



**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
16th January 2019**

**at
10.30 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: 16 January 2019

Time: 10.30 hours

Venue: Eastern IFCA Office, 6 North Lynn Business Village, Bergen Way,
King's Lynn, Norfolk, PE30 2JG

Revised Agenda

- 1 Welcome - *Chair*
- 2 Apologies for absence - *Chair*
- 3 Declaration of Members' interests - *Chair*

Action Items

- 4 Minutes of the Finance & Personnel Sub-Committee meeting on 17 October 2018 – *Chair (page 3)*
- 5 Matters Arising – *Clerk*
- 6 Provisional budget for the period 1st April 2019 to 31st March 2020. - *Hd Fin & HR (page 8)*
- 7 Provisional forecasts of expenditure for the period 1 April 2020 to 31st March 2024 - *Hd Fin & HR (page 15)*
- 8 External audit report – *Hd Fin & HR (page 20)*
- 9 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 10 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act*
- 10 Vessel replacement update – *CEO*

Information Items

- 11 HR Update – *Hd Finance & HR (page 37)*
- 12 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: 8th January 2019

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



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 17th October 2018 at 1030 hours.

Members Present:

Cllr M Chenery of Horsbrugh	Norfolk County Council
Cllr T FitzPatrick	Norfolk County Council
Cllr M Vigo Di Gallidoro	Suffolk County Council
Mr S Worrall	MMO Appointee

Eastern IFCA Officers Present:

A Bakewell – Head Finance & HR
J Butler - Head of Operations
J Gregory – CEO / Clerk

F&P18/28 Welcome

In the absence of either the Chair or Vice Chair of the sub-committee the Clerk welcomed members to the meeting and requested nominations for a Chair for the duration of the meeting.

Cllr Chenery of Horsbrugh nominated Cllr FitzPatrick, which was unanimously Agreed.

Cllr FitzPatrick took the chair.

F&P18/29 Apologies for absence

Apologies for absence were received from Cllrs Coupland (LCC), Goldson (SCC) and Skinner (LCC) and Mr Bolt (MMO Appointee).

F&P18/30 Declarations of Members Interest.

There were no Declarations of Interest.

F&P18/31 Minutes of the Finance and Personnel Sub-committee meeting held on 27th June 2018

It was agreed these were a true reflection of the meeting.

F&P18/32 Matters Arising:

There were no matters arising but the CEO updated members on two items:

F&P18/22 REVIEW OF ROLES AND RESPONSIBILITIES: The CEO advised members that following the decision to revise the admin role to Data Admin there had been no suitable candidates so the post had been reviewed, the job description rewritten and the salary lowered in line with

the revision. The CEO advised that this had resulted in an expression of interest and he was optimistic the position would be filled.

F&P18/23 IVMS FUNDING: members had previously agreed to underwrite the funding of IVMS units, however there was such concern amongst IFCA's regarding the funding a decision had been made for all IFCA's to pull out of the funding model.

It was now hoped the MMO would apply for EMFF to cover the units. As a consequence, EIFCA would no longer be proceeding with the pilot scheme in the Wash, if successful with a bid it was anticipated the MMO would progress this.

F&P18/33 Preliminary provisional estimates of expenditure for the period 1 April 2019 to 31 March 2020

The Head of Finance & HR advised members that each year at this point a preliminary provisional set of estimates is compiled based on 5 months actual expenditure and forecasting for the remaining 7 months. This allowed officers to advise County Councils of any potential change in the expected levy required. Early indications for this year were a possible underspend of £44k, however the vessel had yet to undergo a refit so this may well change. Following this meeting Finance Directors would be contacted and advised of the preliminary figures.

Cllr Chenery of Horsbrugh queried what New Burdens funding was for. The Head of Finance advised that when IFCA's came into force they were given additional Conservation duties to those performed by Sea Fisheries Committees, consequently Defra provided additional funding to cover the implementation of these duties, this funding was only earmarked until 2020.

The CEO advised members the stance among IFCA's was that this funding needed to be permanent as the additional workload was ongoing. It was encouraging to know the funding was to be considered as part of the Defra spending review, however there was still no guarantee it would be provided beyond 2020.

Members Resolved to note and agree the Preliminary Provisional Estimates of Expenditure for 2019/2020.

Proposed: Mr Worrall

Seconded: Cllr Chenery of Horsbrugh

All Agreed

F&P18/34 Preliminary Provisional Forecasts of estimates of expenditure for the period 1 April 2020 to 31 March 2025

Members were advised that the forecast was prepared to give an estimate going forward of any known changes.

Unfortunately, New Burden funding remained an unknown after 2020, if it was not provided after this date then Authority reserves would be

expended by 2021/2022 following the purchase of a replacement vessel and other known expenses.

Mr Worrall questioned when the spending review would take place, the CEO advised it was imminent, he also advised there was a whole scheme of work in place hoping to influence Defra to ensure NB funding continued.

The Head of Finance & HR advised that should the funding be withdrawn then after 2021/2022 the Authority would have to look at ways to reduce spending by £350k or ask for greater levy from the County Councils.

Cllr Chenery then queried whether mooring and harbour dues were solely for Sutton Bridge. The Head of Finance & HR advised that this expense was mainly for coastal berthing dues at Wells Harbour and the Royal Norfolk & Suffolk Yacht Club in Lowestoft. Sutton Bridge moorings were covered by a payment which would be made towards the building of them. This matter was ongoing as no lease had yet been drawn up, the Head of Finance & HR would continue to chase this up.

Members Resolved to note and agree the Forecast of Income and Expenditure for the five years to 31st March 2024.

Proposed: Cllr Vigo Di Gallidoro

Seconded: Mr Worrall

All Agreed

F&P18/35 Office Premises

The Head of Finance & HR reminded members that the current office lease was due to expire in December 2018. With this in mind, and the fact that the office space was becoming cramped Officers had been looking for suitable alternative accommodation.

Whilst no suitable accommodation had been identified a suitable site had been identified on a local industrial estate where the land owner was prepared to build office and storage accommodation to EIFCAs specifications. Whilst the site was not in the most aesthetically pleasing location it would provide a fenced secure site over approximately 3,500ft, an outside storage compound and around 30 car parking spaces.

Cllr Chenery of Horsburgh felt the proposed site was good in terms of access, however the CEO advised the staff had expressed concern about cycling around the Hardwick roundabout, the Head of Finance & HR advised there were cycle paths with pedestrian/cyclist crossings to take account of this.

Cllr FitzPatrick noted there was mention of sharing offices with the MMO which may be more conducive to younger officers who find there is little to do in King's Lynn. The CEO advised some of the younger graduates found there was not much to do in King's Lynn so whilst they enjoy the work the social life is below their expectations which contributes to a constant churn of staff as they leave after 2-3 years.

The local based fisheries contribute to the need to stay within the King's Lynn area however, the CEO believed there was potential with

collaborative working with the MMO to have a space within an office in Norwich, this was something which would be looked into later in the year.

With regard to the current lease, a draft had been written up for an extension to the terms of the current lease, the Head of Finance was reluctant to sign it under the current circumstances as he first wanted to discuss the options with the solicitors, he felt the proposed extension may need to be slightly renegotiated to allow better break out options.

Members Resolved to Direct Officers to further re-negotiate terms for the new lease for the existing accommodation, to reflect the intention to move as soon as a suitable alternative location could be found.

Proposed: Cllr Vigo Di Gallidoro

Seconded: Cllr Chenery of Horsbrugh

All Agreed

F&P18/36 Vessel Procurement Update

The current Research Vessel had been in service since 2002 and members had previously taken the decision to replace the vessel with a multi-purpose vessel. It had been agreed that a figure in the region of £105k would be allocated for professional support to deal with overseeing the build. However, having gone out to tender for bids for this role it had become apparent the original estimate was below that expected by Naval Architects/Surveyors.

5 companies had provided bids all of which were compared to pre-arranged criteria, resulting in a shortlist of 3. The result of this process was that the cost for overseeing the build would range between £120k-£180k, members were asked to consider this additional expenditure and whether they were prepared to approve the increase.

Members Resolved to Note the progress to date and to Agree to the increased expenditure on specialist support for vessel design and build oversight.

Proposed: Cllr Chenery of Horsbrugh

Seconded; Cllr Vigo Di Gallidoro

All Agreed

F&P18/37 Resolution

It was Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following two items on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.

Proposed: Cllr FitzPatrick

Seconded: Cllr Chenery of Horsbrugh

At this point the Head of Operations left the meeting

F&P18/38 Confirmation of Appointment

Members were reminded it was standard procedure for Executive Officers posts to be overseen by the Finance & Personnel sub-committee. Having completed 6 months in the post it was time for the Head of Operations to have his probationary period considered.

Members Resolved to Approve the permanent appointment of the Head of Operations.

Proposed: Cllr Chenery of Horsbrugh

Seconded: Mr Worrall

All Agreed

F&P18/39 Disciplinary Update

Members were advised that a settlement had been reached, with Nplaw acting on behalf of EIFCA. An agreement had been signed by both parties.

Members Resolved to note the contents of the report.

Proposed: Mr Worrall

Seconded: Cllr Chenery of Horsbrugh

All Agreed

F&P18/40 HR Update

The Head of Finance & HR advised members that IFCO Hinchliffe had been confirmed as a permanent post following six months probation.

At the time of writing the report two IFCOs had completed the external training which allowed them to successfully complete their Yachtmaster Offshore certificates. Since the report was prepared IFCO Jason Byrne had also successfully passed the certification which left the Authority in a much more robust position in terms of skippering vessels. All of whom were to be congratulated.

In terms of recruitment one admin position remained vacant but the process was ongoing.

Cllr Chenery of Horsbrugh queried whether there were opportunities to meet the Officers, the CEO advised some of them may be present at the next Statutory Meeting.

F&P18/41 Any Other Business

Cllr Chenery of Horsbrugh questioned whether Cllr Collis had tendered his apologies and felt as this wasn't the first time the Chair had been absent maybe it was time to elect a new Chair.

The CEO agreed to address this at a future meeting.

The meeting closed at 1125 hours.

5Vision

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



Action Item 6

Finance & Personnel Sub-Committee

16th January 2019

Report by: Andrew Bakewell – Head of Finance and HR

Provisional Estimates of Expenditure for the period 1st April 2019 to 31st March 2020

Purpose of report

To update the Preliminary Estimates, as presented to the October meeting with a further 3 months actual income and expenditure information. The estimates detailed below are for agreement and recommendation to the full Authority at their Statutory meeting at the end of January 2019.

Recommendations

Members are asked to **consider, note and agree** the Provisional Estimates of Expenditure for 2019/2020 for presentation to the meeting of the full Authority on 30th January 2019.

Background

The Provisional Estimates of Expenditure for the financial year 2019/2020 are summarised under the main budget headings shown on Table 1. The details of expenditure are shown in Tables 2 & 3, which are attached.

Table 1 also shows the budget approved for the current financial year (2018/2019) and projected outcome for this year. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' costs. The New Burden Funding is then deducted from the Total Expenditure less Income to establish the residual cost which after deduction of the contribution from County Councils shows the surplus available for asset replacements or the reserves ear marked for that purpose.

The projected expenditure less income for 2018/2019 shows a saving of £14,501 (budget £17,974) The total shortfall comprising of expenditure savings £6,667 offset by income shortfall of £(10,140), thus accounting for the £3,473 decrease from budgeted surplus.

The calculation of the Provisional Budget for 2019/2020 (Table 1).

Notes on Expenditure

Members may find the notes below helpful in relation to tables 1, 2 & 3

Variations from 2018/2019 Budget to the 2018/2019 Projection and 2019/2020 Preliminary Estimate are summarised under the main budget headings in the following table:

	2018/2019 Budget £	2018/2019 Projection £	2019/2020 Provisional Budget £
Salaries & Wages	1,037,946	(3,966)	(32,158)
General Expenditure	211,900	(248)	4,097
Departmental Op Costs	29,850	(3,344)	(5,875)
Vessels	138 400	14,549	17,300
Vehicles	25,000	(324)	(1,210)
TOTAL	1,443,096	6,667	(17,846)

Salaries & Wages

2018/2019 Projection- £3,966 overspend	2019/2020 Provisional Budget
<p>a) New rates introduced for calculation of Employer pension contribution - 15.2% of pensionable pay plus £50,000 for the year (deficit recovery)</p> <p>b) Employers NI calculated at 17/18 rates (13.8% of earnings above LEL).</p> <p>c) Savings from vacancy management. IFCO 3 months Admin Officer 9 months.</p> <p>d) Pension squeeze £26,000 charge in the year.</p>	<p>a) Salaries have been calculated for a full complement based on current agreed structure.</p> <p>b) Salary inflation 2%.</p> <p>c) Salaries calculated at top of scale.</p> <p>d) Employer's NI Contributions are calculated at 2018/2019 rates</p> <p>e) Employer's pension contributions are calculated as 15.2% of pensionable pay plus £55,000 deficit recovery for the year.</p>

General Expenditure

2018/2019 Projection- £248 overspend	2019/2020 Provisional Budget
<p>a) Accommodation costs £5.9k under budget</p> <p>b) Establishment costs £4.0k over budget: overspent Adverts 1.3k (byelaw ads), Legal 4.4k (byelaw advice), Uniforms & PPE 3.8k updates and upgrades, recruitment 0.7k (repeated campaigns). Underspent Telephones 1.5k (usage), Equipment 2.3k (various), Medical costs 0.6k.</p> <p>c) Other overheads £1.5k over budget: Training 4.3k over offset by savings on Members exes of 2.0k and Officer exes 0.8k.</p>	<p>Costs aligned with 18/19 forecast with adjustments for inflation and non-recurring costs.</p>

Departmental Operational Costs

<u>2018/2019 Projection- £3,344 overspend</u>	<u>2019/2020 Provisional Budget</u>
Small increase on 2018/19 budget due to: a) Overspends: Marine Science £2.3k, (equipment repairs) and Enforcement £1.9k (equipment) b) Underspends: Communication and Development savings of £0.9k.	Increases overall £2.5k due to: Inflation 2%, and costs associated with maintenance of body cameras

Vessels

The 2018/2019 budget provided for the operating costs of Three Counties, John Allen and Sebastian Terelinck all year.

<u>2018/2019 Projection- £14,549 u/spend</u>	<u>2019/2020 Provisional Budget</u>
Overspent: JA/ST £11.2k (JA engine rebuild), Moorings £1.0k (container installation Lowestoft. Underspends: Three Counties £26.6k (maintenance and fuel less than anticipated) Other saving £0.2k Seaspray operation	Cost savings £17.3k arising due to following : JA repairs (one off) £25k other costs adjusted for inflation and other known factors

Vehicles

<u>2018/2019 Projection- £324 overspend</u>	<u>2019/2020 Provisional Budget</u>
Overspent: Insurance £1.2k (extra vehicles part year) Underspent: Maintenance £1.2k	Increased by £1.5k over 18/19 to allow for insurance and fuel increases

Inflation Contingency

An inflation contingency of 2% on salaries and 2% on prices where applicable is included in the Preliminary Estimate.

Income

<u>2018/2019 Projection</u>	<u>2019/2020 Provisional Budget</u>
Income generated £10.1k less than budget (No one-off surveys delayed WFO increase)	Further EHO increases plus 1 st stage WFO increase.

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2018 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	75,000
Office Improvement Fund	10,000

Operational Fund	150,000
Research Fund	78,169
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
Vessel Replacement Fund	<u>1,506,105</u>
	<u>1,907,566</u>

Levies

As discussed with the County Councils' finance representatives, levies have been increased by 2% for 2019/20. Although reserves are healthy the upcoming replacement of RV Three Counties will expend a substantial proportion. The reduced reserves will be augmented from 2019/20 by annual contributions from the County Councils' as agreed as the preferred method of funding asset replacements. The Levies on the constituent County Councils including the 2% increase and asset replacement funding for 2019/2020 follow:

	Norfolk County Council £	Suffolk County Council £	Lincolnshire County Council £
Contribution from County Council Funds	391,492	293,873	331,498
Asset replacement	57,750	43,350	48,900
New Burden Funding Allocation	151,999	114,420	127,726
Total Levy	<u>601,241</u>	<u>451,643</u>	<u>508,124</u>
	38.5%	28.9%	32.6%
<u>For Information</u> <u>2018/2019 Total Levy</u>	535,815	402,531	452,724

Reserves Forecast

	2018/19	2019/20	2020/21
b/f	1,907,566	1,922,067	1,402,133
Revenue surplus	14,501	15,066	18,345
Asset replace		150,000	154,500
Utilised *		(685,000)	(1,035,000)
c/f	1,922,067	1,402,133	539,978
Vehicles		35,000	35,000
RV project		500,000	1,000,000
Marina project		150,000	
Total *		685,000	1,035,000

Table 1

Preliminary Estimates of Expenditure 2019/2020

	2018/2019 Budget	2018/2019 Act/Proj	2019/2020 Preliminary Estimate
	£	£	£
Salaries & Wages	1,037,946	1,041,912	1,070,104
General Expenditure	211,900	212,148	207,803
<u>Departmental Operational Costs</u>			
Marine Science	6,250	8,555	10,698
Marine Protection	22,000	23,949	24,323
Media	1,600	690	704
<u>Vessels</u>			
Moorings & Harbour Dues	3,700	4,703	4,403
Research Vessel - Three Counties	89,000	62,433	63,724
Enforcement Vessels - John Allen/ANO RIB(S)	41,500	52,715	48,223
Seaspray Vessel Hire	4,200	4,000	4,750
Vehicles	25,000	25,324	26,210
TOTAL EXPENDITURE	£ 1,443,096	£ 1,436,429	£ 1,460,942
INCOME	70,000	59,860	65,000
EXPENDITURE LESS INCOME	£ 1,373,096	£ 1,376,569	£ 1,395,942
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	978,951	982,424	1,001,797
Levies	996,925	996,925	1,016,863
Surplus/(Shortfall)	£ 17,974	£ 14,501	£ 15,066

Preliminary Estimates of Expenditure 2019/2020
 Details of Expenditure - Salaries & Wages and General
 Expenditure

Table 2

	2018/2019 Budget	2018/2019 Projection	2019/2020 Preliminary Estimate
<u>SALARIES</u>			
Staff Remuneration	787,839	770,445	810,687
Pension	169,163	193,825	176,292
National Insurance	81,744	77,642	83,125
TOTAL	1,037,946	1,041,912	1,070,104
<u>GENERAL EXPENDITURE</u>			
<i><u>Accommodation</u></i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	34,665	34,665	34,665
Business Rates	15,810	15,082	15,534
Water Rates	850	707	729
Service Charges	3,900	3,026	3,087
Insurance - Buildings	700	986	1,035
Insurance Office & General	8,250	8,079	8,482
Electricity	5,000	4,489	4,624
Cleaning	750	846	863
Maintenance & Redecoration	9,125	5,971	4,310
TOTAL	79,050	73,851	73,329
<i><u>General Establishment</u></i>			
Advertisements & Subscriptions	17,600	18,787	19,041
Legal & Professional Fees	11,000	15,414	12,960
Telephones (Office & Mobile)	8,130	6,558	6,591
Postage & Stationery	6,000	5,961	8,821
Equipment Hire & Renewals	5,000	2,750	
IT Support (including Citrix)	33,850	33,266	33,344
Uniforms & Protective Clothing	5,000	8,752	7,703
Medical Fees	1,500	916	916
Recruitment	2,000	2,671	1,194
Sundry inc. Meeting Costs	3,520	3,490	3,538
TOTAL	94,600	98,565	94 108
<i><u>Officers' Travel & Subsistence</u></i>			
General Travel - Fares, Taxis etc	3,000	3,573	3,573
Subsistence Payments	2,250	1,690	1,690
Overnight Subsistence	1,500	1,250	1,250
Hotel - Accommodation & Meals	8,000	7,394	7,542
TOTAL	14,750	13,907	14,055
<i><u>Members' Travel</u></i>			
Training	3,500	1,532	1,532
	20,000	24,293	24,779
TOTAL GENERAL EXPENDITURE	211,900	212,148	207,803

Departmental Operational Costs

<i>Marine Science</i>	6,250	8,555	10,698
<i>Marine Protection</i>	22,000	24,896	24,323
<i>Media</i>	1,600	690	704

Preliminary Estimates of Expenditure 2018/2019**Table 3**

Details of Expenditure - Vessels & Vehicles

	2018/19 Budget	2018/19 Projection	2019/2020 Preliminary Estimate
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings			
Maintenance		500	303
Berthing & Harbour Dues	3,700	4,203	4,100
TOTAL	3,700	4,703	4,403
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	26,000	13,161	12,088
Refit	35,000	24,896	26,141
Insurance & Certification	11,500	17,143	18,250
Fuel	16,500	7,233	7,245
TOTAL	89,000	62,433	63,724
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/Sebastian Terelinck</u>			
Maintenance & Repairs	21,000	46,686	32,119
Upgrade			
Insurance & Certification	3,500	3,500	3,500
Fuel	17,000	2,529	12,604
TOTAL	41,500	52,715	48,223
<u>Seaspray</u>			
Maintenance & Repairs	1,200	1,000	1,500
Insurance & Certification	1,000	1,500	1,500
Fuel	2,000	1,500	1,750
TOTAL	4,200	4,000	4,750
<u>VEHICLES</u>			
Insurance	8,500	9,683	10,183
Fuel & Sundries	10,000	10,220	10,527
Servicing	5,000	3,969	4,048
Vehicle Tracking	1,500	1,452	1,452
TOTAL	25,000	25,324	26,210

1Vision

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



Finance & Personnel Sub-Committee

Action Item 7

16th January 2019

Report by: Andrew Bakewell – Head of Finance

Preliminary Forecast of Expenditure for the period 1st April 2020 to 31st March 2024

Purpose of report

To set out the background information and calculations used to determine the Forecast for the four years up to 2024. It is stressed that these are preliminary estimates based on past actuals with allowances for known variations and inflation where applicable. These forecast figures will be shared with the Finance Directors from the three County Councils.

Recommendations

Members are asked to **consider, note and agree** the Forecast of Income and Expenditure for the five years to 31st March 2024.

Background

The Forecast is set out in the table below under the broad categories.

The table also shows the preliminary estimate for 2019/20 as a basis for comparison. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' until 2020. The following have been assumed:

- Salary costs based on currently agreed structure with a full complement of staff at top of scale.
- Salary inflation at 2% per annum to include annual LGA increase.
- The modest annual savings up to 2020 will be utilised to support asset replacement along with use of reserves.
- Shortfalls of c.£300-400k arise from 2020 assuming "New Burden" is not replaced.
- A table showing movement in reserves over the coming years is also included for information. At this stage a "new burden" alternative is included, without this alternative, reserves will be exhausted by 2022.
- Three Counties replacement commences 2019/20 completed 2020/21, John Allen replaced 2021/22. Costs estimated at this stage will be subject to change when specifications are finalised.
- A further line shows capital contributions to be levied including annual inflation of 3%.

Forecast to March 2024

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
<u>Income</u>					
Levies	1,016,863	1,037,200	1,057,944	1,079,103	1,100,685
“New Burden”	394,145				
Other	65,000	80,000	85,000	95,000	105,000
Total Income	1,476,008	1,117,200	1,142,944	1,174,103	1,227,700
<u>Expenditure</u>					
Staff cost	1,070,104	1,101,000	1,125,000	1,150,000	1,185,000
Administration	207,803	208,000	210,000	210,000	210,000
Operations	35,725	36,000	34,500	35,500	36,000
Vessels	121,100	120,000	130,000	135,000	140,000
Vehicles	26,210	28,000	28,500	29,000	29,500
Total	1,460,492	1,493,000	1,528,000	1,559,500	1,600,500
Surplus/Shortfall	15,066	(375,800)	(385,056)	(385,397)	(372,800)
New burden alt.		394,145	394,145	394,145	394,145
Adj. Surp/s/fall		18,345	9,089	8,748	21,345

Reserves

The amounts held in EIFCA’s ear-marked reserves estimated at 31.03.2018 are set out below:

	£	F/cast 2019
ICT Fund	10,000	10,000
Legal and Enforcement Fund	75,000	75,000
Office Improvement Fund	10,000	10,000
Operational Fund	150,000	
Research Fund	78,169	78,169
DEFRA Grant	18,292	-
Vehicle Renewals Fund	60,000	60,000
Vessel Replacement Fund	<u>1,506,105</u>	<u>1,168,964</u>
	<u>1,907,566</u>	<u>1,402,133</u>

Movement in reserves

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Opening	1,907,566	1,922,067	1,402,133	539,978	140,202	282,859
Revenue	14,501	15,066	(375,800)	(385,056)	(385,397)	(372,800)
Utilised		(685,000)	(1,035,000)	(568,000)	(30,000)	(40,000)
Balance	1,922,067	1,252,133	(8,667)	(413,078)	(275,195)	(129,941)
New burden?			394,145	394,145	394,145	394,145
Adjusted			385,478	(18,933)	188,950	264,204
Cap. Cont. CCs		150,000	154,500	159,135	163,909	168,826
Final	1,922,067	1,402,133	539,978	140,202	292,859	433,030

Preliminary Estimates of Expenditure 2019/20

Table 1

	2018/2019 Budget	2018/2019 Act/Proj	2019/2020 Provisional Budget
	£	£	£
Salaries & Wages	1,037,946	1,041,912	1,070,104
General Expenditure	211,900	212,148	207,803
<u>Departmental Operational Costs</u>			
Marine Science	6,250	8,555	10,698
Marine Protection	22,000	23,949	24,323
Communication and Development	1,600	690	704
<u>Vessels</u>			
Moorings & Harbour Dues	3,700	4,703	4,403
Research Vessel - Three Counties	89,000	62,433	63,724
Enforcement Vessels - John Allen/ANO RIB(S)	41,500	52,715	48,223
Seaspray Vessel Hire	4,200	4,000	4,750
Vehicles	25,000	25,324	26,210
TOTAL EXPENDITURE	£ 1,443,096	£ 1,436,429	£ 1,460,942
 INCOME	 70,000	 59,860	 65,000
EXPENDITURE LESS INCOME	£ 1,373,096	£ 1,376,569	£ 1,395,942
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	978,951	982,424	1,001,797
Levies	996,925	996,925	1,016,863
Surplus/(Shortfall)	£ 17,974	£ 14,501	£ 15,066

Preliminary Estimates of Expenditure 2019/2020
 Details of Expenditure - Salaries & Wages and General
 Expenditure

Table 2

	2018/2019 Budget	2018/2019 Projection	2019/2020 Provisional Budget
<u>SALARIES</u>			
Staff Remuneration	787,839	770,445	810,687
Superannuation	169,163	193,825	176,292
National Insurance	81,744	77,642	83,125
TOTAL	1,037,946	1,041,912	1,070,104
<u>GENERAL EXPENDITURE</u>			
<i><u>Accommodation</u></i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	34,665	34,665	34,665
Business Rates	15,810	15,082	15,534
Water Rates	850	707	729
Service Charges	3,900	3,026	3,087
Insurance - Buildings	700	700	1,035
Insurance Office & General	8,250	8,079	8,482
Electricity	5,000	4,489	4,624
Cleaning	750	846	863
Maintenance & Redecoration	9,125	5,971	4,310
TOTAL	79,050	73,851	73,329
<i><u>General Establishment</u></i>			
Advertisements & Subscriptions	17,600	18,787	19,041
Legal & Professional Fees	11,000	15,414	12,960
Telephones (Office & Mobile)	8,130	6,558	6,591
Postage & Stationery	6,000	5,961	8,821
Equipment Hire & Renewals	5,000	2,750	
IT Support (including Citrix)	33,850	33,266	33,344
Uniforms & Protective Clothing	5,000	8,752	7,703
Medical Fees	1,500	916	916
Recruitment	2,000	2,671	1,194
Sundry inc. Meeting Costs	3,520	3,490	3,538
TOTAL	94,600	98,565	94,108
<i><u>Officers' Travel & Subsistence</u></i>			
General Travel - Fares, Taxis etc	3,000	3,573	3,573
Subsistence Payments	2,250	1,690	1,690
Overnight Subsistence	1,500	1,250	1,250
Hotel - Accommodation & Meals	8,000	7,394	7,542
TOTAL	14,750	13,907	14,055
<i>Members' Travel</i>	3,500	1,532	1,532
<i>Training</i>	20,000	24,293	24,779
TOTAL GENERALEXPENDITURE	211,900	212,148	207,803

Departmental Operational Costs

<i>Marine Science</i>	6,250	8,555	10,698
<i>Marine Protection</i>	22,000	24,896	24,323
<i>Communication and Development</i>	1,600	690	704

Preliminary Estimates of Expenditure 2019/2020**Table 3**

Details of Expenditure - Vessels & Vehicles

	2018/19	2018/19	2019/2020
	Budget	Projection	Provisional Budget
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings			
Maintenance		500	303
Berthing & Harbour Dues	3,700	4,203	4,100
TOTAL	3,700	4,703	4,403
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	26,000	13,161	12,088
Refit	35,000	24,896	26,141
Insurance & Certification	11,500	17,143	18,250
Fuel	16,500	7,233	7,245
TOTAL	89,000	62,433	63,724
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/Sebastian Terelinck</u>			
Maintenance & Repairs	21,000	46,686	32,119
Upgrade			
Insurance & Certification	3,500	3,500	3,500
Fuel	17,000	2,529	12,604
TOTAL	41,500	52,715	48,223
<u>Seaspray</u>			
Maintenance & Repairs	1,200	1,000	1,500
Insurance & Certification	1,000	1,500	1,500
Fuel	2,000	1,500	1,750
TOTAL	4,200	4,000	4,750
<u>VEHICLES</u>			
Insurance	8,500	9,683	10,183
Fuel & Sundries	10,000	10,220	10,527
Servicing	5,000	3,969	4,048
Vehicle Tracking	1,500	1,452	1,452
TOTAL	25,000	25,324	26,210

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



Action Item 8

Finance & Personnel Sub-Committee

16th January 2019

Report on the Internal Audit for 2017/18

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 2017/2018 Internal Audit was carried out by Norfolk Audit Services with key conclusion as follows:

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

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’. All of the 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 and as last year PKF Littlejohn have been engaged to review the small bodies return at the same fee as previously charged (£2,000).

PKF Littlejohn completed the review of the Annual return see attached copy. They identified no matters arising from said review.

Appendices

2017/2018 Internal Audit Letter

PKF Littlejohn Review

Julian Gregory
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: Claire Bunn
Direct Dialling Number: 01603 223863
Email: claire.bunn@norfolk.gov.uk
25 June 2018

Dear Mr Gregory,

Internal Audit 2017-18 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 2018 and to provide the audit report for the year as described in our letter of engagement originally signed on 25 March 2017 and confirmed on 28 February 2018.

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 five issues identified during the audit.

1. Lack of segregation of Duties - 3 payments were identified to have had the order raised, invoice checked and payment approval all by the Assistant Finance Officer. However, assurance was given by the Head of Finance that all payments would be seen by himself as he entered them onto the system for payment. (Appendix A, section B).

2. The 16/17 accounts were not taken to the Statutory Board for approval timely. They were approved by the Statutory Board on the 25 April 2018. The EIFCA Financial Regulations state the Accounts need to be taken to the Statutory Board for approval at the July Authority meeting. (Appendix A, section D)
3. Income has not been accurately recorded in the cash book for 2 invoices sampled and late payment (80 days overdue) was received for one invoice with no evidence of follow up action taken. (Appendix A, section E)
4. Monthly bank reconciliations – There is no evidence of review or sign off of the bank reconciliations. Therefore, we are unable to give assurance on the timeliness of reconciliations (Appendix A, section I).
5. 2017-18 Draft Accounts – The IVMS grant had been incorrectly stated in the accounts. This has now been amended. (Appendix A, section J).

Findings 1 to 4 were not in line with the authorities' procedures. These action points, as detailed in Appendix A, were discussed and agreed with the Head of Finance. An area to note has been raised in respect of fixed assets (Section H).

The audit of accounts for the year ended 31 March 2017 was undertaken by the external auditors, PKF LittleJohn LLP.

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

Claire Bunn
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>	Acceptable
<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 £23,032.66 and covering period from April 2017 to March 2018 were reviewed:</p> <p>All invoices were arithmetically checked, coded appropriately and VAT was accounted for correctly.</p> <p>One invoice (Knighthood –03/05/2017) for £16,698.24 did not have evidence of quotes being received. The Head of Finance confirmed that quotes for insurance are only sought on a biannual basis due to the additional administration of the quotation process for insurance.</p> <p>Insufficient segregation of duties was identified in the invoice checking. Three invoices had the order raised, arithmetic checks and invoice approval completed by the Assistant Finance Officer. Assurance was given by the Head of Finance that all payments would be seen by himself</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments as they are entered onto the system.	Opinion
	<p>Recommendation</p> <p>Where the order, arithmetic checks and approval are completed by the Assistant Finance Officer, the Head of Finance should co-sign the approval of the invoice.</p> <p>Agreed Action Plan</p> <p>Head of Finance or equivalent will sign to demonstrate separation of duties where arithmetic checks, order and invoices approval are completed by the same person</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 2017-22 Business Plan.</p> <p>The register is formally reviewed on an annual basis with updated completed where necessary on a quarterly basis. The current process was discussed with the Head of Finance who was advised best practice would be to have the risks and the progress against the risks formally reviewed on a more regular 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 (2017-18) were correctly received.</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</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments	Opinion
	<p>on a quarterly basis to ensure the budget is monitored.</p> <p>Changes in reserves are reported to the Full Board as part of quarterly management accounts but the statement of accounts including a full breakdown of reserves was not taken to the Board for approval timely.</p> <p>Recommendation In accordance with the EIFCA Financial Regulations the Accounts need to be taken to the Statutory Board for approval at the July Authority meeting.</p> <p>Agreed Action Plan All future Accounts will be taken to the Board in accordance with the Constitution.</p>	
<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 sample of six invoices totalling £8,454.35 raised between April 2017 and March 2018 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 except for one (WFO/11/17/10) which had no evidence of any follow up process being completed.</p> <p>Two invoices had the incorrect date recorded in the Cashbook (WFO/11/17/10 and Msamp/01/17).</p> <p>Recommendation Strengthening of controls is required for the monitoring and recording of income. A debt recovery process should be agreed and implemented.</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments	Opinion
<p>Agreed Action Plan Prompt action when income is not received on time and clear records detailing actions taken. Quarterly management accounting for income to include checks on the accuracy of records.</p>	<p>Agreed Action Plan Prompt action when income is not received on time and clear records detailing actions taken. Quarterly management accounting for income to include checks on the accuracy of records.</p>	<p>Acceptable</p>
<p>F. Petty cash payments were properly supported by receipts, all expenditure was approved and VAT properly accounted for</p>	<p>A sample of five petty cash payments totalling £31.32 raised between April 2017 and March 2018 were reviewed and controls in place are adequate. All petty cash vouchers had been appropriately checked and authorised and were within the approved limit of £15. All petty cash payments sampled had receipts and VAT was properly accounted for.</p>	<p>Acceptable</p>
<p>G 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. 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>	<p>Acceptable</p>
<p>H. Asset and investments registers were complete and</p>	<p>Vessels are the most significant assets, followed by vehicles. Purchases within the financial year have been verified as follows:</p>	<p>Acceptable</p>

Internal control objectives	Extent of Coverage / Comments	Opinion
<p>accurate and properly maintained</p>	<ul style="list-style-type: none"> • The DVLA certificate was seen for vehicle (registration number: EP16 DRO) • The workboat certificate was seen for 'Conchita' <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> <p>Area to note it was noted that the assets are not capitalised and then depreciated through out the life of the assets. The full cost of fixed asset purchases during the year are shown as expenditure. I would be grateful if you could provide assurance that the accounting treatment has been approved by the Board. The Accounting Code allows for organisations to set their own accounting policy in respect of fixed assets and to set a de-minimis level, below which do not need to be capitalised. However where material asset purchases are made, these should then be capitalised.</p>	<p>Acceptable</p>
<p>I. 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 not currently not signed and dated when performed or independently checked. Assurance can not be given that the reconciliations have been completed timely. There were no stale cheques.</p>	<p>Acceptable</p>

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 Reconciliations should be signed and dated by the creator and signed and dated as evidence of approval by the Acting CEO or equivalent.</p> <p>Agreed Action Plan Reconciliations to be signed and dated.</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>The draft accounts for 2017/18 were reviewed during the audit and it was found the IVMS grant received of £300,000 had been incorrectly accounted for. The Income and Expenditure Account showed the full £300,000, but this was received in respect of ten inshore fisheries and therefore only £30,000 relates to EIFCA. The Balance Sheet stated a Debtor of £300,000 and a Creditor of £300,000.</p> <p>Recommendation The Grants (IVMS) in the Income and Expenditure should state £30,000. The IVMS Reserve should also state £30,000. The Debtor should be removed and the Creditor should state £270,000 to reflect the amounts to be paid to the other inshore fisheries.</p> <p>Action Performed</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments	Opinion
	The draft accounts have been amended in respect of the above recommendation.	

PKF Littlejohn LLP



Accountants &
business advisers

Mr Bakewell
Eastern Inshore Fisheries and Conservation
Authority
6 North Lynn
Business Village
Bergen Way
King's Lynn
Norfolk
PE30 2JG

Our ref JC0004

Email sba@pkf-littlejohn.com

6 December 2018

Dear Mr Bakewell

**Eastern Inshore Fisheries and Conservation Authority
Completion of the independent review for the year ended 31 March 2018**

We have completed our independent review of the Annual Return for Eastern Inshore Fisheries and Conservation Authority for the year ended 31 March 2018. Please find enclosed the signed Annual Return for your attention.

The review report certificate and report is given in Section 3 of the Annual Return which details any matters arising from the review. The Body must consider these matters and decide what, if any, action is required.

Good practice indicates that you should publish the signed Annual Return.

Fee

We enclose our fee note for the review, which is in accordance with the fee scales set out in our engagement letter. Please arrange for this to be paid **at the earliest opportunity**.

Please return the remittance advice with your payment, which should be sent to:

PKF Littlejohn LLP, Ref: Credit control (SBA), 2nd Floor, 1 Westferry Circus, Canary Wharf, London, E14 4HD

Please include the reference JC0004 or Eastern Inshore Fisheries and Conservation Authority as a reference when paying by BACS.

Timetable for 2018/19

If you would like us to carry out a similar review in respect of the year ended 31 March 2019, please let us know. It is anticipated that the instruction letter and associated documentation will be sent out during March 2019.

Yours sincerely

PKF Littlejohn LLP

Tel: +44 (0)20 7516 2200 • Fax: +44 (0)20 7516 2400 • DX 42660 Isle of Dogs • www.pkf-littlejohn.com
PKF Littlejohn LLP • 1 Westferry Circus • Canary Wharf • London E14 4HD

PKF Littlejohn LLP, Chartered Accountants. A list of members' names is available at the above address. PKF Littlejohn LLP is a limited liability partnership registered in England and Wales No. OC242572. Registered office as above. PKF Littlejohn LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Eastern Inshore Fisheries and Conservation Authority

**Notice of conclusion of audit
Annual Return for the year ended 31 March 2018**

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014
Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
1. The audit of accounts for Eastern Inshore Fisheries and Conservation Authority for the year ended 31 March 2018 has been concluded and the accounts have been published.	
2. The Annual Return is available for inspection by any local government elector of the area of Eastern Inshore Fisheries and Conservation Authority on application to:	
(a) _____ _____ _____	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the Annual Return.
(b) _____ _____	(b) Insert the hours during which inspection rights may be exercised.
3. Copies will be provided to any person on payment of £____ (c) for each copy of the Annual Return.	(c) Insert a reasonable sum for copying costs.
Announcement made by: (d) _____	(d) Insert the name and position of person placing the notice.
Date of announcement: (e) _____	(e) Insert the date of placing of the notice.

Section 1 – Annual governance statement 2017/18

We acknowledge as the members of

Enter name of reporting joint committee

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2018, that:

	Agreed –		‘Yes’ <small>(insert ‘No’ for each ‘No’ response)</small>
	Yes	No	
1 We approved the accounting statements prepared in accordance with the guidance notes within this Annual Return.	Yes		prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the joint committee to conduct its business or on its finances.	Yes		has only done what it has the legal power to do and has complied with generally accepted good practice.
4 We provided opportunity during the year for interested persons to inspect and ask questions about the accounts.	Yes		has given all persons interested the opportunity to inspect and ask questions about these joint committee accounts.
5 We carried out an assessment of the risks facing the joint committee and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the joint committee’s accounting records and control systems.	Yes		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the joint committee.
7 We took appropriate action on all matters raised in reports from internal audit and external reviews.	Yes		responded to matters brought to its attention by internal and external reviewers.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the joint committee and where appropriate have included them in the accounting statements.	Yes		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the Joint Committee and recorded as minute reference

dated

Signed by:

Chair

dated

Signed by:

Clerk

dated

*Note: Please provide explanations on a separate sheet for each ‘No’ response. Describe how the joint committee will address the weaknesses identified

Section 2 – Accounting statements 2017/18 for:

Enter name of reporting joint committee here:

Eastern Inshore Fisheries and Conservation Authority

	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
	31 March 2017 £	31 March 2018 £	
1 Balances brought forward	1,892,616	2,065,399	Total balances and reserves at the beginning of the year as recorded in the joint committee's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	1,391,070	1,391,070	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring joint committee. Excluding any grants received.
3 (+) Total other receipts	103,638	117,032	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	850,402	901,273	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	-	-	Total expenditure or payments of capital and interest made during the year on the joint committee's borrowings (if any).
6 (-) All other payments	471,523	541,667	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	2,065,399	2,130,561	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	2,064,264	3,496,444	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	1,724,215	1,826,625	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the joint committee as at 31 March
10 Total borrowings	-	-	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2018 the accounting statements in this annual return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:



Date 27/6/18

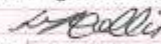
I confirm that these accounting statements were approved by the Joint Committee on:

27/06/2018

and recorded as minute reference:

F & P 18/18 ii

Signed by Chair of meeting approving these accounting statements:



Date 27 June 2018

Section 3 – Review report 2017/18 Certificate

We present the findings from our review of the annual return for the year ended 31 March 2018 in respect of:

Enter name of reporting joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares an annual return which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice.

We have reviewed the annual return and set out our findings below. Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and therefore does not provide the level of assurance of a statutory audit.

Report

Matters arising from our review

/

(continue on a separate sheet if required)

Reviewer signature

Reviewer Date

Section 4 – Annual internal audit report 2017/18 to

Enter name of reporting joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

The Joint Committee's internal audit service provider, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2018.

Internal audit has been carried out in accordance with the Joint Committee's needs and planned coverage.

On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered
A. Appropriate accounting records have been kept properly throughout the year.	X		
B. The Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.	X		
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	X		
D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	X		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	X		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	X		
G. Salaries to employees and allowances to members were paid in accordance with the joint committee approvals, and PAYE and NI requirements were properly applied.	X		
H. Asset and investments registers were complete and accurate and properly maintained.	X		
I. Periodic and year-end bank account reconciliations were properly carried out.	X		
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.	X		

For any other risk areas identified by the Joint Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit: **CLAIRE BUNN**

Signature of person who carried out the internal audit:  Date: **25/6/18**

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

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 11

Finance & Personnel Sub-Committee Meeting

HR Update

16th January 2019

Report by: Andrew Bakewell, Head of Finance and HR

Purpose of report

To update members on HR activity planned to be completed during the coming financial year.

Recommendations

It is recommended that members:

- **Note** the contents of the report

Background

Following successful delivery of the previous HR plan activity has moved to 'business as usual' This report gives an overview of the key areas of focus of HR activity.

Update of specific activity

The key activity for 2019 focuses on:

- Continued investment in training for EIFCA managers
- Regular review and discussion re. Employee engagement
- Complete BPSS (Baseline Personnel Security Standard) for all staff
- Undertake an "in-house" wellbeing survey
- Cyclical review of HR policies

Recruitment

After several attempts to recruit a Data and Admin. Officer I am pleased to report that Emma Godwin joined the team in the role on a part time basis. This appointment completes the recruitment initiative and finds us with a full complement of staff.

Employee engagement

The management team are continuing to actively ensure employees are engaged and motivated. Time is set aside before Management Meetings to assess progress and discuss issues.

Head of Finance and HR

In 2015 the Head of Finance and HR agreed to increase working hours from 3 to 4 days per week as a consequence of the secondment of the previous CEO to the MMO. From the outset the intention was to revert to 3 days per week when the Executive team returned to full strength. Following the appointment of the Head of Operations and the permanent addition of the HR portfolio to the Head of Finance role in 2018, the post holder continued to work 4 days per week in order to facilitate the transition.

With effect from the start of the new year the Head of Finance and HR will change their working pattern from 4 to 3 days per week. If business needs dictate further days can be worked.