



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

**to be held at
King's Lynn Town Hall, Saturday Market Place,
King's Lynn, PE30 5DG
on
1st February 2022
at
10.00 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: 1st February 2022

Time: 10.00 hours

Venue: Assembly Room, King's Lynn Town Hall, Saturday Market Place,
King's Lynn PE30 5DQ

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 2nd November 2021
- 5 Matters Arising - *Clerk*
- 6 Quarter 3 Payments and Receipts – *Hd Finance & HR*
- 7 Quarter 3 Management Accounts – *Hd Finance & HR*
- 8 Internal Audit Report - *Hd Finance & HR*
- 9 External Audit Report – *Hd Finance & HR*
- 10 Appointment of Auditors – *Hd Finance & HR*
- 11 Expenses to MMO appointees – *Hd Finance & HR*
- 12 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 13 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*
- 13 New Vessel update - CEO

Information Items

- 14 HR Update – *Hd Finance & HR*
- 15 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: 17th January 2022

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Finance & HR Sub-Committee

A meeting of the Finance & HR Sub-Committee took place at the Town Hall in King's Lynn 2nd November 2021 at 1030 hours.

Members Present:

Cllr T FitzPatrick	Chair	Norfolk County Council
Cllr T Adams		Norfolk County Council
Cllr E Back		Suffolk County Council
Dr S Bolt		MMO Appointee
Cllr M Chenery of Horsbrugh		Norfolk County Council
Cllr P Coupland		Lincolnshire County Council
Ms I Smith		MMO Appointee
Mr S Williamson		MMO Appointee

Eastern IFCA Officers Present:

A Bakewell	Head Finance & HR
J Butler	Head of Operations

FHR21/38 Welcome

The Chairman welcomed members to the meeting.

FHR21/39 Apologies for absence

Apologies for absence were received from Cllrs Skinner (LCC) and Vigo Di Gallidoro (SCC).

FHR21/40 Declarations of Members Interest.

There were no additional interests declared.

FHR21/41 Minutes of the Finance and Personnel Sub-committee meeting held on 3rd August 2021

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

FHR21/42 Matters Arising

Members were advised that an Officer had been retired on ill-health grounds with effect from 30th September 2021.

The Discrimination Claim had been registered by the Tribunal Service, EIFCA's response had been sent by NPLaw, but it was anticipated it would be several months before anything further was heard.

Disposal of John Allen had been discussed previously. Valuation had indicated a value of £144,000, however having approached a broker their valuation was less than this as the vessel was bespoke and therefore difficult to value. It was decided to test the market at £144k using an online broker which attracts both commercial and leisure interests.

FHR21/43 Quarter 2 Payments and Receipts

The Head of Finance & HR advised that the paper was very self-explanatory. The Grant Fund Project figure was almost identical for both months 4 and 5 due to similar levels of service being provided during each month, it was noted that as part of this project there was one more claim to be made.

The Marine Science budget included the purchase of a new ROV (Remotely Operated Vehicle) which would be deployed from the Authority's vessels.

Members Agreed to Note the paper

FHR21/44 Quarter 2 Management Accounts

Members were advised there was a saving in salaries due to vacancies, and other expenses showed saving due to reduced travel during the pandemic.

Additional expense had been occurred due to part funding a Bird Survey, the result of which would inform the Bird Food Model which was an important part of the annual Total Allowable Catch calculation for shellfish.

Income from licences was less than anticipated as fees had been held at the same level as the previous year rather than the anticipated increased level.

Operating Costs for the vessels were above budget due to ongoing engine difficulties resulting in diagnostic work, a change of injectors and ongoing repairs to Three Counties.

Members Agreed to note the Management Accounts

FHR21/45 External Audit for Statement of Accounts for year ended 31st March 2021

The Head of Finance & HR advised members that the completed statement had been signed by the Chair and the CEO and sent to the External Auditors for review.

Members Agreed to note the report

FHR21/46 Provisional Budget for the period 1st April 2022 – 31st March 2023 and Forecast to 2026/27

Members had been provided with a Provisional Budget for the next financial year. The Head of Finance & HR advised the budget accounted for a full complement of staff, the changes to NI which would be in place from April 1st, and an anticipated 2% increase for inflation.

Whilst New Burden Funding had not been confirmed it was believed that a similar level of funding would continue in future years, however at this stage it was not anticipated this would increase any further. It was noted that in the event of New Burden Funding not being continued EIFCA could continue until 2025/26 using current reserves.

On a positive note the replacement vessel cost which was originally estimated to be £2m was anticipated to be £1.6m by the boatbuilder.

Members were advised there was a meeting scheduled on 19th November with the three County Council Finance Directors. At this meeting the Authority's proposed budget would be put forward and the Officers would be advised whether there was cause for concern.

Dr Bolt noted the expectation that New Burden Funding was unlikely to increase, which he felt was a realistic expectation, but advised in real terms this would become a reduction of income year on year.

Cllr Coupland queried the figures provided for salaries and why the increase from one year to the next appeared to be so high. The Head of Finance & HR advised this was due to known increases in salaries, NI and an additional member of staff which the Sub-Committee had approved following the original budget for 2021/22 being set. Cllr Coupland advised that rising costs needed to be borne in mind, he felt the Authority could not keep galloping forward if the funding was not available to support rising costs.

It was noted that should funding become reduced it may be necessary to also reduce staff levels but as with hiring new staff that would be a decision made by this sub-committee.

Increased medical costs were queried, this was due to an officer displaying signs of dyslexia which needed a formal diagnosis in order to address what provisions could be made to assist the officer.

Ms Smith queried the Marine Science/Marine Protection Budget and whether it should have been increased to accommodate the additional work being carried out on the Cromer Shoal MCZ, it was explained that much of the survey work would be carried out using the ROV so the vessel and staff costs were already built into the budget. It was pointed out that whilst carrying out the Cromer Shoal Surveys this was at the cost of other work not being done.

Ms Smith queried if vessels from outside the Authority could be used for survey work, this had not been previously suggested or built into the budget.

Mr Williamson enquired whether it had been considered that Three Counties may need an engine replacement before the new vessel was ready, if this were necessary the funding would be taken from Reserves.

Members Resolved to:

- **Approve and recommend the Draft Budget 2022/23 to the full Authority at their next meeting on 8th December 2021**
- **Approve and recommend the Levies for 2022/23 to the full Authority at their next meeting on 8th December 2021**
- **Approve the Forecast for the following 4 years to 2026/27 for presentation to the full Authority at their next meeting on 8th December 2021**

Proposed: Cllr Chenery of Horsbrugh

Seconded: Dr Bolt

All Agreed

FHR21/47 IFCO Working Model Review

The Head of Operations gave a brief history of the working arrangements and how they had changed over time for the Enforcement Team. He advised that the outbreak of the pandemic had meant all Officers working from home, which had been a relatively seamless transition, had provided better coverage across the coast and reduced the pressure of limited office space.

Historically it was challenging to recruit suitable applicants for IFCO posts so ways to recruit and retain IFCOs were being considered, it was thought the option to work from home may make the role more appealing as well as providing better coverage of the Authority's District. It was therefore suggested that a hybrid working from home role for IFCOs could be adopted.

It was also noted that remote working made mentoring more challenging and there were potential Tax and NI issues if Officers continued working from home under their current contracts.

Dr Bolt questioned whether the implications for IT/DSE use from home had been considered and the need for all Officers to have appropriate working space and equipment if they were to continue working from home. Members were advised that all Officers had received the tax free allowance for home working during the pandemic which could continue to be paid to Officers if an option to work from home was adopted.

Cllr Coupland expressed his concern that home working was only ever intended to be a temporary decision and in his opinion staff should be back in offices as soon as possible. He believed home working had a tendency to allow ineffectiveness to creep in.

The Head of Finance & HR advised that the role being considered for home based working was the IFCO role which was largely ineffective in the office as it was essentially a role carried out in the District on daily enforcement duties, the proposal was not a general work from home option for the whole of the staff.

Cllr Chenery of Horsbrugh raised concerns regarding Mental Health Issues when working from home and questioned whether any had been experienced by EIFCA staff. The Head of Operations advised the impact of working from home had brought mixed opinion, some staff enjoyed working from home whilst others preferred not to and had opted to return to working from the office.

The Chair reminded members no clear decision had been made and if there was a preference not to delegate the decision then it could be brought back to the sub-committee. Dr Bolt felt that as long as the decision was only applicable to those staff who would normally work out in the District he was happy for the decision to be delegated.

Members Resolved to:

- **Agree to a review of working arrangements for IFCOs in the Marine Protection Team**

- **Agree to delegate the ability to determine the appropriate working model for IFCOs to the CEO in conjunction with the Chair and Vice Chair.**

Proposed: Cllr Chenery of Horsbrugh

Seconded: Cllr Adams

All Agreed

FHR21/48 *Members Resolved that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for items 12 & 13 on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

Proposed: Cllr Chenery of Horsbrugh

Seconded: Dr Bolt

All Agreed

FHR21/49 **HR Update**

Members were given a brief summary of HR movements within the Authority.

- One member of the Marine Science Team had resigned.
- One member of the Marine Protection Team had been retired on ill-health grounds.
- Two IFCO vacancies had been recruited, one had subsequently declined the role having been offered employment with Natural England.
- The staff shortage within the Marine Protection Team had been compounded by another member of the team being signed off sick for two months.
- A phased/controlled return to office working was being implemented taking account of Covid guidance.
- The Employment Tribunal Claim had been submitted but it was anticipated it would be several months before any further action would be taken.
- The Head of Finance & HR had indicated he intended to retire during the next financial year, the Exec Team would review his roles and responsibilities before deciding the best way to go forward. A paper with options would be put before a future Finance & HR sub-committee.

Noting the phased return to office based working the Chair suggested the previous decision to move to a purpose built office should not be dismissed out of hand, but the working model needed to be decided before decisions were made.

Members Agreed to note the paper

FH21/50 RV Three Counties replacement vessel update

The Head of Operations advised that the contract for the replacement vessel had been signed.

Previously discussed issues with engines appeared to be in hand as there were now two manufacturers who were able to meet the requirements, unfortunately the budget for these may be slightly more than anticipated. It was however hoped this would be offset by reduced costs of other equipment.

It was noted that a suitable tender that could be carried on the roof at all times had been identified, leaving the option for Sea Spray to be carried behind if necessary.

Members discussed the various engine options and ways to reduce the carbon footprint for EIFCA. It was also questioned whether it was the intention to keep adapting the vessel to accommodate new technology.

The Head of Operations advised that changing the agreed spec once the contract was agreed would affect other elements, however, the vessel was anticipated to have a lifespan of 30 years during which time new technology could be introduced during annual refits.

Ms Smith requested a copy of the vessel design spec, which the Head of Operations agreed to circulate.

Members Agreed to note the content of the report.

FHR21/51 Any Other Business

There were no items raised.

There being no other matters to discuss the meeting closed at 1147 hours.

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Action Item 6

Finance and HR sub-committee meeting

1st February 2022

Report by: Andrew Bakewell – Head of Finance & HR

Payments made and monies received during the period 1st October 2021 to 31st December 2021 (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 October to 31st December 2021 are shown in the following tables.

The payments have been made in accordance with Eastern IFCA'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 2021**

Payments made during the period 1st October to 31st December 2021

	Month 7	Month 8	Month 9	TOTAL
	£	£	£	£
Transfers to EIFCA Salaries Acct.		200,000.00		200,000.00
Rent, Rates & Service Charges	1,837.45	1,431.13	8,805.33	12,073.91
General Establishment	5,987.33	3,767.95	1,967.64	11,722.92
Legal Fees	1,981.60	1,332.00	77.00	3,390.60
Staff Travelling & Subsistence	439.57	918.24	569.37	1,927.18
Members' Allowances				
Training	1,950.00	655.84	400.84	3,006.68
Moorings/Harbour Dues	200.00	1,032.01		1,232.01
Three Counties Operating Costs	5,170.07	5,634.00	6,438.20	17,242.27
FPV JA & ST –Operating Costs	5,636.24	743.33	1,802.18	8,181.75
Vehicle Operating Costs	2,119.00	1,932.72	1,142.91	5,194.63
Communication and Development				
Marine Science	1,186.31	220.81	7,593.62	9,000.74
Enforcement	266.05	3,367.70	797.16	4,430.91
Wash & Nth Norf. EMS Project	6.99	6.99		13.98
WFO				
Asset Purchases	56,258.34			56,258.34
VAT recoverable (Quarter)	15,367.34	3,391.63	5,010.14	23,769.11
Grant funded project				
TOTAL PAYMENTS MADE	98,406.29	224,434.35	34,604.39	357,445.03

Monies received during the period October to December 2021

	Month 7	Month 8	Month 9	TOTAL
	£	£	£	£
Levies				
Defra funding				
Asset replacement				
WFO – Licences		660.00		660.00
EMFF Grants				
Whelk licences				
Wash & North Norfolk Coast EMS				
VAT	23,292.65		24,391.21	47,683.86
Fixed Penalty Fine		750.00		750.00
EHO sampling				
Lay rents				
Court costs				
Interest			3.60	3.69
Asset Sales			3,960.32	3,960.32
Miscellaneous				
TOTAL MONIES RECEIVED	23,292.65	1,410.00	28,355.13	53,057.78

Expenses –

Rent, rates etc, includes Qtrly Office Rent month 9.

Marine science includes purchase of a second new ROV month9.

3 new Hyundai Tucsons to replace 7 year old vehicles in month 7.

Income –

VAT month 9 would normally appear in mth 10.

Asset sales proceeds from disposal of Skoda Yeti.

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Action Item 7

Finance and HR sub-committee meeting

1st February 2022

Report by: Andrew Bakewell – Head of Finance and HR

Report on the Management Accounts for the 3rd Quarter of the 2021/22 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

	Variance	
Salaries and on costs	31,930	Ongoing vacancies
General expenditure	5,457	Staff & Member expense savings
£6,580,		Training savings £2,013 and Accommodation savings £3,505 offset by General Overhead overspend (£6,333), legal costs WFO replacement, mobiles.
Enforcement	3,212	Reduced IT costs
Marine Science	(1,266)	Mtce. Costs and insurance ROVs
Vessels	(7,817)	TC. Overspend (£16,967) engine repairs,
Vehicles	10,002	Ribs underspent £8,305
Income (ex Op Blake)	(7,304)	Insurance paid prior year
timing		Whelk Tags (£2,940) EHO (£8,892)
Operation Blake cost	(23,505)	Sale of Skoda Yeti £3,960. Final claim o/s

Management Accounts Financial Year 2021/2022

	ACTUAL Year to Date Qtr 3 £	BUDGET Year to Date Qtr 3 £	VARIANCE	MEMO Budget For Year £
<u>SALARIES & WAGES</u>				
Staff Remuneration	591,152	637,125	45,973	849,500
Pension	134,527	116,673	(17,854)	175,000
National Insurance	60,314	64,125	3,811	85,500
TOTAL	785,993	817,923	31,930	1,110,000
<u>GENERAL EXPEND</u>				
Accommodation	44,045	47,550	3,505	63,385
Insurance	8,908	8,600	(308)	8,600
General Establishment	91,378	85,045	(6,333)	96,060
Officers' Expenses	6,044	11,250	5,206	15,000
Members' Travel	126	1,500	1,374	2,000
Training	16,237	18,250	2,013	20,000
TOTAL	166,738	172,195	5,457	205,045
Media & Comms	746	750	4	1,000
Enforcement	16,288	19,500	3,212	25,000
Marine Science	10,266	9,000	(1,266)	12,000
Operation Blake	64,109		(64,109)	
<u>VESSELS</u>				
Moorings/Harbour Dues	4,729	5,500	771	6,000
Vessel Operating Costs				
Three Counties	34,967	18,000	(16,967)	48,500
FPVs JA & ST	20,945	29,250	8,305	39,000
Vessels insurance	22,156	22,140	(16)	22,140
TOTAL	82,707	74,890	(7,817)	115,640
<u>VEHICLES</u>				
Operating Costs	13,998	23,300	10,002	27,800
TOTAL	13,998	23,300	10,002	27,800
Contingency		18,750	18,750	25,000
TOTAL EXPENDITURE	1,140,845	1,136,308	(4,537)	1,521,485
<u>INCOME</u>				
Bank Interest	10	150	(140)	10,050
Levies	1,473,248	1,473,248	-	1,473,248
WFO Licence	17,163	16,000	1,163	16,000
Whelk licences	1,560	4,500	(2,940)	6,000
Asset replacement	159,135	159,135	-	159,135
Other	1,532	1,500	32	2,000
EMFF Grants	40,604		40,604	
Asset Sales	3,960		3,960	
EHO sampling	4,608	13,500	(8,892)	18,000
Lay rents	1,913	2,400	(487)	3,000
TOTAL INCOME	1,703,733	1,670,433	33,300	1,687,433
Reserve movement				165,948

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Action Item 8

Finance and HR Sub-Committee Meeting

01 February 2022

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 2021.

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. As last year 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 two recommendations in respect of Purchase Orders and Petty Cash (see Head of Fin & HR comments in red on the document).

The Joint Committees statement was subsequently completed and sent to PKF Littlejohn for review (see External Audit Report).

Legal Implications

None.

Appendices

Appendix A – Audit letter

Appendix A



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: Claire Bunn
Direct Dialling Number: 01603 222779
Email: claire.bunn@norfolk.gov.uk

24th August 2021

Dear Mr Gregory,

Internal Audit 2020-21 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 2021 and to provide the audit report for the year as described in our letter of engagement signed on 23 June 2021.

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 exist 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 2020 was undertaken by the external auditors, PKF LittleJohn LLP, no issues were noted. The 2020-21 audit of accounts has 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 and the raising of purchase orders.

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



Claire Bunn
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.</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 12 invoices totalling £138,914.16 and covering period from April 2020 to March 2021 were reviewed:</p> <p>All invoices were arithmetically checked, coded appropriately, VAT was accounted for correctly and approved in line with the policy and procedure.</p> <p>The following issue was noted:</p> <ul style="list-style-type: none"> • (<i>FR10.1 – 'An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g petty cash or low value purposes'</i>) <p>The regulations do not specify what is classed as a 'low value' invoice, therefore not requiring a purchase order to be raised.</p> <p>Recommendations</p> <p>Financial regulations should be updated to stipulate a value by which</p>	<p>Acceptable</p>

Internal control objectives	Extent of Coverage / Comments	Opinion
	<p>transactions would be classed as 'low value', therefore removing the requirement for the purchase order to be raised.</p> <p>Head of Finance and HR – Regs will be updated however several of the invoices were for recurring items e.g. Rent, Utilities etc in these cases POs are never raised.</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 formally reviewed on a quarterly basis, as a standing agenda item at the quarterly Full Authority meetings.</p>	<p>Acceptable</p>
<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 (2020-21) were correctly received against letters requesting payment which were dated 16 December 2020.</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. Head of Fin & HR – this is now delegated to the Finance and HR sub-committee</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>	<p>Acceptable</p>

Internal control objectives	Extent of Coverage / Comments	Opinion
<p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked and VAT was appropriately accounted for</p>	<p>A sample of eight income transactions £63,584.86 received between April 2020 and March 2021 were reviewed: Income received was banked promptly (apart from one instance detailed below), properly recorded in the cashbook and based on correct prices. As EIFCA is not VAT registered, VAT is not shown on invoices raised.</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 four petty cash payments (one from each quarter) raised between April 2020 and March 2021, and the single petty cash credit for the year were reviewed.</p> <p>The following issue was noted:</p> <ul style="list-style-type: none"> Petty cash had not been formally reimbursed. Cash received for a licence was paid directly into the petty cash in lieu of a formal reimbursement, meaning this cash was not paid into the bank account. <p>Recommendations Cash payments should be paid intact to the bank account to maintain an audit trail and support ledger reconciliations. Similarly, when the petty cash float requires reimbursement, this should be drawn from the bank account and formally recorded as a petty cash credit, to record that audit trail and support those reconciliations.</p> <p>Head of Fin & HR – This recommendation will be ignored for the following significant reasons a) Bank Charges for both depositing and withdrawing cash, b) unnecessary risks during a Pandemic, c) Time wasted queueing</p>	<p>Acceptable</p>

Internal control objectives	Extent of Coverage / Comments	Opinion
	If amounts were substantial cash would be deposited	
<p>G</p> <p>Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied</p>	<p>Three employee's payroll months were sample tested. Amounts paid were correctly stated in EIFCA records 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>	Acceptable
<p>H.</p> <p>Asset and investments registers were complete and accurate and properly maintained</p>	<p>The Asset Register was complete, accurate and maintained as seen in previous years. It was noted that the requirements for information to be recorded on the register, as stipulated within the financial regulations (<i>FR13.1 - a record is maintained of all assets owned by the Authority, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held</i>), had not all been captured on the register, however we were advised that these details are held, but not immediately accessible for review during the audit.</p> <p>Vessels are the most significant assets, followed by vehicles.</p>	Acceptable
<p>I.</p> <p>Periodic and year end bank account reconciliations were properly carried out</p>	<p>Bank reconciliations are carried out monthly and at year end by the Head of Finance in accordance with the procedures. These are 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.</p> <p>There were no stale cheques.</p>	Acceptable

Internal control objectives	Extent of Coverage / Comments	Opinion
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded</p>	<p>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.</p> <p>The accounts for 2020-21 have been reviewed and checked to supporting documentation and accounting system extracted records. No issues were found.</p>	<p>Acceptable</p>

Vision

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Action Item 9

Finance and HR Sub-Committee Meeting

01 February 2022

External Audit Report

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of Report

To inform members of the outcome of the External Review of the Annual Statement year ended March 2021.

Recommendations

It is recommended that members:

- **Note** the report.

Background

The authority once again engaged PKF Littlejohn to review the Annual Statement for the year ended 31/03/2021.

Report

As in previous years the Annual Statement was sent to PKF Littlejohn for review and signature. They reported no issues in their Audit Letter (attached).

Legal Implications

None.

Appendices

Appendix A – Audit letter

Appendix A

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-l.com

12 May 2021

Dear Mr Bakewell

Eastern Inshore Fisheries and Conservation Authority Completion of the independent review for the year ended 31 March 2020

We have completed our independent review of the Annual Return for Eastern Inshore Fisheries and Conservation Authority for the year ended 31 March 2020. 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), 15 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 2020/21

You have confirmed you would like us to carry out a similar review in respect of the year ended 31 March 2021. The instruction letter and associated documentation will be sent in due course.

Yours sincerely



PKF Littlejohn LLP

Eastern Inshore Fisheries and Conservation Authority

Notice of conclusion of audit Annual Return for the year ended 31 March 2020

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
<p>1. The audit of accounts for Eastern Inshore Fisheries and Conservation Authority for the year ended 31 March 2020 has been concluded and the accounts have been published.</p>	
<p>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:</p>	
<p>(a) _____ _____ _____ _____</p>	<p>(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the Annual Return</p>
<p>(b) _____ _____ _____</p>	<p>(b) Insert the hours during which inspection rights may be exercised</p>
<p>3. Copies will be provided to any person on payment of £____(c) for each copy of the Annual Return.</p>	<p>(c) Insert a reasonable sum for copying costs</p>
<p>Announcement made by: (d) _____</p>	<p>(d) Insert the name and position of person placing the notice</p>
<p>Date of announcement: (e) _____</p>	<p>(e) Insert the date of placing of the notice</p>

Section 1 – Annual governance statement 2019/20

We acknowledge as the members of

Enter name of reporting joint committee **EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY**

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 2020, that:

	Agreed –		Yes <small>(means that the joint committee)</small>
	Yes	No	
1 We approved the accounting statements prepared in accordance with the guidance notes within this Annual Return.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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

FCWA 20/23 REFERENCE

dated **04/08/2020**

Signed by:

Chair **AS** SIGNATURE REQUIRED

dated **18/12/2020**

Signed by:

Clerk **R. Gregory** SIGNATURE REQUIRED ✓

dated **24/12/2020** ✓

*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 2019/20 for:

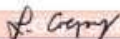
Enter name of reporting joint committee here:

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 2019 £	31 March 2020 £	
1 Balances brought forward	2,130,561	2,182,032	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	1,411,008	1,581,345	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	121,854	190,628	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	1,024,065	1,029,747	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	457,326	518,124	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	2,182,032	2,406,132	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	3,020,382	3,263,120	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	1,797,645	1,807,112	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 2020 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:

X  REQUIRED X

X Date 24/12/2020 V

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

04/08/2020

and recorded as minute reference:

FLHR 20/23 REFERENCE

Signed by Chair of meeting approving these accounting statements:

 SIGNATURE REQUIRED

Date 18/12/2020

Section 3 – Review report 2019/20 Certificate

We present the findings from our review of the annual return for the year ended 31 March 2020 in respect of:

Enter name of reporting joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY - JC0004

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 2020; 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

No matters to report

(continue on a separate sheet if required)

Reviewer signature

Paul Littlejohn

Reviewer

PKF Littlejohn LLP

Date

12/5/21

Vision

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Action Item 10

Finance and HR Sub-Committee Meeting

01 February 2022

Appointment of Auditors

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of Report

To seek members approval to engage auditors for the 2021/22 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 11

Finance and HR sub-committee meeting

1st February 2022

Report by: Andrew Bakewell, Head of Finance and HR

Payment of expenses to MMO appointees

Purpose of report

It is a function of the Finance and HR sub-committee to review annually the payment of expenses to MMO appointees for the coming budget year.

Recommendations

Members are recommended to:

Approve the payment of expenses to MMO appointees for the financial year 2022-23.

Background

Following a period of “online” meetings the expense claims have been commensurately low in the current year. However with a semblance of normality returning 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 £1,500 based on typical expenditure levels, under normal circumstances, as 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 2022/23 budget as approved by the Full Authority (8th December 2021).