

**NWIFCA Annual Meeting**  
**12<sup>th</sup> June 2015: 11.00 a.m.**

**AGENDA**  
**ITEM NO.**  
**11**

**FINANCIAL REPORT**

**Purpose of Report:**

- To present the Final Budget Review for the year ended 31<sup>st</sup> March 2015
- To present the Annual Return for the Year Ended 31<sup>st</sup> March 2015
- To report on the Internal Audit for the year ended 31<sup>st</sup> March 2015
- To give a brief financial report on the start of the year 2015-16

**Recommendations:**

- The Budget Review for 2014-15 is approved
- The Annual Return for 2014-15 Sections 1 & 2 are approved and signed
- The Internal Audit Report for 2014-15 is approved
- The Financial Report is approved

**1. Final Budget Review for the year ended 31<sup>st</sup> March 2015**

- a) The budget review for the year 2014-15 is attached at Annex A.
- b) Working surplus is £77,790, plus the £73,280 set aside from 2% levy increase towards funding a new patrol vessel. As in 2013-14, savings have been made wherever possible to conserve funds for a new patrol vessel.
- c) A total of £151,070 will be added to Reserves to be spent on the new patrol vessel.

**2. NWIFCA Annual Return and Audit for the year ended 31 March 2015**

- a) Sections 1 and 2 of the Annual Return for 2014-15 need to be approved by NWIFCA and signed by the Chairman and Chief Executive (*copy follows this report*). Completed Annual Return must be submitted to External Auditor BDO Stoy Hayward LLP by 13<sup>th</sup> July 2015.
- b) **Section 1** of the Annual Return is a summary of NWIFCA finances. **Section 2** is the Statement of Internal Control for NWIFCA. **Sections 3** will be completed by external auditor BDO Stoy Hayward LLP. **Section 4** will be completed by Moore and Smalley LLP after receiving signed copies of Sections 1 and 2.
- c) NWIFCA Bank Reconciliation for the Year Ended 31<sup>st</sup> March 2015 (*Annex B following this report*) is sent with the Annual Return to BDO Stoy Hayward.

**3. Internal Audit for the year ended 31<sup>st</sup> March 2015**

The Annual Internal Audit for 2014-15 was carried out by Moore and Smalley LLP on 5<sup>th</sup> May 2015 and their report is attached for Authority approval.

**4. Financial Report on the start of 2014-15**

- a) There has been no unusual expenditure so far in the current financial year 2014-15.
- b) An incident on 28<sup>th</sup> April 2015 led to an insurance claim for damage to the side of the Renault Kangoo crew van and the cost to NWIFCA will be the excess of £150.

**Finance Officer  
27<sup>th</sup> May 2015**

## ANNEX A

### North Western Inshore Fisheries and Conservation Authority (NWIFCA) BUDGET REVIEW FOR 2014-15

	FROM 1 APRIL 2014 - 31 MARCH 2015			
	ANNUAL BUDGET £	BUDGET TO DATE £	ACTUAL TO DATE £	BETTER+/ WORSE- THAN BUDGET £
<b>EXPENDITURE</b>				
Employees	876,237	876,237	810,086	66,151
Premises	52,850	52,850	50,176	2,674
Transport 3151-3651	212,320	212,320	189,961	22,359
Vessel Purchase 3652 ( <i>Transport</i> )	73,280	73,280	0	73,280
Supplies/Services	61,300	61,300	49,832	11,468
Support Services	13,000	13,000	8,630	4,370
Corporate	17,300	17,300	20,852	-3,552
<b>Total Expenditure</b>	<b>1,306,287</b>	<b>1,306,287</b>	<b>1,129,535</b>	<b>176,752</b>
<b>INCOME</b>				
Levy	1,187,287	1,187,287	1,187,287	0
Shellfish sampling	15,000	15,000	8,584	-6,416
Miscellaneous Income	0	0	3,500	3,500
Byelaw 3 Permit Fees	100,000	100,000	74,800	-25,200
Interest	4,000	4,000	6,434	2,434
<b>Total Income</b>	<b>1,306,287</b>	<b>1,306,287</b>	<b>1,280,605</b>	<b>-25,682</b>

Surplus	151,070
Less Vessel Purchase	73,280
<b>WORKING SURPLUS</b>	<b>77,790</b>

**NOTE:** Increase of Levy of 2% per year for 5 years is kept (in Vessel Purchase 3652) and transferred to Reserves at year end until needed for funding replacement Patrol Vessel

## **ANNEX B**

### **NORTH WESTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY**

#### **Bank Reconciliation**

**For the year ended 31 March 2015**

#### **Bank Account:**

NatWest Current Account	£72,872.26	<b>£72,872.26</b>
(Unadjusted figure see Note1)		

#### **Less unpresented cheques:**

None

#### **Add uncleared payment:**

None

#### **Add Petty Cash:**

**£200.00**

#### **Add Short term Investments:**

Lancashire County Council Investment		<b>£1,047,000.00</b>
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#### **TOTAL**

**£1,120,072.26**

#### **Note 1: Reconciliation of bank account figure with Profit & Loss**

Unadjusted Bank Account	£72,872.26	
Less Unpresented Cheques	£0.00	<b>£72,872.26</b>
Profit & Loss 8255 Bank		<b>£72,872.26</b>

## Section 1 – Accounting statements 2014/15 for:

Enter name of reporting body here: **NORTH WESTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY**

	Year ending		Notes and guidance
	31 March 2014 £	31 March 2015 £	
1 Balances brought forward	929,066	1,000,721	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	1,164,007	1,187,287	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	116,149	93,318	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	828,092	810,086	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	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	380,409	319,450	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	1,000,721	1,151,790	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	1,018,795	1,120,072	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	226,966	236,228	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	0	0	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 2015 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

Date

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

and recorded as minute reference:

Signed by Chair of meeting approving these accounting statements:

Date

## Section 2 – Annual governance statement 2014/15

We acknowledge as the members of **NORTH WESTERN 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 2015, that:

	Agreed –		'Yes' means that the body:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YES		prepared its accounting statements in the way prescribed by law.
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 laws, regulations and proper practices that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	YES		has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES		during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 We carried out an assessment of the risks facing the body 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 body'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 body.
7 We took appropriate action on all matters raised in reports from internal and external audit.	YES		responded to matters brought to its attention by internal and external audit.
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 body 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 body and recorded as minute reference

dated

Signed by:

Chair

dated

Signed by:

Clerk

dated

**\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the council will address the weaknesses identified.**

# North Western Inshore Fisheries and Conservation Authority

## Internal Audit Report

31 March 2015

We carried out this assignment on the basis of an assessment of the risks in each area of internal control relevant to the statements we are required to sign off at Section 4 of the Annual Return.

Our work includes examination, on a test basis, of evidence relevant to these statements. Our tests may not necessarily disclose all errors, or irregularities, or areas of improvement and should not be relied upon to do so. Therefore the points below should not be considered exhaustive.

- 1 The accounting system for purchases, receipts, payroll, at the month-end, and at the year-end was adequate and it was operated as documented;
- 2 The audit trail from the underlying records was complete and easy to follow;
- 3 The budgetary process was rigorous and supported the levy asked for;
- 4 Virtually every entry on the accounting system has been reviewed by the Chief Executive to the Committee;
- 5 Virtually every item of expenditure we tested showed that they had been ordered, invoiced, and approved. Those which did not were considered to be recurring expenditure which did not need to have an individual order;
- 6 On the sample of petty cash payments we tested the reclaimable input VAT had been claimed and the expenditure was properly supported by an invoice;
- 7 The financial and general risks to the organisation appear to be well documented and acted upon through the Risk Assessment. We would recommend that an annual review is performed on the Risk Management Strategy and reported in line with the Finance Regulations and Strategy review and monitoring requirements.