Major

Schedule	Cost	Performance and quality	Value
>4 months delay	>12% of budget	Significant failure resulting in the project not meeting its objectives	5 Extreme

**Table 4**

Risk level tolerance

Total score	Risk treatment
High 16-25 Red risk	Risks are so significant that risk treatment is mandatory
Medium 6-15 Amber risk	Risks require a cost benefit analysis to determine the most appropriate treatment
Low 1-5 Green risk	Risks can be regarded as negligible, or so small that no risk treatment is required

- 6.2. When a potential new action or objective is assessed for risk, MT will review the revised risk score suggested by the risk owner to make sure it is robust and reasonable.
- 6.3. Where a risk score is above the tolerance level of 16 (high risk), the Chief Executive will immediately bring the risk to the attention of the Chair of the Authority and the Chair of the Risk, Audit and Governance Committee.

## 7. Risk management tools

### Risk identification

- 7.1. Identifying a new risk can happen at any time, but is most likely:
- when the Authority takes on a new responsibility, scheme or project;
  - as a result of an unforeseen incident or event; or
  - as part of the annual review of risks by MT or Directorate teams.
- 7.2. A number of tools can help with risk identification, including those outlined below.
- PESTLE looks at factors outside the organisation that can influence it, and stands for:
- Political – government policy and stability
  - Economic – employment rates, material costs and interest/exchange rates
  - Social – demographics, cultural trends and changes in lifestyle
  - Technology – innovation and development
  - Legal – employment, health and safety legislation and regulations
  - Environmental – climate, carbon footprint, sustainability, recycling, waste disposal

APRICOT looks at factors within the organisation that may be affected, and stands for:

- Assets – land, buildings, contents, materials and equipment
- People – safe working systems, health and welfare
- Reputation – poor media coverage, political embarrassment
- Information – IT failures
- Continuity of Operations – failure to deliver or poor service
- Targets – failure to meet strategic objectives and achieve value for money

7.3. The staff intranet includes a section on risk management and safety which includes a Risk Assessment Template for identifying new risks.

### Risk mitigation

7.4. Once a risk is identified, mitigation measures need to be considered. Initially, this can be defined simply as ‘tolerate, transfer, treat or terminate’.

7.5. A new risk should be reported to the appropriate Director as soon as possible by any officer so it can be entered in the relevant Directorate Risk Register. The Director will then assess whether the risk should be entered in the Corporate Risk Register.

7.6. When a new corporate risk is identified, MT will assess the risk appetite, mitigating measures in place or proposed, and whether these will manage the risk to ‘as low as reasonably practicable’. This process looks at whether the likelihood and severity of the risk is addressed adequately, and whether the Authority needs to enter into the risk, assuming it is optional, bearing in mind how the activity itself will further the Authority’s objectives and the level of risk associated with it.

### Risk appetite

7.7. The Broads Authority’s “risk appetite” is the amount of risk the organisation is willing to accept in the pursuit of its long-term objectives.

7.8. The overall risk appetite is set by the MT and is reviewed periodically in Appendix 1. This provides guidance to everyone on acceptable levels of risk taking, to encourage a consistent approach to risk management.

7.9. The following risk appetite definitions should be used to assess the overall Risk Appetite Statement and against each of the risks in the Directorate Risk Register as being ‘averse’, ‘minimal’, ‘cautious’, ‘open’ and ‘eager’.

7.10. Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.

## Risk Appetite Statement

~~7.6.~~7.11. The Risk Appetite Statement is a standalone document, in appendix 1, that provides an overall view of risk appetite across the Broads Authority. It is considered a "live document" and will be updated periodically by the MT.

## 8. Review timetable

8.1. In addition to the regular review by risk owners, MT will review the ~~Corporate~~-Risk Registers regularly to consider whether:

- the identified risks are appropriate and up-to-date;
- the actions, targets, ~~and~~ controls and assurances in place are adequate and appropriate;
- establishing deadlines for implementing actions;
- allocating owners to each risk;
- allocating the appropriate resources to coordinate and action;
- the revised risk score is appropriate;
- any additional action is needed to help mitigate the risk;
- any new risks should be added to the Register, either for new activities or for existing activities where the risk level may have increased;
- to review low scoring but high frequent risks and high scoring but low frequent risks; and
- to close risks with a score of 16 or less unless requested by members to remain on the registers.

8.2. The Corporate Risk Register will be reviewed at every meeting of the Risk, Audit and Governance Committee. Where a risk score has increased, the reasons for the change will be set out.

Policy updated: March 2024

Next update due: March 2026

Contact officer: Head of Governance ~~Senior Governance Officer~~

Appendix 1: Broads Authority's Risk Appetite Statement 2025

# Risk Appetite Statement

June 2025

## Contents

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# 1. Introduction

The Vision for the Broads National Park is based on Department for Environment, Food and Rural Affairs (DEFRA's) vision for protected landscapes:

'A coherent national network of beautiful, nature-rich spaces that all parts of society can easily access and enjoy. Protected landscapes will support thriving local communities and economies, improve our public health and wellbeing, drive forward nature recovery, and build our resilience to climate change.'

The Broads Authority is unique in that it is also responsible for water navigation within the National Park.

The Broads Authority has a duty to manage the Broads for the following three purposes:

- 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.

The Broads Plan 2022- 2027 has outlined six themes / objectives with ambitious plans to deliver:

- THEME A: Responding to Climate Change and Flood Risk
- THEME B: Improving Landscaping for Biodiversity and Agriculture
- THEME C: Maintaining and Enhancing the Navigation
- THEME D: Protecting Landscaping Character and the Historic Environment
- THEME E: Promoting Understanding and Enjoyment
- THEME F: Connecting and Inspiring Communities

The Broads Authority's risk appetite, outlined in our Risk Management Policy, is the amount of risk the organisation is willing to accept in the pursuit of these objectives. The Government has stated:

"Public Sector organisations cannot be risk averse and be successful. Risk is inherent in everything we do to deliver high-quality services. Effective and meaningful risk management in government remains as important as ever in taking a balanced view to managing opportunity and risk. It must be an integral part of informed decision-making..."  
(Government's Orange Book).

While certain parts of the Broads Authority operate within strict statutory or professional frameworks, the inherent nature of working outdoors, particularly in a National Park and

near water, involves tasks that carry risk. However, many of these risks can be measured and managed effectively to achieve our objectives.

## **2. Broads Authority Risk Appetite**

The Broads Authority overall risk appetite is minimal and work towards very safe business delivery options that have a low degree of inherent risk.

As you will see in the table below there are some parts of the Authority that are more cautious than others in delivering the organisations objectives.

### 3. Broads Authority Risk Appetite by Category

The following table assesses risk categories against the risk appetite methodology.

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
Strategic			Planning	Strategy & Projects		<p>We are mindful of the risks relating to Planning and the statutory requirements from central government in relation to the natural and built environment. We have a cautious appetite to risk to preparing Planning Policy. In terms of Supplementary Planning Documents used to advise the public of best practice we also have a cautious approach.</p> <p>Externally funded projects inherently carry risk. Test and trial, discovery and innovation projects should be more open to project level risks. These projects have risk registers with identified mitigations to help reduce risks and impacts. Therefore, we are taking an open approach, while considering the impacts of risk 9 in our Corporate Risk Register (CRR).</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
Governance		Governance				<p>We are mindful of the risks associated with our governance and the potential for harmful actions to undermine public confidence in the Broads Authority as outlined in CRR Risk 2. We recognise our statutory responsibilities in delivering plans, priorities, decision-making, accountability and performance.</p> <p>We actively seek new ways of working to support members in making more efficient and effective decisions. Consequently, we strive for safe business delivery options with a low degree of inherent risk.</p>
Operations Project/Programme Commercial		Construction Maintenance & Ecology Rangers Safety Planning	Construction Maintenance & Ecology Rangers			<p>We are aware of the risk that disruption to key project partners could have on delivering our objectives as outlined in CRR Risk 9. We work collaboratively between internal teams (ecology, navigation, access) and external partners (landowners, Non-Government Organisations, Natural England, Environment Agency) to jointly plan our work to minimise disruption and active implementation of the PRINCE2 project management framework. We therefore take</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						<p>a cautious approach to implementing our programme.</p> <p>We are aware of safety-related incidents from operational works could result in death or serious injury as outlined in CRR Risk 7. We follow operational safety assurance with comprehensive Provision and Use of Work Equipment Regulations / Lifting Operations and Lifting Equipment Regulations compliance checks; staff and contractor competence assessments; specific risk assessments for all works and equipment use. We therefore take a minimal risk approach to this work.</p> <p>Our Ranger Services involves approaching public to challenge and change behaviour. This is important for the safety of the person being spoken to and sometimes others. The unknown is how the person will react to the approach. There are several mitigations and procedures in place to ensure the Ranger are safe while doing this but ultimately depends on the dynamic risk assessment of the Ranger at the time. Therefore, our approach to this work is cautious.</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						<p>Rangers carry out regular, routine checks on all infrastructure, like the safety of moorings and navigation areas, to ensure the risk to boaters navigating is minimised. Given the risk associated to this work we take a minimal approach.</p> <p>The Construction, Maintenance and Ecology Team undertake regular reviews and implementation of safe management systems and safe systems of work for all relevant work processes to prevent incidents and accidents. Effective monitoring of incidents, accidents, associated hazards and relevant data in development of these systems. Therefore, our approach to this work is minimal.</p> <p>Planning risks arising from expectations of public in requesting information and professional advice in relation to development and the need for planning permission. Similarly works to listed buildings and trees, Section 106 agreements, Section 33 planning zones, Section 111 functional duties and unilateral agreements. We therefore take a minimal approach to</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						processing all types of applications and agreements.
Legal	Planning	Construction Maintenance & Ecology  Rangers				<p>We are mindful of the risks associated with failing to meet our environmental responsibilities, which could undermine public trust in the Broads Authority and compromise our statutory purposes (CRR Risk 6). We recognise our legal obligations in areas such as biodiversity net gain, protected species, and environmental permitting. To ensure compliance, we embed environmental regulations into all operational activities through our internal ecology team. We maintain regular engagement with the Environment Agency and Natural England. We conduct routine audits to monitor performance and identify areas for improvement. We are committed to continuous improvement and seek innovative, minimal approaches to delivering our environmental duties effectively and transparently.</p> <p>Risks arise from processing all types of planning applications and legal agreements. Managing public expectations when people</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						<p>request information and professional advice about development and whether planning permission is needed. Handling complaints and unauthorised works can lead to enforcement actions or even court proceedings, which carry higher risks. We only pursue prosecutions when there is strong, clear evidence and Byelaw offences are clearly established. As a result, our approach to enforcement is averse.</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
Property		Construction Maintenance & Ecology				We recognise the critical importance of maintaining the integrity and safety of our physical assets, including plant, vessels, depots, and navigation structures, in line with our statutory responsibilities (CRR Risk 3). To mitigate risks, we implement robust maintenance schedules, condition monitoring, and environmental safeguards to prevent pollution or degradation during operational works. These measures are essential to ensure safe, compliant and sustainable service delivery. We are aware of the potential risks arising from asset deficiencies or ineffective safety management, which could result in non-compliance, harm to employees, contractors, service users, or the public. Therefore, our approach is minimal.
Financial	Finance	Construction Maintenance & Ecology				We are aware of the risks associated with reduced income and increasing costs, which may impact our ability to deliver statutory functions and Broads Plan objectives (CRR Risk 4). To manage these pressures, we balance in-house delivery with external contracting, optimise plant deployment, and actively seek external funding through

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						<p>grants and partnerships. We also recognise that poor or incomplete safety processes can lead to incidents, staff absence, public claims, and costly legal proceedings. Therefore, Construction and Maintenance &amp; Ecology take a minimal approach to finance, with a strong focus on safe, efficient, and low-risk delivery.</p> <p>We are aware there are risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting. Currently the risk appetite for investments is risk averse and is included as part of the annual Capital, Treasury and Investment strategy. Poor management of funds can lead to governance, legal and reputational damage.</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
People		Our people				<p>People are critical to everything we do. There are lots of different career, within the varied work of the Authority, from Rangers and Ecologists to Press, Finance and Planning Officers. We are aware of the impact risk have on our people to meet our objectives. This includes the loss of key staff (CRR Risk 1), large-scale public health crisis (CRR Risk 5) and Safety-related incidents (operational works) resulting in death or serious injury (CRR Risk 7). We undertake succession planning and cross-cutting training across 40 staff and apprentices to mitigate loss of expertise. We undertake operational safety assurance to make our staff, volunteers and visitors safe. We follow relevant employment legislation and policies to support our people and deliver performance. Therefore, we take a minimal approach to risk appetite with people.</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
Technology	Technology					<p>We are aware of risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.</p> <p>The Authority actively seeks to deploy systems that are up to date, deliver resilience and ease of use while being secure and relevant to the task in hand. We therefore adopt an adverse stance towards technology.</p>
Information	Technology					<p>We are aware of the risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential. This is outlined in our CRR Risk 10. Implementation of secure GDPR compliant data systems is mandatory. The Authority is Cyber aware and undertakes vulnerability testing on a regular basis. We therefore adopt an adverse stance towards information management.</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
Security	Technology					<p>We are aware of the risks arising from a failure to prevent unauthorised and/or inappropriate access to key government systems and assets, including people, platforms, information and resources. This encompasses the subset of cyber security. This is a key risk for our organisation as discussed in CRR Risk 11.</p> <p>Both on premise and cloud solutions are locked down to allow only authorised access. Wherever possible the Authority will implement multi factor authentication to verify user access. We therefore adopt an adverse stance towards security.</p>
Reputational		Construction Maintenance & Ecology				<p>The Authority recognises the need for transparency and honesty in all circumstances including, but not limited to decision making, adverse events or service failures. We actively seek to foster positive relationships with media organisations while challenging inaccurate or unbalanced media coverage.</p> <p>We seek to promote a positive reputation and minimise the risk of incidents which could lead to a negative perception of the</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						<p>organisation and the appeal of the area. The Authority seeks to engage positively and proactively with media, partners and stakeholders and through its own communication channels.</p> <p>The Authority promotes safe practices regarding boating and water safety throughout a range of communications and interactions to minimise the possibility of accidents.</p> <p>Our communication activity is underpinned with a suite of policy documents:</p> <ul style="list-style-type: none"> <li>• Communications and Branding Approach (2022)</li> <li>• Emergency Communications Plan (2022)</li> <li>• Social Media Guidance (2017)</li> <li>• Customer Service Standards (2020)</li> <li>• Branding guidelines</li> <li>• Accessibility guidelines and templates</li> </ul> <p>Development, regular review and implementation of processes and policies that allow safe management of the Broads area. The Authority strives to effectively discharge its responsibilities for health and safety, protecting its staff and volunteers,</p>

Risk Category	Averse	Minimal	Cautious	Open	Eager	Comments
						visitors, and users of the waterways. Good and viable communication of these and them being understood and seen to be effective is highly linked to a positive reputation.

## 4. Terminology and Definitions

The following table provides the definitions of each appetite and level of acceptable risk.

Descriptions come from the Government [Risk Appetite Guidance Note August 2021](#).

Appetite	Definitions	Level of Acceptable Risk
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.	None
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.	Low
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.	Medium
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.	High
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.	Very High

The following table provides a definition of each recommended risk category.

Recommended risk categories and definitions are set out on the [Government's Orange Book](#).

<b>Risk Category</b>	<b>Definition</b>
Governance	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change)
Operations	Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money
Legal	Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).
Property	Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Financial	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting
Commercial	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and /or failure to meet business requirements/objectives

<b>Risk Category</b>	<b>Definition</b>
People	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, Page 16 industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
Technology	Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.
Information	Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.
Security	Risks arising from a failure to prevent unauthorised and/or inappropriate access to key government systems and assets, including people, platforms, information and resources. This encompasses the subset of cyber security.
Project/Programme	Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
Reputational	Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations

# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 12

## Corporate Risk Register

Report by Head of Governance

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### Summary

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

### Recommendation

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

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## 1. Introduction

- 1.1. The Risk, Audit and Governance Committee's responsibilities for risk are set out in its Terms of Reference.
- 1.2. The Corporate Risk Register (CRR) sets out the "across the board" risks that could threaten the Authority's core business and the way it operates. Below this are Directorate Risk Registers (DRR) which are managed by each Director and identify risk that could threaten day to day operational activities. Where a new risk identified within a directorate has a revised risk score above 16 (high risk) it is automatically referred to the CRR for monitoring by Management Team and this committee. If new mitigation measures are implemented which reduce the risk's score to below 16 (moderate to low risk), the risk is removed from the CRR but retained on the DRR.
- 1.3. As requested at the meeting on 21 September 2021, the Corporate Risk Register is presented at every Risk, Audit and Governance Committee meeting.
- 1.4. The Management Team has overall responsibility for the risk registers and policy, and risk owners are responsible for reviewing and updating their individual risk. Every risk is reviewed regularly or when there is a significant change in circumstances.
- 1.5. Considering the reduction in National Park Grant for 2025/26 and ongoing uncertainty over future year settlements, the Management Team continue to review the impact and likelihood this will have on the organisation achieving its strategic objectives. The most up to date information is reflected in both the CRR and DRR.

## 2. Review of risk registers

- 2.1. The content of the CRR was reviewed by Management Team in early July, following a review of the DRRs, and the updated register is at Appendix 1.

- 2.2. Changes to the register are made using tracked changes.
- 2.3. Any changes to the risk scores are identified with the relevant arrow, e.g. ↔ ↓↑.
- 2.4. Overall, there have been no new risks added to, or any risks deleted from, the register.

### 3. Risk Management Policy

- 3.1. The Authority also has a Risk Management Policy which is being reviewed as part of this agenda.
- 3.2. The Risk Management Policy sets out the rules and standards for managing strategic and operational risk and guides staff in assessing, monitoring and managing risk.

Author: Head of Governance

Date of report: 08 July 2025

[Broads Plan](#) strategic objectives: All objectives are covered in the Risk Register.

Appendix 1 – [Corporate Risk Register June 2025](#)

# Broads Authority Corporate Risk Register

(Updated ~~January~~June 2025)

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## Explanatory Notes

**Risk name:** risk that may affect the Broads Authority

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

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

**Risk owner:** ultimately responsible for risk

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

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

### Risk score matrix

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

### Likelihood definitions

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

### Severity definitions

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

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

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

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

## Risk 1. Loss of key staff

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

**Primary impact areas:** People, performance

**Risk owner:** Chief Executive

**Date first entered on register** 19/08/2019

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

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

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

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## Risk 2 Harmful actions undermining public confidence in Broads Authority

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

**Primary impact areas:** Reputation

**Risk owner:** Chief Executive

**Date first entered on register** 19/08/2019

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

<b>Initial likelihood</b>	4	<b>Initial severity</b>	4	<b>Initial risk score</b>	16
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**Tasks to mitigate risk:** Code of Conduct for Members ([updated March 2025](#)) in place containing Nolan Principles of Conduct, and training given to all Members.  
Code of Practice for Members of the Planning Committee and officers (July 2023).  
Code of Conduct for Officers included with HR policies.  
Director and Senior Governance Officer trained in Data Protection and GDPR; staff have specific data protection training, refreshed annually.  
Protocol on Member and Officer Relations in place (updated 2021).  
Scheme of Powers Delegated to CEO and other authorised officers (updated Sept 2023).  
Proactive communication policies relating to local and social media in place.  
Monitoring Officer and Deputy Monitoring Officer in place (service agreement with Wilkin Chapman LLP), with specialisms in Local Authority governance and Code of Conduct issues.  
Monitoring Officer Protocol adopted by the Authority in September 2023.  
In January 2023, Members received findings and recommendations of an independent investigation into a formal complaint about a planning matter.  
All the recommendations from the VWV report have been implemented. Of particular significance is amending the ToR for the Risk, Audit & Governance Committee and establishing a Standards Committee.  
Revised Standing Orders adopted by the BA in Nov. 2024 for implementation wef 1 Jan. 2025

<b>Revised likelihood</b>	3	<b>Revised severity</b>	2	<b>Revised risk score</b>	6↔
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**Additional actions required:** [Review Member Code of Conduct by May 2025](#)

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### Risk 3      Assets

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

**Primary impact areas:**    loss of physical assets

**Risk owner:**                    Director of Operations

**Date first entered on register**    19/08/2019

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

<b>Initial likelihood</b>	3	<b>Initial severity</b>	4	<b>Initial risk score</b>	12
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**Tasks to mitigate risk:**      Asset Management Strategy in place. Integrated Access Strategy and Moorings Strategy in place (Adopted by the Authority March 2024)).  
 Rail bridges: Legal undertaking in place with Network Rail regarding bridge operations. BA in contact with key Network Rail Officers to respond to bridge issues. Insurance in place for equipment and buildings over £250 - cover includes business interruption for Yare House and Dockyard.  
 Integrated Access Strategy reviewed and adopted in March 2024.  
 Landowner negotiations processes in place.  
 Programmed inspection regime in place and regular maintenance carried out.

<b>Revised likelihood</b>	3	<b>Revised severity</b>	2	<b>Revised risk score</b>	6↔
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**Additional actions required:**    Review of contributions to reserves to ensure they remain appropriate for future purchases and repairs.  
 Property consultants to review repair and maintenance liability every 10 years, next scheduled for 2026/27.

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## Risk 4 Reduction in income and increase in costs

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

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

**Primary impact areas:** Finance

**Risk owner:** Director of Finance

**Date first entered on register** 19/08/2019

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

<b>Initial likelihood</b>	4	<b>Initial severity</b>	5	<b>Initial risk score</b>	20 ↑
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**Tasks to mitigate risk:** Regular contact with Government (DEFRA) regarding Comprehensive Spending Review.  
 Consideration of external funding opportunities to plug any gaps.  
 Regular input to Government consultations.  
 Prudent budgeting for Navigation and National Park expenditure. Reserves in place to mitigate against sudden drop in income.  
 Significant blocks of work delivered through external funds won by Authority.  
 Annual training in cybercrime given to all staff.  
 Review of minimum reserves undertaken and reviewed by MT prior to 2023/24 budget setting.  
 Energy insights used in budget setting process to determine impact of potential changes in the price cap.  
 Change of splits between National Park and Navigation recommended as part of 2023/24 toll and budget setting.  
 Finance monthly review of actuals compared to the latest available budget to assist budget holders to take appropriate action.  
 Reducing expenditure to reflect reduced/declining income.

<b>Revised likelihood</b>	3	<b>Revised severity</b>	3	<b>Revised risk score</b>	9 ↑
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**Additional actions required:** Model expenditure options ~~depending~~ are being considered based on ~~proposed~~ the new grant set lement and toll increases (Aug 2025).  
 Make provision for reduction in tolls income.  
 Explore options on income generation.  
 Toll/Budget workshop to be held with members Autumn 2025.  
 Training for all staff to be delivered via ELMs on Counter fraud, bribery and corruption annually.

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## Risk 5 Large-scale public health crisis

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

**Primary impact areas:** people; performance

**Risk owner:** Chief Executive

**Date first entered on register** 02/07/2020

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

<b>Initial likelihood</b>	3	<b>Initial severity</b>	5	<b>Initial risk score</b>	15↓
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**Tasks to mitigate risk:** COVID Testing kits are freely available to staff to test and take the appropriate actions if found to be infected with a COVID-19 virus strain.  
 Yare House, TICs and remote offices and facilities risk assessed and WFH measures in place for staff (where role allows). Key services (Safety Management) maintained within executive area.  
 Clear and concise internal and external communications in place.  
 Business continuity/disaster recovery plan and incident reporting system in place and reviewed regularly. Incident response team meet as required to determine appropriate actions, services and measures to respond to crisis.  
 Broads Authority convened to establish emergency powers and delegated powers needed to run the Authority.  
 Communication links in place with relevant Government departments to assess measures, clarify advice and safeguard funding.  
 Key services, budgets and reserves reviewed to safeguard delivery of Broads Plan priorities and externally funded projects.

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

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

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

**Primary impact areas:** performance

**Risk owner:** Chief Executive

**Date first entered on register** 19/08/2019

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

<b>Initial likelihood</b>	3	<b>Initial severity</b>	5	<b>Initial risk score</b>	15
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**Tasks to mitigate risk:** Provision of external legal services and Monitoring Officer (MO) in place until November 2025 when transferred in house.  
 Monitoring Officer Protocol adopted by the Authority in September 2023.  
 Constitutional documents in place and regularly reviewed.  
 Strategic plans (incl. Broads Plan) and Broads Local Plan subject to review and to Sustainability Appraisal/SEA and Habitats Regulations Assessment.  
 Detailed environmental practices in place, including Environmental Standard Operating Procedures.  
 Collaborative working in place with key stakeholders to understand and address issues and risks.  
 Officer level project boards in place with Wildlife Trusts, Natural England and Environment Agency to monitor progress and ensure compliance with statutory regulations.  
 Scientific research and monitoring ongoing to assess impacts, and mitigation measures developed if potential harm identified.

<b>Revised likelihood</b>	2	<b>Revised severity</b>	2	<b>Revised risk score</b>	4↔
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**Additional actions required:** Monitor annual external legal ~~and~~-MO services ~~on an annual basis~~.  
Transfer MO services in house once training completed (Nov 2025)  
 Continue review of Broads Local Plan.

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

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

**Primary impact areas:** People

**Risk owner:** Director of Operations

**Date first entered on register** 19/08/2019

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

<b>Initial likelihood</b>	5	<b>Initial severity</b>	5	<b>Initial risk score</b>	25
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**Tasks to mitigate risk:** Health and safety policies in place and reviewed regularly by H&S Committee and risk owners.  
H&S Committee monitors and reviews incident reports; risk assessments are reviewed and updated regularly.  
All staff and volunteers trained in key H&S issues; regular toolbox talks given before carrying out tasks.  
Health Screening and Assessments for Noise and hand-arm vibration are provided to the appropriate staff.  
Safety observations system in place to record near misses and learn from incidents that nearly happened. All accidents are investigated; regular audits are used to check control measures.  
Insurance is in place for legal expenses.  
Quarterly reports on H&S monitoring assessed by the Management Team.  
Safety system externally audited to ensure fit for purpose and compliance.  
External review of Hazard logs under the PMSC carried out in 2023, using the Boat Safety Management Group (next scheduled review in 2026).  
The Health, Safety & Wellbeing Policy was reviewed and adopted by the Authority in September 2024.

<b>Revised likelihood</b>	2	<b>Revised severity</b>	5	<b>Revised risk score</b>	10↔
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**Additional actions required:** Monitor changes in H&S legislation.  
Continuous monitoring of industry best practice and implement changes where required.  
Report on Health & Safety, Audit results from PMSC and internal H&S Audit programme due to Navigation Committee in 2025/2026.

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

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

**Primary impact areas:** Reputation

**Risk owner:** Director of Operations

**Date first entered on register** 18/06/2021

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

<b>Initial likelihood</b>	5	<b>Initial severity</b>	5	<b>Initial risk score</b>	25
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**Tasks to mitigate risk:** Safety videos were provided to boat hirers in advance of the holiday.  
Improved safety information provided by Broads Authority webpages.  
Ranger services in place providing advice to waterways users.  
Survey of HBO handover procedures carried out to assess efficacy.  
Broadcaster, pre-visit training videos and other safety information provided to boat hirers.  
Joint training for fast water locations provided by Rangers and safety partners at GYYS. Hire Boat licensing and audit of licensees in place. A program of spot checks and handover observations carried out.  
Boat Safety Scheme and inspections in place.  
Compulsory 3rd party insurance in place for boats.  
Implemented the new Hire Boat Code, which includes the Quality Boatyard Accredited scheme, as well as HB licencing requirements for hirers of paddle craft (introduced in 2022).  
Refresher training for Hire Operator staff on fast tidal waters by Rangers and safety partners delivered in 2024 at GYYS.

[Annual programme of summer spot check of Hire Boat operators.](#)

<b>Revised likelihood</b>	3	<b>Revised severity</b>	5	<b>Revised risk score</b>	15↔
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**Additional actions required:** Refresher training for Hire Operator staff on fast tidal waters by Rangers and safety Partners to be reviewed in 2025 at GYYS.

Review of safety incident data from [2024/25](#)[2025/26](#) so trends and key areas to review can be determined Spring [2025-2026](#).

~~[Program of summer 2025 spot check HB operators to be developed.](#)~~

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## Risk 9 Disruption to key project partnerships

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

**Primary impact areas:** Reputation; performance

**Risk owner:** Chief Executive

**Date first entered on register** 19/08/2019

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

<b>Initial likelihood</b>	2	<b>Initial severity</b>	1	<b>Initial risk score</b>	2↓
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**Tasks to mitigate risk:** Contractual arrangements in place for key partnerships (see Partnerships Register). Projects risk register maintained for Fibreboards projects. Regular project progress reported to Broads Authority. Proactive role maintained within formal and informal partnerships at officer and member level. Regular meetings held with funders to discuss progress and highlight issues in timing or delivery.

<b>Revised likelihood</b>	1	<b>Revised severity</b>	1	<b>Revised risk score</b>	1↓
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**Additional actions required:** Partnerships Register reviewed regularly ([next update due in](#) Nov 2025).

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## Risk 10 A Cyber security event or a loss of service

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

**Primary impact areas:** performance; reputation

**Risk owner:** Director of Finance

**Date first entered on register** 19/08/2019

**Workplan ref:** FD8

<b>Initial likelihood</b>	4	<b>Initial severity</b>	4	<b>Initial risk score</b>	16
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**Tasks to mitigate risk:** Data/IT systems are secured through firewalls, anti-virus software, password and security policies, online training for staff and HR policy. Microsoft 365 security features implemented.

Cloud back-ups.

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

ICT security protocols were reviewed in light of staff working from home to ensure compliance.

ICT protocols on automatic deletion were instigated within Microsoft Office 365 as well and the removal of the autofill email tool to reduce message-sending errors.

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

Patching and upgrade policy.

[Regular internal phishing exercises run to identify staff training needs.](#)

<b>Revised likelihood</b>	3	<b>Revised severity</b>	4	<b>Revised risk score</b>	12↑
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**Additional actions required:** Review existing policies on a regular basis to ensure they follow most up to date security measures

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

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

Implementation of any actions identified through the cyber security audit.

Migration of on-premise system and data to cloud

Cost/benefit review of network security scanning

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## Risk 11      A breach in data security or data protection

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

**Primary impact areas:** performance; reputation

**Risk owner:** Director of Operations (Data Protection Officer)

**Date first entered on register** 19/08/2019

**Workplan ref:** FD8

<b>Initial likelihood</b>	4	<b>Initial severity</b>	4	<b>Initial risk score</b>	16
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**Tasks to mitigate risk:** Certified GDPR Data Protection Officer(s) and GDPR Compliance Plan in place, and data protection training given to all staff.

All new staff to the Authority are inducted on Data Protection and the principles of GDPR.

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

Regular ELMS training in Data Security

<b>Revised likelihood</b>	2	<b>Revised severity</b>	4	<b>Revised risk score</b>	8↔
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**Additional actions required:** Monitor and review case law and keep up to date with GDPR & data protection information/best practice.

Provide refresher GDPR & Data Protection online training via ELMS to all staff.

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# Risk, Audit and Governance Committee

23 July 2025

Agenda item number 13

## Implementation of internal audit recommendations summary of progress

Report by Senior Accountant

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### Summary

This report gives a summary of progress in implementing Internal Audit recommendations arising out of audits carried out during 2020/21, 2023/24 and 2024/25.

### Recommendation

To note the report.

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## 1. Introduction

- 1.1. This report gives an update on implementing the Authority's Internal Audit report recommendations, focusing on outstanding recommendations and timescales to complete outstanding work.
- 1.2. Appendices 1, 2, 3 and 4 give details of the audits carried out in 2020/21, 2023/24, and 2024/25, in particular:
  - Recommendations not yet implemented;
  - Recommendations implemented since the last meeting; and
  - New recommendations since the last meeting.

## 2. Summary of Progress

- 2.1. The recommendation 3 on the Pilotage (Port Marine Safety Code - June 2021) was implemented in February 2025.
- 2.2. The recommendation 1 to Port Marine Safety Code – November 2023 has been updated in table 2 as the Marine and Coastguard Agency (MCA) has agreed to open its compliance window in January 2026.
- 2.3. The actions on the Corporate Governance and Risk Management from February 2024 have been updated in table 3.

## 3. Internal Audit Programme 2024/25 and 2025/26

- 3.1. Since this report to the Committee in February 2025 the of the Authority has received feedback from the Corporate Governance and Risk Management (February 2025) and from Cyber Security Audit (March 2025). Both final reports were issued with a "reasonable assurance" audit opinion.
- 3.2. The programme for 2025/26 has yet to start, further details can be found at agenda item 8 Internal Audit Strategic and Annual Plans 2025/26.

## 4. Corporate Governance and Risk management

- 4.1. The audit has sought to provide assurance over the following key risks: "Failure to identify and manage risks, adversely impacting on the Authority's ability to operate effectively and reputational damage and undermining of public confidence in the Authority caused by failure to meet statutory requirements in regard Members allowances and expenses".
- 4.2. The audit resulted in two important and three routine recommendations which are listed in table 4. All the recommendations have been completed.

## 5. Cyber Security Audit

- 5.1. This maturity assessment has focussed on the National Cyber Security Centre's revised 10 steps to Cyber Security framework that covers Cyber Risk Management, Engagement and Training, Asset Management, Architecture and Configuration, Vulnerability Management, Identity and Access Management, Data Security, Logging and Monitoring, Incident Management and Supply Chain Security.

The audit resulted in two important and seven routine recommendations which are listed in table 5. The maturing level criteria are as follows:

- Yes = Fully compliant
- No = Fully non-compliant
- Partial = Some compliance

Author: Izabela Foley

Date of report: 07 July 2025

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Summary of actions and responses to Internal Audit 2020/21](#)

Appendix 2 – [Summary of actions and responses to Internal Audit 2023/24](#)

Appendix 3 – [Summary of actions and responses to Internal Audit 2024/25](#)

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

**Table 1**

Port Marine Safety Code – June 2021

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>3. Pilotage</b> Finalise the arrangements for General Directions for larger vessels. This helps mitigate the risk that sufficient navigation rules are not in place and navigation of the broads is not managed as effectively and safely as required, in relation to larger vessels</p>	Important	Head of Ranger Services	<p>General Directions are rarely used by Broads Authority - most directions are 'Special'. This requirement will require legal inputs and cost benefit analysis to assess its viability. Current requirements are met using Special Directions.</p> <p>Update: Due to the lack of large vessels navigating our waters the need for a General Direction has not arisen for a number of years and if it did, we could deal with it under Special Directions. This item has been deferred to allow for a review of what is appropriate which will need specialist maritime legal advice.</p> <p>Update: The factors driving this work have changed since the paper went to committee in 31/10/2021. Updated to 28/02/2023. Updated to 31/12/2023 Audit and Risk Committee, 14 March 2023, agenda item number 12 6 Recommendations Priority rating Responsible Officer(s) BA response/action Timetable 2019, with COVID-19 and the long-term closures of</p>	<p>By 31/10/2021 Updated to 28/02/2023 Updated to 31/12/2023 Updated to 31/03/2024. Updated to 31/10/24. Updated to 31/01/2025. Updated to 20/02/2025</p> <p><b>This action is now complete</b></p>

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

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>general direction will need a six-month/42-day consultation period. As the Navigation Committee are one of the Statutory Consultees this will go to the meeting in Jan 2025.</p> <p><b>The consultation period ended 20 February 2025.</b></p> <p><b>This completed the action.</b></p>	

## Appendix 2 – Summary of actions and responses to Internal Audit 2023/24

**Table 2**

Port Marine Safety Code – November 2023

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>4. Review and Audit</b> Action to be taken to ensure that an appropriate compliance statement is made by the Duty Holder when this is next required by the MCA (likely to be in March 2024). This includes ensuring that appropriate reporting mechanisms are in place in line with the recommendations above, to enable the Duty Holder to make such a statement.</p>	Important	Head of Safety Management	<p>We will contact the MCA and discuss the compliance report, the timing and format to ensure we are consistent with other PMSC duty holders.</p> <p>Update: The MCA still needs to open the window to allow compliance to be reported. RR registered with the MCA, and when the reporting window opens, will be notified and able to document the Authority's compliance with the code.</p> <p>The DfT said the new edition PMSC sits with the Minister and awaits Ministerial sign-off and is expected to be published during February or early March. The code will be renamed as the Port and Marine Facilities Safety Code to emphasise the inclusion of non-statutory harbour authority facilities into the code requirements.</p> <p>The MCA detailed the updates to the Guide to Good Practice which they suggested will align better with the structure of the revised Code and said this should be published alongside the Code. However, in terms of</p>	By <b>31/01/2026</b>

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			<p>the Duty Holder and Designated Person the key principles of the Code will remain as they currently are now.</p> <p>It is anticipated that the 2025 PMSC Compliance Exercise will be launched six months after the publication of the Code so that ports and their Duty Holder shall have time to consider the new edition Code and associated GtGP and any changes that maybe necessary to make to enhance code compliance</p> <p><b>Update Jul 2025</b> The PMSC (a Government guidance standard) has been reviewed by the Government and amended.</p> <p>The new guidance, “Port Marine &amp; Facility, Safety Code”, came into effect in April 2025. The MCA has agreed to open its compliance window in January 2026, meaning the Authority will review the new standard, apply any changes following the Government review, take these changes through the committee structures (BSMG, Navigation Committee &amp; Broads Authority) and report our compliance, as per the audit recommendation at the open window in Jan 2026.</p>	

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
			This open window (Jan 2026) will have been the first opportunity since the PMSC Audit, for the Authority to register our PMSC plan as compliant.	

**Table 3**

Corporate Governance and Risk Management – February 2024

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>1. The Local Government Act 1972</b> Add expectations for attendance and consequences for non-attendance to the Members' Code of Conduct.</p>	Needs Attention	Head of Governance	<p>This will be reviewed as part of the next members code of conduct update. The next review is due within the next 12 months. Governance will continue to monitor absence and notify members where they maybe in risk of breaching the 6-month rule. It will continue to be highlighted to new members via the terms and conditions.</p> <p>Update: The Code of Conduct is being reviewed by the Standards Committee on 20 February 2025. As part of the review, SGO consulted the Authority's Monitoring Officer, and his view is that it would not be appropriate to include this in the Code of Conduct. His recommendation is that we include in the Members' Handbook.</p> <p>SGO confirms that the Broads Authority do monitor attendances, advise members as necessary and the requirement is included in members' appointment letters.</p> <p><b>Update Jul 2025</b> Added to the members handbook. Consequently, to be updated in the Code of Conduct at the end of 2025.</p>	By <b>31/12/2025</b>

## Appendix 3 – Summary of actions and responses to Internal Audit 2024/25

**Table 4**

Corporate Governance and Risk Management – February 2025

Recommendations	Priority Rating	Responsible Officer(s)	BA Response/action	Timetable
<p><b>1. Risk Management</b> There is no risk appetite statement though risk appetite is mentioned in the Authority’s Capital, Treasury and Investment Strategy 2024/25.</p>	Important	Head of Governance	Appropriate wording to be added to the Risk Management Policy.	Completed 31/05/2025
<p><b>2. Risk Register</b> Review format of registers as follows:</p> <ul style="list-style-type: none"> <li>• To separate controls, assurances and gaps.</li> <li>• To ensure all mitigating actions have clear deadlines and ownership.</li> <li>• Add a target risk rating in line with risk appetite</li> <li>• Add links to Annual Business Plan workplans in the directorate risk registers.</li> </ul>	Important	Head of Governance	<ul style="list-style-type: none"> <li>• Head of Governance will seek clarification on exactly what is being asked and then implement those measures which the Management Team agree are deemed appropriate.</li> <li>• This will be added.</li> <li>• Management Team agreed to tolerate not having a target risk rating in line with the risk appetite.</li> <li>• This has been discussed and agreed not to be implemented.</li> </ul>	Completed 31/05/2025
<p><b>3. Capturing and managing and monitoring risks</b> Introduce a risk proforma, available to all staff via the intranet, for capturing new risks in a standard format for inclusion on risk registers. Add this new process to the risk policy so it is clear to staff. Add links to Annual Business Plan workplans in the directorate risk registers.</p>	Needs Attention	Head of Governance	Subsequently identified a form already exists on the BA intranet. This is already covered in the Risk Management Policy (para. 7.4) but can add reference to using the form. Management Team agreed to tolerate not having a target risk rating in line with the risk appetite. This has been discussed and agreed not to be implemented.	Completed 31/05/2025

<b>Recommendations</b>	<b>Priority Rating</b>	<b>Responsible Officer(s)</b>	<b>BA Response/action</b>	<b>Timetable</b>
<p><b>4. Risk Management Policy</b> Add detail on the process for the review of low scoring, high frequency risks, and high scoring low frequency risks and closing risks to the Risk Management Policy, along with the revised processes for risk appetite, the risk register format and the new risk capture proforma and process.</p>	Needs Attention	Head of Governance	Management Team agreed to add appropriate wording to the Risk Management Policy to reflect that all risks on the Corporate Risk Register are discussed at the Risk, Audit & Governance Committee and Members have the final say on closure, removal etc.	Completed 31/05/2025
<p><b>5. Management arrangements</b> Introduce greater resilience in the team that provides continuity of day-to-day co-ordination of risk management processes.</p>	Needs Attention	Head of Governance	In the absence of the Senior Governance Officer responsibility escalates to the Director of Finance and/or Management Team. The rest of the governance team will be trained in supporting the risk management process.	Completed 31/05/2025

**Table 5**

Cyber Security Maturity Assessment – March 2025

<b>Recommendations</b>	<b>Priority Rating</b>	<b>Responsible Officer(s)</b>	<b>BA Response/action</b>	<b>Timetable</b>
<b>1. Engagement and Training</b> A policy must be in place requiring all staff to receive cyber security and information security training.	Needs Attention	Head of IT	Policy will be put in place as recommended	By 30/09/2025
<b>2. Asset Management</b> A policy must be in place to require digital assets to be inventoried and accounted for centrally.	Needs Attention	Head of IT	Policy will be put in place as recommended	By 30/09/2025
<b>3. Architecture and Configuration</b> An IT Security and Network Security policy must be in place.	Needs Attention	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025
<b>4. Vulnerability Management</b> A policy must be in place to cover patching and updates of digital assets.	Needs Attention	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025
<b>5. Identity and Access Management</b> A policy must be in place to cover user authentication and access controls	Needs Attention	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025
<b>6. Data Security</b> A policy/plan must be in place to cover backup and recovery of data.	Needs Attention	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025
<b>7. Logging and Monitoring</b> A policy must be in place to cover the organisation's security logging and monitoring requirements	Needs Attention	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025

<b>Recommendations</b>	<b>Priority Rating</b>	<b>Responsible Officer(s)</b>	<b>BA Response/action</b>	<b>Timetable</b>
<b>8. Supply Chain Security</b> Regular assurance must be obtained from third parties to provide confidence in supplier's security measures and controls.	Important	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025
<b>9. Supply Chain Security</b> IT suppliers must be reviewed periodically to ensure that they are meeting contractual security obligations and key performance targets.	Important	Senior ICT Support Officer	Policy will be put in place as recommended	By 30/09/2025