



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

**to be held
as a Zoom meeting
2nd February 2021
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 HR Sub-Committee**

Date: 2nd February 2021

Time: 10.30 hours

Venue: Online video conferencing via Zoom in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (Statutory Instrument 2020 no.392).

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 3rd November 2020

- 5 Matters Arising - *Clerk*

Quarters 3 Payments and Receipts – *Hd Finance & HR*

Quarter 3 Management Accounts – *Hd Finance & HR*

Internal Audit Report - *Hd Finance & HR*

Appointment of Auditors – *Hd Finance & HR*

Credit Card Purchases Procedure – *Hd Finance & HR*

Expenses to MMO appointees – *Hd Finance & HR*

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.

Vessel Procurement update - CEO

Information Items

- 6 HR Update – *Hd Finance & HR*

- 7 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: 18th January 2021

Vision

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Finance & HR Sub-Committee

A meeting of the Finance & HR Sub-Committee took place via Zoom video conferencing in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (Statutory Instrument 2020 no.392), on 3rd November 2020 at 1030 hours.

Members Present:

Cllr P Skinner	Chair	Lincolnshire County Council
Dr S Bolt		MMO Appointee
Cllr D Collis		Norfolk County Council
Cllr P Coupland		Lincolnshire County Council
Cllr T FitzPatrick	Vice Chair	Norfolk County Council
Cllr T Goldson		Suffolk County Council
Cllr M Vigo Di Gallidoro		Suffolk County Council
Mr S Williamson		MMO Appointee
Mr S Worrall		MMO Appointee

Eastern IFCA Officers Present:

A Bakewell	Head Finance & HR
Jon Butler	Head of Operations
J Gregory	Chief Executive

F&HR20/28 Welcome

The Chairman welcomed members to the meeting.

F&HR20/29 Apologies for absence

There were no apologies for absence.

F&HR20/30 Declarations of Members Interest.

There were no additional interests declared.

F&HR20/31 Minutes of the Finance and Personnel Sub-committee meeting held on 4th August 2020

Members Resolved to sign the Minutes as a true reflection of the meeting.

Proposed: Cllr Vido Di Gallidoro

Seconded: Mr Worrall

All Agreed

F&HR20/32 Matters Arising:

Members were advised the Annual Statement would be signed for submission to External Auditors once the internal audit was completed.

F&HR20/33 Quarter 2 Payments made and Receipts

Payments and receipts were included as a matter of regular update. This quarter showed a 3 month transfer of salaries to cover any Covid-19 issues. There had been expenditure on the grant funded project which would be reclaimed within the financial year.

Cllr Coupland queried the training expenditure. It was noted this was still within budget, it was also noted whilst training courses had been booked there was no guarantee they would go ahead due to Covid-19, some training had been commuted to online learning but as some of it had to be done physically precautions needed to be taken.

Members Agreed to note the content of the paper

F&HR20/34 Quarter 2 Management Accounts

The Head of Finance & HR advised members where savings had been made, largely due to vacancies while recruitment took place. Expenditure for Operation Blake would be recovered through grant funding.

Members Agreed to note the Management Accounts

F&HR20/35 Provisional Budget for 2020/21 and Budget Forecasts to 2026

The figures were based on previous way of working and no reduction in funding. Assumption had been made that New Burden funding would continue in some form and County Council's would continue to provide funding at the same level, hopefully some assurance of this would be forthcoming at the meeting taking place with the Treasurer's Departments later in the month.

The 2021/2022 budget showed a shortfall of £10,000, however this assumed a full complement of staff and work patterns returning to those pre Covid-19. Income levels were slightly reduced during 2020/2021 due to a reduction in the cost of a WFO licence due to the exceptional circumstances.

The CEO advised that regarding New Burden Funding, Defra had applied for the equivalent of 'no change', however there was an expectation that Defra's overall budget would be at a standstill and costs relating to EU Exit would need to be taken from it, which may affect other budgets.

Members were advised the fall back option in the event of a reduction in budget would be to use reserves while longer term options were considered.

Regarding the Budget Forecast up to 2026 the Head of Finance & HR advised the figures had been achieved assuming a level playing field at this time, although the effect of no New Burden funding was highlighted. Members were advised these figures would need to be reviewed if funding was reduced in any way.

Members had a short discussion on the impact changes in funding may have on EIFCA and its role.

Members Resolved to Approve and Recommend:

- **the Draft Budget 2021/22 to the full Authority at their next meeting on 9th December 2020**
- **the Levies for 2021/22 to the full Authority at their next meeting on 9th December 2020**

Proposed: Cllr FitzPatrick

Seconded: Cllr Goldson

All Agreed

Members Resolved to approve the Forecast for the following 4 years to 2025/26 for presentation to the full Authority at their next meeting on 9th December 2020.

Proposed: Dr Bolt

Seconded: Cllr FitzPatrick

All Agreed

F&HR20/36 Working From Home

The Head of Finance advised that as the Working from Home arrangements which began in March were still on-going Officers had looked at the Government advice regarding possible ways to recompense employees for additional costs incurred.

Members were provided with three possible options for compensation, these included a set allowance to cover cost of requirements for meeting DSE standards, a £6/week allowance for household expenses in line with HMRC limits or the option to do nothing.

Cllr Coupland questioned whether the cost saving of not travelling to work had been taken into consideration, and would it be offset against any payment made. The Head of Finance advised that it needed to be a blanket cover for all staff, which would fit in with Government guidelines.

Cllr Coupland was happy to recompense to ensure proper equipment was available but did not feel the £6/week should be paid, he also asked that in any communication with staff the reference to 'Temporary' working from home was highlighted, he was concerned working from

home would become an expectation. Cllr FitzPatrick echoed the thoughts of Cllr Coupland regarding payment of £6/week and advised that NCC were not making a similar payment.

The CEO advised that all staff had been made aware the current working arrangement was temporary, he also advised that the transition to Working from Home at short notice had been remarkably seamless and productivity had remained the same or increased, he did however, express concern as to how staff would respond to working from home during the winter months, he had concerns morale may be affected but all managers would be addressing this during 1-2-1 meetings.

Mr Worrall reported that he had heard that working from home generally encouraged people to put in more hours, whilst he hoped it was only a short term arrangement he felt it was a good idea to maintain the goodwill of the staff and supported the £6/week payment. This was reiterated by Dr Bolt who added that he was aware of other organisations who were paying the allowance. He did not believe those who would normally travel further to work should be disadvantaged.

Members Resolved to Agree to options 1 and 2 to contribute to staff costs whilst working from home.

Proposed: Dr Bolt

Seconded: Mr Worrall

With 5 votes in favour, and 4 abstentions the vote was passed

At this point Cllr FitzPatrick left the meeting as he had another engagement.

F&HR20/37 Resolution

Members Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for items 11 and 12 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.

Proposed: Cllr Skinner

Seconded: Dr Bolt

F&HR20/38 Vessel Procurement Update

The CEO reminded members that previously the decision had been made to replace the current research vessel. This process had become much longer than anticipated. The position at this time was that NCC had been appointed to explore the market which had concluded that a new build was the way to move forward. Tenders had been invited which a panel would assess and hopefully approve one of the proposals.

Members were advised the surveyor who had previously overseen build of authority vessels had indicated he was stepping back, with this in mind the CEO put forward Euro Marine Surveys to oversee the build.

Members queried the level of expertise within NCC, the CEO advised NCC were providing procurement expertise, the surveyor would provide technical expertise and EIFCA Officers would provide advice.

Discussion followed into whether the vessel would be built in aluminium or GRP, and the longevity of each material as well as residual value. No final decision had been made, the tender option was open to both aluminium and GRP.

At this point Cllr Goldson left the meeting for another engagement

Members Agreed to note the content of the report.

Members Resolved to:

- **Agree to delegate to the CEO the decision relating to the award of a contract for a new build vessel following the competitive tendering process.**
- **Agree to delegate to the CEO all decision making and management of the contract throughout the build period of the new vessel, including variations in budget within plus 10% of the agreed price subject to the overall cap placed upon the cost of the project in the tender process.**
- **Agree that oversight of the build would be undertaken by the Authority's surveyors, Euro Marine Surveys Ltd.**

Proposed: Dr Bolt

Seconded: Mr Worrall

All Agreed

It was Agreed that the CEO would update the Chair and Vice-Chair of any progress as well as keeping members of the sub-committee up to date with progress of the procurement process. If there were any concerns the CEO would report back to the sub-committee.

FHR20/39 Wash Fisheries Economic Assessment

Members were reminded that it had previously been Agreed to replace the WFO1992 with a permitting byelaw. Part of the process would include an economic assessment of the fisheries in The Wash.

Members were advised that quotes to carry out the assessment had been received. They differed quite significantly due to what each was offering, but it was anticipated that a review of requirements would be made at which point it was anticipated the quotes would also be reviewed.

Members were asked to Agree to the CEO making the final decision on which consultants to use and also to approve the use of the WFO1992 reserve to fund the project.

Members Agreed to Note the content of the report including that quotations were sought from four providers.

Members Resolved to:

- **Agree that the CEO will finalise aspects of the proposals and determine which consultancy to commission based upon two quotations.**
- **Agree to utilise sufficient funds from the WFO 1992 reserve fund to commission the consultants judged to be most appropriate to meet the Authority's requirements.**

Proposed: Mr Worrall

Seconded: Cllr Collis

All Agree

FHR20/40 HR Update

Members were advised that a Working from Home crib sheet had been devised for managers to assess their team members while working from home.

The Grade 5 IFCO post holder had started work on 28th September and appeared to be adapting well, it was hoped her MMO experience would be an asset.

A vacancy in the Marine Science Team had arisen following the resignation of a team member, it was anticipated the structure of the teams would be revisited before any further recruitment took place.

Members Agreed to note the content of the report

FHR20/41 Any Other Business

OFFICE ACCOMMODATION: Cllr Collis enquired whether any progress had been made with replacement offices. The Head of Finance and HR advised that decisions had been put on hold, with potential funding issues it may be necessary to sacrifice new office space.

There being no further items of business to discuss the meeting closed at 1211 hours

Vision

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Action Item 6

Finance and HR sub-committee meeting

2nd February 2021

Report by: Andrew Bakewell – Head of Finance & HR

Payments made and monies received during the period 1st October 2020 to 31st December 2020 (Quarter 3)

Recommendations

Members are asked to:

- **Note** the content of the paper.

Background

It is an audit requirement that the Authority's receipts and payments are presented to Members on a quarterly basis.

The report on Payments made and monies received during the period 1st September to 31st December 2020 are shown in the following tables.

The payments have been made in accordance with EIFCA's Financial Regulations and the necessary processes and approvals have been carried out.

Background documents

There are no background documents to this paper.

**Finance Officer's Report on Payments Made and Monies Received during the period
1st October to 31st December 2020**

Payments made during the period 1st October 2020 to 31st December 2020

	Month 7	Month 8	Month 9	TOTAL
	£	£	£	£
Transfers to EIFCA Salaries Acct.		300,000.00		300,000.00
Rent, Rates & Service Charges	3,985.37	7,913.62	4,934.13	16,833.12
General Establishment	3,981.53	3,669.15	2,009.89	9,660.57
Legal Fees				
Staff Travelling & Subsistence	839.78	309.62	73.05	1,222.45
Members' Allowances				
Training		500.00	260.00	760.00
Moorings/Harbour Dues	242.10	200.00		442.10
Three Counties Operating Costs	2,772.97	53.53	631.19	3,457.69
FPV JA & ST –Operating Costs	3,235.61	3,410.19	5,743.36	12,389.16
Vehicle Operating Costs	2,618.62	1,538.80	1,755.65	5,913.07
Communication and Development				
Marine Science	37.03	1,228.70	7,211.43	8,477.16
Enforcement	554.67	191.83	3,048.12	3,794.62
WFO Fund				
Wash & Nth Norf. EMS Project	6.99	539.65	29.74	576.38
Assets		13,554.00	1,300.00	14,854.00
Petty Cash				
VAT recoverable (Quarter)	3,197.12	5,712.25	3,867.07	12,776.44
Grant funded project		166.40		166.40
TOTAL PAYMENTS MADE	21,471.79	338,987.74	30,863.63	391,323.16

Monies received during the period October 2020 to December 2020

	Month 7	Month 8	Month 9	TOTAL
	£	£	£	£
Levies				
Asset replacement				
WFO – Licences	(330.00)			(330.00)
EMFF Grants	41,572.86		5,577.60	47,150.46
Whelk licences	250.00	350.00	250.00	850.00
Wash & North Norfolk Coast EMS				
VAT			15,922.07	15,922.07
Fixed Penalty Fine				
EHO sampling				
Lay rents				
Court costs				
Interest				
Asset Sales				
Miscellaneous		182.00		182.00
TOTAL MONIES RECEIVED	41,492.86	532.00	21,749.67	63,774.53

Expenses –

Salary transfer to cover 3 months. Marine Science Mth 9 includes c.4.9k contribution to Oystercatcher study (Bird Food Model). Asset expenditure incs. Marine Surveyors initial fees £1,300 and software for later fitting to new vessel £13,554.

Income

EMFF Grants made up of £41.6k Operation Blake for prior periods expenditure and £5.6k for installation of IVMS units.

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Action Item 7

Finance and HR sub-committee meeting

2nd February 2021

Report by: Andrew Bakewell – Head of Finance and HR

Report on the Management Accounts for the 3rd quarter of the 2020/21 financial year

Purpose of report

To provide 3rd Quarter Management Accounts for members to note.

Recommendations:

Members are asked to:

- **Note** the Management Accounts

Explanatory Notes

Salaries and on costs	41,908	Vacancy savings
General expenditure	21,485	Savings in all areas except Insurance
Enforcement	11,541	Timing, licences paid last year
Marine Science	(1,604)	Bird Study c£4k
Vessels	(18,309)	New vessel Fees and equipment £17.5k
Vehicles	(2,682)	Mtce on older vehicles
Income		LCC Levy rec'd 19/20 (472,617), WFO licence reduction (19,152) IVMS Grant £5,578
Operation Blake	9,004	Exp. 32,569 Grant 41,573
True revenue position		
Expenditure savings	20,172	
Reserve items (new vessel)	17,592	
Operation Blake	9,004	
Income (exc LCC Levy)	12,481	
Budgeted	(6,119)	
Adjusted	53,130	

Management Accounts Financial Year 2020/2021

	ACTUAL	BUDGET	VARIANCE	MEMO
	Year to Date	Year to Date		Budget
	Qtr 3	Qtr 3		For Year
	£	£		£
<u>SALARIES & WAGES</u>				
Staff Remuneration	612,096	640,525	28,429	854,033
Pension	135,165	145,755	10,590	194,341
National Insurance	62,736	65,625	2,889	87,501
TOTAL	809,997	851,905	41,908	1,135,875
<u>GENERAL EXPEND</u>				
Accommodation	45,397	48,138	2,741	64,185
Insurance	9,135	8,600	(535)	8,600
General Establishment	75,179	81,755	6,576	96,610
Officers' Expenses	3,415	12,000	8,585	16,000
Members' Travel	242	1,500	1,258	2,000
Training	15,890	18,750	2,860	25,000
TOTAL	149,258	170,743	21,485	212,395
Media & Comms	348	750	402	1,000
Enforcement	7,884	19,425	11,541	25,000
Marine Science	11,354	9,750	(1,604)	12,000
Operation Blake	32,569		(32,569)	
<u>VESSELS</u>				
Moorings/Harbour Dues	2,679	4,750	2,071	5,000
<u>Vessel Operating Costs</u>				
Three Counties	15,248	20,000	4,752	50,000
FPVs JA & ST	34,927	28,125	(6,802)	37,500
Vessels insurance	21,238	20,500	(738)	20,500
New Vessel	17,592		(17,592)	
Vessels TOTAL	75,392	73,375	(18,309)	113,000
<u>VEHICLES</u>				
Operating Costs	25,382	22,700	(2,682)	26,700
TOTAL	25,382	22,700	(2,682)	26,700
TOTAL EXPENDITURE	1,128,476	1,148,648	20,172	1,525,970
<u>INCOME</u>				
Bank Interest	10	65	(55)	10,100
Levies	979,472	1,452,089	(472,617)	1,452,089
WFO Licence	16,518	40,000	(23,482)	40,000
Whelk licences	4,204	3,350	854	4,500
Sale of assets		4,800	(4,800)	6,400
Surveys	5,682		5,682	
EMFF Grants	47,150		47,150	
EHO sampling	8,192	11,250	(3,058)	15,000
Lay rents	2,443	3,250	(807)	4,000
TOTAL INCOME	1,063,671	1,514,804	(451,133)	1,532,089
Reserve movement				6,119

Vision

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Action Item 8

Finance and HR Sub-Committee Meeting

02 February 2021

Internal Audit Report

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of Report

To inform members of the outcome of the Internal Audit carried out by NCC Audit Services in the latter part of 2020.

Recommendations

It is recommended that members:

- **Note** the report.

Background

The authority once again engaged Norfolk County Council Audit Service to perform the annual health check on systems, procedures and controls. Unlike previous years the audit was conducted remotely.

Report

As in previous years the internal audit performed by Norfolk Audit Services focussed on our systems, procedures and controls and highlight areas for improvement. A copy of the audit letter is attached (Appendix A) which contains one recommendation for petty cash control described as not material due to the low level of risk.

The Joint Committees statement has been completed and submitted to the external auditors (PKF Littlejohn) for scrutiny.

Legal Implications

None.

Appendices

Appendix A – Audit letter

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
County Hall
Martineau Lane
Norwich
Norfolk
NR1 2DW

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

3 December 2020

Dear Mr Gregory,

Internal Audit 2019-20 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 2020 and to provide the audit report for the year as described in our letter of engagement signed on 8 October 2020.

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".

The audit of accounts for the year ended 31 March 2019 was undertaken by the external auditors, PKF LittleJohn LLP, no issues were noted. The 2019-20 audits of accounts have yet to be completed.

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. Recommendations have been made to further strengthen the petty

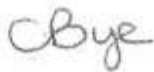
cash controls but as the average monthly spend is £57 it is a low risk and not deemed to be material.

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 committee. Please let me know if you require us to provide this assurance going forward, and I will happily provide a quote.

Please ask if you have any questions.

Yours sincerely



Caron Bye
Principal Client Manager
Norfolk Audit Services

Eastern Sea Fisheries Joint Committee
Internal Audit 2019-20

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 £6,250.10 and covering period from April 2019 to March 2020 were reviewed: All invoices were arithmetically checked, coded appropriately, VAT was accounted for correctly and approved in line with the policy and procedure.</p>	<p>Acceptable</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 2019-20 Annual Report. The register is formally reviewed on an annual basis with updates completed where necessary on a quarterly basis. It is noted that advice to undertake more frequent formal reviews has been addressed, with a</p>	<p>Acceptable</p>

Internal control objectives	Extent of Coverage / Comments	Opinion
<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>standing agenda item for the management of risk having been added to full Authority meetings with effect from November 2019.</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 (2019-20) were correctly received against letters requesting payment which were dated 5 February 2019.</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 Full Board on a quarterly basis to ensure the budget is monitored.</p> <p>Reserve levels have increased slightly since the previous year, and are discussed at each full authority meeting. Further assurance is part of the annual audit undertaken by PKF Littlejohn.</p>	Acceptable
<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 five invoices totalling £14,588.60 raised between April 2019 and March 2020 were reviewed:</p> <p>Income received was banked promptly, properly recorded in the cashbook and based on correct prices. As EIFCA is not VAT registered, VAT is not shown on the invoices.</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments	Opinion
<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 £111.41 raised between April 2019 and March 2020 were reviewed.</p> <p>The following issues were noted:</p> <ul style="list-style-type: none"> • Two payments did not have original receipts or invoices attached to the entries. • Two payments had not been signed as approved. • Three payments were over the £15 payment limit. An adequate explanation was provided as to why these payments had been made in cash (items were part of a larger shop paid for by cash, and the recipient preferred a cash payment). <p>Recommendations Petty cash payments should be properly supported by receipts and all expenditure should be signed approved.</p> <p>Consideration should be given as to whether there is an alternative way of paying for these sorts of items, and whether the petty cash limit is at an appropriate level for the types of expenditure required.</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.</p> <p>The employees' gross pay agreed to the pay scales stipulated in their contract and manual tax and National Insurance calculations confirmed accurate amounts are deducted from the employee's payslips.</p>	<p>Acceptable</p>

Internal control objectives	Extent of Coverage / Comments	Opinion
<p>H. Asset and investments registers were complete and accurate and properly maintained</p>	<p>The Asset Register was complete, accurate and properly maintained. Vessels are the most significant assets, followed by vehicles. Workboat certificates seen for 3 vessels. Disposal of Peugeot 306SW discussed with Head of Finance and was in accordance with the disposal policy.</p>	Acceptable
<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 dated with the date on which the reconciliation is completed and then signed and dated by the CEO when he performs his check of the reconciliation. 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,</p>	<p>Accounts are prepared on a correct accounting basis, including receipts, payments, income and expenditure, on a quarterly basis to report the income and expenditure to the Finance and Personnel committee and the full board. The accounts for 2019-20 have been reviewed and checked to supporting documentation and accounting system extracted records. No issues were found.</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments	Opinion
where appropriate, debtors and creditors were properly recorded		

HVision

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 9

Finance and HR Sub-Committee Meeting

02 February 2021

Appointment of Auditors

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of Report

To seek members approval to engage auditors for the 2020/21 Financial Year.

Recommendations

It is recommended that members:

- **Approve** the engagement of Norfolk Audit Services to carry out the internal audit and the appointment of PKF Littlejohn to audit the Annual Return.

Background

Although it is no longer a statutory requirement for the Authority to engage auditors the Officers believe that the re-assurance the scrutiny provides is worth the modest cost.

Report

As in previous years the internal audit performed by Norfolk Audit Services will focus on our systems, procedures and controls and highlight areas for improvement. The external audit merely verifies the accuracy of the Annual Return and this service is provided by PKF Littlejohn LLP.

Financial Implications

The fees for both audits are included in the budget.

Legal Implications

None.

Vision

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Action Item 10

Finance and HR Sub-Committee Meeting

02 February 2021

Credit Card Purchases Procedure

Report by: Andrew Bakewell – Head of Finance & HR

Purpose of Report

To simplify purchases using Company Credit Cards.

Recommendations

It is recommended that members:

- **Approve** the new trial procedure for credit card expenditure for amounts up to £250.

Background

The current procedure applying to all purchases requires a Purchase Order, expenditure request/authorisation form be completed.

Report

The organisation currently has 5 credit cards mainly used for one-off and on-line purchases. These are held by:

CEO

Head of Operations

Senior Skipper

Senior IFCO (Compliance)

Admin. Assistant

The nature of many purchases are necessitated by circumstances where the unwieldiness of the current procedure is prohibitive. By using a credit card certain facets of the current procedure are fulfilled as follows:

Authorisation – Approval of allocation to individuals

Spend Limits – Set for each card appropriate to identified needs

Purchase Order – Often verbal request to a supplier by an authorised individual.

It is therefore unnecessary to retrospectively complete paperwork for a commitment already made.

Verification of spend

Each Credit Card holder will sign off the expenditure on the monthly statement for their card. An indication of the budget to be charged should also be provided.

Please note for all purchases a VAT receipt is required.

Conclusion

If the trial is successful and reclaim of VAT is not compromised the purchase procedure will be amended to reflect the above changes on a permanent basis.

Financial Implications

None.

Legal Implications

None.

Vision

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Action Item 11

Finance and HR sub-committee meeting

Payment of expenses to MMO appointees

2nd February 2021

Report by: Andrew Bakewell, Head of Finance and HR

Purpose of report

Following delegations to the Finance and HR sub-committee it is now the responsibility of this body to review of the payment of expenses to MMO appointees. This report sets out the rationale for and affordability of the payment of expenses to members.

Recommendations

Members are recommended to:

Approve the payment of expenses to MMO appointees for the financial year 2021-22.

Background

Although the current situation is precluding face to face meetings and therefore eliminating the need to travel, at the point this changes, with some semblance of normality restored it is important that the Authority continues to maintain the number and diversity of its' membership. It is felt that the modest cost of reimbursing out of pocket expenses, at least, recognises and addresses a potential barrier. The budget for the coming year is £2,000 based on actual expenditure for the year 2019/20.(2020/21 is likely to be atypical with only loss of earnings for time at on-line meetings).

Comment and recommendations

The authority being mindful of its' financial duties will, whilst recognising the cost to the individual, continue to assess the affordability of the payment of expenses as standing orders require.

Expenditure at current levels is comfortably sustainable from existing funds without compromising achievement of the authority's targets.

Financial implications

The recommendation accords with the amounts contained in the 2020/21 budget.

Vision

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Information Item 14

Finance & HR Sub-Committee Meeting

HR Update

2nd February 2021

Report by: Andrew Bakewell, Head of Finance and HR

Purpose of report

To update members on HR activity.

Recommendations

It is recommended that members:

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

Activity since last report

Vacancies

A vacancy for a Marine Science Officer will be reviewed prior to recruitment. Following the internal appointment of the Grade 5 IFCO a permanent Project Officer vacancy has arisen (see below). The resulting fixed term contract vacancy will be included in the above mentioned review.

Recruitment

The vacant Grade 5 IFCO post has been filled internally by a member of the Project Team. The Project Officer (permanent) role has been offered to and accepted by the fixed (2 year) term Project Officer who has just successfully completed the first year of that contract.

Welfare

The Management Team continue regular contact with all staff both from a work and a wellbeing perspective. The use of Teams for virtual face to face being particularly invaluable. To supplement this a wellbeing survey has been commissioned and is being undertaken by the Well-Being Team at Norfolk County Council. The last survey was undertaken some two years ago.