



East Suffolk
Drainage Board

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDING
31 MARCH 2021**

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

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

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 (Category 1 Authorities), as provided for in the Local Audit and Accountability Act 2014.
- (ii) The Board has completed this Statement of Accounts in accordance with Regulation 11 of the Accounts and Audit Regulations 2015, which all Category 2 Authorities are required to do. The Board is a Category 2 Authority.
- (iii) The Annual Return has been prepared in accordance with proper practices that are set out in Sections 1 and 2 of the Guidance published by the Association of Drainage Authorities in 2021. 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:
 - Aldeburgh Estuary Wall Defences: 30 years
 - Land: not depreciated
 - Buildings: 20 years

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

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. This is adjusted on the AGAR in accordance with proper practices as per the Practitioners Guide 2021, on a cash receipt 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 6 sub districts and each one has its own General Reserve, Capital Reserve and Development Reserve:

- (i) **General Reserves**
The Association of Drainage Authorities guidance recommends that the General Reserve held by the Board is maintained at between 3 and 12 months Net Revenue Expenditure (NRE). The smaller the authority the closer the figure should be to 12 months NRE. In practice, any authority with a NRE of £200,000 should plan on 3 months equivalent General Reserve. 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.
- (iii) **Development Reserves**
Development contributions and commuted sums that have been collected net of the expenditure incurred in collecting this income are usually held in a Development Reserve, and can be used to part fund future capital improvement work and any additional maintenance liabilities that the Board may agree to take on arising from such developments.

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE	INCOME AND EXPENDITURE ACCOUNT	ACTUAL 2019/20 £	ACTUAL 2020/21 £	BUDGET 2020/21 £	VARIANCE £
<u>INCOME</u>					
1	Drainage Rates	276,312	279,826	279,826	0
2	Special Levies issued by the Board	191,603	195,555	195,555	0
3	Grants Applied	750	5,142	0	5,142
4	Highland Water Contributions	78,629	90,747	81,317	9,430
5	Income from Rechargeable Works	599,891	695,069	50,000	645,069
6	Other Income	216,306	272,113	228,428	43,685
Total Income		£1,363,491	£1,538,451	£835,126	£703,326
<u>EXPENDITURE</u>					
7	Capital Works	750	5,142	0	-5,142
8	Environment Agency Precept	88,900	91,567	91,567	0
9	Maintenance Works	579,352	706,708	661,898	-44,810
10	Administration Charges	137,341	163,030	162,541	-490
11	Cost of Rechargeable Works	546,675	662,078	0	-662,078
12	Development Expenditure	3,000	0	0	0
Total Expenditure		£1,356,018	£1,628,526	£916,006	-£712,520
Profit/(Loss) on disposal of Fixed Assets		0	0	0	0
Net Surplus/(Deficit) for the Year		£7,473	-£90,075	-£80,880	-£9,195

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE BALANCE SHEET AS AT 31-3-2021		2019/20 £	MOVEMENT £	2020/21 £
13	Fixed Assets			
	Land and Buildings	107,205	-20,461	86,744
	Estuary Walls	552,686	-170,176	382,510
	Shared Consortium Assets	0	0	0
		659,891	-190,637	469,254
	Current Assets			
14	Cash at Bank and in Hand	172,240	298,576	470,816
15	Short term Investments	3,250,000	0	3,250,000
16	Debtors and Prepayments	159,969	-94,588	65,381
		3,582,209	203,988	3,786,197
	Current Liabilities			
17	Creditors and Receipts in Advance	212,310	196,309	408,619
18	Loans Repayable within the next 12 months	87,741	2,794	90,535
		300,051	199,102	499,153
	Net Current Assets	3,282,158	4,886	3,287,044
	Less Long Term Liabilities			
18	Long Term Borrowing	2,887,451	-90,535	2,796,916
		2,887,451	-90,535	2,796,916
	Net Assets	£1,054,598	-£95,217	£959,382
	Reserves			
19	General Reserves	169,467	44	169,510
20	Grants Reserve	55,834	-5,142	50,692
19	Development Reserve	77,645	0	77,645
19	Capital Reserves	751,652	-90,118	661,534
		1,054,598	-95,217	959,382
	Reserves	£1,054,598	-£95,217	£959,382

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

INCOME AND EXPENDITURE ACCOUNT	<u>RIVER DEBEN (PUMPED)</u>		<u>LOWER ALDE (PUMPED)</u>		<u>AHB (PUMPED)</u>		<u>BLYTH (PUMPED)</u>		BUDGET	<u>GRAVITY</u>		<u>ALDE (TIDAL GRAVITY)</u>		BUDGET	TOTAL ACTUAL
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL		ACTUAL	BUDGET	ACTUAL	BUDGET		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
INCOME															
Drainage Rates	34,831	34,831	171,274	171,274	11,546	11,546	9,385	9,385	25,914	25,914	26,876	26,876	279,826	279,826	
Special Levies issued by the Board	31,129	31,129	27,651	27,651	0	0	151	151	114,979	114,979	21,645	21,645	195,555	195,555	
Grants Applied	0	5,142	0	0	0	0	0	0	0	0	0	0	0	0	5,142
Highland Water Contributions	31,862	35,557	34,275	38,250	0	0	6,366	7,104	8,130	9,073	684	763	81,317	90,747	
Income from Rechargeable Works	0	0	0	0	0	0	0	0	50,000	695,069	0	0	50,000	695,069	
Other Income	79,950	92,663	97,082	114,989	22,843	25,783	17,132	19,731	11,421	18,911	0	37	228,428	272,113	
Total Income	£177,772	£199,321	£330,282	£352,163	£34,389	£37,329	£33,034	£36,372	£210,444	£863,946	£49,205	£49,321	£835,126	£1,538,451	
EXPENDITURE															
Capital Works	0	5,142	0	0	0	0	0	0	0	0	0	0	0	0	5,142
Environment Agency Precept	6,980	6,980	6,136	6,136	1,024	1,024	273	273	74,847	74,847	2,307	2,307	91,567	91,567	
Maintenance Works	164,077	160,584	339,070	380,889	26,793	26,992	31,095	36,359	52,647	58,177	48,216	43,709	661,898	706,710	
Administration Charges	19,505	19,564	32,508	32,606	6,502	6,521	3,251	3,261	97,524	97,818	3,251	3,261	162,541	163,031	
Development Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cost of Rechargeable Works	0	0	0	0	0	0	0	0	0	662,078	0	0	0	662,078	
Total Expenditure	£190,562	£192,270	£377,714	£419,631	£34,319	£34,537	£34,619	£39,893	£225,018	£892,920	£53,774	£49,277	£916,006	£1,628,526	
Profit/(Loss) on disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit) for the Year	-£12,790	£7,051	-£47,432	-£67,468	£70	£2,792	-£1,585	-£3,521	-£14,574	-£28,974	-£4,569	£44	-£80,880	-£90,075	

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

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

GENERAL RESERVES

Opening Balances as 1-4-2020	114,719	114,719	19,833	19,833	14,156	14,156	8,749	8,749	14,232	12,009	10,000	0	181,689	169,467
Net Surplus/(Deficit) for the Year	-12,790	7,051	-47,432	-67,467.74	70	2,792	-1,585	-3,521	-14,574	-28,974	-4,569	44	-80,880	-90,075
Transfers (to)/from Development Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from Capital Reserve	12,790	-7,051	47,432	67,467	-70	-2,792	1,585	3,521	14,574	28,974	0	0	76,311	90,118

Closing Balances as at 31-3-2021	£114,719	£114,719	£19,833	£19,832	£14,156	£14,156	£8,749	£8,749	£14,232	£12,009	£5,431	£44	£177,120	£169,510
---	-----------------	-----------------	----------------	----------------	----------------	----------------	---------------	---------------	----------------	----------------	---------------	------------	-----------------	-----------------

CAPITAL RESERVES

Opening Balances as at 1-4-2020	230,069	248,533	293,813	309,101	33,513	14,601	44,503	44,395	121,477	133,907	4,555	1,115	727,930	751,652
Transfers (to)/from General Reserve	-12,790	7,051	-47,432	-67,467	70	2,792	-1,585	-3,521	-14,574	-28,974	0	0	-76,311	-90,118

Closing Balances as at 31-3-2021	£217,279	£255,584	£246,381	£241,635	£33,583	£17,393	£42,918	£40,874	£106,903	£104,934	£4,555	£1,115	£651,619	£661,534
---	-----------------	-----------------	-----------------	-----------------	----------------	----------------	----------------	----------------	-----------------	-----------------	---------------	---------------	-----------------	-----------------

DEVELOPMENT RESERVES

Opening Balances as at 1-4-2020	0	0	0	0	0	0	0	0	77,645	77,645	0	0	77,645	77,645
Transfers (to)/from General Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Closing Balances as at 31-3-2021	£0	£0	£0	£0	£0	£0	£0	£0	£77,645	£77,645	£0	£0	£77,645	£77,645
---	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------------	----------------	-----------	-----------	----------------	----------------

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

OUR ID	NAME	ACTUAL 2019/20	ACTUAL 2020/21	BUDGET 2020/21	VARIANCE
<u>DRAINS MAINTENANCE</u>					
<u>SD1: River Deben (Tidal Pumped) Sub District</u>					
DRN179P0101/4/5	King's Fleet	0	0	1,310	1,310
DRN179P0102	Laurel Farm Delph	0	1,775	2,060	285
DRN179P0103	Gulpher	0	1,909	2,060	151
DRN179P0201	Falkenham Delph	0	4,018	2,750	-1,268
DRN179P0204	Falkenham Marsh Drain	0	4,254	0	-4,254
DRN179P0202	Kirton Drain	0	4,723	4,310	-413
DRN179P0205	King's Fleet Weir Drain	0	2,150	1,310	-840
DRN178P0301/3	Ramsholt Marsh	18,357	0	0	0
DRN178P0101/4	Queen's Fleet	2,108	0	0	0
DRN178P0201	Bawdsey Marsh	2,108	0	0	0
Contingency	Spraying	0	0	2,000	2,000
		£22,572	£18,829	£15,800	-£3,029
<u>SD2: Lower Alde (Tidal Pumped) Sub District</u>					
DRN172P0101	Iken Marsh Drain	0	0	4,510	4,510
DRN171P0101	Ferry Farm Drain	0	0	2,210	2,210
DRN171P0201	Sudbourne Delph	0	0	5,510	5,510
DRN171P0202	Church Farm Drain	0	0	2,035	2,035
DRN170P0101	Gedgrave Drain (North)	0	0	4,510	4,510
DRN170P0201	Gedgrave Drain (South)	0	0	1,110	1,110
DRN168P0101	Chillesford Drain	0	0	2,410	2,410
DRN167P0101	Butley Marsh Drain	0	0	0	0
DRN167P0102	Stonebridge Drain	0	0	0	0
DRN167P0103	Capel Drain	0	0	1,860	1,860
DRN176P0101	Colony Marsh Drain	0	6,728	0	-6,728
Contingency	Various	0	0	0	0
		£0	£6,728	£24,155	£17,428
<u>SD3: AHB (Tidal Pumped) Sub District</u>					
DRN176P0101	Holton Drain, Blyth	0	0	0	0
DRN177P0101	Alderton & Hollesley 1	16,250	0	0	0
DRN177P0201	Alderton & Hollesley 2	3,126	0	0	0
DRN177P0202	Alderton & Hollesley 3	1,164	0	0	0
DRN177P0301	Alderton & Hollesley	6,288	0	0	0
DRN177P0302	Alderton & Hollesley	2,788	0	0	0
DRN177P0303	Alderton & Hollesley	1,029	0	0	0
		£30,645	£0	£0	£0
<u>SD4: Blyth (Tidal Pumped) Sub District</u>					
DRN160P0101	Un-Named	4,572	0	0	0
DRN160P0102	Reyden	0	0	0	0
		£4,572	£0	£0	£0
<u>SD5: Gravity Sub District</u>					
DRN162G0101	Blyth, Henham Park	0	0	0	0
DRN164G0101	Thorpeness 100	0	0	0	0
	Bologney River (if enmained)	0	0	0	0
DRN182G0101/7	Shottisham River, Lower Deben	0	312	0	-312
DRN180G0101/3	Ramsholt Dock Drain, Lower Deben	709	7,709	0	-7,709
	Ringfence for Lower Deben at Ufford	0	0	4,000	4,000
	Middle Deben Drain	0	0	4,500	4,500
DRN163G0101	Eastbridge Drain, Minsmere	100	28,146	5,850	-22,296
DRN163G0301	Theberton, Minsmere	0	0	1,560	1,560

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

OUR ID	NAME	ACTUAL 2019/20	ACTUAL 2020/21	BUDGET 2020/21	VARIANCE
DRN163G0401	Yew Tree Farm	0	0	1,560	1,560
DRN163G0203	Leiston 3, Minsmere	0	0	1,400	1,400
DRN163G0201	Leiston 1, Minsmere	0	0	3,360	3,360
DRN163G0202	Leiston 2, Minsmere	0	0	2,510	2,510
DRN161G0101	Holton Drain, Blyth	0	0	0	0
DRN163G0501	Darsham Station	0	0	0	0
DRN175G0201	Sternfield Drain, FRAT	0	0	0	0
DRN175G0401	Upper Alde (Rendham)	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	5,160	5,160
DRN184G0801/3	Framsden Drain, Upper Deben	0	0	0	0
DRN184G0701	Horsefen Drain, Upper Deben	0	0	0	0
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	7,201	5,010	-2,191
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	0	0
DRN190G0101	Wetherden Stream Catchment, River Gipping	0	456	0	-456
DRN191G0101/3	Gipping Stream, River Gipping	0	0	720	720
DRN186G1001	Rattlesden River Catchment	1,077	0	0	0
DRN189G0101	Rattlesden River Catchment	0	0	0	0
DRN189G0102/3	Rattlesden River Catchment	0	0	0	0
DRN186G0901/2	Creetings Watercourse	0	0	0	0
DRN186G0801/6	Badley Stream, River Gipping	1,292	70	1,920	1,850
DRN186G0701/4	Jack's Green Watercourse	810	786	500	-286
DRN186G0601/5	Coddenham Stream, River Gipping	862	0	0	0
DRN186G0301/4	Claydon Marsh Drain, River Gipping	0	0	0	0
DRN186G0201/3	Claydon Hill Drain, River Gipping	0	0	0	0
DRN186G0101	Bramford Marsh Drain, River Gipping	0	0	0	0
DRN186G0401	Barham Marsh Drain, River Gipping	0	0	0	0
DRN188G0101/5	River Jordan, River Gipping	0	0	1,200	1,200
DRN186G0501	Gallows Hill Drain, River Gipping	862	0	0	0
		£5,712	£44,681	£39,250	-£5,431
SD6: Alde (Tidal Gravity) Sub District					
DRN169G0101	Butley Mill River, Lower Alde	14,295	1,705	0	-1,705
DRN165G0102	Boyton Marsh Drain, Lower Alde	0	0	3,000	3,000
DRN165G0101	Boyton Marsh Delph, Lower Alde	0	0	4,010	4,010
DRN175G0101	The Canal, (Benhall)	0	0	960	960
		£14,295	£1,705	£7,970	£6,265
DRAINS MAINTENANCE		£77,795	£71,943	£87,175	£15,232

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

OUR ID	NAME	ACTUAL 2019/20	ACTUAL 2020/21	BUDGET 2020/21	VARIANCE
<u>PUMPING STATION MAINTENANCE</u>					
<u>SD1: River Deben (Tidal Pumped) Sub District</u>					
PMP178P001	Bawdsey Pumping Station				
	Power	4,307	3,024	6,000	2,976
	Repairs and Maintenance	3,055	7,048	7,750	702
	Superintendence	1,000	1,000	1,000	0
	Telemetry	83	0	250	250
		8,445	11,072	15,000	3,928
PMP179P001	King's Fleet Pumping Station				
	Power	-1,733	4,111	6,000	1,889
	Repairs and Maintenance	1,425	15,380	11,750	-3,630
	Superintendence (Gratis)	0	0	0	0
	Telemetry	83	0	250	250
		-226	19,490	18,000	-1,490
PMP179P002	Falkenham Pumping Station				
	Power	2,756	8,601	4,000	-4,601
	Repairs and Maintenance	12,488	7,120	16,250	9,130
	Superintendence	1,000	1,000	1,000	0
	Telemetry	83	0	250	250
		16,326	16,721	21,500	4,779
		£24,545	£47,284	£54,500	£7,216
<u>SD2: Lower Alde (Tidal Pumped) Sub District</u>					
PMP167P001	Butley Pumping Station				
	Power	4,043	8,331	4,000	-4,331
	Repairs and Maintenance	1,194	9,958	9,750	-208
	Superintendence	1,000	1,000	1,050	50
	Depreciation	6,820	6,820	6,820	0
	Telemetry	83	0	250	250
		13,140	26,110	21,870	-4,240
PMP168P001	Chillesford Pumping Station				
	Power	5,087	3,550	5,500	1,950
	Repairs and Maintenance	1,178	2,134	4,750	2,616
	Superintendence	1,150	1,150	1,150	0
	Depreciation	6,820	6,820	6,820	0
	Telemetry	83	0	250	250
		14,318	13,655	18,470	4,815
PMP170P001	Gedgrave Pumping Station				
	Power	3,508	732	4,000	3,268
	Repairs and Maintenance	9,152	70,792	9,750	-61,042
	Superintendence	1,050	1,050	1,050	0
	Depreciation	6,820	6,820	6,820	0
	Telemetry	83	0	250	250
		20,614	79,395	21,870	-57,525
PMP172P001	Iken Pumping Station				
	Power	5,855	4,507	4,500	-7
	Repairs and Maintenance	1,665	6,351	3,750	-2,601
	Superintendence	1,205	1,205	1,050	-155
	Telemetry	83	0	250	250
		8,808	12,063	9,550	-2,513

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

OUR ID	NAME	ACTUAL 2019/20	ACTUAL 2020/21	BUDGET 2020/21	VARIANCE
PMP171P001	Sudbourne Pumping Station				
	Power	3,366	-812	4,250	5,062
	Repairs and Maintenance	3,668	10,399	3,750	-6,649
	Superintendence	1,350	1,200	1,050	-150
	Telemetry	83	0	250	250
		8,467	10,787	9,300	-1,487
PMP176P001	Colony Marsh Pumping Station				
	Power	1,032	-1,905	1,250	3,155
	Repairs and Maintenance	633	6,365	3,750	-2,615
	Superintendence	1,000	1,000	1,000	0
	Telemetry	0	0	250	250
		£2,665	£5,461	£6,250	£790
		£68,011	£147,469	£87,310	-£60,159
SD4: Blyth (Tidal Pumped) Sub District					
PMP160P001	Reyden Pumping Station				
	Power	5,968	11,400	6,000	-5,400
	Repairs and Maintenance	1,678	3,715	3,750	35
	Superintendence	1,000	1,000	1,000	0
	Telemetry	83	0	250	250
		£8,728	£16,115	£11,000	-£5,115
PUMPING STATION MAINTENANCE		£101,285	£210,868	£152,810	-£58,058
<u>ESTUARY WALL REINSTATEMENT WORKS</u>					
Alde-Ore Estuary					
	Aldeburgh Phase 1 Impairment charge	26,628	27,730	27,730	0
	Revenue Contribution to Capital Outlay	41,664	42,446	42,446	0
		£68,292	£70,176	£70,176	£0
ESTUARY WALL REINSTATEMENT WORKS		£68,292	£70,176	£70,176	£0
DIRECT WORKS		£247,372	£352,987	£310,161	-£42,826
TECHNICAL SUPPORT STAFF COSTS		203,917	244,751	235,668	-£9,083
OTHER TECHNICAL SUPPORT COSTS		31,808	20,667	20,766	£99
EXTERNAL TECHNICAL SUPPORT COSTS		0	0	0	£0
BAP IMPLEMENTATION		9,750	4,500	11,500	£7,000
TECHNICAL SUPPORT (INCLUDING BAP IMPLEMENTATION)		£245,475	£269,918	£267,934	-£1,984
FINANCE COSTS (LOAN INTEREST: LOWER ALDE PUMPED)		£64,916	£60,909	£62,729	£1,820
FINANCE COSTS (LOAN INTEREST: LOWER ALDE TG)		£21,589	£22,895	£21,074	-£1,821
MAINTENANCE WORKS		£579,352	£706,708	£661,898	-£44,810

From: 01 April 2020

To: 31 March 2021

Period: 12

Year Ending: 31 March 2021

Our ID	Capital Scheme	EA Ref.	GiA Level %	Actual 2009/10 to 2017/18 £	Actual 2018/19	Actual 2019/20	Actual 2020/21	Annual Estimate 2020/21 £	Variance (2020/21) £	Cumulative Gross Cost C/Fwd £	Approved Cost £	Variance (adverse)/favourable £	Grant Receivable £	Grant Received B/Fwd £	Grant Received 2020/21 £	Grant Received C/Fwd £	Grant Due/ (Unapplied) £	Grant Applied £
Grant Aided Works:																		
	Bawdsey Pumping Station		45%	28,469.50	0.00	0.00	0.00	0.00	0.00	28,469.50	30,000	1,530.50	12,811.28	13,500.00	0.00	13,500.00	-688.72	0.00
SCH01	Health & Safety Improvement Works	IDB0203	45%	36,742.28	0.00	0.00	0.00	0.00	0.00	36,742.28	39,000	2,257.72	16,534.03	17,550.00	0.00	17,550.00	-1,015.97	0.00
SCH03	Reydon Replacement Pump Study	IDB0219	45%	3,155.62	0.00	0.00	0.00	0.00	0.00	3,155.62	6,000	2,844.38	1,420.03	1,420.03	0.00	1,420.03	0.00	0.00
SCH04	Reydon Replacement Pump Scheme	IDB0236	100%	119,365.74	0.00	0.00	0.00	0.00	0.00	119,365.74	131,000	11,634.26	119,365.74	132,279.97	0.00	132,279.97	-12,914.23	0.00
SCH06	Alde Ore Estuary Tidal Defence	IDB0308	100%	28,980.21	16,065.66	0.00	0.00	0.00	0.00	45,045.87	50,000	4,954.13	45,045.87	50,000.00	0.00	50,000.00	-4,954.13	0.00
SCH07	Deben Estuary Tidal Embankment	IDB0317	100%	36,630.20	2,282.50	60.00	3,690.00	0.00	-3,690.00	42,662.70	56,000	13,337.30	42,662.70	56,000.00	0.00	56,000.00	-13,337.30	3,690.00
SCH08	Falkenham Marshes: Replacement & Relocation Feasibility	IDB0318	100%	53,572.52	1,600.15	690.00	1,451.80	0.00	-1,451.80	57,314.47	70,000	12,685.53	57,314.47	75,000.00	0.00	75,000.00	-17,685.53	1,451.80
SCH09	Alde & Ore Estuary Modelling Study	IDB0406	100%	50,803.50	9,850.00	0.00	0.00	0.00	0.00	60,653.50	60,750	96.50	60,653.50	60,750.00	0.00	60,750.00	-96.50	0.00
				357,719.57	29,798.31	750.00	5,141.80	0.00	-5,141.80	393,409.68	442,750.00	49,340.32	355,807.62	406,500.00	0.00	406,500.00	-50,692.38	5,141.80
Non-Grant Aided Works:																		
				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
Totals				£357,719.57	£29,798.31	£750.00	£5,141.80	£0.00	-£5,141.80	£393,409.68	£442,750	£49,340.32	£355,807.62	£406,500.00	£0.00	£406,500.00	-£50,692.38	£5,141.80

G BLOOMFIELD
CATCHMENT ENGINEER (WMA EASTERN)

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

1 DRAINAGE RATES

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District	34,114	34,831	34,831	0
Lower Alde (Tidal Pumped) Sub District	169,330	171,274	171,274	0
AHB (Tidal Pumped) Sub District	11,309	11,546	11,546	0
River Blyth (Tidal Pumped) Sub District	9,192	9,385	9,385	0
Gravity Sub District	25,452	25,914	25,914	0
Alde (Tidal Gravity)	26,915	26,876	26,876	0
	276,312	279,826	279,826	0

2 SPECIAL LEVIES ON COUNCILS

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District:				
East Suffolk Council (Was Suffolk Coastal District Council)	30,488	31,129	31,129	0
Lower Alde (Tidal Pumped) Sub District:				
East Suffolk Council (Was Suffolk Coastal District Council)	27,082	27,651	27,651	0
River Blyth (Tidal Pumped) Sub District:				
East Suffolk Council (Was Waveney District Council)	148	151	151	0
Gravity Sub District:				
Babergh District Council	1,734	1,770	1,770	0
Ipswich Borough Council	36,724	37,493	37,493	0
Mid Suffolk Borough Council	38,936	39,751	39,751	0
East Suffolk Council (Was Waveney District Council)	2,986	3,048	3,048	0
East Suffolk Council (Was Suffolk Coastal District Council)	32,241	32,917	32,917	0
	112,621	114,979	114,979	0
Alde (Tidal) Gravity Sub District:				
East Suffolk Council (Was Suffolk Coastal District Council)	21,264	21,645	21,645	0
	191,603	195,555	195,555	0

Special Levies are due to be 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:

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
Capital Scheme				
River Deben (Tidal Pumped) Sub District:				
Deben Estuary Partnership Scheme Development	60	3,690	0	3,690
Bawdsey Pumping Station (Health & Safety Improvements)	0	0	0	0
King's Fleet Pumping Station (Health & Safety Improvements)	0	0	0	0
Falkenham Marshes: Pumping Station (Replacement & Relocation)	690	1,452	0	1,452
	750	5,142	0	5,142
Lower Alde (Tidal Pumped) Sub District:				
Public Works Loan of £3m - Annual Charges & Repayments	0	0	0	0
Alde & Ore Estuary Partnership Scheme Development	0	0	0	0
Alde & Ore Estuary Modelling Study	0	0	0	0
Iken Pumping Station (Health & Safety Improvements)	0	0	0	0
Sudbourne Pumping Station (Fish/Eel Friendly Replacement)	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	0	0	0	0
	0	0	0	0
	750	5,142	0	5,142

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

4 HIGHLAND WATER CONTRIBUTIONS

- (i) This income now comes from the Environment Agency in September 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 6 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:

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District	23,624	35,557	31,862	3,695
Lower Alde (Tidal Pumped) Sub District	33,993	38,250	34,275	3,975
AHB (Tidal Pumped) Sub District	464	0	0	0
River Blyth (Tidal Pumped) Sub District	8,871	7,104	6,366	738
Gravity Sub District	11,154	9,073	8,130	943
Alde (Tidal Gravity) Sub District	523	763	684	79
	78,629	90,747	81,317	9,430

5 INCOME FROM RECHARGEABLE WORKS

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Saltmarsh Restoration Fencing at Waldringfield	0	0	0	0
Upper Deben	9,412	0	0	0
	9,412	0	0	0
Lower Alde (Tidal Pumped) Sub District:				
Iken Wall	0	0	0	0
Alde and Ore Costed Delivery Programme	0	0	0	0
	0	0	0	0
AHB (Tidal Pumped) Sub District:				
Twin Banks Watercourse (EA)	0	0	0	0
	0	0	0	0
River Blyth (Tidal Pumped) Sub District:				
N/A	0	0	0	0
Gravity Sub District:				
Aldeburgh Golf Course	118	0	0	0
Coastal Partnerships East	304,077	342,438	50,000	292,438
Bennett Homes	5,625	0	0	0
EA Loudham Restoration	10,000	0	0	0
East Suffolk Council (ESC001)	58,598	0	0	0
Essex Wildlife Trust (ES0002)	3,607	0	0	0
RFP0001	0	75,000	0	75,000
SCC Kirkley	25,767	59,195	0	59,195
P J & S A Mann (MA0001)	1,575	0	0	0
Michael Paul - Kirton Drain Adoption (RMP0001)	0	9,370	0	9,370
RAB0001	0	54	0	54
RAWB001	0	7,165	0	7,165
RNIC001	7,710	0	0	0
RROX001	0	810	0	810
SCC Gosbeck	3,400	0	0	0
Suffolk County Council - Nayland	2,280	0	0	0
RST0003	0	14,455	0	14,455
RSPS001	1,500	0	0	0
RVCS001	0	3,700	0	3,700
Waveney District Council RWV0007 - re Lowestoft Barrier Deployment	39,178	44,808	0	44,808
Waveney District Council RWV0020	4,200	0	0	0
Waveney Lower Yare & Lothingland	114,751	0	0	0
WEG Kingsfleet (SCC)	3,590	132,801	0	132,801
Stutton Estate RST0002	-3,400	0	0	0
Broads (2006) IDB Recharge	4,919	4,081	0	4,081
Norfolk Rivers IDB	537	954	0	954
WMA Recharge	2,450	239	0	239
	590,480	695,069	50,000	645,069
	599,891	695,069	50,000	645,069

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

6 OTHER INCOME

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Investment Interest	6,853	7,424	0	7,424
Surface Water Development Contribution	0	0	0	0
Other Income from WMA (35%)	66,770	85,239	79,950	5,289
Summons Costs	80	0	0	0
	73,703	92,663	79,950	12,713
Lower Alde (Tidal Pumped) Sub District:				
Investment Interest	9,235	10,001	0	10,001
Surface Water Development Contribution	0	0	0	0
Other Income from WMA (42.5%)	81,078	103,505	97,082	6,423
Other Income (Insurance Claim)	0	1,482	0	0
Summons Costs	104	0	0	0
	90,417	114,989	97,082	16,424
AHB (Tidal Pumped) Sub District:				
Investment Interest	1,319	1,429	0	1,429
Surface Water Development Contribution	0	0	0	0
Other Income from WMA (10%)	19,077	24,354	22,843	1,511
Summons Costs	28	0	0	0
	20,424	25,783	22,843	2,940
River Blyth (Tidal Pumped) Sub District:				
Investment Interest	1,353	1,465	0	1,465
Surface Water Development Contribution	0	0	0	0
Other Income from WMA (7.5%)	14,308	18,266	17,132	1,134
Summons Costs	20	0	0	0
	15,682	19,731	17,132	2,599
Gravity Sub District:				
Investment Interest	5,369	5,814	0	5,814
Surface Water Development Contribution	0	0	0	0
Other Income from WMA (5%)	9,539	12,177	11,421	756
Other Income	920	920	0	920
Summons Costs	218	0	0	0
	16,046	18,911	11,421	7,490
Lower Alde (Tidal Gravity) Sub District:				
Investment Interest	34	37	0	37
Surface Water Development Contribution	0	0	0	0
Other Income from WMA (0%)	0	0	0	0
Summons Costs	0	0	0	0
	34	37	0	37
	216,306	272,113	228,428	42,203

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 (28.36%), Lower Alde (38.22%), AHB (5.46%), River Blyth (5.60%), Gravity (22.22%) and Lower Alde TG (0.14%).

7 CAPITAL WORKS

- (i) 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:

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
Grant Aided Works				
SD1 River Deben (Tidal Pumped) Sub District:				
Deben Estuary Partnership Scheme Development	60	3,690	0	-3,690
Falkenham Marshes: Pumping Station (Replacement & Relocation)	690	1,452	0	-1,452
	750	5,142	0	-5,142
SD2 Lower Alde (Tidal Pumped) Sub District:				
Alde & Ore Estuary Tidal Defence Refurbishment	0	0	0	0
Alde & Ore Estuary Modelling Study	0	0	0	0
	0	0	0	0
SD4 River Blyth (Tidal Pumped) Sub District:				
Reydon Marsh Pumping Station Improvement Scheme	0	0	0	0
	0	0	0	0
SD6 Alde (Tidal Gravity) Sub District:				
Public Works Loan: £3m, Interest Payments	0	0	0	0
Public Works Loan: £3m, Principal Repayments	0	0	0	0
	0	0	0	0
	750	5,142	0	-5,142

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

8 ENVIRONMENT AGENCY PRECEPT

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:

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District	6,777	6,980	6,980	0
Lower Alde (Tidal Pumped) Sub District	5,957	6,136	6,136	0
AHB (Tidal Pumped) Sub District	994	1,024	1,024	0
Blyth (Tidal Pumped) Sub District	265	273	273	0
Gravity Catchments Sub District	72,667	74,847	74,847	0
Alde (Tidal Gravity) Sub District	2,240	2,307	2,307	0
	88,900	91,567	91,567	0

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 as follows: Lower Deben 35%, Lower Alde 42.5%, AHB 10%, River Blyth 7.5% and the Gravity Areas 5%. Maintenance work undertaken during this year and last year is summarised as follows:

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District	133,033	160,584	164,077	3,493
Lower Alde (Tidal Pumped) Sub District	286,951	380,887	339,070	-41,817
AHB (Tidal Pumped) Sub District	55,193	26,992	26,793	-199
Blyth (Tidal Pumped) Sub District	31,711	36,359	31,095	-5,264
Gravity Catchments Sub District	17,986	58,177	52,647	-5,530
Alde (Tidal Gravity) Sub District	54,479	43,709	48,216	4,507
	579,352	706,708	661,898	-44,810

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:

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
(ii) Shared Administration Staff Costs	94,201	118,518	116,499	-2,019
Other Staff Administration Costs	6,919	7,771	7,142	-629
Shared ICT Charges	6,175	6,640	5,330	-1,310
Other Shared Administration Charges	19,776	21,233	27,178	5,945
Other Administration Costs	5,619	6,701	6,391	-310
	132,690	160,864	162,540	1,676
Anglia Farmers Annual Subscription	240	240	0	-240
Sundry Expenses	0	0	0	0
Drainage Rates: AV Increases/Decreases	3,427	979	0	-979
Drainage Rates: Settlement Discount	981	948	0	-948
Other Expenses	4,648	2,166	0	-2,166
Total Administration Charges	137,338	163,030	162,540	-490

(iii) **Consortium Charges**

	Y-T-D Budget	Y-T-D Actual
<u>Expenses</u>		
Technical Support Staff (see Maintenance Works Sheet)	235,668	244,751
Other Technical Support (see Maintenance Works Sheet)	20,766	20,667
Administration Staff Costs (note 10i)	116,499	118,518
Other Administration Costs (Note 10ii)	46,041	42,346
Shared Income from the WMA (note 6)	-228,429	-243,542
Net Consortium Charge	190,545	182,740

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

- (iv) Administration costs are apportioned to each of the Board's sub districts as follows: River Deben (12%), Lower Alde TP (20%), AHB (4%), River Blyth (2%), Gravity (60%) and Lower Alde TG (2%). The Consultancy for the funding initiative is apportioned to each of the 3 relevant sub districts according to their proportion of aggregate assessable value. Depreciation for the Estuary Walls is split across Lower Alde and Alde, according to the Loan Ratio Principle Lower Alde Pumped (72.77%) Alde TG (27.23%):

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District	16,481	19,564	19,505	-59
Lower Alde (Tidal Pumped) Sub District	27,468	32,606	32,508	-98
AHB (Tidal Pumped) Sub District	5,494	6,521	6,502	-19
Blyth (Tidal Pumped) Sub District	2,747	3,261	3,251	-10
Gravity Catchments Sub District	82,403	97,818	97,524	-294
Alde (Tidal Gravity) Sub District	2,748	3,261	3,251	-10
	137,338	163,030	162,540	-492

11 COST OF RECHARGEABLE WORKS

	2019/20 Actual (£)	2020/21 Actual (£)	2020/21 Budget (£)	2020/21 Variance (£)
River Deben (Tidal Pumped) Sub District:				
Upper Deben (RUD0002/3/4)	-15,245	0	0	0
Waldringfield Tidal Defence Reinstatement Work	0	0	0	0
Waldringfield Salt Marsh	0	0	0	0
Saltmarsh Restoration Fencing at Waldringfield	0	0	0	0
	-15,245	0	0	0
Lower Alde (Tidal Pumped) Sub District:				
Iken Wall	0	0	0	0
Alde and Ore Costed Delivery Programme	39,645	0	0	0
Emergency Sea Wall Reinstatement Work: Ham Creek	0	0	0	0
Emergency Sea Wall Reinstatement Work: Hazlewood	0	0	0	0
	39,645	0	0	0
AHB (Tidal Pumped) Sub District:				
Twin Banks Watercourse (EA)	0	0	0	0
	0	0	0	0
River Blyth (Tidal Pumped) Sub District:				
N/A	0	0	0	0
Gravity Sub District:				
Coastal Partnership East WDC (RCPE001)	316,013	322,934	0	-322,934
Coastal Partnership East SCDC (RCPE002)	22,181	0	0	0
Coastal Partnership East SCDC (RCPE003)	-3,901	0	0	0
Aldeburgh Golf Course	100	-100	0	100
RAB0001	0	54	0	-54
RAWB001	0	4,174	0	-4,174
Bennett Homes	5,050	0	0	0
EA Loudham Restoration (RLOU001)	7,278	0	0	0
Essex Wildlife Trust (RROX001)	3,607	810	0	-810
RFP0001	0	75,000	0	-75,000
Kirkley Maintenance	18,191	54,305	0	-54,305
P J & S A Mann	1,575	0	0	0
RNAY001 Suffolk County Council Nayland	2,270	0	0	0
RNIC001	7,710	0	0	0
Michael Paul - Kirton Drain Adoption RMP0001	0	9,370	0	-9,370
SCC Gosbeck RGOS001	2,652	0	0	0
RSPS001	1,500	-11	0	11
RST0003	0	13,446	0	-13,446
RVCS001	0	2,276	0	-2,276
Waveney District Council RWV0007 - re Lowestoft Barriers	23,633	42,287	0	-42,287
Waveney District Council RWV0016 - Christmas Lane	-10,000	0	0	0
Waveney District Council RWV0020	4,200	0	0	0
Stutton Estate RST0002	-6,040	0	0	0
Norfolk Rivers IDB Recharge	537	954	0	-954
Broads (2006) IDB Recharge	4,929	4,081	0	-4,081
Waveney Lower Yare & Lothingland	114,751	0	0	0
WEG Kingsfleet (SCC)	3,590	132,260	0	-132,260
WMA Recharge	2,450	238	0	-238
	522,275	662,078	0	-662,078
	546,675	662,078	0	-662,078

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

12 DEVELOPMENT EXPENDITURE

	2019/20 Actual (£)	2020/21 Actual (£)
Other Expenditure	3,000	0
	3,000	0

13 TANGIBLE FIXED ASSETS

	Estuary Walls	Land and Buildings	Total
Cost			
Opening Balance as at 1-4-2020	769,995	255,334	1,025,329
(+) Additions	0	0	0
(-) Disposals	0	0	0
Closing Balance as at 31-3-2021	769,995	255,334	1,025,329
Depreciation			
Opening Balance as at 1-4-2020	217,309	148,129	365,438
(+) Depreciation Charge for year	70,176	20,461	90,637
(+) Cash Payment Received From Alde and Ore Estuary Trust	100,000	0	100,000
(-) Accumulated depreciation written out on disposal	0	0	0
Closing Balance as at 31-3-2021	387,485	168,590	556,075
Net Book Value at 31-03-2020	552,686	107,205	659,891
Net Book Value at 31-3-2021	382,510	86,744	469,254

- (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 the WMA's Shared Fixed Assets, which were last valued by Cruso & Wilkin, Chartered Surveyors as at 31 March 2018. Such assets have a Net Book Value of zero.
- (ii) It should be noted that only 3 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.

14 CASH AT BANK AND IN HAND

	2019/20	2020/21
Opening Balance as at 1-4-2020 b/fwd	419,567	172,240
(+) Receipts	2,693,875	3,937,986
(-) Payments	-2,941,202	-3,639,409
(=) Closing Balance as at 31-3-2021 c/fwd	172,240	470,816
Balance on Statement as at 31-3-2021	223,297	476,271
(-) Less: Unpresented Payments	-51,132	-30,454
(+) Add: Unpresented Receipts	75	25,000
(=) Closing Balance as at 31-3-2021 c/fwd	172,240	470,816

15 SHORT TERM INVESTMENTS

Short term Investments as at 31-3-2021 are as follows:

Financial Institution	Capital	Investment Date	Maturity Date	Variable Interest Rate
Progressive Building Society	250,000	30/10/2020	29/04/2021	0.25%
West Bromwich Building Society	500,000	06/01/2021	06/07/2021	0.16%
Cumberland Building Society	500,000	29/01/2021	29/07/2021	0.08%
Principality Building Society	500,000	31/03/2021	29/07/2021	0.08%
Vernon Building Society	500,000	30/03/2021	29/09/2021	0.12%
Newcastle Building Society	500,000	26/02/2021	26/11/2021	0.14%
National Counties Building Society	500,000	26/02/2021	25/02/2022	0.32%
	3,250,000			

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

16 DEBTORS AND PREPAYMENTS

Work In Progress:	2019/20	2020/21
RAL0004	5,208	5,709
RAOET003	1,620	10,126
RAWB001	4,174	0
RCPE001	0	0
RESC0001	0	4,969
RIK0001	21,935	26,353
RKI0011/12	5,116	0
RMP0001	0	0
RTH0001	0	5,634
RWEGKF001	540	9,546
RWV0007	0	0
	38,593	62,336

Debtors		
Trade Debtors	121,286	98

	Number of Debtors	Amount
<=30 days	2	98
> 30 days and <= 60 days	0	0
> 60 days and <= 90 days	0	0
> 90 days	0	0
	2	98

Other Debtors		
Drainage Rates and Special Levies Due	2,971	2,503
H M Revenue and Customs	0	0
Amounts owed from/(to) WMA	-2,881	444
	159,969	65,381

17 CREDITORS AND RECEIPTS IN ADVANCE

	2019/20	2020/21
Trade Creditors	31,702	109,660
H M Revenue and Customs	23,600	12,892
Accruals (BAP Work: £7k, Pump Attendance: £12k, Development £3k)	39,280	21,755
Accruals (Rechargeable Works Costs)	69,954	103,571
Rates Received In Advance	2,063	11,891
Payments received in advance (Thorpeness Cliff Erosion)	0	7,500
Payments received in advance (AOET: Grant 2 incl Final Payment, Rechargeable Works.)	9,645	9,645
Payments received in advance (WFDG: Waldringfield)	17,319	12,832
Payments received in advance (Special Levies)	18,747	118,873
	212,310	408,619

18 LOANS OUTSTANDING

	2019/20	2020/21
Loans Payable in next 12 months	87,741	90,535
Loans Payable in more than 12 months	2,887,451	2,796,916
	2,975,192	2,887,451

One of the Board's predecessors (Lower Alde IDB) took out 4 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. The Interest rates on these loans vary from 4.70% to 5.15%.

In 2017 the Board took out a loan of £3m at a fixed rate of interest of 2.74% repayable over 30 years, to part fund estuary wall reinstatement work in the Alde-Ore Estuary. The estuary walls protect this area of the drainage district.

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

NOTE NOTES TO THE ACCOUNTS

19 RESERVES

	Development Reserves	General Reserves	Capital Reserves	Total Reserves
Opening Balances as at 1-4-2020	77,645	169,467	751,652	998,764
Net Surplus/(Deficit) for the year	0	-90,075	0	-90,075
Transfers to/(from) Reserves	0	90,118	-90,118	0
Closing Balances as at 31-3-2021	77,645	169,510	661,534	908,690

- (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) The Board is a member of the Water Management Alliance Consortium and as such also has a proportion of the pension liability for the shared staff that are employed by King's Lynn IDB, t/a the Water Management Alliance. 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 £5,182,000 as at 31 March 2021 that is shared by all 6 Member Boards. However Waveney Lower Yare and Lothingland IDB's liability is capped at £5,000 until 31st March 2022. The Board's share of this pension liability is set out every year in the WMAs Basis of Apportionment, which was approved by the Board on 11 January 2021.

20 GRANTS RESERVE

Opening Balances as at 1-4-2020	£55,834.18
Add: Grant Received during the year	£0.00
Less: Grant Applied	-£5,141.80
Closing Balances as at 31-3-2021	<u>£50,692.38</u>

21 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 have claimed/will claim the following payments:

Mr R Mann (Iken Hall Farms)	£680 Iken
Mr C J Mann (Mann Farms Ltd)	£1,000 Bawdsey
Sir E Greenwell (Greenwell Farms)	£1,050 Gedgrave
	<u>£2,730</u>

- (ii) The following Works Committee members have performed pump attendance duties at the Board's pumping stations during the year, for which they have claimed/will claim the following payments:

Major J Greenwell (Capel St Andrew Farms)	£1,000 Butley
Mr R Skepper (Ferry Farm Co)	£1,200 Sudbourne
Mr G Watson (Chillesford Lodge Estate)	£1,150 Chillesford
Mr M Hollingsworth	£1,000 Falkenham
	<u>£4,350</u>

- (iii) 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 2020.
- (iv) 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 the Board Members Sir Edward Greenwell and Mr M Paul.
- (v) 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.

Recommended Actions:

1. To approve the Financial Report for the period ending 31-3-2021.

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

From: 01 April 2020 Period: 12
 To: 31 March 2021 Year Ending: 31 March 2021

Asset ID	Fixed Asset Register	Purchased/ Revalued	Depreciation Period (Years)	Responsible Officer	Capital Cost B/Fwd	Revaluations	Additions	Impairment	Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Depreciation	Cash Payment R'c'd From AOET	Acc.dprn w/out on disposal	Depreciation Profit/(Loss) C/Fwd on disposal	Net Book Value
SD1: River Deben (Tidal Pumped) Sub District																
PS06	Bawdsey	31/03/2012	16	G Bloomfield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PS07	Falkenham	31/03/2012	16	G Bloomfield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PS08	Kings Fleet	31/03/2012	16	G Bloomfield	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	0.00	0.00	0.00	0.00	0.00
SD2: Lower Alde (Tidal Pumped) Sub District																
PS01	Butley	31/03/2012	16	G Bloomfield	85,111.38	0.00	0.00	0.00	0.00	85,111.38	49,376.32	6,820.48	0.00	0.00	56,196.80	28,914.58
PS02	Chillesford	31/03/2012	16	G Bloomfield	85,111.38	0.00	0.00	0.00	0.00	85,111.38	49,376.32	6,820.48	0.00	0.00	56,196.80	28,914.58
PS03	Gedgrave	31/03/2012	16	G Bloomfield	85,111.38	0.00	0.00	0.00	0.00	85,111.38	49,376.32	6,820.48	0.00	0.00	56,196.80	28,914.58
PS04	Iken	31/03/2012	16	G Bloomfield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PS05	Sudbourne	31/03/2012	16	G Bloomfield	0.00	0.00	0.00	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	148,128.96	20,461.44	0.00	0.00	168,590.40	86,743.74
SD3: AHB (Tidal Pumped) Sub District																
PS09	Reydon Marsh	31/03/2012	16	G Bloomfield	0.00	0.00	0.00	0.00	0.00	0.00	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	16	G Bloomfield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pumping Stations			16		£255,334.14	£0.00	£0.00	£0.00	£0.00	£255,334.14	£148,128.96	£20,461.44	£0.00	£0.00	£168,590.40	£86,743.74
Estuary Wall Reinstatement Works: Alde-Ore																
SD01	Aldeburgh Sea Defences	31/03/2018	30	G Bloomfield	769,995.20	0.00	0.00	0.00	0.00	769,995.20	217,309.09	70,175.68	100,000.00	0.00	387,484.77	382,510.43
Estuary Wall Reinstatement Works					769,995.20	0.00	0.00	0.00	0.00	769,995.20	217,309.09	70,175.68	100,000.00	0.00	387,484.77	382,510.43
Shared Consortium Assets					£363.00	£0.00	£0.00	£0.00	£0.00	£363.00	£363.00	£0.00	£0.00	£0.00	£363.00	£0.00
Fixed Assets					£1,025,692.34	£0.00	£0.00	£0.00	£0.00	£1,025,692.34	£365,801.05	£90,637.12	£100,000.00	£0.00	£556,438.17	£469,254.17

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2021		ACTUAL 2019/20 £	ACTUAL 2020/21 £
1	Balances brought forward		
	General Reserves	106,122	106,122
	Development Reserve	77,645	77,645
	Grants Reserve	56,584	55,834
	Capital Reserves	807,525	814,997
	As per Statement of Accounts	1,047,875	1,054,598
	(-) Fixed Assets, Long Term Liabilities and Loans		
	Loans Payable in less than 12 months	-85,039	-87,741
	Long Term Liabilities	-2,975,192	-2,887,451
	Net Book Value of Tangible Fixed Assets	748,645	659,891
		-2,311,586	-2,315,301
	(=) Adjusted Balances brought forward	3,359,461	3,369,899
2	(+) Rates and Special Levies		
	Drainage Rates	276,312	279,826
	Special Levies issued by the Board	191,603	195,555
	As per Statement of Accounts	467,915	475,381
3	(+) All Other Income		
	Grants Applied	750	5,142
	Highland Water Contributions	78,629	90,747
	Other Income	216,306	272,113
	Income from Alde and Ore Trust	0	100,000
	Income from Rechargeable Works	599,891	695,069
	As per Statement of Accounts	895,576	1,163,071
	(+) Grants Applied to Grants Received Conversion		
	(-) Grants Applied	-750	-5,142
	(+) Grants Received	0	0
		-750	-5,142
	(=) Adjusted Other Income	894,826	1,157,929
4	(-) Staff Costs		
	Shared Technical Support Staff Costs	203,917	244,751
	Shared Administration Staff Costs	94,201	118,518
		298,118	363,269
5	(-) Loan Interest/Capital Repayments		
	Loan Interest	86,505	83,804
	Capital Repayments	85,039	87,741
	As per Statement of Accounts	171,544	171,545
6	(-) All Other Expenditure		
	Capital Works	750	5,142
	Maintenance Works	579,352	706,708
	Environment Agency Precept	88,900	91,567
	Administration Charges	137,341	163,030
	Development Expenditure	3,000	0

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2021		ACTUAL 2019/20 £	ACTUAL 2020/21 £
	Cost of Rechargeable Works	546,675	662,078
	As per Statement of Accounts	1,356,018	1,628,525
	(-) Loan Interest shown separately	86,505	83,804
	(-) Depreciation charged to Maintenance Works	88,754	90,637
	(-) Staff Costs now recorded in Box 4	298,118	363,269
	(+) Capitalised Additions		
	Land and Buildings	0	0
	Plant and Equipment	0	0
		0	0
	(=) Adjusted Other Expenditure	882,641	1,090,816
7	(=) Balances carried forward		
	General Reserves	106,122	169,510
	Development Reserve	77,645	77,645
	Grants Reserve	55,834	50,692
	Capital Reserves	814,997	661,534
	As per Statement of Accounts	1,054,598	959,382
	(-) Fixed Assets, Long Term Liabilities and Loans		
	Loans Payable in less than 12 months	-87,741	-90,535
	Long Term Borrowing	-2,887,451	-2,796,916
	Net Book Value of Tangible Fixed Assets	659,891	469,254
		-2,315,301	-2,418,197
	(=) Adjusted Balances carried forward	3,369,899	3,377,579
8	Total Cash and Short Term Investments		
	Cash at Bank and in Hand	172,240	470,816
	Short term Investments	3,250,000	3,250,000
	As per Statement of Accounts	3,422,240	3,720,816
9	Total Fixed Assets and Long Term Assets		
	Land and Buildings (valued at Purchase Cost)	255,334	255,334
	Alde Ore Estuary Walls (valued at Purchase Cost)	769,995	769,995
	Shared Consortium Assets (valued at Net Book Value)	0	0
	As per Statement of Accounts	1,025,329	1,025,329
10	Total Borrowings		
	Loans Due (<= 1 Year)	87,741	90,535
	Loans Due (> 1 Year)	2,887,451	2,796,916
	As per Statement of Accounts	2,975,192	2,887,451

From: 01 April 2020
To: 31 March 2021

Period: 12
Year Ending: 31 March 2021

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2021	ACTUAL 2019/20 £	ACTUAL 2020/21 £
---	------------------------	------------------------

7, 8 RECONCILIATION BETWEEN BOXES 7 AND 8	ACTUAL 2019/20 £	ACTUAL 2020/21 £
---	------------------------	------------------------

7	Balances carried forward (adjusted)	3,369,899	3,377,579
----------	--	------------------	------------------

(-) Deduct: Debtors and Prepayments

Trade Debtors	121,286	98
Work in Progress	38,593	62,336
Drainage Rate Debtors	2,971	2,503
H M Revenue and Customs	0	0
Amounts owed from/(to) WMA	-2,881	444
	159,969	65,381

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

Trade Creditors	31,702	109,660
H M Revenue and Customs	23,600	12,892
Accruals	109,234	125,326
Payments received in advance (Drainage Rates)	2,063	11,891
Payments received in advance (Thorpeness Cliff Erosion)	0	7,500
Payments received in advance (AOET: Rechargeable Works)	9,645	9,645
Payments received in advance (WFDG)	17,319	12,832
Payments received in advance (Special Levy: Babergh D.C.)	18,747	118,873
	212,310	408,619

(=) Box 8

3,422,240	3,720,816
------------------	------------------

8 (=) Total Cash and Short Term Investments

Cash at Bank and in Hand	172,240	470,816
Short term Investments	3,250,000	3,250,000
	3,422,240	3,720,816

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

14 JUNE 2021

Borough Council of
**King's Lynn &
West Norfolk**

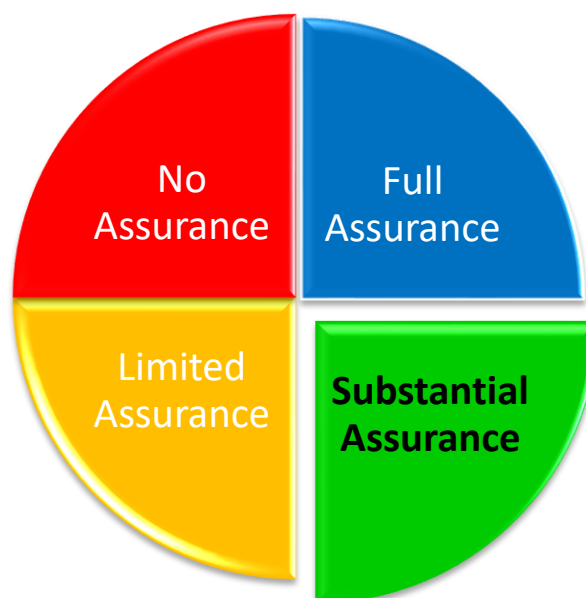


FINAL INTERNAL AUDIT REPORT

WATER MANAGEMENT ALLIANCE

**– REVIEW OF EFFECTIVENESS OF SYSTEM OF
INTERNAL CONTROL – 2020-2021**

19th April 2021



Internal Audit Service

This audit has been conducted in accordance with the Accounts & Audit Regulations 2015 and our Audit Charter, and complies with the Public Sector Internal Audit Standards. It should be noted that the assurances provided here can never be absolute, and therefore only reasonable assurance can be provided that there are no major weaknesses in control subject to Internal Audit review (at the time of testing).

The co-operation and assistance of all staff involved is greatly appreciated. This review was conducted by Mike Tweed to whom any query concerning the content of this report should be made to Michael.Tweed@West-Norfolk.gov.uk

The Executive Summary sets out the results of the work carried out and our overall conclusion on the system reviewed, and summarises the key recommendations arising.

Consultation

Draft report issued	16th April 2021
Management agreement received	19th April 2021
Final report issued	19th April 2021

Contents

Section	Page
1. Executive Summary	3
2. Objective & Scope	5
3. Background Information	6
4. Our Opinion	6
5. Reporting	8
6. Acknowledgements	8
Appendices	
Appendix A – Findings, Risks, Recommendations and Management Action Plan	
Appendix B – Follow-up of Previous Report's Recommendations	
Appendix C – Assurance Opinion and Recommendation Priority Definitions	
Appendix D – Agreed Terms of Reference	

Executive Summary

Our Assurance Opinion: SUBSTANTIAL ASSURANCE								
No. of Assurances Over Control Areas Reviewed					No. of Recommendations & Priorities			
Full	Substantial	Limited	No	Total	High	Medium	Low	Total
7	3	0	0	10	0	3	2	5

Overall Objective and System Background

The overall objective of the audit was to ensure the effectiveness of the system of internal control operating within the Water Management Alliance (WMA).

The WMA is a group of Internal Drainage Boards (IDBs) who share the same vision, values and standards and have chosen to jointly administer their affairs in order to reduce costs, strengthen their own organisations and increase influence at a national and local level. Each IDB is responsible for providing flood protection and maintaining the drainage and water level management infrastructure within their respective area.

The WMA provides administrative and management support services to five constituent IDB Member Boards, namely Broads, King's Lynn, East Suffolk, Norfolk Rivers, and South Holland, and also provide support services to the Pevensey & Cuckmere Water Level Management Board. The Waveney, Lower Yare & Lothingland IDB joined the WMA on 1st April 2020; however, the WMA did not start providing support services to them until 1st April 2021, therefore, the Waveney IDB were not included within this year's audit.

Summary of Control Issues and Risks

Based upon the work carried out, Substantial Assurance can be given regarding the effectiveness of the system of internal control operating within the WMA. However, some control issues within Payroll and Risk Management were identified which require attention by management:

- Instances were identified where timesheet and expenses claims had been incorrectly paid or missed. Testing identified one employee paid at an incorrect rate for callouts claimed, one who was not reimbursed their full mileage claim, one whose mileage claim was missed entirely and another who did not receive their claim for passenger miles. It was noted that several SHIDB employees were incorrectly paid for overtime and/or mileage in July 2020; however, the errors were identified and correctly paid the following month.
- One SHIDB employee's timesheet was certified by the Foreman but not by the Operations Manager. Ordinarily, all SHIDB timesheets are authorised by both the Foreman and the Operations Manager.
- One SHIDB employee did not complete a timesheet for the three weeks that they were on leave. It was established that other SHIDB employees do complete a timesheet when they go on leave.
- King's Lynn, Norfolk Rivers and South Holland IDB Board minutes do not routinely state that material changes to the Risk Register for those risks scored 6 or above have been "considered and approved" by the Board at each meeting, or that the full risk register was "considered and approved" each year.
- The King's Lynn IDB Risk Register is dated more than a year ago (29/11/19), although there is evidence from the Board minutes from 13/11/20 and 15/01/21 of the Board considering and approving the register.

The Finance & Rating Manager assured Internal Audit that additional processes have been put in place to increase the accuracy of the payroll processing. All of the Finance team are to go on a payroll course when available to increase their skill set.

It is noted that the Finance & Rating Manager had been planning to draft procedure notes relating to the petty cash system last year; however, due to Covid-19 this has been delayed. It is envisaged that procedure notes will be written in 2021/22.

Summary of Recommendations

The recommendations arising from the audit are:

- Those employees identified in the audit testing whose expenses claims had been missed or who had not been paid the correct amount should be reimbursed correctly in the May 2021 payroll.
- Employees should be required to submit a weekly timesheet when they are on annual leave. Staff should complete their timesheet and have it authorised prior to them going on leave.
- Finance Officers should ensure that all timesheets have been appropriately authorised, by the IDB's Operations Manager, prior to payment. Any that have not been signed should be returned to the appropriate manager for authorisation.
- As required by each Board agenda, Board minutes should clearly state that any material changes to the risk register have been "considered and approved" by the Board. Similarly, when the full risk register is annually reviewed by the Board, the minutes should state that the full risk register was "considered and approved".
- The date stated on the King's Lynn Risk Register should be amended to record the most recent date the register was approved by the KLIDB Board.

Summary of Agreed Actions

Management will implement the following actions:

- Those employees identified in the audit will be reimbursed correctly in the May 2021 payroll. Additional processes have been put in place to ensure that expenses/mileages are more accurately reflected on the sheets. Finance will liaise with Operations Managers to ensure they understand the process for inputting mileage. Extra procedures have been introduced to ensure these are not missed when being processed onto the payroll, and any queries are dealt with prior to payment should they arise. All staff who are currently performing payroll duties will undergo additional training within the next 12 months (COVID-19 permitting).
- Finance will ensure a timesheet is submitted and has been authorised by the appropriate manager for holidays taken prior to payment.
- Finance will ensure that all timesheets are properly authorised prior to payment.
- The CEO's PA will check Board minutes to ensure that they state that the Risk Register has been "approved".
- The CEO's PA will check to ensure that the date that appears in the page footer is updated every time the Risk Register is updated.

2. Objective & Scope

- 2.1 The overall objective of the audit was to ensure the effectiveness of the system of internal control operating within the Water Management Alliance (WMA).
- 2.2 The audit involved the following:
- Creditors – sample testing of purchase orders and invoice payments for appropriate authorisation in accordance with Financial Regulations.
 - Risk Management - reviewing Board minutes for evidence of review of Risk Register at regular intervals; reviewing each Board's Risk Register for expected and relevant risks.
 - Budgetary Control – reviewing Board minutes for evidence that budgets for the year ahead are set and that monitoring reports are presented to the Board on a regular basis with analysis of any variations. Checking that financial reporting to Boards is in accordance with Financial Regulations.
 - Reserve's Policy – reviewing each Board's Reserves Policy for adequacy and assessing whether each Board's reserves are appropriate.
 - Income – reviewing the system for the receipt and banking of income; test checking a sample of income receipts for evidence of prompt and correct banking, and that VAT is accounted for correctly.
 - Petty Cash – reviewing the petty cash system and the appropriateness of payments made out of petty cash for appropriateness.
 - Payroll – sample testing of payroll records for correct authorisation of timesheets and correct application of PAYE/NIC deductions.
 - Assets & Investments – reviewing the process for monitoring and reporting investments and assets, ascertaining each Board's current investments and where they are held. Tracing a sample of investments back to source documents for appropriate authorisation. Reviewing the process for the monitoring and reporting of cash flow, ensuring that cash flows are maintained at an appropriate level.
 - Cashbook & Bank Reconciliations – sample testing of the reconciliation of each Board's cashbook to their bank statements, checking that any discrepancies are identified, investigated and explained, and that corrective action is taken. Checking that all bank accounts have remained in credit throughout the whole year.
 - Year End Procedures – checking that accounting statements prepared during the year were prepared using the correct accounting basis.
- 2.3 Recommendations arising from the previous year's audit were followed-up to ensure their implementation by management.
- 2.4 The audit review was undertaken in liaison with the Finance & Rating Manager and consisted of discussions relating to the operation of the internal control processes, review of relevant documentation and sample testing of specific transactions.

- 2.5 Due regard was taken of the guidance issued on 30th March 2020 by the Joint Practitioners' Advisory Group (JPAG), "Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to proper practices to be applied in the preparation of statutory annual accounts and governance statements (March 2020)" and "Good Governance for IDB Members" published by the Association of Drainage Authorities (ADA) in November 2018.
- 2.6 Following completion of the audit, Internal Audit completed section 4 of the Electronic Annual Governance and Accountability Return for 2020/21 for each of the five Boards.
- 2.7 The review was undertaken during March and April 2021.

3. Background Information

- 3.1 The WMA is a group of Internal Drainage Boards (IDBs) who share the same vision, values and standards and have chosen to jointly administer their affairs in order to reduce costs, strengthen their own organisations and increase influence at a national and local level. Each IDB is responsible for providing flood protection and maintaining the drainage and water level management infrastructure within their respective area.
- 3.2 The WMA provides administrative and management support services to the five constituent IDB Member Boards, namely Broads, King's Lynn, East Suffolk, Norfolk Rivers, and South Holland. The WMA also provide support services to the Pevensey & Cuckmere Water Level Management Board. The Waveney, Lower Yare & Lothingland IDB joined the WMA on 1st April 2020; however, the WMA did not start providing support services to them until 1st April 2021.
- 3.3 As a service provider, the WMA makes available shared administrative and support services to its Member Boards, which allows each Board to concentrate on delivery within their Drainage Districts. All back-office functions are handled by the WMA enabling each Board to use their resources to support the public and provide quality frontline services.

4. Our Opinion

- 4.1 On the basis of the work undertaken, management can be provided with an overall opinion of "Substantial Assurance" regarding the effectiveness of the system of internal control operating within the WMA.

OVERALL INTERNAL AUDIT OPINION: SUBSTANTIAL ASSURANCE	
Control Objectives	Assurance Opinion
1. Creditors - To ensure that all orders have been raised and payments processed in accordance with Financial Regulations.	Full
2. Risk Management – To ensure that the authority has assessed the significant risks to achieving its objectives and has reviewed the adequacy of the arrangements to manage these.	Substantial
3. Budgetary Control - To ensure that robust controls exists regarding the budget setting and monitoring process, and that budgets are set for the year ahead and are monitored throughout the year, with any variances identified and explained adequately.	Full

4. Reserve's Policy - To ensure that each Board has a Reserves Policy in place relating to capital financing and reserves, and that reserves are appropriate.	Full
5. Income – To ensure that expected income is fully received, based on correct prices, properly recorded and promptly banked, and that VAT is appropriately accounted for.	Full
6. Petty Cash - To ensure that petty cash provisions are reasonable, used in accordance with Financial Regulations and that adequate records are kept of payments made.	Substantial
7. Payroll - To ensure that salaries have been paid correctly and in a timely manner, and that PAYE/NIC have been paid over correctly.	Substantial
8. Assets & Investments - To ensure that investments and assets are properly recorded, that reimbursements and interest are received promptly and in full, and that cash flows are maintained at an adequate level.	Full
9. Cashbook & Bank Reconciliations - To ensure that regular monthly reconciliations are carried out by a responsible officer and that this is evidenced. To ensure that any discrepancies are investigated and explained, and that corrective action is taken where necessary.	Full
10. Year End Procedures – To ensure that accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail and, where appropriate, debtors and creditors were properly recorded.	Full

- 4.2 The detailed findings and recommendations arising from the review are attached as Appendix A, incorporating the agreed management actions.
- 4.3 Discussions took place with the Finance & Rating Manager to ascertain what impact the Covid-19 pandemic has had on the operation of the WMA. The Finance & Rating Manager assured Internal Audit that the business operations ran smoothly as operatives and managers outside were able to use a one man per machine approach. Two members of staff had to shield and be at home for the majority of the pandemic as per Government Guidelines, this being the Senior Finance & Rating Officer and the Broads IDB Operations Manager. Efficiency and technical difficulties due to working from home were experienced during the first two months of the pandemic; however, as Finance are reliant on paper files and orders this was more difficult to manage than other teams initially, especially through year-end. Finance have reduced their reliance on paper and have managed to get the majority of suppliers to email invoices. Finance managed to fulfil all Statutory Deadlines with extra hours from members of staff where needed within Finance and Rating. The Finance & Rating Manager said that the operation of the WMA was very much “business as usual” throughout the pandemic, just with a few issues to overcome along the way.
- 4.4 A total of six recommendations were made arising from last year’s review; as part of this current year’s audit these were followed-up to ensure that they had been implemented by management. The results of the follow-up are attached as Appendix B. Of the six

recommendations, five have been actioned; the remaining recommendation was not agreed by the relevant IDB Boards.

4.5 Appendix C provides definitions of the Internal Audit assurance opinions given in the report and of the recommendation priorities.

4.6 The Terms of Reference for the review are attached as Appendix D.

5. Reporting

5.1 A copy of the final report will be sent to the Finance & Rating Manager and to the Chief Executive of the WMA.

6. Acknowledgements

6.1 Internal Audit would like to express our thanks to the following for their assistance during the course of the audit:

- Sallyanne Jeffrey, Finance & Rating Manager
- Phil Camamile, Chief Executive
- Lisa Manning, Senior Finance & Rating Officer
- Amy Taylor, Finance & Rating Officer

Findings, Risks, Recommendations and Management Action Plan

Control Objective 2: Risk Management – To ensure that the organisation has assessed the significant risks to achieving its objectives and has reviewed the adequacy of the arrangements to manage these.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
1.	<p><u>Finding</u> Board minutes do not routinely state that material changes to the risk register for those risks scored 6 or above have been considered and approved by the Board at each meeting, or that the full risk register was considered and approved each year.</p> <p><u>Risk</u> Risk that significant risks to the achievement of the organisation's objectives are not identified and assessed.</p>	As required by each Board agenda, Board minutes should clearly state that any material changes to the risk register have been "considered and approved" by the Board. Similarly, when the full risk register is reviewed annually by the Board, the minutes should state that the full risk register was "considered and approved".	Medium	The reality is that the Risk Register is always "considered in detail and approved" at every Board meeting. The issue is that this is not always accurately recorded in the minutes. Of the 24 Board meetings that took place during 2020/21, the minutes of 6 of those meetings did not include the word "approved". The CEOs PA will check the minutes more closely in future.	CEOs PA 30 th June 2021
2.	<p><u>Finding</u> The King's Lynn Risk Register is dated 29/11/19, although there is evidence from the Board minutes from 13/11/20 and 15/01/21 of the Board considering and approving the Risk Register.</p> <p><u>Risk</u> Risk that the Risk Register is not current and that new risks are not identified.</p>	The date stated on the King's Lynn Risk Register should be amended to record the date of the most recent approval of the register by the Board.	Low	The Risk Register is always current and includes all new risks identified. The issue is that the date that appears in the page footer is not always updated every time the Risk Register is updated. The CEOs PA will check that this date is always updated when the Risk Registers are updated, moving forward.	CEOs PA 30 th June 2021

Findings, Risks, Recommendations and Management Action Plan

Control Objective 7: Payroll – To ensure that salaries have been paid correctly and in a timely manner, and that PAYE/NIC has been accounted for correctly.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
3.	<p><u>Finding</u> Payrolls for King's Lynn, Norfolk Rivers, South Holland and Broads IDB, and for WMA, for July 2020 and January 2021, were checked to ensure that:</p> <ul style="list-style-type: none"> • BACS Submission Details report had been initialled by CEO; • Update Records Check Report payroll totals for each employee agreed to their payslip; • Payslip details agreed to timesheet or expenses sheet; • Timesheet or expenses sheet signed by employee; • Timesheet or expenses sheet authorised by the appropriate officer. <p>Testing proved satisfactory with the exception of two employees whose expenses payments had been underpaid and two employees who had not been reimbursed for their expenses claims:</p> <ul style="list-style-type: none"> • One SHIDB employee claimed for 10 callouts in December 2020. They should have been paid £75.00 for each callout (as per their contract) and as claimed for on their timesheet/expenses form; however, in the January 2021 payroll they were paid £49.20 for each one; therefore, they were paid a total of £492.00 instead of £750.00. 	The two employees whose expenses payments had been underpaid and the two whose expenses payments had been missed should be reimbursed correctly in the May 2021 payroll.	Medium	Agreed. Additional processes have been put in place to ensure that the expenses/mileages are more accurately reflected on the sheets. We will liaise with the Operations Managers to ensure they understand the process for inputting the miles. We have also introduced extra procedures to ensure these are not missed when being processed onto the payroll, and any queries are dealt with prior to payment should they arise. As mentioned, all staff who are currently performing payroll duties will undergo additional training within the next 12 months (COVID-19 permitting).	Finance and Rating Manager – 31 st May 2021

Findings, Risks, Recommendations and Management Action Plan

Control Objective 7: Payroll – To ensure that salaries have been paid correctly and in a timely manner, and that PAYE/NIC has been accounted for correctly.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
3.	<ul style="list-style-type: none"> A NRIDB employee claimed a total of 264 miles in week 17 but was only paid for 147 miles in the July 2020 payroll. The employee uses a computerised timesheet/expenses form which is updated each month. The figure of 264 miles was entered on the expenses claim for week 17, and authorised, but the total from the previous week (147 miles) was inadvertently left on the form in the “for office use only” section; therefore, they were paid 147 miles rather than the correct figure of 264. One Broads IDB employee claimed 188 miles in week 42 but had not received payment. A WMA employee claimed 96 passenger miles in December 2020 for which they were not paid. <p>The two underpayments and the two missed payments were discussed with the Finance & Rating Manager who agreed to include them in the May 2021 payroll (as the April payroll had already been run).</p> <p>The Finance & Rating Manager assured Internal Audit that additional processes have been put in place to increase the accuracy of the payroll processing. She is going to place all of the Finance team on a payroll course when available to increase their skill set.</p>		Medium		

Findings, Risks, Recommendations and Management Action Plan

Control Objective 7: Payroll – To ensure that salaries have been paid correctly and in a timely manner, and that PAYE/NIC has been accounted for correctly.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
4.	<p><u>Finding</u> One SHIDB employee did not complete a timesheet for weeks 41, 42 and 43 when they were on leave. It was established that other SHIDB staff do complete a timesheet when they are on leave; therefore, for consistency, all staff should complete a timesheet when they go on leave. It was agreed with the Finance & Rating Manager that all staff at SHIDB should be required to complete a timesheet and have it authorised prior to them going on leave.</p> <p><u>Risk</u> Risk of staff being paid without submitting a timesheet.</p>	Employees should be required to submit a weekly timesheet when they are on annual leave. Staff should complete their timesheet and have it authorised prior to them going on leave.	Low	Agreed. We will ensure a timesheet is submitted and has been authorised by the appropriate manager for holidays taken prior to payment.	Finance and Rating Manager – 31 st May 2021
5.	<p><u>Finding</u> One SHIDB employee's timesheet for w/e 05/07/20 was authorised by the Foreman but not by the Operations Manager. Ordinarily, all SHIDB timesheets are authorised by both the Foreman and by the Operations Manager.</p> <p><u>Risk</u> Risk that timesheet/expenses claims are paid without being appropriately authorised.</p>	Finance Officers should ensure that all timesheets have been appropriately authorised, by the IDB's Operations Manager, prior to payment. Any that have not been signed should be returned to the appropriate manager for authorisation.	Medium	Agreed. We will ensure that all timesheets are properly authorised prior to payment.	Finance and Rating Manager – 31 st May 2021

Follow-up of Previous Report's Recommendations

Control Objective 3: Budgetary Control - To ensure that robust controls exist regarding the budget setting and monitoring process, and that budgets are set for the year ahead and are monitored throughout the year, with any variances identified and explained adequately.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Action
1.	<p><u>Finding</u> As stated in paragraph 17 in the Financial Regulations, the Finance Officer is required to prepare a Financial Report for each Board meeting; however, review of Board agendas for 2019/20 identified that a Financial Report is not presented to the last Board meeting of each financial year (usually held in January).</p> <p>For example, the Board of Broads IDB considered and approved the Financial Report for 2018/19 at their meeting in May 2019, the Financial Report for April – June 2019 in August 2019 and the report for April – September 2019 in October 2019. At their meeting in January 2020, the Board did not receive a financial report for the year to date. Similarly, under consortium matters, the Board received a WMA Financial Report at each meeting in May, August and October but not in January 2020.</p> <p><u>Risk</u> Risk that Board Members are not fully apprised of the financial position of their Board during the course of the year.</p>	In accordance with Financial Regulations, Boards should receive a financial report for the year to date at each Board meeting, including the meetings held in January / February, so that Board Members are kept fully apprised of the financial position of the IDB.	Medium	<p>A Management Report containing financial information is presented to the Boards and to the CMC for their meetings in December, January and February, but it only includes detailed Income and Expenditure for the purposes of budgeting and rate setting, and does not include a Balance Sheet.</p> <p>The Earmarked Balances and Reserves are also included, along with a five-year indicative forecast.</p> <p>We will include a full Balance Sheet with these Management Reports, together with supporting notes, moving forward (please also see rec 6).</p>	<p>Finance and Rating Manager</p> <p>December 2020, January and February 2021.</p>	The Financial Report for the year to date is presented at each Board meeting in January/February. This is evidenced from the Board Meetings page for each Board on the WMA website.

Follow-up of Previous Report's Recommendations

Control Objective 3: Budgetary Control - To ensure that robust controls exist regarding the budget setting and monitoring process, and that budgets are set for the year ahead and are monitored throughout the year, with any variances identified and explained adequately.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Action
2.	<p><u>Finding</u> King's Lynn IDB Board reviewed the Financial Report for the period April 2019 to January 2020 at their meeting on 13th March 2020; their next meeting is on 15th May 2020. King's Lynn hold Board meetings every six months, whereas the other IDBs have only three or four Board meetings each year; for example, East Suffolk only has three meetings a year and their next meeting is not until 17th June 2020. Therefore, Boards are not being fully appraised of the financial position of the IDB frequently enough.</p> <p><u>Risk</u> Risk that Board Members are not being appraised of the financial position of the Board frequently enough.</p>	The Boards of East Suffolk and Pevensey & Cuckmere should consider increasing the number of Board meetings that they hold each year from three to four, so as to enable Board Members to be apprised of their Board's financial position during the course of the year.	Medium	<p>I will put this to both Boards when they next meet, but doubt they will agree or consider it to be necessary.</p> <p>We keep all of our Board members apprised of relevant matters between meetings by newsletters and emails.</p> <p>In fact both of these two Boards have actually asked for less financial information in future, as has been recorded in the Boards minutes (with P&CWLMB expressly requesting that we only report by exception from now on).</p>	<p>Chief Executive</p> <p>June 2020</p>	Neither Board felt it was necessary to increase the number of Board meetings.

Follow-up of Previous Report's Recommendations

Control Objective 4: Reserves – To ensure that each Board has a Reserves Policy in place relating to capital financing and reserves, and that reserves are appropriate.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Action
3.	<p><u>Finding</u></p> <p>Each IDB aims to maintain their General Reserve at a level commensurate with their net expenditure. Point 4.6 in the Reserves Policy states that “as a minimum, the Board’s Reserves (net of grant) should not fall below one year’s net expenditure, as set out in ADA’s Guide to Good Governance”. Therefore, each IDB aims to maintain their Reserves at the following levels:</p> <ul style="list-style-type: none"> • Broads - £1m • East Suffolk - £1m • King’s Lynn - £3m • Norfolk Rivers - £0.85m • South Holland – £3.25m • Pevensey & Cuckmere - £0.55m. <p>Analysis of each Board’s Reserves (as at 31/09/19) identified that all Boards were maintaining their reserves at appropriate levels, and were complying with 4.6 in the Reserves Policy. However, it is noted that the King’s Lynn General Reserve, which is required to be maintained at no less than £600k, stood at -£27,241 as at 30/09/19.</p>	King’s Lynn IDB should ensure that its General Reserve is maintained at no less than 20-25% of net expenditure, i.e. no less than £600k.	Medium	<p>It will be at the end of the financial year when we prepare the statutory accounts.</p> <p>All capital works expenditure incurred on the Wolferton and Islington pumping station schemes that has been financed by the pwlb loan of £10m will be capitalised (as opposed to simply shown as expenditure on the face of the Income and Expenditure Account (I&E).</p> <p>The revenue charge every year (or depreciation) that is shown on the I&E Account will equate to the pwlb loan repayment, which will regularise the General Reserve.</p>	<p>Finance and Rating Manager</p> <p>15 May 2020</p>	When the year-end Statutory Accounts are prepared, the General Reserve recommendation is met. This was evidenced by the 2019/20 Accounts which were approved by the King’s Lynn Board in May 2020.

Follow-up of Previous Report's Recommendations

Control Objective 5: Income – To ensure that expected income was fully received, based on correct prices, properly recorded and promptly banked, and that VAT was appropriately accounted for.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Action
4.	<p><u>Finding</u> Each Board has the same Drainage Rates & Special Levies Collection Policy. With the exception of Pevensey & Cuckmere's policy, each Board's policy has passed its stated review date. The policy was reviewed in May/June 2014 and was next due to be reviewed in October/November 2019 i.e. the policy is reviewed every five years. The Pevensey & Cuckmere policy was reviewed on 31st October 2017 and is next due for review in October 2022.</p> <p><u>Risk</u> Risk that the Rate Levies & Collection Policy is out of date and not fit for purpose.</p>	Each Board's Rate Levies & Collection Policy should be reviewed and updated/amended as appropriate.	Low	Agreed.	<p>Chief Executive</p> <p>Next face-to-face meeting of the Boards.</p>	The Rate Levies & Collection Policies have been reviewed and are due for review in December 2025.

Follow-up of Previous Report's Recommendations

Control Objective 7: Payroll - To ensure that salaries and wages have been paid correctly, and that PAYE and NIC have been paid over to HMRC correctly and in a timely manner.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Action
5.	<p><u>Finding</u></p> <p>Payrolls for King's Lynn, Norfolk Rivers, South Holland and Broads IDB, and for WMA, for July 2019 and January 2020, were checked to ensure that:</p> <ul style="list-style-type: none"> • BACS Submission Details report had been initialled by CEO; • Update Records Check Report payroll totals for each employee agreed to their payslip; • Payslip details agreed to timesheet; • Timesheet signed by employee and by the appropriate officer. <p>Four exceptions were identified (two underpayments and two timesheets not authorised).</p> <p>The two underpayments were discussed with the Finance & Ratings Manager who agreed to update the payroll so that the two employees receive their full entitlement.</p>	Finance Officers should ensure that all timesheets have been appropriately authorised prior to payment. Any that have not been signed should be returned to the appropriate manager for authorisation.	Medium	Agreed.	<p>Finance and Rating Manager</p> <p>With immediate effect.</p>	It is ensured that all timesheets are signed and authorised by the appropriate manager prior to making payment.

Follow-up of Previous Report's Recommendations

Control Objective 8: Assets and Investments - To ensure that investments and assets are properly recorded, that reimbursements and interest are received promptly and in full, and that cash flows are maintained at an adequate level.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Action
6.	<p><u>Finding</u> Investments and assets are reported to the Board in the Financial Report, which, as mentioned above at 3.1, is not reported to each of the Boards at their Board meeting held in January / February each year. Therefore, Board Members may not be kept fully appraised during the course of the year of the current level of assets and investments held by their respective Board.</p> <p><u>Risk</u> Board Members are not kept fully appraised of the level of assets and investments held by the Board.</p>	Board Members should be kept fully appraised during the course of the year of the level of assets and investments held by their respective Board. The Financial Report, which includes details of assets and investments held, should be reported at each Board meeting.	Medium	Agreed, as per recommendation 1.	Finance and Rating Manager December 2020, January and February 2021.	The Financial Report for the year to date is presented at each Board meeting in January/February. This is evidenced from the Board Meetings page for each Board on the WMA website.

Assurance Opinion and Recommendation Priority Definitions

Assurance Opinion

Definition

Full Assurance

In our opinion, there is a **sound** system of internal control that is likely to achieve the system objectives, and which is operating effectively in practice.

Substantial Assurance

In our opinion, there is a sound system of internal control operating, but there are a **few weaknesses** which could put the achievement of system objectives at risk.

Limited Assurance

In our opinion, there is a system of internal control with a number of weaknesses likely to **undermine** achievement of system objectives, and which is vulnerable to abuse or error.

No Assurance

In our opinion, there is a **fundamentally flawed** system of internal control that is unlikely to achieve system objectives and is vulnerable to serious abuse or error.

Recommendation Priority

Definition

Low

These issues would contribute towards improving the system under review, and are of limited risk. It is expected that corrective action to resolve these will be taken as resources permit.

Medium

A control process that contributes towards providing an adequate system of internal control. It is expected that corrective action to resolve these will be implemented within three to six months.

High

A fundamental control process, or statutory obligation, creating the risk that significant fraud, error or malpractice could go undetected. It is expected that corrective action to resolve these will be commenced immediately.

Internal Audit Service

Borough Council of
**King's Lynn &
West Norfolk**



WATER MANAGEMENT ALLIANCE

**REVIEW OF EFFECTIVENESS OF THE
SYSTEM OF INTERNAL CONTROL
2020 - 2021**

**INTERNAL AUDIT
TERMS OF REFERENCE**

1. INTRODUCTION

- 1.1 This document sets out the strategy and plan for the audit of the Water Management Alliance for the financial year 2020 – 2021.
- 1.2 Section 6 of The Accounts and Audit Regulations 2015 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 2017.
- 1.4 The Internal Auditor will work in accordance with the Public Sector Internal Audit Standards (PSIAS) adopted by CIPFA from April 2017 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 the following Internal Drainage Boards (IDBs):
- Broads
 - East Suffolk
 - King’s Lynn
 - Norfolk Rivers
 - South Holland

and to the Pevensey & Cuckmere Water Level Management Board.

As such, this work will enable the auditor to complete the Annual Governance and Accountability Returns for 2020-21 for each of the IDBs.

2. OBJECTIVES AND SCOPE OF THE AUDIT

- 2.1 The work of the Internal Auditor will be guided by the Joint Panel on Accountability & Governance (JPAG) Practitioners’ Guide (March 2020).
- 2.2 In order to be able to complete section 4 of the Electronic Annual Governance and Accountability Return for 2020-21, the auditor will consider the following internal control objectives (as stated on the return):
- A. Accounting Records**
To ensure that appropriate accounting records have been properly kept throughout the financial year.
- B. Financial Regulations and Standing Orders**
To ensure that the authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

C. Risk Management

To ensure that the authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

D. Budgetary Control

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

E. Income

To ensure that expected income was fully received, based on correct prices, properly recorded, and promptly banked; and VAT was appropriately accounted for.

F. Petty Cash

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

G. Payroll

To ensure that salaries to employees and allowances to Members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

H. Assets and Investments

To ensure that investments and assets are properly recorded, that reimbursements and interest are received promptly and in full, and that cash flows are maintained at an adequate level.

I. Cashbook and Bank Reconciliations

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

J. Year End Procedures

To ensure that accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail and, where appropriate, debtors and creditors were properly recorded.

- 2.3 The previous year's audit reviewed the same internal control objectives as stated above.
- 2.4 The agreed actions arising from recommendations made in last year's audit will be followed up to confirm their implementation by management.
- 2.5 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.
- 2.6 The audit will also examine the impact of Covid-19 on the governance of the WMA.

3. TASKS

3.1 The project tasks are to:

- Establish if the procedures recorded as part of the audit for 2019-20 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 Governance & Accountability Return for 2020-21 for each of the IDBs.

4. WORK PLAN

4.1 The audit will be undertaken by Mike Tweed, Internal Auditor, Borough Council of King's Lynn & West Norfolk.

4.2 The audit has been allocated five 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 audit report for 2019-20.	0.5
Undertake sample testing to establish that processes are being applied as intended.	3.5
Exit meeting with management to discuss the findings and recommendations arising from the review. Drafting the report.	0.5
Completing the Return and reporting if required.	0.5

5. AGREEMENT

	Signature	Date
Phil Camamile Chief Executive, Water Management Alliance
Kathy Woodward Shared Internal Audit Manager, Borough Council of King's Lynn & West Norfolk

Annual Internal Audit Report 2020/21

ENT EAST SUFFOLK IDB

ENT <https://www.wlma.org.uk/east-suffolk-idb/home/> ADDRESS

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates 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 petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

06/04/2021 07/04/2021 13/04/2021

Name of person who carried out the internal audit

Kathy Woodward AL AUDITOR

Signature of person who carried out the internal audit

K Woodward

Date

20/04/2021

*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, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

ENT EAST SUFFOLK IDB

our responsibility for ensuring that there is a sound system of internal control, including arrangements for 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 2021, that:

	Agreed		Yes* means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
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 this authority to conduct its business or manage 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 gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the 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 this smaller authority.
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 this authority 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.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

14/06/2021

and recorded as minute reference:

42/21/01

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

<https://www.wlma.org.uk/east-suffolk-idb/home/>

Section 2 – Accounting Statements 2020/21 for

ENT EAST SUFFOLK IDB

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	3,359,461	3,369,899	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. (+) Precept or Rates and Levies	467,915	475,381	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	894,826	1,157,929	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	298,118	363,269	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	171,544	171,545	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	882,641	1,090,816	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	3,369,899	3,377,579	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	3,422,240	3,720,816	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 long term investments and assets	1,025,329	1,025,329	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	2,975,192	2,887,451	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Signed *S. J. J. J.*

Date

20/05/2021

I confirm that these Accounting Statements were approved by this authority on this date:

14.6.2021

as recorded in minute reference:

42/21/02

Signed by Chairman of the meeting where the Accounting Statements were approved

[Signature]

[Signature]

Section 3 – External Auditor Report and Certificate 2020/21

In respect of **EAST SUFFOLK INTERNAL DRAINAGE BOARD – DB0029**

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2020/21

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

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

NONE

3 External auditor certificate 2020/21

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

25/09/2021

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)



Annual Report for the year ended 31 March 2021

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 30 September 2021 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood Management Division, Floor 3, Seacole, 2 Marsham Street, London SW1P 4DF via floodreports@defra.gsi.gov.uk
- National Flood and Coastal Risk Manager (Strategic Delivery), The Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH via rachael.hill@environment-agency.gov.uk
- 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 2021- 22

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 2021-22 (forecast)	
Name of local authority	2021-22 forecast £
1. EAST SUFFOLK COUNCIL	118,873
2. MID SUFFOLK DISTRICT COUNCIL	40,548
3. IPSWICH BOROUGH COUNCIL	38,245
4. BABERGH DISTRICT COUNCIL	1,806
5.	
6.	
7.	
8.	
Total	199,472

Section A – Financial information (continued)

Income and Expenditure Account for the year ending 31 March 2021

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 for Smaller Authorities in England – A Practitioners' Guide to proper practices to be applied in the preparation of statutory annual accounts and governance statements March 2017*

	Notes	Year ending 31 March 2021 £
INCOME		
1. Drainage Rates		279,826
2. Special Levies		195,555
3. Higher Land Water Contributions from the Environment Agency		90,747
4. Contributions received from developers/other beneficiaries		0
5. Government Grants (includes capital grants from EA and levy contributions)		5,142
6. PSCAs from EA and other RMAs		44,808
7. Loans		0
8. Rechargeable Works		650,260
9. Interest and Investment Income		26,170
10. Rents and Acknowledgements		0
11. Other Income		245,943
Total income		1,538,451
EXPENDITURE		
12. New Works and Improvement Works		5,142
13. Total precept to the Environment Agency		91,567
14. Watercourse maintenance		126,038
15. Pumping Stations, Sluices and Water level control structures		492,367
16. Administration		163,030
17. PSCAs		44,808
18. Rechargeable Works		617,270
19. Finance Charges		83,804
20. SSSIs		0
21. IDB Biodiversity and conservation (other than item 20 expenditure)		4,500
22. Other Expenditure		0
Total expenditure		1,628,526

EXCEPTIONAL ITEMS		
23. Profits/(losses) arising from the disposal of fixed assets		0
Net Operating Surplus/(Deficit) for the year		(90,075)
24. Developers Funds income not applied in year		77,645
25. Grant income not applied in year		50,692

Notes:

11. Include all other Income, such as absorption account surpluses (for example plant and labour absorption accounts).
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. State all costs associated with the PSCA
18. 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.
19. Include the cost of servicing any borrowing, in terms of bank/loan/hire purchase Interest payable.
20. 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.
21. State all costs associated with undertaking works – capital or maintenance – that are likely 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 or other conservation actions on non-designated sites.
22. 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).
23. For the disposal of assets, state the difference between any proceeds from the sale/disposal of the asset and the cost of the asset less accumulated depreciation.
24. Total balance of developer fund year end.
25. Unspent grant at year end.

Section B –IDB Reporting

Policy Delivery Statement

Boards are required to produce a publicly available policy statement setting out their plans for delivering the Government's policy aims and objectives. 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, and EA? https://www.wlma.org.uk/uploads/ESIDB_Policy_Statement.pdf Yes ☒ No ☐

Biodiversity

Please indicate whether your Board has a Biodiversity Action Plan Yes ☒ No ☐

If "yes" is the Biodiversity Action Plan available on your

https://www.wlma.org.uk/uploads/ESIDB_BAP_April_2018.pdf Yes ☒ No ☐

What year was your Biodiversity Action Plan last updated?).....

2018

Have you reported progress on BAP implementation on your web site?..... Yes ☐ No ☒

When was biodiversity last discussed at a Board meeting (date)?.....

14/06/2021

Do you have a biosecurity process?..... Yes ☒ No ☐

SSSI water level management plans

Please indicate whether your Board is responsible for any SSSI water level management plans?..... Yes ☒ No ☐

If so, which ones:

Fox Fritillary Meadow

Area of SSSI with IDB water level management plans.....

2.4ha

Area of SSSI where IDB water level management activities are contributing to recovering or favourable condition?

2.4 ha

Area of SSSI where IDB water level management actions are required to achieve recovering or favourable condition?

0

Access to environmental expertise

Does your IDB have access to environmental expertise? If so please tick all those options below through which environmental expertise is regularly provided to your IDB:

Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)

☒

Co-opted members

☐

Directly employed staff

☒

Contracted persons or consultants

☒

Environmental Partners/NGOs

☒

Other (please describe)

☐

Asset Management

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

ADIS

☐

Paper Records

☐

Other Electronic System

☒

Has your Board continued to undertake visual inspections and update asset databases on an annual basis?

Yes ☒

No ☐

What is the cumulative total of identified watercourse (in km) that the Board periodically maintains?

103km

How many pumping stations does the Board operate?

10

What is the cumulative design capacity of the Board's pumping station(s) (enter zero if no stations are operated)?

4.4 cumecs

Health and Safety

Does the Board have a current Health and Safety policy in place?

Yes ☒

No ☐

Does the Board have a responsible officer for Health and Safety?

Yes ☒

No ☐

Have there been any reportable incidents in the past year?

Yes ☐

No ☒

If so, please summarise in the box below:

Guidance and Best Practice

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

Has your IDB provided training for board members in the last year in the any of the following areas?

Governance ☒

Finance ☐

Environment ☒

Health, safety and welfare ☒

Communications and engagement ☐

Other (please describe) ☐

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

Has your IDB adopted computerised accounting and rating systems? Yes ☒ No ☐

Has your board published all minutes of meetings on the website? Yes ☒ No ☐

Does the Board publish information on its website on its approach to maintenance works and provide contact details to allow for and encourage public engagement? Yes ☒ No ☐

When planning maintenance and capital works are environmental impacts taken into account and wherever possible best practice applied? Yes ☒ No ☐

Has your Board adopted the following governance documents?

Standing Orders Yes ☒ No ☐

Have the Standing Orders been approved by Ministers Yes ☒ No ☐

Byelaws Yes ☒ No ☐

If you have Byelaws, have you adopted the latest model byelaws published in 2012..... Yes ☒ No ☐

Have the Byelaws been approved by Ministers..... Yes ☒ No ☐

Code of Conduct for Board Members..... Yes ☒ No ☐

Financial Regulations.....Yes ☒ No ☐
 Register of Member's Interests.....Yes ☒ No ☐
 Anti-fraud and corruption policy.....Yes ☒ No ☐

Board membership and attendance

How many Board members (in total – elected and appointed) do you have on your IDB?	23
Seats available to appointed members under the Land Drainage Act 1991.	12
Number of elected members on the board at year end.	9
Number of appointed members on the board at year end.	12
Mean average number of elected members in attendance at each board meeting over the last financial year.	6
Mean average number of appointed members in attendance at each board meeting over the last financial year.	6

Have you held elections within the last three years?.....Yes ☒ No ☐ N/A ☐
 Did elections comply with the requirements specified by the Secretary of State under Regulation 28 of the Land Drainage (Election of Drainage Boards) Regulations 1938?.....Yes ☒ No ☐ N/A ☐

Complaints procedure

Is the procedure for a member of the public to make a complaint about the IDB accessible from the front page of its website?.....Yes ☒ No ☐

Number of complaints received in the financial year?	1
Number of complaints outstanding in the financial year?	0
Number of complaints referred to the Local Government Ombudsman?	0
Number of complaints upheld by the Local Government Ombudsman?	0

Public Engagement

Set out what your Board has done in this financial year to engage with the public (tick relevant box(es) below):

Press releases	<input type="checkbox"/>
Newsletters	<input checked="" type="checkbox"/>
Web site	<input checked="" type="checkbox"/>
Meetings	<input checked="" type="checkbox"/>
Shows/events (including open days/inspections)	<input type="checkbox"/>
Consultations	<input checked="" type="checkbox"/>
Notices	<input checked="" type="checkbox"/>

Percentage (in value) of drainage rates outstanding at year end?

0.8%

Section B: NOTES

Guidance and Best Practice

Has your Board published **all** minutes of meetings on the web site? In answering this question, this should apply to all the main Board meetings held in the year and any appropriate meetings the Board has held with external stakeholders.

Board membership and attendance

When referring to **elected members** of the Board, this relates to the number of landowners/drainage rate payers that are elected to the Board.

When referring to **appointed members** of the Board, this relates to the number of members appointed by the local authorities to represent the local council taxpayers.

When referring to mean average number of elected and appointed members in attendance at meetings at each board meeting – **this should be expressed as a number of attendees** and not as a percentage attendance.

With regard to elections, under Schedule 1 of the Land Drainage Act 1991, elected members should hold office for three years, at which point a further election is held. When elections are held, they should comply with the requirements under Regulation 28 of the Land Drainage (Election of Drainage Boards) Regulations 1938 – to advertise and notify local stakeholders accordingly.

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



Date

30/09/2021

Name in BLOCK LETTERS

PHIL CAMAMILE

Designation

CHIEF EXECUTIVE

Email address

PHIL@WLMA.ORG.UK

FRS102 as at 31 March 2021 - Results Schedule

Employer : Kings Lynn (WMA)

Local Government Pension Scheme Fund : Norfolk Pension Fund

Terms of Engagement Signed : 14 April 2021

Date report prepared : 16 April 2021

Summary information from this schedule:

(a) Balance sheet

	31 March 2020	31 March 2021
	£(000)	£(000)
Assets	3,806	5,144
Obligations	6,594	10,326
Net asset / (liability)	(2,788)	(5,182)

(b) Profit & Loss account for the period ending 31 March 2021

	£(000)
Service cost	
Current Service Cost	(472)
Past Service Cost (including curtailments)	-
Effect of settlements	-
Total Service Cost	(472)

	£(000)
Total net interest	(66)
Total defined benefit cost recognized in Profit or (loss)	(538)



Robert Bilton FFA

For and on behalf of Hymans Robertson LLP

(c) Key elements

Has the employer instructed bespoke assumptions?	N
Bulk transfer(s) included?	N
Unfunded Pensioner included?	N

To help with your year-end reporting, you can request a summary paper explaining the key movements on your specific numbers to aid understanding of the figures, help with audit questions and assist with presentations to committee members / directors on your results. If you have already requested a summary paper, this will be issued alongside this results schedule. We anticipate an increase in audit queries this year, including discussions around treatment of recent and pending legal cases. In general, it should be quicker and more cost effective to arrange a three way call with your auditor to answer any questions they have beyond those already answered in the accompanying covering report. Please contact your regular LGPS Fund contact to request a summary paper or for any other assistance with your results.

Asset returns - The figure on page 3 for the investment return over the year is based on information provided by the Administering Authority. The figure incorporates actual Norfolk Pension Fund returns for the period 1 April 2020 to 28 February 2021 and an estimate Fund return of 1.9% for the month to 31 March 2021.

(d) General Information for auditor and Employer

The results in the Schedule report should be read in conjunction with the accompanying report entitled 'Actuarial Valuation as at 31 March 2021 for Accounting Purposes'. The method, assumptions, reliances and limitations are described in that document. The restrictions set out in the reports on the disclosure to any third party apply equally to this Results Schedule.

If there are any queries on the approach taken to derive the figures in the Results Schedule please first consider the accompanying report as it will often answer these. In particular, see the sections on recent court cases (such as the Lloyds' judgement on GMP, McCloud, Goodwin etc) and other key topics which will detail the approach taken to allow for these issues or otherwise.

Contents in the remainder of this schedule:

1. Data (including early retirements, investment returns, asset split & unfunded pensions)
2. Assumptions
3. Balance sheet, P&L, OCI disclosures as at 31 March 2021 (and prior year if relevant)
4. Projected defined benefit cost for the period to 31 March 2022
5. Sensitivity analysis

Section 1 - Data

Employer membership statistics

	Number	Total Salaries / Pensions £(000)	Average Age
	31 Mar 2019	31 Mar 2019	31 Mar 2019
Actives	30	1,267	47
Deferred Pensioners	4	28	56
Pensioners	2	22	69

Deferred pensioners include undecided leavers and frozen refunds. Salaries are actual, not full-time equivalent.

Payroll

Period	Assumed Total Pensionable Payroll based on Information Provided
1 April 2020 to 31 March 2021	£1,497,000

LGPS early retirements

New Early Retirements 1 April 2020 to 31 March 2021	Number	Total Pension Accrued (£)	Total Pension Actual (£)
Redundancy	-	-	-
Efficiency	-	-	-
Other	-	-	-

Teachers' early retirements

New Early Retirements 1 April 2020 to 31 March 2021	Number	Recharged Accrued Pension (£)	Total Actual Recharged Pension (£)
Redundancy	-	-	-
Efficiency	-	-	-
Other	-	-	-

Investment returns

The return on the Fund in market value terms for the period to 31 March 2021 is estimated based on actual employer returns as reported in HEAT and index returns where necessary. Index returns, where used, are based on employer asset holdings. Details are given below:

Actual Returns from 31 March 2020 to 28 February 2021	20.1%
Total Returns from 1 April 2020 to 31 March 2021	22.4%

The major categories of plan assets as a percentage of total plan assets

We have used the most recent asset split provided to us and allowed for index returns, where required, on each asset category to determine the estimated split of assets as at 31 March 2021.

Period Ended	31 Mar 2021	31 Mar 2020
Equities	50%	48%
Bonds	35%	36%
Property	12%	14%
Cash	3%	2%

Unfunded benefits

A summary of the membership data in respect of unfunded benefits is shown below.

LGPS Unfunded Pensions	Number at 31 March 2021	Annual Unfunded Pension £(000)
Male	-	-
Female	-	-
Dependants	-	-
Total	-	-

Teacher Unfunded Pensions	Number at 31 March 2021	Annual Unfunded Pension £(000)
Male	-	-
Female	-	-
Dependants	-	-
Total	-	-

The annual unfunded pensions include the 2021 pension increase.

Bulk transfers

I have not been asked to value any bulk transfers of membership this period.

Section 2 - Assumptions

Financial assumptions

The financial assumptions, as described in the accompanying report, are summarised below:

Period Ended	31 Mar 2021	31 Mar 2020
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.80%	1.80%
Salary Increase Rate	3.50%	2.50%
Discount Rate	2.05%	2.30%

As at the date of the most recent valuation, the duration of the Employer's funded liabilities is 29 years.

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.9 years	24.3 years
Future Pensioners*	23.2 years	26.2 years

* Figures assume members aged 45 as at the last formal valuation date.

Historic mortality

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are shown below:

Prospective Pensioners	Pensioners
CMI 2018 model assuming an allowance for smoothing of recent mortality experience and a long term-rate of improvement of 1.25% p.a.	CMI 2018 model assuming an allowance for smoothing of recent mortality experience and a long term-rate of improvement of 1.25% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Section 3 - Balance sheet, P&L, OCI disclosures as at 31 March 2021

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2021

Period ended 31 March 2021	Assets £(000)	Obligations £(000)	Net (liability) / asset £(000)
Fair value of plan assets	3,806		3,806
Present value of funded liabilities		6,594	(6,594)
Present value of unfunded liabilities		-	-
Opening Position as at 31 March 2020	3,806	6,594	(2,788)
Service cost			
Current service cost*		472	(472)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
Total Service Cost	-	472	(472)
Net interest			
Interest income on plan assets	92		92
Interest cost on defined benefit obligation		158	(158)
Total net interest	92	158	(66)
Total defined benefit cost recognised in Profit or (Loss)	92	630	(538)
Cashflows			
Participants' contributions	122	122	-
Employer contributions	344		344
Estimated benefits paid	(27)	(27)	-
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-		-
Effect of business combinations and disposals	-	-	-
Expected closing position	4,337	7,319	(2,982)
Remeasurements			
Changes in financial assumptions		2,937	(2,937)
Changes in demographic assumptions		122	(122)
Other experience	-	(52)	52
Return on assets excluding amounts included in net interest	807		807
Total remeasurements recognised in Other Comprehensive Income (OCI)	807	3,007	(2,200)
Fair value of plan assets	5,144		5,144
Present value of funded liabilities		10,326	(10,326)
Present value of unfunded liabilities**		-	-
Closing position as at 31 March 2021	5,144	10,326	(5,182)

Please note the Employer's fair value of plan assets is less than 1% of the Fund's total.

I estimate that the present value of funded liabilities comprises of approximately £8,979,000, £879,000 and £468,000 in respect of employee members, deferred pensioners and pensioners respectively as at 31 March 2021.

* The current service cost includes an allowance for administration expenses of 0.6% of payroll.

** The unfunded liabilities comprise of £0 in respect of LGPS unfunded pensions and £0 in respect of Teachers' unfunded pensions.

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2020

Period ended 31 March 2020	Assets £(000)	Obligations £(000)	Net (liability) / asset £(000)
Fair value of plan assets	3,140		3,140
Present value of liabilities		5,636	(5,636)
Opening Position as at 31 March 2019	3,140	5,636	(2,496)
Service cost			
Current service cost*		532	(532)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
Total Service Cost	-	532	(532)
Net interest			
Interest income on plan assets	83		83
Interest cost on defined benefit obligation		149	(149)
Total net interest	83	149	(66)
Total defined benefit cost recognised in Profit or (Loss)	83	681	(598)
Cashflows			
Participants' contributions	109	109	-
Employer contributions	295		295
Estimated benefits paid	(26)	(26)	-
Estimated unfunded benefits paid	-	-	-
Estimated contributions in respect of unfunded benefits paid	-		-
Effect of business combinations and disposals	-	-	-
Expected closing position	3,601	6,400	(2,799)
Remeasurements			
Changes in financial assumptions		(571)	571
Changes in demographic assumptions		(204)	204
Other experience	-	969	(969)
Return on assets excluding amounts included in net interest	205		205
Total remeasurements recognised in Other Comprehensive Income (OCI)	205	194	11
Fair value of plan assets	3,806		3,806
Present value of funded liabilities		6,594	(6,594)
Present value of unfunded liabilities		-	-
Closing position as at 31 March 2020	3,806	6,594	(2,788)

* The current service cost includes an allowance for administration expenses of 0.5% of payroll.

Please note that I have only shown a one year history of results and if further information is required please see the previous years' reports.

Section 4 - Projected defined benefit cost for the period to 31 March 2022

Analysis of projected amount to be charged to operating profit for the period to 31 March 2022

Period Ended 31 March 2022	Assets	Obligations	Net (liability)/asset	
	£(000)	£(000)	£(000)	% of pay
Projected Current service cost *		772	(772)	(51.6%)
Past service cost including curtailments		-	-	-
Effect of settlements	-	-	-	-
Total Service Cost	-	772	(772)	(51.6%)
Interest income on plan assets	110		110	7.3%
Interest cost on defined benefit obligation		221	(221)	(14.8%)
Total Net Interest Cost	110	221	(111)	(7.5%)
Total Included in Profit and Loss	110	993	(883)	(59.1%)

* The current service cost includes an allowance for administration expenses of 0.6% of payroll. The monetary value is based on a projected payroll of £1,497,000.

The contributions paid by the Employer are set by the Fund following an actuarial valuation. For further details on the approach adopted to set contribution rates for the Employer, please refer to the latest formal valuation report and Funding Strategy Statement.

I estimate the Employer's contributions for the period to 31 March 2022 will be approximately £352,000.

Notes:

The above figures should be treated as estimates and may need to be adjusted to take account of:

- any material events, such as curtailments, settlements or the discontinuance of the Employer's participation in the Fund;
- any changes to accounting practices;
- any changes to the Scheme benefit or member contribution rates; and/or
- any full funding valuation that may have been carried out on the Employer's behalf.

The monetary amount of the projected service cost for the period to 31 March 2022 will be adjusted to take account of the actual pensionable payroll for the period.

Section 5 - Sensitivity Analysis

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2021:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	15%	1,518
0.5% increase in the Salary Increase Rate	3%	325
0.5% increase in the Pension Increase Rate (CPI)	11%	1,150

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

The provided sensitivity figures can be used to estimate the impact of adopting different financial assumptions (e.g. an Employer considering alternative accounting assumptions or to help an Employer complete an ESFA accounts return). For further details on this, please refer to the accompanying accounting covering report.

In order to quantify the impact of a change in the financial assumptions used, we have calculated and compared the value of the scheme liabilities at the accounting date on varying bases. The approach taken is consistent with that adopted to derive the accounting figures provided in this report, based on the profile (average member ages, retirement ages etc) of the Employer as at the date of the most recent valuation.

BOARD MEMBERSHIP AS AT 31 MARCH 2021

NAME	MEETINGS	ATTENDED	ATTENDANCE %
ELECTED MEMBERS			
Cooke J (wef Nov 20)	1	1	100
Cooke P (until July 20)	1	0	0
Foskett J	3	3	100
Greenwell Sir Edward	3	3	100
Loyd C A	3	2	67
Mann C J	3	2	67
Mann R W	3	0	0
Marson J Mrs * (wef Oct 19)	3	3	100
Paul M A **	3	2	67
Rowlands A J	3	2	67
Total	26	18	69%

APPOINTED MEMBERS

Ipswich BC

Hall B (until July 20)	1	0	0
Harsant E (wef Oct 20)	2	1	50
Holmes O	3	0	0
Smart P	3	3	100

Mid Suffolk DC

Caston J	3	2	67
Field J (wef Oct 19)	3	2	67
Welham K	3	3	100

East Suffolk Council

Ashdown P (wef June19)	3	2	67
Bird S (wef June 19)	3	3	100
Cackett A Ms (wef Oct 20)	2	0	0
Cloke J Ms (wef June 19)	3	3	100
Herring R (wef June 19)	3	0	0
Patience K (wef June 19)	3	1	33
Taylor W (until July 20)	1	0	0

Total	36	20	56%
--------------	-----------	-----------	------------

* Chairman ** Vice-Chairman

Elected Average Attendance (excluding vacancies) 69%

Appointed Average Attendance (excluding vacancies) 56%



Gifts and Hospitality Register for 2020/21

[illegible]