



**Papers for a meeting of the
FINANCE & PERSONNEL SUB-COMMITTEE**

to be held at

**Eastern IFCA Offices,
6 North Lynn Business Village, Bergen Way, King's Lynn, PE30 2JG**

**Wednesday
21st June 2017**

**at
1030 hours**

Vision

The Eastern Inshore Fisheries and Conservation Authority will lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economic benefits to ensure healthy seas, sustainable fisheries and a viable industry



Meeting: **Finance and Personnel Sub-Committee**
Date: 21 June 2017
Time: 1030 hours
Venue: Eastern IFCA Office
6 North Lynn Business Village, Bergen Way,
King's Lynn, Norfolk PE30 2JG

Agenda

1. Welcome - *Clerk*
2. Election of Chair – *Clerk*
3. Election of Vice-Chair – *Chair*
4. Apologies for absence - *Chair*
5. Declaration of Members' interests - *Chair*

Action Items

6. Minutes of the Finance & Personnel Sub-Committee meeting on 25th January 2017 - *Chair*
7. Matters Arising - *Clerk*
8. To receive a report on the Internal Audit for 2016/17 carried out by Norfolk Audit Services - *Hd Fin*
9. To receive and approve the Statement of Accounts for the year ended 31 March 2017 and to authorise transfers to and from the Authority's Reserve Funds, prior to external audit and subsequent submission to the full Authority at the Statutory Meeting to be held on the 13th September 2017 – *Hd Fin*
10. *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 11 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*
11. Recruitment of Head of Operations - *CEO*

Information Items

12. HR Update – Hd Finance & HR
13. Any other urgent business - *To consider any other items which the Chair is of the opinion are matters of urgency by reason of special circumstances which must be specified*

Julian Gregory
Chief Executive Officer
Date: 6 June 2016

"EIFCA will lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economical benefits to ensure healthy seas, sustainable fisheries and a viable industry".



Finance & Personnel Sub-Committee

A meeting of the Finance & Personnel Sub-Committee took place at the EIFCA offices, 6 North Lynn Business Village, King's Lynn, on 25th January 2017 at 1030 hours.

Members Present:

| | |
|---------------|--|
| Cllr T Turner | Chairman – Lincolnshire County Council |
| Dr S Bolt | MMO Appointee |
| Cllr P Byatt | Suffolk County Council |
| Cllr H Cox | Norfolk County Council |
| Mr S Worrall | MMO Appointee |

Eastern IFCA Officers Present:

| | |
|--------------|--------------|
| A Bakewell – | Head Finance |
| N Freer – | Head HR |
| J Gregory – | Acting CEO |

F&P17/01 Welcome

The Chairman welcomed members to the meeting.

F&P17/02 Apologies for absence

Apologies for absence were received from Cllrs Baker (NCC), Fairman (LCC), Goldson (SCC) and Wilkinson (NCC).

F&P17/03 Declarations of Members Interest.

There were no Declarations of Interest.

F&P17/04 Minutes of the Finance and Personnel Sub-committee meeting held on 19th October 2016

Having worked through the minutes it was agreed these were a true reflection of the meeting.

Proposed: Dr Bolt

Seconded: Mr Worrall

All Agreed

F&P17/05 Matters Arising:

The CEO advised members that following discussion regarding holding a meeting in conjunction with a visit to the vessels and the new mooring facility it was felt the agenda for the next meeting would not allow time to visit the vessels therefore a vessel demonstration day would be held as a separate event, during which presentations would be given and members would have the opportunity to take trips on the vessels.

F&P17/06 Provisional estimates of expenditure for the period 1 April 2017 to 31 March 2018

The Head of Finance advised that this paper was a little repetitive in that it was almost the same as that produced in October, however, this version used the most up to date information and reflected the paper which would be put to the Full Authority to approve the levy for 2017/2018.

There were no substantive changes but it was noted savings were estimated to be in the region of £160,000 which could be explained due to the CEO being on secondment and other changes in employees. It was not anticipated that similar savings would occur in future years.

Members Resolved to agree to the provisional estimates of expenditure for 2017/2018.

Proposed: Mr Worrall

Seconded: Cllr Cox

All Agreed

F&P17/07 Provisional forecast of estimates of expenditure for the period 1 April 2018 to 31 March 2022

This paper provided an estimate of likely expenditure over the next 5 year period.

The forecast indicated a slight increase in income due to the fact that the cost of sample collection was due to be recharged at a rate which was closer to the actual cost involved. It was hoped a similar arrangement would be possible for cost recovery with regard to Wash Fishery Order licences.

A variation in expenditure in 2019/2020 was also reflected as this was the anticipated timescale for replacement of the Research Vessel.

The Head of Finance highlighted the fact that after 2020 there was no guarantee that New Burden Funding would continue to be paid.

Dr Bolt commented that following the referendum New Burden funding had been reviewed and the commitment to 2020 had been re-affirmed, he believed that after 2020 both New Burden funding and Core Funding could be impacted, he suggested IFCA's should try to engage with Local Government Associations and get involved in Fairer Funding in the coastal regions. The Head of Finance felt the precepting rules would have to be changed before IFCA's were not able to precept for their levy.

Cllr Byatt felt that following the elections in May there were likely to be changes in the administration which could affect funding, he suggested it may be worth EIFCA making itself known to ensure funding was secured. Members generally agreed this was a sensible approach and it was agreed the CEO would take action at an appropriate date following the May elections.

Members Resolved to note the provisional forecasts of estimates of expenditure for the period 1st April 2018 to 31st March 2022.

Proposed: Mr Worrall

Seconded: Cllr Cox

All Agreed

F&P17/08 *Members Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 9, on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

Proposed: Mr Worrall
Seconded: Cllr Cox
All Agreed

F&P17/09 **Review of Roles, Responsibilities and Structure**

Summary in accordance with Section 100(C)(2) of the Local Government Act 1972

The CEO provided members with a presentation on the rationale behind the suggested review of the current structure.

Within the explanation were current vacancies, the outcome of the review of Marine Protection Structure, collaborative working with other organisations, developments in vessels and more dynamic ways of working.

Suggested amendments were put to the members for their thoughts and comment. Dr Bolt noted that some of the changes appeared to reflect current staff capabilities, which he did not consider was the usual practice and he felt may make future recruitment difficult.

The CEO advised that whilst he acknowledged this was not usual practice it was a conscious decision which had been taken by the Exec Team to get the best out of the people and skills already available to the IFCA. Cllr Byatt was pleased to see it recognised staff who were committed to EIFCA.

Members were advised on the proposed changes to the Marine Protection Team and the decision to make the Marine Environment and Research Teams into one Marine Science Team, all of whom would be interchangeable and capable of going to sea if required.

Proposed changes to the Exec Team included rebranding of the Deputy CEO role to a head of Operations, it was expected the successful incumbent of this role would have exceptional leadership, management and project management skills to ensure all operations run smoothly.

Following the resignation of the Head of HR it was felt this post was best left vacant whilst alternative options for HR support were considered as it was no longer felt there was the need for this role.

Members were advised the proposed changes would have no impact on the levy for 2017/2018 and only a moderate increase would be noticed in future years.

Mr Worrall questioned whether there was sufficient manpower to have all three vessels at sea on any one day. The CEO advised that realistically it would be only one or two vessels at sea on any one day but there was the capacity to have all three working at any given time. It had been agreed in principle that flexibility would be achieved by moving crews around the district rather than vessels.

Following careful consideration Members Resolved to:

Note the contents of the report.

Approve the proposed changes to roles within the Marine Protection function.

Proposed: Cllr Cox

Seconded: Mr Worrall

All Agreed

Approve the increase in establishment of one Senior IFCO

Proposed: Mr Worrall

Seconded: Cllr Cox

All Agreed

Approve the merger of the Marine Environment and Marine Research functions.

Proposed: Cllr Byatt

Seconded: Cllr Cox

All Agreed

Approve the change in role designation from Deputy CEO to Head of Operations.

Proposed: Cllr Cox

Seconded: Mr Worrall

All Agreed

Agree that recruitment to the role of Head of Operations is progressed under the oversight of the Chair and Vice-Chair of the Authority, the Chair of the Finance & Personnel sub-committee and the CEO.

Proposed: Cllr Byatt

Seconded: Cllr Cox

All Agreed

Agree that the Head of HR post is not replaced and that options for providing HR support are explored by officers.

Proposed: Cllr Byatt

Seconded: Mr Worrall

All Agreed

Direct officers to explore the harmonisation of terms and conditions for all officers.

Proposed: Dr Bolt

Seconded: Cllr Byatt

All Agreed

Delegate authority to the CEO to develop and implement the changes set out in this paper.

Proposed: Cllr Byatt

Seconded: Mr Worrall

All Agreed

F&P17/10 HR Update

The majority of the update had been covered whilst discussing other items on the agenda.

The Head of HR advised members that she would be leaving the employ of Eastern IFCA, having been recruited for a new role, however whilst being excited by the new opportunity she was also very sad to be leaving EIFCA.

Cllr Cox wished her luck in her new role and thanked her for the work she had done for EIFCA.

Dr Bolt was concerned that the lack of a HR Officer may leave the AIFCA without HR support as previously the F&P sub-committee had agreed the AIFCA could call on the support of the Head of HR. He was advised that in the immediate future the Head of Finance would be taking on the role and Dr Bolt could always ask him for advice.

Members Agreed to note the report.

F&P17/11 Moorings project update

The Head of Finance advised members that with the exception of a pathway along the top of the moorings the project was now complete. Freshwater had been installed and the feedback was the new moorings were a much improved facility. The only matter remaining was the signing of the lease which was still being compiled.

Dr Bolt questioned whether this meant the red risk H&S issue relating to the moorings could now be signed off, the CEO was happy to confirm that yes the moorings were no longer a H&S hazard.

F&P17/12 Any other urgent business

REPLACEMENT OF ASSETS – the Head of Finance had requested that as a matter of information the members be advised that the purchase of a RIB to replace Pisces was imminent. Pisces had been irreparably damaged 18 months previously and for a variety of reasons purchasing a replacement had been delayed. At this time officers were optimistic they may be able to secure about 70% of the cost from EMFF grant funding, if this bid was successful this along with the insurance money and income from the sale of parts of Pisces would mean the replacement RIB would be almost cost neutral.

Members were also advised that an interim arrangement had been made to purchase a secondhand RIB as this would be more cost effective than continuing to hire it whilst the new vessel became available and could be sold when it was no longer required.

Dr Bolt questioned what the role of this RIB was, the COE advised it was a tender for Three Counties but would also be capable of independent operations.

In addition to the purchase of the RIB the Head of Finance advised that three of the Authority's vehicles were due for renewal, having carried out a best value exercise it was felt the purchase of two Skoda Yetis and a Skoda Fabia would best fit the needs of the Authority. Members were advised that for the purchase of vehicles the officers do not go to tender but use the Local Government Purchasing Scheme which enables up to 24% off the RRP.

The CEO advised that one of the Yetis would be for his use, however he was paying the appropriate tax for personal use and the arrangement in place

was that he paid for all the fuel and claimed back any business mileage at HMRC rates.

Cllr Byatt questioned whether there was the possibility of making 4x4 vehicles available in the event of flooding issues, the COE advised that there was a 4x4 yeti stationed in Suffolk and in the past the authority's assets had been offered if needed.

There being no other matters of urgent business the meeting closed at 1150 hours

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Action Item 8

Finance & Personnel Sub-Committee

21st June 2017

Report on the Internal Audit for 2016/2017

Report by: Andrew Bakewell – Head of Finance

Purpose of report

It is an Authority Requirement that the result of the Annual Internal Audit is reported to members of the Finance & Personnel Sub-Committee.

Recommendations

Members are asked to:

- **Note** the content of the report.

Background

The 2016/2017 Internal Audit was carried out by Norfolk Audit Services.

The Audit letter which provides an outline of the work undertaken and which constitutes the audit certificate is attached.

The overall audit opinion, based on evidence from the work carried out is that the Internal Controls for the Authority are 'Acceptable'. The two recommendations contained in the audit report have been agreed and actioned.

The legislation surrounding Audit Requirements for small bodies has changed and no longer dictates that an external audit is required. However, for continued reassurance, PKF Littlejohn have been engaged to review the small bodies return at the same fee as previously charged (£2,000).

Appendices

Appendix A - 2016/2017 Internal Audit Letter

Julian Gregory
Acting Chief Executive Officer
Eastern inshore Fisheries and Conservation Authority
6 North Lynn Business Village
Bergen Way, Kings Lynn
PE30 2JG

Norfolk Audit Services
7th Floor
County Hall
Martineau Lane
Norwich
Norfolk
NR1 2DW

Please ask for: Caron Bye
Direct Dialling Number: 01603 223863
Email: caron.bye@norfolk.gov.uk

5 June 2017

Dear Mr Gregory,

Internal Audit 2016-17 of EIFCA

The Joint Committee for the Eastern Inshore Fisheries and Conservation Authority (EIFCA) appointed Norfolk Audit Services to undertake the internal audit work for the financial year ended 31 March 2017 and to provide the audit report for the year as required in the Annual Return as described in our letter of engagement signed on 25 March 2017.

We have now completed that work and this letter and its appendix provides an outline of the work we have completed.

I would like to thank all concerned for their assistance and co-operation during this audit, and in particular the Head of Finance and the Assistant Finance Officer.

The work we undertook built on the work of previous years internal audit coverage. Appendix A details the areas we have examined, the extent of our coverage and our opinion with respect to each of these areas. In each case I am pleased to report that controls were acceptable.

The responsibility for internal control, completeness and accuracy of records and statements, rests with the Joint Committee and yourself.

The responsibility for internal control includes:

- The ongoing maintenance of internal control,
- financial systems,
- risk management and,
- protection of assets.

The audit work was based on sampling transactions to test the operation of controls. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks identified to the Joint Committee, which exists within the controls that we examined at the time of the audit.

The work has concentrated on assessing the adequacy and effectiveness of financial control by measuring the systems in operation against control objectives. This has included limited detailed checking of records as appropriate. The level of risk resulting from any control weakness has been reviewed and recommendations have been made to reduce the risk to an acceptable level where appropriate.

The audit process seeks to reduce risk to an acceptable level based on the efficient, economic and effective application of financial controls. Changes to controls suggested in audit recommendations are intended to achieve these benefits. This process does not wholly eliminate risk. It is the responsibility of the Joint Committee to safeguard the assets of the service and hence to take reasonable steps to the prevention and detection of fraud and other irregularities.

Our overall audit opinion is based on two grades which are explained in the table below:

| Opinion | Assessment of internal control | Action required from the recipient - as agreed with the auditors |
|--------------------------------------|--|---|
| Acceptable | Few or no weaknesses, mostly insignificant | Remedial action required. |
| Key issues that need to be addressed | A number of weaknesses, mostly significant or one or more major weaknesses | Remedial action required immediately. |

Our opinion, based on the evidence we have seen as part of this audit, is that internal control for the Joint Committee is "Acceptable"

There were three issues identified during the audit.

1. Order authorisation – one invoice (Charity and Taylor Ltd – 21/11/2016) for £180 had no signature to authorise the order (Appendix A, section B).
2. Invoice authorisation – one of the ten invoices tested was not correctly authorised for payment. An invoice (Reblef Ltd – 13/06/2016) for £7,687.50 had no payment approval signature (Appendix A, section B)
3. Monthly bank reconciliations – when the bank reconciliations are signed by the CEO, these are not dated. Therefore we are unable to give assurance on the timeliness of reconciliations (Appendix A, section I).

These findings were not in line with the authorities' procedures. All action points, as detailed in Appendix A, were discussed and agreed with the Head of Finance.

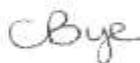
The audit of accounts for the year ended 31 March 2016 was undertaken by the external auditors, PKF Accountants. An unqualified opinion was given in relation to the information in that year's Annual Return.

I am pleased to report that our conclusions were that in all significant respects all the control objectives were being met to a standard adequate to meet the needs of the body.

I would suggest that a copy of this letter is provided to your external auditors. Please also find attached a signed copy of 'Section 4 – annual internal audit report', as requested.

The provision of this work should be sufficient in most cases in providing assurance that there are adequate financial and governance controls in place within the joint committees. Please let me know if you require us to provide this assurance going forward, and I will happily provide a quote.

Yours sincerely



Caron Bye
Principal Client Manager
Norfolk Audit Services

Appendix A

Eastern Sea Fisheries Joint Committee
Internal Audit 2016-17

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|---|--|-------------------|
| <p>A. Appropriate accounting records have been kept properly throughout the year</p> | <p>It can be concluded that appropriate accounting records at Eastern Inshore Fisheries Conservation Authority (EIFCA) have been kept throughout the year. Purchase invoices, sales invoices, bank statements, cash book, bank reconciliations and payroll records have been seen as part of our audit work. The asset register is updated annually, rather than throughout the year although the board and insurers are advised of the acquisition of an asset.</p> | <p>Acceptable</p> |
| <p>B. The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for</p> | <p>A sample of ten invoices totalling £11,556.50 and covering period from April 2016 to March 2017 were reviewed: All invoices were arithmetically checked, coded appropriately and VAT was accounted for correctly. One invoice (Charity and Taylor Ltd – 21/11/2016) for £180 had no signature for the authorisation of the order. This is not in line with the authorities' procedures. One invoice (Reblef Ltd – 13/06/2016) for £7,687.50 was not correctly authorised for payment. There was no signature for the authorisation of payment. This is not in line with the authorities' procedures.</p> | <p>Acceptable</p> |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|---|--|------------|
| | <p><u>Recommendation</u></p> <p>Items above agreed thresholds to be appropriately authorised at the ordering stage and payment stage of the process in line with approved internal procedures for expenditure.</p> <p><u>Agreed Action Plan</u></p> <p>Items above agreed thresholds will be appropriately authorised at the ordering and payment stage of the process in line with approved internal procedures for expenditure.</p> | |
| <p>C. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</p> | <p>A risk register is in place and is included within the 2016-17 Annual Plan.</p> <p>The register is reviewed and formally updated where necessary on a quarterly basis.</p> | Acceptable |
| <p>D. The annual taxation levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate</p> | <p>Budgets are set on an annual basis using the current budget, with alterations in line with the three year plan and priorities listed in the annual plan. This is approved by the full board. Levies for the year (2016-17) were correctly received and the level and purpose of reserves were agreed by the EIFCA board.</p> <p>Income and expenditure reports and management accounts showing over/under spend compared to budget are presented by the Head of Finance to the Finance and Personnel committee and to the full board on</p> | Acceptable |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|--|--|------------|
| <p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked and VAT was appropriately accounted for</p> | <p>a quarterly basis to ensure the budget is monitored.</p> <p>The level and purpose of the reserves are reported to the full board for approval on an annual basis as part of the statement of accounts and more frequently if there are changes during the year.</p> <p>A sample of five invoices totalling £15,231.60 raised between April 2016 and March 2017 were reviewed. Income received was banked promptly and based on correct prices. As EIFCA is not VAT registered, VAT is not shown on the invoices.</p> <p>Invoices state when payment is due and prompt payment was received with effective follow up processes in place if required.</p> <p>All invoices tested confirmed income was properly recorded in the records.</p> | Acceptable |
| <p>F. Petty cash payments were properly supported by receipts, all expenditure was approved and VAT properly accounted for</p> | <p>From a discussion about the process carried out it appears that controls in place are adequate. A sample of five petty cash payments totalling £30.46 raised between April 2016 and March 2017 were reviewed and controls in place are adequate.</p> <p>All petty cash vouchers had been appropriately checked and authorised and were within the approved limit of £15.</p> <p>All petty cash payments sampled had receipts, VAT was correctly claimed back where applicable.</p> | Acceptable |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|---|---|------------|
| <p>G</p> <p>Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied</p> | <p>Two employee's payroll months were sample tested. Both were correct in EIFCA records and PAYE calculations agreed to summaries and payslips.</p> <p>Existence of employees confirmed by contracts.</p> <p>The employees' gross pay agreed to the pay scales stipulated in their contract. NI calculations confirmed accurate amounts are deducted from the employee's payslips.</p> | Acceptable |
| <p>H.</p> <p>Asset and investments registers were complete and accurate and properly maintained</p> | <p>Vessels are the most significant assets, followed by vehicles. Purchases within the financial year have been verified as follows:</p> <p>A DVLA certificate was seen for:</p> <ul style="list-style-type: none"> • vehicle (registration number: EP16 DRO) <p>In addition the workboat certificate was viewed for the largest vessel 'Three Counties'.</p> <p>The corporate asset register is formally updated on an annual basis as part of the Statement of Accounts. Assets purchased and disposed of during the year are reported to the Statutory Board quarterly and insurers are notified on the acquisition of assets in a timely manner.</p> | Acceptable |
| <p>I.</p> <p>Periodic and year end bank account reconciliations were properly carried out</p> | <p>Bank reconciliations are carried out monthly and at year end by the Head of Finance in accordance with the procedures. These are independently checked by the Acting Chief Executive Officer and evidenced via a signature. As the signatures are not dated, assurance can not be given that bank reconciliations are completed in a timely manner.</p> | Acceptable |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|--|---|------------|
| <p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded</p> | <p>Recommendation Future reconciliations should include the date of signature by the Acting CEO.</p> <p>Agreed Action Plan Future reconciliations to be signed and dated. There were no stale cheques.</p> | Acceptable |
| <p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded</p> | <p>Accounts are prepared on a quarterly basis to report the income and expenditure to the Finance and Personnel committee and the full board.</p> <p>There is a deadline of 30th June to complete the final accounts for the previous year as per 4.2 of the financial regulations. At the time of the audit the year end accounts had not been produced for 2016-17, however these were in the process of being produced ready for the above deadline. The January management accounts were checked as well as the 2015-16 final accounts.</p> <p>The annual statement in respect of 2015-16 was produced before the 30th June 2016 deadline.</p> | Acceptable |

Vision

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Action Item 9

Finance & Personnel Sub-Committee held 21st June 2017

Statement of Accounts for Eastern Inshore Fisheries & Conservation Authority for the year ended 31st March 2017

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To present the annual statement of accounts for the year ended 31st March 2017 and the Joint Committees Annual Return prepared for external examination by PKF Littlejohn for certification and later submission to the full authority.

Recommendations

Members are asked to:

1. **Approve** the Annual Governance Statement.
2. **Approve** the Statement of Accounts prior to submission to the full authority Meeting on September 13th.
3. **Authorise** the Chairman and Chief Executive to sign the Annual Return before submission to the auditors for review.
4. **Authorise** in accordance with the Authority's Financial Regulation 3.4, transfers of funds to and from 'ear-marked' reserves as outlined in the foreword (page).

Background documents

1. Eastern Inshore Fisheries & Conservation Authority Statement of Accounts for the year ended 31st March 2017 (attached)
2. Uncertified Joint Committees Annual Return and requested supporting documents (copy attached).

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Statement of Accounts for the year ended 31st March 2017

Foreword

The Accounts and Audit (England) Regulations 2015 have classified Eastern Inshore Fisheries and Conservation Authority as a “smaller relevant body”.

The Account statements are centred on the Audit Commission Small Bodies Annual Return, which is completed and certified on the day the accounts are approved, in this case June 21st 2017. A copy of the return is attached for your information.

The accounting statements forming the basis of the return are:

1. The Income and Expenditure Account for the year ended 31st March 2017.
2. The Balance sheet as at 31st March 2017.
3. A statement detailing movement on reserves.
This is the list of the funds held in “ear-marked” reserves and monies managed by the Authority belonging to the Wash Fishery Order and Wash and North Norfolk Coast European Marine Site Project Funds.
4. A schedule of Fixed Assets held at 31st March 2017. Fixed Assets are valued at cost with no allowance for depreciation. By this method the “book value” of fixed assets remains constant until disposed of.
5. Notes relevant to the above statements.

2016/2017 Out-turn

The table below shows a comparison of Actual results with the 2016/17 Budget analysed under the main budget headings.

| | 2016/17 Budget | 2016/17 Actual |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| Salaries | 958,234 | 850,402 |
| General Expenditure | 224,243 | 224,179 |
| <u>Departmental Operational Costs</u> | | |
| Communication and Development | 7,500 | 1,564 |
| Enforcement | 16,000 | 12,519 |
| Research and Environment | 16,500 | 6,998 |
| | | |
| Moorings and Harbour Dues | 31,300 | 3,885 |
| Three Counties | 96,344 | 82,556 |
| John Allen/Sebastian Terelinck | 63,830 | 38,832 |
| Pisces | 5,770 | 23,104 |
| Vehicles | 25,200 | 30,977 |
| Assets | | 6,960 |
| TOTAL EXPENDITURE | 1,444,921 | 1,281,966 |
| | | |
| <u>INCOME</u> | | |
| Miscellaneous Income | 42,000 | 61,983 |
| | | |
| TOTAL INCOME | 42,000 | 61,983 |
| | | |
| EXPENDITURE less INCOME | 1,402,921 | 1,219,983 |

Consolidated Balance Sheet at 31st March 2017

| 31/3/2016 | | 31/3/2017 |
|------------|-------------------------------------|-----------|
| £ | CURRENT ASSETS | £ |
| | | |
| 99,742 | Debtors | 44,532 |
| | Treasury Deposit | |
| 571,899 | Suffolk County Council Deposit | 574,995 |
| 2,263,310 | Cash at bank | 1,489,101 |
| 320 | Cash in hand | 168 |
| | | |
| | CURRENT LIABILITIES | |
| | | |
| -1,042,655 | Creditors | -43,397 |
| | | |
| 1,892,616 | NET ASSETS | 2,065,399 |
| | | |
| | EAR-MARKED RESERVES | |
| | | |
| 10,000 | ICT Fund | 10,000 |
| | IVMS Fund | |
| 17,500 | Fixed Penalty Fund | 18,750 |
| 75,000 | Legal and Enforcement Fund | 75,000 |
| 10,000 | Office Improvement Fund | 10,000 |
| 150,000 | Operational Fund | 150,000 |
| 89,921 | Research Fund | 89,921 |
| 60,000 | Vehicles Renewal Fund | 60,000 |
| 18,292 | Environment Grants | 18,292 |
| | Vessel Contingency Fund | |
| 1,277,826 | Vessel Replacement Fund | 1,447,664 |
| 118,574 | Wash Fishery Order Fund | 114,275 |
| 65,503 | Wash and North Norfolk Project Fund | 71,497 |
| | | |
| 1,892,616 | | 2,065,399 |

Reconciliation between Box 7 and Box 8 in Section 1 (31/03/2017)

Name of small relevant body: Eastern Inshore Fisheries and Conservation Authority

| | £ | £ |
|--|--------|-------------------------|
| Box 7: Balances carried forward (31/03/2017) | | 2,065,399 |
| Deduct: | | |
| Debtors | | |
| - HMRC | 19,198 | |
| Payments in advance | | |
| - Prepayments | 25,334 | |
| Total deductions | | <u>44,532</u> |
| Add: | | |
| Creditors | 43,397 | |
| Total additions | | 43,397 |
| Total cash and short term investments | | <u>2,064,264</u> |

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Income and Expenditure Account for the year ended 31st March 2017

| 2015-2016 | | | 2016 - 2017 | | |
|----------------------------|---------------|-----------------------------------|---------------|---------------|-----------|
| £ | £ | <u>INCOME</u> | £ | £ | £ |
| 996,925 | | Levies | 996,925 | | |
| 394,145 | | New Burden Funding | 394,145 | | |
| 16,000 | | Fines | 1,250 | | |
| 28,540 | | Insurance settlements | | | |
| <u>39,987</u> | | Miscellaneous income | <u>57,637</u> | | |
| | 1,475,597 | sub-total | | 1,449,957 | |
| 27,223 | | Grants | | | |
| 1,170 | | Vessel Contingency Fund | | | |
| 1,987 | | Vessel Replacement Fund | 3,096 | | |
| 8,400 | | Wash Fishery Order | 8,700 | | |
| <u>43,954</u> | | Wash & North Norfolk Project Fund | <u>32,955</u> | | |
| | <u>82,734</u> | sub-total | | <u>44,751</u> | |
| | 1,558,331 | TOTAL INCOME | | | 1,494,708 |
| <u>EXPENDITURE</u> | | | | | |
| 859,693 | | Salaries | 850,402 | | |
| 239,954 | | General expenditure | 224,179 | | |
| 5,712 | | Communication and Development | 1,564 | | |
| 24,271 | | Research and Environment | 6,998 | | |
| 19,473 | | Enforcement | 12,519 | | |
| 21,137 | | Moorings and Harbour dues | 3,885 | | |
| 2,751 | | Pisces operating costs inc. Hire | 23,104 | | |
| 107,532 | | Three Counties operating costs | 82,556 | | |
| 32,736 | | John Allen & Sebastian Terelinck | 38,832 | | |
| 27,062 | | Vehicles operating costs | 30,977 | | |
| <u>431,680</u> | | Asset purchases | <u>6,960</u> | | |
| | 1,772,325 | sub-total | | 1,281,966 | |
| 15,223 | | Wash Fishery Order Fund | 12,998 | | |
| <u>38,064</u> | | Wash & North Norfolk Project Fund | <u>26,961</u> | | |
| | <u>53,287</u> | sub-total | | <u>39,959</u> | |
| | 1,826,612 | TOTAL EXPENDITURE | | | 1,321,925 |
| | (266,957) | INCOME less EXPENDITURE | | | 172,783 |

Notes – Surplus for the year of £ 172,783 arose as follows:

- Salary savings
 - CEO secondment and vacancy management 107,832
 - Operations
 - Enforcement 3,481
 - Research & Environment (Marine Science) 9,502
 - Communication & Development 5,936
 - Vessels & vehicles
 - Moorings (Sutton Bridge changed terms) 27,415
 - Vessels 21,452
 - Vehicles (5,777)
 - Assets purchased
 - Conchita (5,000)
 - Trailer (1,960)
 - Additional income 19,983
 - Other (10,081)
-
- Surplus at the end of the year is before delivery and payment for 3 ordered replacement vehicles cost c. £50k.

Statement of movement in reserves

| | opening | used | added | reallocated | closing |
|----------------------|------------------|--------------|----------------|-------------|------------------|
| ICT Fund | 10,000 | | | | 10,000 |
| F.A.P. | 17,500 | | 1,250 | | 18,750 |
| Legal Fund | 75,000 | | | | 75,000 |
| Office refurbishment | 10,000 | | | | 10,000 |
| Operational Fund | 150,000 | | | | 150,000 |
| Research Fund | 89,921 | | | | 89,921 |
| Vehicle replacement | 60,000 | | | | 60,000 |
| Vessel replacement | 1,277,826 | | 169,838 | | 1,447,664 |
| Wash Fishery Order | 118,574 | 4,299 | | | 114,275 |
| WNNC-EMS | 65,503 | | 5,994 | | 71,497 |
| Grants | 18,292 | | | | 18,292 |
| Total | 1,892,616 | 4,299 | 177,082 | - | 2,065,399 |

Notes

Movement in reserves are treated as follows:

- ICT Fund maintained by financing equipment requirements through revenue where possible. The £10,000 will be required in the event of an Office relocation (current office lease expires Dec. 2018) or major breakdown or upgrade.
- FAP (Fixed Administrative Penalty) reserve is accumulating pending determination of final destination. Addition represents the value of FAPs in the year.
- Legal reserve maintained by financing costs through revenue where possible. The level of reserve is thought prudent in the event of potential legal challenge to bylaws/orders.
- Office refurbishment – see comments re ICT Fund “office relocation”.
- Operational reserve is to cover the committed contribution to the “Cross Keys Marina Project”.
- Research reserve will potentially be used for “mussel die-off” project and replacement equipment.
- Vehicle replacement maintained at £60,000 by funding replacements through revenue.
- Vessel replacement has been determined as the reserve to which all excess income is directed due to the costs associated with replacing, in the first, instance RV Three Counties, in the next 2-3 years at a forecast cost of c.£1.5+ million.

- Grants reserve is the residual amount of specifically targeted funds awaiting suitable projects.
- WFO and WNNC reserves although held by EIFCA their disposition is outside our control.

The simplified accounting for reserves eliminates the need to show individual in and out of identical amounts for the majority of reserves.

Reserves available to the Authority exclude Fixed Administrative Penalty (FAP) reserve which is repayable to ????, Wash Fishery Order reserve earmarked for propagation and Wash and North Norfolk European Marine Site Project reserves held on the projects behalf. These reserves total £204,522 leaving £1,860,877 available to the Authority.

Vision

The Eastern Inshore Fisheries and Conservation Authority will lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economic benefits to ensure healthy seas, sustainable fisheries and a viable industry



Information Item 12

Finance & personnel Sub-Committee Meeting

21 June 2017

HR Update

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of report

To inform members of the progress of the HR plan to 2018 and specifically an update of the HR activity planned to be completed during this financial year.

Recommendations

It is recommended that members:

- **Note** the contents of the report

Background

The Head of Finance assumed responsibility for HR upon the departure of Nichola Freer in May 2017. Following successful delivery of the original strategic plan work continues on the subsequent plan designed to support the delivery of required HR activity to 2018 and beyond. This report gives an overview of current activity in support of this plan.

Update of specific activity

The key activity for 2017 focuses on:

- Developing line manager capability
- Refine the performance review process
- Employee engagement
- Management systems
- Develop a succession plan
- Training to enhance sea going resilience
- Complete recruitment to vacant roles

Development of capability

Investments in our people continue with particular focus this quarter being on new recruits to the IFCA and staff taking on new roles. Feedback from new recruits has been positive as has feedback from colleagues citing enthusiasm, adaptability and “fit” within the organisation.

Participation in and attendance at relevant courses and events continues to be encouraged to further enhance knowledge, experience, reputation and presence.

Job descriptions

Following the approved changes to the structure, and some role changes, job descriptions are being revised accordingly. Changes will continue as the new structure develops and we strive to create a challenging, exciting and vibrant place to work.

Best employers survey

Following the last survey, which saw a dip in our overall score, the management team have focussed time and effort on a plan to be shared with all staff in the coming months. The intention is to seek feedback and comment before converting the plan into our day to day activities.