



East Suffolk
Drainage Board

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDING
31 MARCH 2014**

Kettlewell House
Austin Fields Industrial Estate
Kings Lynn
Norfolk
PE30 1PH

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDING 31 MARCH 2014**

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From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

NOTE ACCOUNTING POLICIES

1 FINANCIAL REPORTING STANDARDS, REGULATION AND GUIDANCE

- (i) The Board has not elected to prepare a full Statement of Accounts required by larger public bodies, as provided for in Regulation 12(b) of the Accounts and Audit Regulations 2011.
- (ii) The Board has completed this Statement of Accounts in accordance with the Financial Reporting Standard for Smaller Entities 2008 (FRSSE) issued by the Accounting Standards Board and has prepared an Annual Return, which smaller bodies are required to do, in accordance with Regulation 12(a) of the Accounts and Audit Regulations 2011, based on these Accounts.
- (iii) The Annual Return has been prepared in accordance with proper practices that are set out in Parts 1 to 3 of the Guidance published by the Association of Drainage Authorities in 2008. This Statement of Accounts therefore includes the Accounting Statement reported on the Annual Return, which has been reconciled to the Income and Expenditure Account and Balance Sheet stated herein.

2 ACCOUNTING CONCEPTS

These Accounts have been prepared in accordance with the following accounting concepts:

Going Concern
Prudence
Accruals

3 FIXED ASSETS

- (i) Fixed Assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets. Assets with estimated useful economic lives in excess of one year and a value of £5,000 or above are capitalised on an accruals basis in the Accounts.
- (ii) All fixed Assets are valued on the following basis:
 - Land and buildings are included in the balance sheet at lower of net current replacement cost and net realisable value, net of accumulated depreciation. Net current replacement cost is assessed as:
 - Non-specialised operational properties - existing use value
 - Specialised operational properties - depreciated replacement cost
 - Vehicles, plant and equipment are included at cost less depreciation
- (iii) Disposals are written off at cost less depreciation. Any surplus/deficit arising is charged/credited to Exceptional Items in the Income and Expenditure Account.
- (iv) Depreciation has been provided for using the straight line method.
- (v) The useful lives of the various assets held on the Fixed Asset Register are as follows:
 - Land: not depreciated
 - Buildings: 20 years

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NOTE ACCOUNTING POLICIES

4 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost or net realisable value.

5 GOVERNMENT GRANTS AND SUBSIDIES

Government grants and contributions have been credited to the Income and Expenditure Account on an accruals basis.

6 TAXATION

Drainage Boards are exempt from Income, Corporation and Capital Gains Taxes. Value Added Tax is included in the Income and Expenditure Account only to the extent that it is irrecoverable.

7 EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS

- (i) There are no material exceptional or extraordinary items to disclose in the Accounts.
- (ii) Profits or losses on the disposal of fixed assets are shown separately on the face of the Income and Expenditure Account prior to the Operating Net Surplus/(Deficit).

8 INCOME RECOGNITION

Income is recognised at the time of invoicing. In the case of Drainage Rates this is on the 1st April annually.

9 RESERVES

The Board holds the following Reserves, the adequacy of which are reviewed by the Board annually. The Board has 5 sub districts and each one has its own General Reserve and Capital Reserve:

- (i) **General Reserves**
The Association of Drainage Authorities guidance recommends that the General Reserve held by the Board is 20% to 25% of estimated net expenditure. The year end surplus/(deficit) for each Sub District is taken to the General Reserve.
- (ii) **Capital Reserves**
The purpose of this Reserve is to reduce the impact on drainage rates as and when pumping plant and gravity sluices are refurbished or improved, in accordance with the Pumping Station Refurbishment Programme and Capital Works Programme.

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NOTE	INCOME AND EXPENDITURE ACCOUNT	ACTUAL 2012/13 £	ACTUAL 2013/14 £	BUDGET 2013/14 £	VARIANCE £
<u>INCOME</u>					
1	Drainage Rates	133,394	135,029	135,029	0
2	Special Levies issued by the Board	135,755	136,306	136,306	0
3	Grants Applied	72,988	0	0	0
4	Highland Water Contributions	75,980	100,383	82,986	17,397
5	Income from Rechargeable Works	0	33,305	0	33,305
6	Other Income	1,454	1,777	942	835
Total Income		£419,571	£406,800	£355,263	£51,537
<u>EXPENDITURE</u>					
7	Capital Works	73,280	0	0	0
8	Environment Agency Precept	67,971	69,806	67,971	-1,835
9	Maintenance Works	156,810	134,267	161,753	27,486
10	Administration Charges	67,106	48,654	60,518	11,864
11	Cost of Rechargeable Works	0	33,305	0	-33,305
Total Expenditure		£365,167	£286,032	£290,242	£4,210
Profit/(Loss) on disposal of Fixed Assets		0	0	0	0
Net Surplus/(Deficit) for the Year		£54,404	£120,768	£65,021	£55,747

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NOTE BALANCE SHEET AS AT 31-3-2014		2012/13 £	MOVEMENT £	2013/14 £
12	Fixed Assets			
	Land and Buildings	223,417	-15,958	207,459
		223,417	-15,958	207,459
	Current Assets			
13	Cash at Bank and in Hand	24,696	120,095	144,791
14	Short term Investments	300,000	0	300,000
15	Debtors and Prepayments	5,144	21,267	26,411
		329,840	141,362	471,202
	Current Liabilities			
16	Creditors and Receipts in Advance	35,581	17,218	52,799
17	Loans Repayable within the next 12 months	12,582	614	13,196
		48,163	17,832	65,995
	Net Current Assets	281,677	123,530	405,207
	Less Long Term Liabilities			
17	Long Term Borrowing	231,991	-13,196	218,795
		231,991	-13,196	218,795
	Net Assets	£273,103	£120,768	£393,871
18	Reserves			
	General Reserves	62,259	34,657	96,916
	Capital Reserves	210,844	86,111	296,955
		273,103	120,768	393,871
	Reserves	£273,103	£120,768	£393,871

P J CAMAMILE
CHIEF EXECUTIVE

From: 01 April 2013
To: 31 March 2014

Period: 12
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INCOME AND EXPENDITURE ACCOUNT	<u>RIVER DEBEN (PUMPED)</u>		<u>LOWER ALDE (PUMPED)</u>		<u>AHB (PUMPED)</u>		<u>BLYTH (PUMPED)</u>		<u>GRAVITY</u>		<u>TOTAL</u>	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
	£	£	£	£	£	£	£	£	£	£	£	£
INCOME												
Drainage Rates	30,958	30,958	59,269	59,269	12,311	12,311	8,084	8,084	24,407	24,407	135,029	135,029
Special Levies issued by the Board	27,320	27,320	9,891	9,891	0	0	130	130	98,965	98,965	136,306	136,306
Grants Applied	0	0	0	0	0	0	0	0	0	0	0	0
Highland Water Contributions	22,705	30,509	34,658	46,722	2,769	2,144	8,643	5,087	14,211	15,921	82,986	100,383
Income from Rechargeable Works	0	0	0	33,305	0	0	0	0	0	0	0	33,305
Other Income	288	316	252	410	73	109	37	81	292	861	942	1,777
Total Income	£81,271	£89,103	£104,070	£149,597	£15,153	£14,564	£16,894	£13,382	£137,875	£140,154	£355,263	£406,800
EXPENDITURE												
Capital Works	0	0	0	0	0	0	0	0	0	0	0	0
Environment Agency Precept	5,174	5,314	4,385	4,503	922	947	202	207	57,288	58,835	67,971	69,806
Maintenance Works	30,505	30,384	71,864	57,077	4,085	4,868	11,243	2,880	44,056	39,058	161,753	134,267
Administration Charges	7,262	5,838	7,867	6,325	2,421	1,946	1,210	973	41,758	33,572	60,518	48,654
Cost of Rechargeable Works	0	0	0	33,305	0	0	0	0	0	0	0	33,305
Total Expenditure	£42,941	£41,536	£84,116	£101,210	£7,428	£7,761	£12,655	£4,060	£143,102	£131,465	£290,242	£286,032
Profit/(Loss) on disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit) for the Year	£38,330	£47,567	£19,954	£48,387	£7,725	£6,803	£4,239	£9,322	-£5,227	£8,689	£65,021	£120,768

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STATEMENT OF MOVEMENT ON RESERVES	<u>RIVER DEBEN (PUMPED)</u>		<u>LOWER ALDE (PUMPED)</u>		<u>AHB (PUMPED)</u>		<u>BLYTH (PUMPED)</u>		<u>GRAVITY</u>		<u>TOTAL</u>	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
	£	£	£	£	£	£	£	£	£	£	£	£

GENERAL RESERVES

Opening Balances as 1-4-2013	14,368	14,691	12,551	16,232	6,224	6,670	5,442	4,245	9,735	20,421	48,320	62,259
Net Surplus/(Deficit) for the Year	38,330	47,567	19,954	48,387	7,725	6,803	4,239	9,322	-5,227	8,689	65,021	120,768
Transfers (to)/from Capital Reserve	-34,593	-37,999	-17,071	-33,336	-7,245	-8,420	-4,439	-6,356	0	0	-63,348	-86,111

Closing Balances as at 31-3-2014	£18,105	£24,259	£15,434	£31,283	£6,704	£5,053	£5,242	£7,211	£4,508	£29,110	£49,993	£96,916
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CAPITAL RESERVES

Opening Balances as at 1-4-2013	21,473	71,144	25,287	51,749	4,033	15,349	1,567	7,966	64,637	64,636	163,354	210,844
Transfers (to)/from General Reserve	34,593	37,999	17,071	33,336	7,245	8,420	4,439	6,356	0	0	63,348	86,111

Closing Balances as at 31-3-2014	£56,066	£109,143	£42,358	£85,085	£11,278	£23,769	£6,006	£14,322	£64,637	£64,636	£180,345	£296,955
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From: 01 April 2013
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NOTE NOTES TO THE ACCOUNTS

1 DRAINAGE RATES

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District	30,500	30,958	30,958	0
Lower Alde (Tidal Pumped) Sub District	58,394	59,269	59,269	0
AHB (Tidal Pumped) Sub District	12,129	12,311	12,311	0
River Blyth (Tidal Pumped) Sub District	7,964	8,084	8,084	0
Gravity Sub District	24,407	24,407	24,407	0
	133,394	135,029	135,029	0

2 SPECIAL LEVIES ON COUNCILS

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Suffolk Coastal District Council	26,917	27,320	27,320	0
Lower Alde (Tidal Pumped) Sub District:				
Suffolk Coastal District Council	9,745	9,891	9,891	0
River Blyth (Tidal Pumped) Sub District:				
Waveney District Council	128	130	130	0
Gravity Sub District:				
Babergh District Council	1,499	1,499	1,499	0
Ipswich Borough Council	31,744	31,744	31,744	0
Mid Suffolk Borough Council	33,656	33,656	33,656	0
Waveney District Council	2,581	2,581	2,581	0
Suffolk Coastal District Council	29,485	29,485	29,485	0
	98,965	98,965	98,965	0
	135,755	136,306	136,306	0

Special Levies are paid by constituent Councils in two equal halves on 1 May and 1 November every year.

3 GRANTS APPLIED

Grants Applied for this year and last year are as follows:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
Capital Scheme				
River Deben (Tidal Pumped) Sub District:				
Bawdsey Pumping Station (Health & Safety Improvements)	0	0	0	0
King's Fleet Pumping Station (Health & Safety Improvements)	0	0	0	0
Falkenham Pumping Station (Health & Safety Improvements)	0	0	0	0
	0	0	0	0
Lower Alde (Tidal Pumped) Sub District:				
Butley Pumping Station (Health & Safety Improvements)	0	0	0	0
Chillesford Pumping Station (Health & Safety Improvements)	0	0	0	0
Gedgrave Pumping Station (Health & Safety Improvements)	0	0	0	0
Iken Pumping Station (Health & Safety Improvements)	0	0	0	0
Sudbourne Pumping Station (Health & Safety Improvements)	0	0	0	0
	0	0	0	0
AHB (Tidal Pumped) Sub District:				
Colony Marsh Pumping Station (Health & Safety Improvements)	0	0	0	0
River Blyth (Tidal Pumped) Sub District:				
Reydon Marsh Pumping Station (Health & Safety Improvements)	0	0	0	0
Reydon Marsh Pumping Station Improvement Study	238	0	0	0
Reydon Marsh Pumping Station Improvement Scheme	72,750	0	0	0
	72,988	0	0	0

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NOTE NOTES TO THE ACCOUNTS

72,988	0	0	0
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4 HIGHLAND WATER CONTRIBUTIONS

- (i) This income comes from the Environment Agency in May and December each year. Highland Water income has been derived from a relatively complex calculation designed to recompense the Board for managing the water that enters its Drainage District from the upper reaches of its hydraulic catchment.
- (ii) Highland water contributions are credited to each of the 5 Sub Districts according to an agreed fraction of the value of the maintenance work that has been carried out in each Sub District. These fractions are determined by the Environment Agency:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District	14,409	30,509	22,705	7,804
Lower Alde (Tidal Pumped) Sub District	36,581	46,722	34,658	12,064
AHB (Tidal Pumped) Sub District	1,695	2,144	2,769	-625
River Blyth (Tidal Pumped) Sub District	12,027	5,087	8,643	-3,556
Gravity Sub District	11,268	15,921	14,211	1,710
	75,980	100,383	82,986	17,397

5 INCOME FROM RECHARGEABLE WORKS

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Lower Alde (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Saltings Creation - Faggots	0	9,026	0	0
Reinstatement of Sea Wall at Butley Creek	0	0	0	0
Emergency repairs to Tidal Embankment	0	24,279	0	24,279
	0	33,305	0	24,279
AHB (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Twin Banks Watercourse (EA)	0	0	0	0
	0	0	0	0
River Blyth (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Gravity Sub District:				
Bank Charges	0	0	0	0
	0	33,305	0	24,279

6 OTHER INCOME

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Investment Interest	258	316	288	28
Other Income (WMA)	0	0	0	0
Summons Costs	0	0	0	0
	258	316	288	28
Lower Alde (Tidal Pumped) Sub District:				
Investment Interest	336	410	252	158
Other Income (WMA)	0	0	0	0

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Summons Costs	0	0	0	0
MOD Special Contribution	0	0	0	0
	336	410	252	158
AHB (Tidal Pumped) Sub District:				
Investment Interest	89	109	73	36
Other Income (WMA)	0	0	0	0
Summons Costs	0	0	0	0
	89	109	73	36
River Blyth (Tidal Pumped) Sub District:				
Investment Interest	66	81	37	44
Public Works Loan (pump replacement)	0	0	0	0
Other Income (WMA)	0	0	0	0
Summons Costs	0	0	0	0
	66	81	37	44
Gravity Sub District:				
Investment Interest	705	861	292	569
Other Income (WMA)	0	0	0	0
Summons Costs	0	0	0	0
	705	861	292	569
	1,454	1,777	942	835

Investment Interest is apportioned to each Sub District according to the closing balances of the Sub District, when expressed as a proportion of the Board's total closing balances as at the previous year end: River Deben (17.77%), Lower Alde (23.08%), AHB (6.14%), River Blyth (4.54%) and Gravity (48.47%).

7 CAPITAL WORKS

The following capital work was undertaken during this year and last year. The Board is happy to receive any questions the reader may have about this work and contact details can be accessed from our website:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
Grant Aided Works				
River Deben (Tidal Pumped) Sub District:				
Bawdsey Pumping Station (Health & Safety Improvements)	0	0	0	0
King's Fleet Pumping Station (Health & Safety Improvements)	0	0	0	0
Falkenham Pumping Station (Health & Safety Improvements)	0	0	0	0
	0	0	0	0
Lower Alde (Tidal Pumped) Sub District:				
Butley Pumping Station (Health & Safety Improvements)	0	0	0	0
Chillesford Pumping Station (Health & Safety Improvements)	0	0	0	0
Gedgrave Pumping Station (Health & Safety Improvements)	0	0	0	0
Iken Pumping Station (Health & Safety Improvements)	0	0	0	0
Sudbourne Pumping Station (Health & Safety Improvements)	0	0	0	0
	0	0	0	0
AHB (Tidal Pumped) Sub District:				
Colony Marsh Pumping Station (Health & Safety Improvements)	0	0	0	0
River Blyth (Tidal Pumped) Sub District:				
Reydon Marsh Pumping Station (Health & Safety Improvements)	0	0	0	0
Reydon Marsh Pumping Station Improvement Study	0	0	0	0
Reydon Marsh Pumping Station Improvement Scheme	73,280	0	0	0
	73,280	0	0	0
	73,280	0	0	0

8 ENVIRONMENT AGENCY PRECEPT

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NOTE NOTES TO THE ACCOUNTS

The Precept is paid to the Environment Agency for maintaining the main rivers and sea defences that help protect the Board's area. Half of the Precept is payable to the Environment Agency on 31 May and the other half is paid to them on 30 November each year. The amount payable is apportioned to each of the Board's sub districts according to assessable value:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District	5,174	5,314	5,174	-140
Lower Alde (Tidal Pumped) Sub District	4,385	4,503	4,385	-118
AHB (Tidal Pumped) Sub District	922	947	922	-25
Blyth (Tidal Pumped) Sub District	202	207	202	-5
Gravity Catchments Sub District	57,288	58,835	57,288	-1,547
	67,971	69,806	67,971	-1,835

9 MAINTENANCE WORKS

- (i) The detailed maintenance work undertaken in each of the Board's sub districts is charged directly and can be viewed in the Maintenance section of this Report (other than Technical Support Costs, which are apportioned in the same way as Administration Costs). Maintenance work undertaken during this year and last year is summarised as follows:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District	24,508	30,384	30,505	121
Lower Alde (Tidal Pumped) Sub District	70,864	57,077	71,864	14,787
AHB (Tidal Pumped) Sub District	3,101	4,868	4,085	-783
Blyth (Tidal Pumped) Sub District	13,697	2,880	11,243	8,363
Gravity Catchments Sub District	44,640	39,058	44,056	4,998
	156,810	134,267	161,753	27,486

10 ADMINISTRATION CHARGES

- (i) Administration charges include the Board's share of consortium expenditure, together with other expenses shown below (excluding technical support costs, which are included in the maintenance works expenditure). Detailed expenditure is regularly monitored by the Consortium Management Committee and the Board. The Board's representatives are happy to receive any questions the reader may have and their contact details can be accessed from the Board's website:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
(ii) Shared Staff Costs	34,528	35,158	36,318	1,160
Shared Establishment Charges	4,623	3,418	4,428	1,010
Shared ICT Charges	1,284	2,305	2,478	173
Other Shared Administration Charges	3,011	3,251	3,376	125
Other Administration Charges	4,987	2,562	1,982	-580
Travelling allowances paid to Board Members	0	0	0	0
Audit Fees	1,735	2,960	1,936	-1,024
	50,168	49,654	50,518	864
(-) Sundry Income	-1,856	-1,177	0	1,177
Net Consortium Charges	48,312	48,477	50,518	2,041
Sundry Consultancy Fees and Subscriptions	2,011	170	0	-170
Consultancy for Funding Initiative (River Deben, Lower Alde & AHB)	16,350	0	10,000	10,000
Consultancy (Lower Alde)	381	0	0	0
Drainage Rates Annual Value (Increases)/Decreases	52	7	0	-7

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NOTE NOTES TO THE ACCOUNTS

Other Expenses	18,794	177	10,000	9,823
Administration Charges	67,106	48,654	60,518	11,864

- (iii) Administration and Technical Support costs are apportioned to each of the Board's sub districts as follows: River Deben (12%), Lower Alde (13%), AHB (4%), River Blyth (2%) and Gravity (69%). The Consultancy for the funding initiative is apportioned to each of the 3 relevant sub districts according to their proportion of aggregate assessable value:

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District	14,122	5,838	7,262	1,424
Lower Alde (Tidal Pumped) Sub District	13,764	6,325	7,867	1,542
AHB (Tidal Pumped) Sub District	3,454	1,946	2,421	475
Blyth (Tidal Pumped) Sub District	1,008	973	1,210	237
Gravity Catchments Sub District	34,758	33,572	41,758	8,186
	67,106	48,654	60,518	11,864

11 COST OF RECHARGEABLE WORKS

	2012/13 Actual (£)	2013/14 Actual (£)	2013/14 Budget (£)	2013/14 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Lower Alde (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Saltings Creation - Faggots	0	9,026	0	0
Emergency Sea Wall Reinstatement Works	0	24,279	0	0
Reinstatement of Sea Wall at Butley Creek	0	0	0	0
Crest Trial Works at Orford	0	0	0	0
	0	33,305	0	0
AHB (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Twin Banks Watercourse (EA)	0	0	0	0
	0	0	0	0
River Blyth (Tidal Pumped) Sub District:				
Bank Charges	0	0	0	0
Gravity Sub District:				
Bank Charges	0	0	0	0
	0	33,305	0	0

12 TANGIBLE FIXED ASSETS

	Land and Buildings	Total
Cost		
Opening Balance as at 1-4-2013	255,334	255,334
(+) Additions	0	0
(-) Disposals	0	0
Closing Balance as at 31-3-2014	255,334	255,334
Depreciation		
Opening Balance as at 1-4-2013	31,917	31,917
(+) Depreciation Charge for year	15,958	15,958
(-) Accumulated depreciation written out on disposal	0	0
Closing Balance as at 31-3-2014	47,875	47,875
Net Book Value at 31-3-2013	223,417	223,417
Net Book Value at 31-3-2014	207,459	207,459

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

NOTE NOTES TO THE ACCOUNTS

- (i) Full details of all Assets are recorded in the Board's Fixed Asset Register, which can be made available to the reader upon request. The Board also shares ownership of a proportion of some of the WMA Office Equipment, which is recorded in the WMA's Fixed Asset Register as at 31 March 2014.
- (ii) It should be noted that only 4 of the Board's 10 Pumping Stations have a net book value of greater than zero. If all 10 of the Board's Pumping Stations were revalued and capitalised it would lead to a significant impairment charge being made to the Lower Alde Sub District.

13 CASH AT BANK AND IN HAND

	2012/13	2013/14
Opening Balance as at 1 April b/fwd	38,136	24,696
(+) Receipts	851,149	412,505
(-) Payments	-864,589	-292,410
(=) Closing Balance as at 31 March c/fwd	24,696	144,791
Balance on Statement as at 31 March	24,696	175,418
(-) Less: Unpresented Payments	0	-30,627
(+) Add: Unpresented Receipts	0	0
(=) Closing Balance as at 31 March c/fwd	24,696	144,791

14 SHORT TERM INVESTMENTS

Short term Investments as at 31-3-2014 are as follows:

Financial Institution	Capital	Investment Date	Maturity Date	Variable Interest Rate
Natwest 95 day Account	300,000	17/01/2013	Ongoing	0.55%
	300,000			

15 DEBTORS AND PREPAYMENTS

	2012/13	2013/14
Work in Progress	0	0
Trade Debtors	0	0
Drainage Rate Debtors	7,022	10,252
EA Grants Due	0	0
EA Highland Water Contributions Due	-10,678	0
H M Revenue and Customs	20,994	4,985
Prepayments to WMA	-12,194	11,174
	5,144	26,411

16 CREDITORS AND RECEIPTS IN ADVANCE

	2012/13	2013/14
Trade Creditors	12,129	2,010
Grants Unapplied	16,352	16,351
Accruals	7,100	5,000
Special Levy received in advance	0	0
Payments received in advance (EA: HWC)	0	7,963
Payments received in advance (EA: Tidal Surge Event)	0	21,475
	35,581	52,799

17 LOANS OUTSTANDING

	2012/13	2013/14
Loans Payable in next 12 months	12,582	13,196
Loans Payable in more than 12 months	231,991	218,795
	244,573	231,991

From: 01 April 2013
To: 31 March 2014

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NOTE NOTES TO THE ACCOUNTS

One of the Board's predecessors (Lower Alde IDB) took out loans to refurbish the following pumping stations in 2005: Butley, Chillesford and Gedgrave pumping stations. The cost of servicing these loans is charged directly to the Lower Alde (Tidal Pumped) Sub District.

18 RESERVES

	General Reserves	Capital Reserves	Total Reserves
Opening Balances as at 1-4-2013	62,259	210,844	273,103
Net Surplus/(Deficit) for the year	120,768	0	120,768
Transfers to/(from) Reserves	-86,111	86,111	0
Closing Balances as at 31-3-2014	96,916	296,955	393,871

- (i) Please note the Statement of Movement on Reserves, which shows the movements and balances of the General and Capital Reserves for each of the Board's Sub Districts.
- (ii) It is important to note that the Board is a member of the Water Management Alliance Consortium and as such will also have a proportion of the pension liability for the shared staff that have been employed by King's Lynn IDB t/a "the Water Management Alliance" since joining the group on 1 April 2008. The Fund Actuary for Norfolk County Council has prepared a separate Report for the Water Management Alliance, which identifies a notional net pension liability of £1,037,000 as at 31 March 2014 that is shared by all 5 Member Boards.

19 RELATED PARTY DISCLOSURES

- (i) The following Board members have performed pump attendance duties at the Board's pumping stations during the year, for which they received payment: Mr R Mann (Iken Hall Farms) £680; Mr P Cooke (Stanny House Farm Partnership) £1,050. Sir E Greenwell (Greenwell Farms) £1,050.
- (ii) All elected members of the Board pay drainage rates either as individuals, Partners in Partnerships, or as Directors of limited companies; the exact nature of which can be found in the Rate Book as at 1 April 2013.
- (iii) The Board is a member of the Water Management Alliance Consortium, who provide administrative and technical support services to the Board. The Board has 3 representatives who serve on the Consortium Management Committee, which include the Chairman and Vice-Chairman of the Board, and the Board Member Mr M Paul.
- (iv) The Board uses Rating Software for the collection of Drainage Rates known as DRS. This software is owned by South Holland IDB and was developed by Mr P J Camamile, the Chief Executive. The software is supported at no cost to the Board by Byzantine Ltd. Mr P J Camamile is the Company Secretary of Byzantine Ltd and his wife Mrs P Camamile is a Director. Both are shareholders.

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

OUR ID	NAME	ACTUAL 2012/13	ACTUAL 2013/14	BUDGET 2013/14	VARIANCE
<u>DRAINS MAINTENANCE</u>					
<u>SD1: River Deben (Tidal Pumped) Sub District</u>					
DRN179P0101/4/5	King's Fleet	0	6,503	3,500	-3,003
DRN179P0102	Laurel Farm Delph	0	0	0	0
DRN179P0103	Gulpher	0	0	0	0
DRN179P0201	Falkenham Delph	0	104	0	-104
DRN179P0204	Falkenham Marsh Drain	0	0	0	0
DRN179P0202	Kirton Drain	0	0	0	0
DRN179P0205	King's Fleet Weir Drain	0	0	0	0
DRN178P0301/3	Ramsholt Marsh	0	0	0	0
DRN178P0101/4	Queen's Fleet	3,350	0	0	0
DRN178P0201	Bawdsey Marsh	0	0	0	0
EA Main River	River Deben	0	0	1,000	1,000
		£3,350	£6,607	£4,500	-£2,107
<u>SD2: Lower Alde (Tidal Pumped) Sub District</u>					
DRN172P0101	Iken Marsh Drain	0	0	0	0
DRN171P0101	Ferry Farm Drain	4,431	0	0	0
DRN171P0201	Sudbourne Delph	0	0	0	0
DRN171P0202	Church Farm Drain	0	0	1,500	1,500
DRN171P0201	Oxx Lead Drain	0	0	0	0
DRN170P0101	Gedgrave Drain (North)	0	0	1,800	1,800
DRN170P0201	Gedgrave Drain (South)	0	0	300	300
DRN168P0101	Chillesford Drain	3,800	0	0	0
DRN167P0101	Butley Marsh Drain	0	0	2,000	2,000
DRN167P0102	Stonebridge Drain	0	0	0	0
DRN167P0103	Capel Drain	0	0	3,000	3,000
EA Main River		0	0	0	0
		£8,231	£0	£8,600	£8,600
<u>SD3: AHB (Tidal Pumped) Sub District</u>					
DRN176P0101	Colony Marsh Drain	0	2,677	500	-2,177
DRN177P0101	Un-Named	0	0	0	0
DRN177P0201	Un-Named	0	0	0	0
DRN177P0202	Un-Named	0	0	0	0
DRN177P0301	Un-Named	0	0	0	0
DRN177P0302	Un-Named	0	0	0	0
		£0	£2,677	£500	-£2,177
<u>SD4: Blyth (Tidal Pumped) Sub District</u>					
DRN160P0101	Un-Named	0	0	1,100	1,100
DRN160P0102	Reyden	0	350	2,200	1,850
		£0	£350	£3,300	£2,950
<u>SD5: Gravity Sub District</u>					
DRN162G0101	Blyth, Tidal, Un-Named	0	0	0	0
DRN164G0101	Thorpeness 100, Un-Named	0	0	0	0
DRN169G0101	Butley Mill River, Lower Alde	0	0	0	0
DRN165G0102	Boyton Marsh Drain, Lower Alde	0	0	102	102
DRN165G0101	Boyton Marsh Delph, Lower Alde	0	0	0	0
DRN182G0101/7	Shottisham River, Lower Deben	0	0	0	0
DRN180G0101/3	Ramsholt Dock Drain, Lower Deben	0	0	0	0
DRN163G0101	Eastbridge Drain, Minsmere	100	100	635	535
DRN163G0301	Un-Named, Minsmere	0	0	2,575	2,575
DRN163G0401	Un-Named, Minsmere	0	0	0	0

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

OUR ID	NAME	ACTUAL 2012/13	ACTUAL 2013/14	BUDGET 2013/14	VARIANCE
DRN163G0203	Un-Named, Minsmere	0	0	0	0
DRN163G0201	Un-Named, Minsmere	0	0	0	0
DRN163G0202	Un-Named, Minsmere	0	0	0	0
DRN161G0101	Holton Drain, Blyth	0	0	0	0
DRN163G0501	Un-Named, Minsmere	0	0	0	0
DRN175G0101	The Canal, FRAT	0	0	0	0
DRN175G0201	Sternfield Drain, FRAT	0	0	0	0
DRN175G0401	Un-Named, Upper Alde	0	0	0	0
DRN175G0501	Bruisyard Hall Drain, Upper Alde	0	0	0	0
DRN175G0301	Blackstock Drain, Upper Alde	0	0	0	0
DRN183G0101/3	River Fynn, Lower Deben	0	0	0	0
DRN184G0801/3	Framsden Drain, Upper Deben	0	0	0	0
DRN184G0701	Horsefen Drain, Upper Deben	0	0	800	800
DRN184G0601	Moneweden Drain, Upper Deben	0	0	0	0
DRN184G0501	Rendlesham Drain, Upper Deben	0	0	0	0
DRN184G0101/5	Byng Brook, Upper Deben	0	0	0	0
DRN184G0201	Eyke Marsh Drain, Upper Deben	0	0	0	0
DRN184G0301/3	Loudham Drain, Upper Deben	0	0	0	0
DRN184G0401	Ashe Abbey Drain, Upper Deben	0	0	1,550	1,550
DRN190G0101/2	Wetherden Stream, River Gipping	2,722	1,870	2,300	430
DRN191G0101/3	Wetherden Stream, River Gipping	0	0	2,300	2,300
DRN186G1001	Gipping Stream, River Gipping	1,550	2,327	3,400	1,073
DRN189G0101	Rattlesden River	0	0	600	600
DRN189G0102/3	Golf Course Stream, River Gipping	3,007	2,360	1,260	-1,100
COW	Edgar's Farm Drain, River Gipping	0	0	325	325
DRN186G0901/2	Creeting Drain, River Gipping	811	1,843	640	-1,203
DRN186G0801/6	Badley Stream, River Gipping	5,034	6,394	3,750	-2,644
DRN186G0701/4	Jack's Green Drain, River Gipping	2,149	1,700	1,600	-100
COW	Needham Market Drain, River Gipping	0	0	925	925
DRN186G0601/5	Coddenham Stream, River Gipping	1,429	2,395	1,550	-845
DRN186G0301/4	Claydon Marsh Drain, River Gipping	1,911	1,702	800	-902
DRN186G0201/3	Claydon Hill Drain, River Gipping	3,591	1,530	1,600	70
DRN186G0101	Bramford Marsh Drain, River Gipping	0	0	625	625
DRN186G0401	Barham Marsh Drain, River Gipping	0	0	550	550
DRN188G0101/5	River Jordan, River Gipping	624	816	700	-116
DRN186G0501	Gallows Hill Drain, River Gipping	0	120	200	80
		£22,928	£23,157	£28,787	£5,630
		£34,509	£32,791	£45,687	£12,896

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

OUR ID	NAME	ACTUAL 2012/13	ACTUAL 2013/14	BUDGET 2013/14	VARIANCE
<u>PUMPING STATION MAINTENANCE</u>					
<u>SD1: River Deben (Tidal Pumped) Sub District</u>					
PMP178P001	Bawdsey Pumping Station				
	Power	2,753	5,185	4,200	-985
	Superintendence and other costs	2,204	0	2,000	2,000
		4,957	5,185	6,200	1,015
PMP179P001	King's Fleet Pumping Station				
	Power	3,020	4,416	2,900	-1,516
	Repairs and Maintenance	176	6,028	4,000	-2,028
		3,196	10,444	6,900	-3,544
PMP179P002	Falkenham Pumping Station				
	Power	7,933	4,723	5,250	527
	Superintendence and other costs	1,296	0	5,000	5,000
	Repairs and Maintenance	0	660	0	-660
		9,229	5,383	10,250	4,867
		£17,382	£21,012	£23,350	£2,338
<u>SD2: Lower Alde (Tidal Pumped) Sub District</u>					
PMP167P001	Butley Pumping Station				
	Power	2,089	2,797	6,000	3,203
	Superintendence and other costs	2,576	8,919	4,500	-4,419
	Depreciation (loan repayments)	5,319	5,319	3,679	-1,640
		9,984	17,035	14,179	-2,856
PMP168P001	Chillesford Pumping Station				
	Power	1,690	751	2,400	1,649
	Superintendence and other costs	3,436	3,163	4,000	837
	Depreciation (loan repayments)	5,319	5,319	3,679	-1,640
		10,445	9,233	10,079	846
PMP170P001	Gedgrave Pumping Station				
	Power	2,198	1,200	1,350	150
	Outfall refurbishment work	0	0	0	0
	Superintendence and other costs	3,076	786	4,000	3,214
	Depreciation (loan repayments)	5,319	5,319	3,679	-1,640
		10,593	7,305	9,029	1,724
PMP172P001	Iken Pumping Station				
	Power	4,432	1,941	2,900	959
	Superintendence and other costs	2,739	1,205	4,500	3,295
		7,171	3,146	7,400	4,254
PMP171P001	Sudbourne Pumping Station				
	Power	5,105	5,714	3,600	-2,114
	Superintendence and other costs	3,010	0	4,100	4,100
		8,115	5,714	7,700	1,986
		£46,308	£42,433	£48,387	£5,954

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

OUR ID	NAME	ACTUAL 2012/13	ACTUAL 2013/14	BUDGET 2013/14	VARIANCE
<u>SD3: AHB (Tidal Pumped) Sub District</u>					
<u>PMP176P001</u>	Colony Marsh Pumping Station				
	Power	1,666	1,269	1,200	-69
	Superintendence and other costs	176	0	1,500	1,500
		£1,842	£1,269	£2,700	£1,431
<u>SD4: Blyth (Tidal Pumped) Sub District</u>					
<u>PMP160P001</u>	Reydon Pumping Station				
	Power	5,493	1,889	2,000	111
	Superintendence and other costs	7,575	180	1,500	1,320
	Depreciation (loan repayments)	0	0	4,000	4,000
		£13,068	£2,069	£7,500	£5,431
PUMPING STATION MAINTENANCE		£78,600	£66,783	£81,937	£15,154
DIRECT WORKS		£113,109	£99,574	£127,624	£28,050
TECHNICAL SUPPORT (INCLUDING BAP IMPLEMENTATION)		£31,467	£23,045	£22,129	-£916
FINANCE COSTS (LOAN INTEREST: LOWER ALDE)		£12,234	£11,648	£12,000	£352
FINANCE COSTS (LOAN INTEREST: RIVER BLYTH)		£0	£0	£0	£0
MAINTENANCE WORKS		£156,810	£134,267	£161,753	£27,486

From: 01 April 2013 Period: 12
To: 31 March 2014 Year Ending: 31 March 2014

Asset ID	Fixed Asset Register	Purchased/ Revalued	Depreciation Period (Years)	Capital Cost B/Fwd	Revaluations	Additions	Impairment	Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Depreciation	Impairment	Acc.dprn w/out on disposal	Depreciation C/Fwd	Profit/(Loss) on disposal	Net Book Value
SD1: River Deben (Tidal Pumped) Sub District																
PS01	Butley	31/03/2012	16	85,111.38	0.00		0.00		85,111.38	10,638.96	5,319.48	0.00		15,958.44		69,152.94
PS02	Chillesford	31/03/2012	16	85,111.38	0.00		0.00		85,111.38	10,638.96	5,319.48	0.00		15,958.44		69,152.94
PS03	Gedgrave	31/03/2012	16	85,111.38	0.00		0.00		85,111.38	10,638.96	5,319.48	0.00		15,958.44		69,152.94
PS04	Iken	31/03/2012	10	0.00	0.00		0.00		0.00	0.00	0.00	0.00		0.00		0.00
PS05	Sudbourne	31/03/2012	10	0.00	0.00		0.00		0.00	0.00	0.00	0.00		0.00		0.00
				255,334.14	0.00	0.00	0.00	0.00	255,334.14	31,916.88	15,958.44	0.00	0.00	47,875.32	0.00	207,458.82
SD2: Lower Alde (Tidal Pumped) Sub District																
PS06	Bawdsey	31/03/2012	10	0.00	0.00				0.00	0.00				0.00		0.00
PS07	Falkenham	31/03/2012	10	0.00	0.00				0.00	0.00				0.00		0.00
PS08	Kings Fleet	31/03/2012	10	0.00	0.00				0.00	0.00				0.00		0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SD3: AHB (Tidal Pumped) Sub District																
PS09	Reydon Marsh	31/03/2012	10	0.00	0.00				0.00	0.00				0.00		0.00
SD4: Blyth (Tidal Pumped) Sub District																
PS10	Hollesley, Colony Marsh	31/03/2012	10	0.00	0.00				0.00	0.00				0.00		0.00
Fixed Assets: Pumping Stations				£255,334.14	£0.00	£0.00	£0.00	£0.00	£255,334.14	£31,916.88	£15,958.44	£0.00	£0.00	£47,875.32	£0.00	£207,458.82

P J CAMAMILE
CHIEF EXECUTIVE



Annual Report for the year ended

31 March 2014

The Law – the following annual report is provided in accordance with Paragraph 4 of Schedule 2 to the Land Drainage Act 1991.

No later than 31 August 2014 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood Management Division, Area 3C, Nobel House, 17 Smith Square, London SW1P 3JR
- The Regional Director of the relevant Regional Office of the Environment Agency
- Head of Flood Risk Management, The Environment Agency, Horizon House, Deanery Road, Bristol BS1 5AH
- The Chief Executives of:
 - all local authorities that pay special levies to the Board;
 - all County Councils or London Boroughs within which the Board is situated.

Please complete the form electronically. If you are unable to complete the form electronically, please complete in BLOCK LETTERS using **black ink**.

Please round all cash figures down to nearest whole £.

EAST SUFFOLK ENTER INTERNAL DRAINAGE BOARD NAME HERE

Internal Drainage Board

Section A – Financial information

Preliminary information on special levies issued by the Board for 2014-15

Information requested below is essential in calculating future formula spending share. It is not covered elsewhere on this form or by the external auditor's certificate.

Special levies information for financial year 2014-15 (forecast)	
Name of local authority	2014-15 forecast £
1. BABERGH DISTRICT COUNCIL	1521
2. IPSWICH BOROUGH COUNCIL	32223
3. MID SUFFOLK DISTRICT COUNCIL	34163
4. SUFFOLK COASTAL DISTRICT COUNCIL	67699
5. WAVENEY DISTRICT COUNCIL	2752
6.	
7.	
8.	
Total	138358

Section A – Financial information (continued)

Income and Expenditure Account for the year ending 31 March 2014

All Internal Drainage Boards must ensure that the Income and Expenditure information provided below is consistent with the Board's annual accounting statements which have been prepared in accordance with proper practices found in *Governance and Accountability in Internal Drainage Boards in England – A Practitioners' Guide 2006 (Revised November 2007)*

	Notes	Year ending 31 March 2014 £
INCOME		
Drainage Rates		X 135029
Special Levies		X 136306
Contributions from the Environment Agency		X 100383
Contributions applied from developers/other beneficiaries		X 0
Government Grants		X 0
Rechargeable Works		X 33305
Interest and Investment Income		X 0
Rents and Acknowledgements		X 0
Other Income	1	X 1777
Total income		X 406800
EXPENDITURE		
New Works and Improvement Works	2	Y 0
Contributions to the Environment Agency	3	Y 69806
Drains Maintenance	4	Y 39557
Pumping Stations, Sluices and Water level control structures	5	Y 80562
Administration	6	Y 48654
Rechargeable Works	7	Y 33305
Finance Charges	8	Y 11648
SSSIs	9	Y 0
IDB Biodiversity Action Plan actions or other biodiversity activities	10	Y 2500
Other Expenditure	11	Y 0
Total expenditure		Y 286032
EXCEPTIONAL ITEMS		
Profits/(losses) arising from the disposal of fixed assets		Z 0
Net Operating Surplus/(Deficit) for the year		X-Y+Z 120768

Notes:

1. Include all other Income, such as absorption account surpluses (for example plant and labour absorption accounts).
2. State the gross cost of undertaking minor capital works that have not been capitalised and the annual depreciation charges of all major schemes that have been capitalised. You should also include a fair proportion of the support costs directly associated with delivery of the schemes.
3. State the total precept demanded for the year as properly issued by the Environment Agency, in accordance with section 141 of the Water Resources Act 1991. Providing that the precept has been properly issued as before stated it should always be included here, even when the Board has appealed against the amount of contribution, in accordance with section 140 of the Water Resources Act 1991. Where the Board knows with certainty the outcome of any such appeal, it should also include the appropriate accrual/prepayment.
4. State all costs associated with the maintenance of watercourses, meaning work associated with open channels, pipelines, culverts, bridges, etc. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with delivery of the maintenance programme.
5. State all costs associated with maintaining and operating the pumping stations, sluices and water level control structures. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with maintaining and operating the pumping stations, sluices and water level control structures.
6. Include the cost of non-technical staff only, office accommodation, annual depreciation of office equipment that has been capitalised, minor office equipment that has not been capitalised, postages, telecoms', stationery, printing, advertising, auditing of accounts, general insurances and all other costs associated with supporting the organisation. Please note that this does not include support costs, which are directly associated with the delivery of front line services.
7. State all costs associated with undertaking work for third parties. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with undertaking the rechargeable work.
8. Include the cost of servicing any borrowing, in terms of bank/loan/hire purchase Interest payable.
9. State all costs associated with undertaking works – capital or maintenance – specifically for helping to achieve favourable condition on Sites of Special Scientific Interest (SSSIs). In most cases, these costs will be incurred in implementing actions set out in SSSI Water Level Management Plans or SSSI River Restoration Plans.
10. State all costs associated with undertaking works – capital or maintenance – that are intended to help conserve biodiversity (other than works on SSSIs). These costs are likely to be incurred in implementing actions set out in an IDB's Biodiversity Action Plan, but may include other activities.
11. Include all other expenditure, such as a provision for bad/doubtful debts, write-offs, and absorption account deficits (for example plant and labour absorption accounts).

Section B – Defra high level target and IDB Review Reporting

This section relates to the Board's achievement of High Level Targets (HLTs) issued by Defra in March 2005, including information required by the Environment Agency as a result of the targets or in relation to their general supervisory duty. Only those HLTs relevant to IDBs are covered below. This section also allows for reporting on IDB Review Targets.

HLT 1 – Policy Delivery Statement

Boards were required to produce a publicly available policy statement by 31 March 2001 setting out their plans for delivering the Government's policy aims and objectives. The full range of issues to be covered was set out in a template issued in June 2000. It is recommended that these statements be published on Boards' websites where they have them and reviewed every three years.

Is an up to date statement in place and copy (or weblink)

provided to Defra, EA and CLG?Yes ☒ No ☐

If 'NO', please say why not and when the statement will be produced/revised:

HLT 2 – Information on the National Flood and Coastal Defence Database

The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be stored on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.

HLT 3 – Biodiversity

Please indicate whether your Board has published a Biodiversity Action PlanYes ☒ No ☐

Asset Management (IDB Review Strand A3)

What system/database does your Board use to manage the assets it is responsible for?

(A) ADIS (B) NFCDD (C) Paper Records (D) Other Electronic System (please describe)

D:	GIS
	Microsoft Excel
	Microsoft Access Database

Has your Board continued to undertake visual inspections and update

asset databases on an annual basis?Yes ☒ No ☐

Guidance and Best Practice (IDB Review Section B)

How many Board members (in total – elected and appointed) do you have on your IDB?

23

Has your IDB adopted a formal Scheme of Delegation?Yes ☒ No ☐

Has your IDB provided training for members in the last year?

Considered:Yes ☒ No ☐

Implemented:Yes ☒ No ☐

Please detail:

VARIOUS PRESENTATIONS

Immediate Action (IDB Review Section C)

Has your IDB adopted minimum website requirements as specified in the IDB Review Implementation Plan?Yes ☒ No ☐

Is your Board's website information current for 2014? (Board membership, audited accounts, programmes of works, WLMPs, etc)Yes ☒ No ☐

Has your IDB adopted computerised accounting and rating systems, as specified in the IDB Review Implementation Plan?Yes ☒ No ☐

Has your Board adopted the following governance documents?

Standing Orders Yes ☒ No ☐

Have the Standing Orders been approved by MinistersYes ☒ No ☐

ByelawsYes ☒ No ☐

Have the Byelaws been approved by MinistersYes ☒ No ☐

Code of Conduct for Board MembersYes ☒ No ☐

Financial RegulationsYes ☒ No ☐

Register of Member's InterestsYes ☒ No ☐

Section C – Declaration

EAST SUFFOLK ENTER INTERNAL DRAINAGE BOARD NAME HERE

Internal Drainage Board

I confirm that the information provided in sections A-C or with this form is correct.

Signature

P. Camamile

Date

28/08/2014

Name in BLOCK LETTERS

P J CAMAMILE

Designation

CHIEF EXECUTIVE

Email address

phil@wlma.org.uk



BOARD MEMBERSHIP AS AT 31 MARCH 2014

NAME	MEETINGS	ATTENDED	ATTENDANCE %	CONTACT DETAILS
ELECTED MEMBERS				
Cooke P N R	2	2	100	pnrcooke@btconnect.com
Garrod N	2	2	100	npgarrod@yahoo.co.uk
Greenwell Sir Edward*	2	2	100	edwardgreenwell@gedgrave.co.uk
Hall A R	2	2	100	andrewhall@btinternet.com
Loyd C A	2	2	100	charles.loyd@struttandparker.co.uk
Mann C J	2	1	50	mannfarms@btinternet.com
Mann R W	2	1	50	rwm_mannpotatoes@btconnect.com
Paul M A	2	2	100	michael@kirtonestate.co.uk
Pipe R J **	2	1	50	puffa@awmfarms.co.uk
Rowlands A J	2	2	100	Adam.rowlands@rspb.org.uk
APPOINTED MEMBERS				
Mid Suffolk DC				
Barker R J	2	1	50	roy.barker@midsuffolk.gov.uk
Wright S J	2	1	50	Stephen.wright@midsuffolk.gov.uk
Suffolk Coastal DC				
Block C (Mrs)	2	1	50	christine.block@suffolkcoastal.gov.uk
Fellowes M (Mrs)	2	0	0	mariannefellowes@hotmail.co.uk
Marson J (Mrs)	2	1	50	jane.marson@suffolkcoastal.gov.uk
Waveney DC				
Ritchie D	2	1	50	david.ritchie@waveney.gov.uk
Swainson J (wef June 13)	2	2	100	julian.swainson@waveney.gov.uk

* Chairman

** Vice-Chairman

Average attendance: =69%



East Suffolk

Drainage Board

Board Members and Officers

Gifts and Hospitality Register for 2013/14

[illegible]

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2014		ACTUAL 2012/13 £	ACTUAL 2013/14 £
1	Balances brought forward		
	General Reserves	66,241	62,259
	Capital Reserves	152,458	210,844
	As per Statement of Accounts	218,699	273,103
	(-) Fixed Assets, Long Term Liabilities and Loans		
	Loans Payable in less than 12 months	-11,165	-12,582
	Long Term Liabilities	-245,404	-231,991
	Net Book Value of Tangible Fixed Assets	239,376	223,417
		-17,193	-21,156
	(=) Adjusted Balances brought forward	235,892	294,259
2	(+) Rates and Special Levies		
	Drainage Rates	133,394	135,029
	Special Levies issued by the Board	135,755	136,306
	As per Statement of Accounts	269,149	271,335
3	(+) All Other Income		
	Grants Applied	72,988	0
	Highland Water Contributions	75,980	100,383
	Other Income	1,454	1,777
	Income from Rechargeable Works	0	33,305
	As per Statement of Accounts	150,422	135,465
4	(-) Watercourses and Pumping Stations		
	Capital Works	73,280	0
	Maintenance Works	156,810	134,267
	As per Statement of Accounts	230,090	134,267
	(-) Loan Interest shown separately		
	Loan Interest	12,234	11,648
		12,234	11,648
	(-) Depreciation charged to Maintenance Works		
	Pumping Stations	15,959	15,958
		15,959	15,958
	(=) Adjusted Watercourses and Pumping Stations	201,897	106,661
5	(-) Loan Interest/Capital Repayments		
	Loan Interest	12,234	11,648
	Capital Repayments	11,996	12,582
	As per Statement of Accounts	24,230	24,230
6	(-) All Other Expenditure		
	Environment Agency Precept	67,971	69,806
	Administration Charges	67,106	48,654
	Cost of Rechargeable Works	0	33,305
	As per Statement of Accounts	135,077	151,765

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2014		ACTUAL 2012/13 £	ACTUAL 2013/14 £
(+) Capitalised Additions			
Land and Buildings		0	0
Plant and Equipment		0	0
		0	0
(=) Adjusted Other Expenditure		135,077	151,765
7	(=) Balances carried forward		
	General Reserves	62,259	96,916
	Capital Reserves	210,844	296,955
	As per Statement of Accounts	273,103	393,871
(-) Fixed Assets, Long Term Liabilities and Loans			
Loans Payable in less than 12 months		-12,582	-13,196
Long Term Borrowing		-231,991	-218,795
Net Book Value of Tangible Fixed Assets		223,417	207,459
		-21,156	-24,532
(=) Adjusted Balances carried forward		294,259	418,403
8	Total Cash and Short Term Investments		
	Cash at Bank and in Hand	24,696	144,791
	Short term Investments	300,000	300,000
	As per Statement of Accounts	324,696	444,791
9	Total Fixed Assets and Long Term Assets		
	Land and Buildings	223,417	255,334
	As per Statement of Accounts	223,417	255,334
10	Total Borrowings		
	Loans Due (<= 1 Year)	12,582	13,196
	Loans Due (> 1 Year)	231,991	218,795
	As per Statement of Accounts	244,573	231,991

From: 01 April 2013
To: 31 March 2014

Period: 12
Year Ending: 31 March 2014

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2014	ACTUAL 2012/13 £	ACTUAL 2013/14 £
---	------------------------	------------------------

7, 8	RECONCILIATION BETWEEN BOXES 7 AND 8	ACTUAL 2012/13 £	ACTUAL 2013/14 £
------	--------------------------------------	------------------------	------------------------

7	Balances carried forward (adjusted)	294,259	418,403
---	--	----------------	----------------

(-) Deduct: Debtors and Prepayments

Trade Debtors	0	0
Drainage Rate Debtors	7,022	10,252
EA Grants Due	0	0
EA Highland Water Contributions Due	-10,678	0
H M Revenue and Customs	20,994	4,985
Prepayments to WMA	-12,194	11,174
	5,144	26,411

(+) Add: Creditors and Payments Received in Advance (<= 1 Year)

Trade Creditors	12,129	2,010
Grants Unapplied	16,352	16,351
Accruals	7,100	5,000
Special Levies received in advance	0	0
Payments received in advance (EA: HWC)	0	7,963
Payments received in advance (EA: Tidal Surge Event)	0	21,475
	35,581	52,799

(=) Box 8	324,696	444,791
------------------	----------------	----------------

8 (=) Total Cash and Short Term Investments

Cash at Bank and in Hand	24,696	144,791
Short term Investments	300,000	300,000
	324,696	444,791

P J CAMAMILE
CHIEF EXECUTIVE

13 JUNE 2014

Internal Drainage Boards in England

Annual return for the financial year ended 31 March 2014

Internal Drainage Boards in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their activities at the end of each financial year.

Each annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the board.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the board's internal audit provider.

Each board must approve this annual return no later than 30 June 2014.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in blue. Do not leave any blue box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2014, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your external auditor will identify and ask for any additional documents needed for audit. Therefore, unless requested, do not send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the board for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2014.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guide for Internal Drainage Boards that can be downloaded from the Association of Drainage Authorities' website at www.adra.org.uk

Section 1 – Accounting statements 2013/14 for

Enter name of
reporting body here:

EAST SUFFOLK IDB

Internal Drainage Board

	Year ending		Notes and guidance
	31 March 2013 £	31 March 2014 £	
1 Balances brought forward	235892	294259	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2 (+) Rates and special levies	269149	271335	Total amount of direct rates on landowners and special levies on local authorities received or receivable in the year.
3 (+) All other income	150422	135465	Total income or receipts as recorded in the cashbook less the rates and special levies (line 2). Include all grants and contributions from EA here.
4 (-) Watercourses and pumping stations	201897	106661	Total expenditure or payments including capital spending and employment costs on construction and maintenance of watercourses and pumping stations.
5 (-) Loan interest/ capital repayments	24230	24230	Total expenditure or payments of capital and interest made during the year on the Board's borrowings (if any).
6 (-) All other payments	135077	151765	Total payments or expenditure as recorded in the cashbook less watercourses and pumping stations (line 4) and loan interest/ capital repayments (line 5). Include all contributions to EA here.
7 (=) Balances carried forward	294259	418403	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	324696	444791	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	223417	255334	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the Board as at 31 March.
10 Total borrowings	244573	231991	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 2014 the accounting statements in this annual return present fairly the financial position of the Board and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

P. Mansfield

Date 13/06/2014

I confirm that these accounting statements were approved by the Board on this date:

13/06/2014

and recorded as Board minute reference:

26/14/01

Signed by Chair of meeting approving these accounting statements:

Adrian

Date 13/06/2014

Section 2 – Annual governance statement 2013/14

We acknowledge as the members of: **EAST SUFFOLK** Internal Drainage Board
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 2014, that:

	Agreed –		'Yes' means that the board:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		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.	✓		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 board to conduct its business or on its finances.	✓		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.	✓		during the year has given all persons interested the opportunity to inspect and ask questions about the board's accounts.
5 We carried out an assessment of the risks facing the board 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 board's accounting records and control systems.	✓		arranged for a competent person, independent of the board's financial controls and procedures, to give an objective view on whether internal controls meet the needs of the board.
7 We took appropriate action on all matters raised in reports from internal and external audit.	✓		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 board 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 board and recorded as minute reference

26/14/02

dated 13/06/2014

Signed by:

Chair  X

dated 13/06/2014

Signed by:

Clerk  **SIGNATURE REQUIRED**

dated 13/06/2014

*Note: Provide explanations to the external auditor on a separate sheet for each 'No'. Describe how the board will address the weaknesses identified.

Section 3 – External auditor certificate and opinion 2013/14

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2014 of:

EST SUPPLY

Internal Drainage Board

Respective responsibilities of the board and the auditor

The board is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The board prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2014; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor report

~~(Except for the matters reported below)~~* on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

~~(*delete as appropriate).~~

(continue on a separate sheet if required)

Other matters not affecting our opinion which we wish to draw to the attention of the board:

(continue on a separate sheet if required)

External auditor signature

BDO LLP

External auditor name

BDO LLP Southampton
United Kingdom

Date

2/8/14

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled Statement of Responsibilities of Auditors and of Audited Small Bodies.

Section 4 – Annual internal audit report 2013/14 to

Enter name of reporting body here:

EAST SUFFOLK

Internal Drainage Board

The board's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2014.

Internal audit has been carried out in accordance with the board's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and, alongside, are the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the board.

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

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

See attached Internal Audit Report 2013/14.

Name of person who carried out the internal audit: KATE LITTLEWOOD

Signature of person who carried out the internal audit: KBLittlewood Date: 25/04/2014

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

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

Guidance notes on completing the 2013/14 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent audit.
- 2 Make sure that your annual return is complete (i.e. no empty blue boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of, and approved by the board, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a board member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change in Clerk, Responsible Finance Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your board holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting statements (Section 1). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide*.
- 6 Explain fully significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2013) equals the balance brought forward in the current year (Box 1 of 2014).
- 9 Do not complete section 3. The external auditor will complete it at the conclusion of the audit.

Completion checklist - 'No' answers mean you may not have met requirements		Done?
All sections	All blue boxes have been completed?	
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	
Section 1	Board approval confirmed by signature of Chair of meeting approving accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2014 agreed to Box 8?	
Section 2	An explanation of any difference between Box 7 and Box 8 is provided?	
	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All blue boxes completed by internal audit and explanations provided?	

*Note: Governance and Accountability for Internal Drainage Boards in England – A Practitioners' Guide, is available from the ADA website www.ada.org.uk or from The Association of Drainage Authorities, 12 Cranes Drive, Surbiton, Surrey, KT5 8AL.



Water Management Alliance
INTERNAL AUDIT REPORT
2013/14

April 2014

Contents:

1. Executive Summary
 2. Reporting
 3. Acknowledgements
 4. Detailed Observations, Recommendations and agreed actions etc.
- APP 1 Agreed Terms of Reference

1. Executive Summary

The audit of the Water Management Alliance and the constituent Internal Drainage Boards was carried out by Kate Littlewood for the year 2013-14. This Executive Summary sets out our overall conclusion on the system reviewed, and summarises the key recommendations arising. A copy of the Terms of Reference for this audit is attached as **Appendix 1**.

Regulation 6 of the Accounts and Audit Regulations 2011 requires that '*A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control*'. The completion of this internal audit fulfils that role.

It should be noted that any system of internal control is designed to manage risk to a reasonable level, and therefore Internal Audit cannot provide absolute assurance against loss. As well as being effective, controls need to be proportionate to the risk involved and not overburden the organisation with excessive costs.

The Water Management Alliance provides administration and management services to the five constituent Internal Drainage Boards, namely Broads, King's Lynn, East Suffolk, Norfolk Rivers and South Holland.

Using the '*Governance and Accountability in Internal Drainage Boards in England – A Practitioners Guide (Rev 2007)*' this audit reviewed the procedures and systems of control in place at the Water Management Alliance and considered if they were effective and being applied as intended. Sample testing was carried out on elements as considered necessary by the auditor in order to substantiate the application of the control.

As part of the audit a follow-up was carried out on the recommendations raised in last year's report. The results of this are included in section 4.

2. Overall Conclusion

In conclusion, the procedures used at the Water Management Alliance are simple but effective, and appear to be carried out diligently by all staff concerned. Controls are working as expected. However, there are some aspects that can be improved and details of recommendations can be found in Section 4 together with the actions agreed with the Chief Executive.

The overall level of assurance attributed to the system is:

Substantial Assurance	A sound system of internal control, but there are a few weaknesses that could put achievement of system objectives at risk.
-----------------------	---

The observations and recommendations are detailed in Section 4. Each recommendation is allocated a priority as defined below:

High	Major risk requiring action by the time the final report is issued.
Medium	Medium risk requiring action within six months of the issue of the draft report.
Low	Matters of limited risk. Action should be taken as resources permit.

3. Acknowledgements

I would like to express my thanks for their assistance and co-operation to:

Phil Camamile, Chief Executive Officer

Mary Creasy, Personal Assistant (CEO)

Michelle Futter, Finance Officer

Trish Walker, Finance Assistant

Graham Tinkler, Rating Officer/Site Warden

Subject Area 4.1 – Follow-up on agreed actions from previous year's report.

W.P. Ref. Follow-up

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
<p>1. Follow up</p> <p>Observation</p> <p>The report issued in April 2013 contained three recommendations, of which two were classed as 'High' priority and the remaining one as 'Medium'. The two 'High' priority recommendations related to Treasury Management activities and have been implemented as agreed.</p> <p>The 'Medium' recommendation referred to the use of an automated numbering stamp to uniquely number each invoice to prevent instances of duplicate reference numbers. This has not been implemented as management felt the existing system control was sufficient. A discussion with the Chief Executive and Finance Officer identified an equal risk with the use of automated numbering stamps, in that the wrong stamp may inadvertently be used for the invoices relating to a different Board. In turn this would disrupt the numbering sequences for both Boards. In view of this, a decision was made to continue with the current system.</p> <p>Consequence</p> <p>Internal invoice reference numbers should provide a unique reference to a specific document. Duplication can weaken a control designed to ensure that all supplier invoices are uniquely identified and accounted for.</p> <p>Recommendation</p> <p>No further action at this stage. The Internal Auditor will continue to monitor the records in future audits and if necessary re-assess the situation with management.</p>	N/A	No further action required.

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
<p>2. Cashbook entries</p> <p>Observation</p> <p>A sample of bank reconciliations for each Board were reviewed to confirm the accuracy and timeliness of the reconciliation to the cashbook, and evidence of investigation of any discrepancies. All reconciliations had been completed satisfactorily on at least a monthly basis and, in some instances, more frequently.</p> <p>However it was noted that during the year three reconciling transactions were included on the bank statements, but did not appear in the cashbook as expected until sometime later. On enquiry the auditor was informed that this was as a result of waiting for a code from the engineer.</p> <p>Consequence</p> <p>The cashbook should always reflect the true position of the accounts and transactions should be posted as they occur. This is particularly relevant at the end of the financial year.</p> <p>Recommendation</p> <p>Transactions awaiting coding information should be recorded on a temporary basis in a Suspense Account so that they can be entered into the Cashbook in a timely manner. As soon as coding information is received the transaction can then be moved to the correct account. However the Suspense Account must be regularly reviewed to ensure that transactions are not being held there indefinitely.</p>	High	<p>Agreed, to take immediate effect.</p> <p>Finance Officer.</p>



WATER MANAGEMENT ALLIANCE

INTERNAL AUDIT TERMS OF REFERENCE 2013-14

1. INTRODUCTION

1.1 This document sets out the strategy and plan for the audit of the Water Management Alliance for the year 2013-14.

1.2 Section 4 of The Accounts and Audit Regulations 2011 states that '*The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control*'.

1.3 Internal Audit is defined as '*an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*'

Public Sector Internal Audit Standards, April 2013

1.4 The Internal Auditor will work in accordance with the Public Sector Internal Audit Standards adopted by CIPFA from April 2013 and thus will be able to provide the review required by the Regulations.

1.5 The authority of the Internal Auditor is established in the Financial Regulations.

1.6 The audit work will concentrate on records and systems used by the Water Management Alliance, who provide the financial and administrative functions for:

- Broads (2006) IDB
- East Suffolk IDB
- King's Lynn IDB
- Norfolk Rivers IDB
- South Holland IDB.

As such, this work will enable the auditor to complete the Annual Returns for all five Boards.

2. OBJECTIVES AND SCOPE OF THE AUDIT

2.1 The work of the Internal Auditor will be guided by 'Governance and Accountability in Internal Drainage Boards in England – A Practitioners Guide (Rev 2007)'.

2.2 In order to be able to complete section 4 of the Electronic Annual Return for 2012 the auditor will consider the following:

- A. The Accounting Records
To ensure that the accounting system is accurate, complete and timely, and that data input is being verified appropriately.
- B. Financial Regulations and Standing Orders
To ensure that they are current and are being adhered to.
- C. Risk Management processes
To ensure that management review the Risk Register on a regular basis and that risk is being identified and actively managed in a proportionate manner.

D. Budgetary Controls

To ensure that the budgets are prepared on a realistic basis and are monitored throughout the year and any variations are investigated, with corrective action being taken if necessary.

E. Income Controls

To ensure that processes are in place and functioning correctly to collect, record and bank income in full and on time.

F. Petty Cash Procedures

To ensure petty cash provisions are reasonable, used in accordance with Financial Regulations and adequate records are kept of payments made.

G. Payroll Controls

To ensure that remuneration to employees and Board Members is calculated correctly and in accordance with the levels agreed by the Board, and that all HMRC requirements are complied with.

H. Asset Management

To ensure that there are satisfactory processes in place to maintain the register and check for accuracy.

I. Bank Reconciliation

To ensure that periodic and year-end bank account reconciliations were properly completed and verified.

J. Year-end Procedures

To ensure that the appropriate accounting basis have been used to prepare the year-end accounting statements and that figures contained in the statements can be verified by reference to working papers and accounting records.

2.3 Any recommendations and issues arising from the previous audit will also be followed up to establish if they have been implemented or if there is a satisfactory explanation for non-implementation.

2.4 Contained within the scope of work described above it is implied that the auditor will have due regard for Value for Money considerations and the potential for fraud.

3. TASKS

3.1.1 The project tasks are to:

- Establish if the procedures recorded as part of the audit for 2012-13 remain the same and document any changes that may have taken place.
- Perform tests to establish that systems are operating in accordance with the procedures and that good practice is being complied with.
- Assess strengths and weaknesses of the systems operated and the levels of financial and management risk.

- Discuss the results with the Chief Executive and make recommendations as appropriate, which will be communicated to the Boards by means of a report.
- Complete Section 4 of the Electronic Annual Return for 2013/14.

4. WORK PLAN

- 4.1 The audit will be undertaken by:
Mrs Kate Littlewood, CMIIA
Audit Manager, Borough Council of King's Lynn and West Norfolk.
- 4.2 The audit has been allocated 5 days, which will be utilised as follows:

Task	Time
Confirm existing procedures and record any changes. Undertake a follow-up of actions agreed from the 2012-13 audit report.	0.5
Testing – to establish that processes are being applied as intended.	3.5
Conclusions and discussion	0.5
Completing the Return and reporting if required.	0.5

5.0 AGREEMENT

	Signature	Date
Phil Camamile Chief Executive, Water Management Alliance
Kate Littlewood Audit Manager Borough Council of King's Lynn and West Norfolk