

# STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2016

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



### STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2016

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### 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 the Financial Reporting Standard for Smaller Entities 2008 (FRSSE) issued by the Accounting Standards Board (other than in respect of the note required for the defined benefit pension scheme) and has prepared an Annual Return which all Category 2 Authorities are required to do, in accordance with Regulation 11 of the Accounts and Audit Regulations 2015 based on these Accounts. 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 to 4 of the Guidance published by the Association of Drainage Authorities on 30 March 2016. This Statement of Accounts therefore includes the Accounting Statement reported in Section 2 of 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. Most 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

For the purposes of Box 9 in Section 2 of the audited Annual Return, Fixed Assets are valued at Net Book Value.

- (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:



### NOTE ACCOUNTING POLICIES

Excavators and Tractors: 7 years

Specialist Plant and Equipment: <= 10 years

Fixed Pumping Plant: 20 years Lifting Equipment: 5 years Land: not depreciated Pumping Stations: 10 years

Buildings: 50 years

### 4 STOCKS AND WORK IN PROGRESS

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

### 5 GOVERNMENT GRANTS AND SUBSIDIES

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

### 6 PENSIONS

- (i) The Board is a member of the Local Government Pension Scheme (LGPS), administered by Norfolk County Council. This is a funded defined benefit career average pension scheme, meaning that the Board and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The Board has paid a contribution of 20.5% on employees pensionable pay into the pension fund during 2015/16.
- (ii) The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Income and Expenditure Account in order to spread the cost over the service lives of employees in the scheme. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.
- (iii) The Board's pension liability has been calculated by the fund actuary as set out in the accompanying report entitled: 'Actuarial Valuation as at 31 March 2016 for FRS17 Purposes'.
- (iv) The Board also a has a share of the pension liability which is attributable to its membership of the Water Management Alliance; a defined benefit scheme operated by Norfolk County Council.

### 7 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.

### 8 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).

### 9 INCOME RECOGNITION

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



### NOTE ACCOUNTING POLICIES

### 10 FINANCE LEASES

The Board no longer has any Finance Leases on any of its plant or equipment.

### 11 RESERVES

The Board holds the Reserves as itemised below. The adequacy of these Reserves is reviewed by the Board annually. The purpose of these Reserves can be noted in the Board's Capital Financing and Reserves Policy:

http://www.wlma.org.uk/uploads/KLIDB\_Capital\_Financing\_and\_Reserves\_Policy.pdf

This policy is reviewed by the Board triennially.

- (i) General Reserve
- (ii) Development Reserve
- (iii) Plant Renewals Reserve
- (iv) Capital Works Reserve
- (v) Revaluation Reserve
- (vi) Pension Reserve



To: 31 March 2016 Year Ending: 31 March 2016

Notes	Income and Expenditure Account	Y-T-D Budget £	Y-T-D Actual £	Y-T-D Variance £	Annual Budget £	Projected Out-Turn £	Projected Variance £
	Income:						
	Occupiers Drainage Rates	303,611	303,611	0	303,611	303,611	0
1	Special Levies issued by the Board	1,843,606	1,843,606	0	1,843,606	1,843,606	0
	Grants Applied	212,750	45,456	-167,294	212,750	45,456	-167,294
	Rental Income	3,200	1,964	-1,236	3,200	1,964	-1,236
2	Highland Water Contributions	35,000	33,978	-1,022	35,000	33,978	-1,022
	Income from Rechargeable Works	0	36,130	36,130	0	36,130	36,130
	Investment Interest	20,000	24,518	4,518	20,000	24,518	4,518
3	Net Surplus on Operating Accounts	0	32,085	32,085	0	32,085	32,085
	Development Contributions	0	56,576	56,576	0	56,576	56,576
4	Other Income	1,500	7,885	6,385	1,500	7,885	6,385
	Total Income	£2,419,667	£2,385,809	-£33,858	£2,419,667	£2,385,809	-£33,858
	Less Expenditure:						
5	Capital Works	2,274,839	582,066	1,692,773	2,274,839	582,066	1,692,773
6	Environment Agency Precept	159,146	159,146	0	159,146	159,146	0
7	Maintenance Works	1,402,486	1,018,844	383,642	1,402,486	1,018,844	383,642
	Development Expenditure	0	0	0	0	0	0
	Interest Payments	0	0	0	0	0	0
8	Administration Charges	198,228	176,536	21,692	198,228	176,536	21,692
	Cost of Rechargeable Works	0	35,303	-35,303	0	35,303	-35,303
3	Net Deficit on Operating Accounts	0	0	0	0	0	0
	Total Expenditure	£4,034,699	£1,971,895	£2,062,804	£4,034,699	£1,971,895	£2,062,804
	Profit/(Loss) on disposal of Fixed Assets	0	-25,750	-25,750	0	-25,750	-25,750
9	Net Surplus/(Deficit)	-£1,615,032	£388,164	£2,003,196	-£1,615,032	£388,164	£2,003,196



To: 31 March 2016 Year Ending: 31 March 2016

Notes	Balance Sheet as at 31-3-2016	Opening Balance	Movement This Year	Closing Balance
		£	£	£
10	Fixed Assets:			
	Land and Buildings	703,986	225,775	929,761
	Plant and Equipment	819,005	76,674	895,679
	Pumping Stations	444,240	-88,848	355,392
		1,967,231	213,601	2,180,832
	Current Assets:			
11	Bank Current Account	232,181	-152,873	79,308
	Stock	3,469	3,292	6,761
12	Debtors Control Account	28,003	-667	27,336
13	Work in Progress	0	2,783	2,783
14	Short Term Investments	4,900,000	300,000	5,200,000
15	Special Levies Due	0	0	0
16	Rates Due	23,461	2,902	26,363
17	Prepayments	9,101	94,149	103,250
	Prepayments (WMA)	8,503	13,196	21,699
	Accrued Interest	7,464	-7,464	0
	VAT Due	32,616	81,369	113,985
	Grants Due	0	0	0
		5,244,797	336,687	5,581,485
	Less Current Liabilities:			
	Creditors Control Account	24,898	310,220	335,118
18	Grants Unapplied	119,078	-45,456	73,622
	Accruals	16,075	-16,075	0
	Finance Leases	0	0	0
	Receipts Paid in Advance	8,183	2,283	10,466
	PWLB Loans due in less than one year	0	0	0
		168,234	250,972	419,206
	Net Current Assets	5,076,563	85,715	5,162,279
	Less Long Term Liabilities:			
25	Pension Liability	3,166,000	-291,000	2,875,000
	Long Term Borrowing	0	0	0
		3,166,000	-291,000	2,875,000
	Net Assets	3,877,795	590,316	4,468,111
19	Reserves:			
	Earmarked			
20	General Reserve	2,836,433	232,791	3,069,224
21	Development Reserve	563,346	56,576	619,922
22	Capital Works Reserve	28,203	98,797	127,000
23	Plant Reserve	2,821,148	0	2,821,148
20	Tiant (Coorto	6,249,130	388,164	6,637,294
	Non-Distributable	5,2 .5, .30	,	-,,
24	Revaluation Reserve	794,665	-88,848	705,817
25	Pension Reserve	-3,166,000	291,000	-2,875,000
-*		-2,371,335	202,152	-2,169,183
	Total Reserves	3,877,795	590,316	4,468,111
		= -,-:,:30	,	.,,



To: 31 March 2016 Year Ending: 31 March 2016

### Note Notes to the Accounts

1 Special Levies collected from constituent Billing Authorities were as follows:

	Y-T-D Budget	Y-T-D Actual
Borough of King's Lynn & West Norfolk	1,740,515	1,740,515
Fenland District Council	80,717	80,717
South Holland District Council	22,374	22,374
	1.843.606	1.843.606

- The Highland Water Claim for 2015/16 is due to be paid by the Environment Agency (EA) to the Board in September, following the recent changes made to the timetable (previously the payment was made in two installments one in May and one in December).
- The Net Operating Surplus/(Deficit) for this year is made up as follows:

	Y-T-D Budget	Y-T-D Actual
Labour Operations Account	0	29,451
Mobile Plant Operations Account	0	2,634
	0	32,085

Detailed operating surpluses/(deficits) for the Labour Operations Account and each item of Mobile Plant are shown in the Labour and Plant Operations Reports, which can be made available to members on request. These Reports are scrutinised by the Board's Plant and Works Committee every year. Staff Costs included in the Labour Operations Account amounted to £433,398.

4 Other Income for this year is made up as follows:

	Y-1-D Buaget	Y-I-D Actual
Re Development Land off Russett Close	0	5,000
Mossop & Bowser Advice re Deed Wootton Road	0	45
Other Income Wayleaves etc	365	365
Summons Costs	1,135	2,475
Shared Income from WMA	0	0
	1,500	7,885

- The cost of each capital scheme is approved by the Board annually and detailed on the schedule of capital works, as managed by the Planning/Enforcement Officer, which can be made available to members on request. This Report is also scrutinised by the Board's Plant and Works Committee every year.
- The EA Precept due for 2015/16 is as estimated. Half of the EA Precept is payable to the EA on 31 May and the other half on 30 November.
- The detailed maintenance operations in each sub catchment are approved by the Board annually and shown on the schedule of maintenance works, as managed by the Operations Manager, which can be made available to members on request. The summarised analysis of expenditure is as follows:

	Y-T-D Budget	Y-T-D Actual
Labour Charges	466,070	477,210
Plant Charges	240,950	222,290
Materials	16,600	8,991
Contractors	50,700	55,716
Electricity	112,950	86,429
Pumping Station Insurances	3,380	2,636
Telemetry	13,583	14,224
Heating Fuel	10,500	1,923
Pumping Station Depreciation	0	0
Direct Works	914,733	869,419
Technical Support Staff Costs	114,379	110,211
Other Technical Support Costs	40,540	34,714
Biodiversity Action Plan Costs	7,834	4,500
Contingency	25,000	0
Annual Plant Reinstatement Provision	300,000	0
Maintenance Works	1,402,486	1,018,844



To: 31 March 2016 Year Ending: 31 March 2016

### Note Notes to the Accounts

in the maintenance works expenditure). Detailed expenditure is monitored by the Consortium Management Committee and the Board every three months:

	Y-T-D Budget	Y-T-D Actual
Administration Staff Costs	89,525	85,349
Other Administration Staff Costs	97,381	82,371
Sundry Expenses	0	0
Drainage Rates AV Increases/(Decreases)	3,000	0
Kettlewell House Depreciation	7,972	7,972
Sundry Debtors written off	350	844
	198 228	176 536

9 The Board has planned to increase/(reduce) balances by financing expenditure from the following reserves:

	Budget
Plant Reserve	-300,000
General Reserve	-1,315,032
	-1.615.032

The movement in Fixed Assets is detailed in the Fixed Assets Register for 2015/16, which can be made available to members on request

	Land and Buildings	Plant and Equipment	Pumping Stations	Total
Cost	_			
Opening Balance b/fwd	1,183,743	1,523,134	888,480	3,595,357
(+) Additions	233,748	317,867	0	551,615
(-) Disposals	0	-239,541	0	-239,541
Closing Balance c/fwd	1,417,491	1,601,460	888,480	3,907,431
Depreciation				
Opening Balance b/fwd	479,758	704,128	444,240	1,628,126
(+) Depreciation Charge for year	7,972	157,644	88,848	254,464
(-) Accumulated depreciation written out on disposal	0	-155,991	0	-155,991
Closing Balance c/fwd	487,730	705,781	533,088	1,726,599
Net Book Value as at 31-03-2015	703,986	819,005	444,240	1,967,231
Net Book Value as at 31-3-2016	929,761	895,679	355,392	2,180,832

11 The Bank Current Account balance will be kept to a minimum following the decision to invest additional working balances on the short term money market. The Bank Account is reconciled as follows:

	2014/15	2015/16
Opening Balance as at 1 April b/fwd	120,130	232,181
(+) Receipts	3,712,055	4,642,101
(-) Payments	-4,064,366	-4,794,974
(=) Closing Balance c/fwd	-232,181	79,308
Balance on Statement as at 31-3	154,246	79,683
Less: Unpresented Payments	-72,065	0
Add: Unpresented Receipts	150,000	-375
Closing Balance c/fwd	232,181	79,308

12 Aged Debtor profile is currently as follows:

		Number of
Debt period	Amount	<b>Debtors</b>
<=30 days	12,492	2
>30 days and <=60 days	100	1
>60 days and <=90 days	263	1
>90 days	14,481	2
	8	



To: 31 March 2016 Year Ending: 31 March 2016

Note Notes to the Accounts

13

27,336 6 >90 days **Amount** Inv. Date Originator 14/12/2015 PLANNING/ENFORCEMENT OFFICER CRD001 480 RE0002 14,001 21/11/2015 PLANNING/ENFORCEMENT OFFICER 14,481 Work In Progress (WIP) is currently made up of the following jobs: **Estimated** Completion Customer **Amount Date Budget Holder BCKLWN** 2,783.00 15/05/2016 PLANNING/ENFORCEMENT OFFICER 2,783.00

14 Term Deposits are currently as follows:

		Investment	Maturity	
Financial Institution	Capital	Date	Date	Interest Rate
Natwest Bank	500,000	16/07/2015	15/07/2016	0.80%
National Counties Building Society	500,000	30/11/2015	15/04/2016	0.58%
Skipton Building Society	500,000	15/12/2015	29/04/2016	0.56%
Holmesdale Building Society	500,000	04/01/2016	13/05/2016	0.60%
Furness Building Society	500,000	15/01/2016	31/05/2016	0.49%
Progressive Barclays	500,000	29/01/2016	15/06/2016	0.60%
Coventry Building Society	500,000	15/02/2016	30/06/2016	0.50%
Principality Building Society	300,000	15/02/2016	01/08/2016	0.64%
Vernon Co-Op Bank	300,000	29/02/2016	15/08/2016	0.60%
Nottingham Building Society	100,000	29/02/2016	15/07/2016	0.50%
Manchester Building Society	500,000	15/03/2016	29/07/2016	0.50%
West Bromwich Building Society	500,000	31/03/2016	15/08/2016	0.60%
	5,200,000			

- 15 Special Levies are paid by Constituent Councils in two halves on 1 May and 1 November.
- Drainage Rates are paid by occupiers of agricultural land and/or buildings. There are currently 99 Ratepayers that have not paid their Drainage Rates for 2015/16, as compared to 119 Ratepayers this time last year. Summarised transactions for Drainage Rates and Special Levies during the year are as follows:

	2014/15	2015/16
Arrears b/fwd	21,092	23,461
Drainage Rates for the year	303,704	303,611
Special Levies for the year	1,843,606	1,843,606
Payments Received	-2,147,442	-2,145,973
Returned/(Represented) amounts	0	27
Value /(Decreases)	-7,469	-4,973
Value Increases	6,436	3,497
New Assessments	1,033	1,477
Irrecoverables and write offs	-791	-844
Summons collection costs	3,225	2,475
Special Levy Adjustment	0	0
Drainage Rate Adjustment	67	0
Paid Refunds	0	0
Sundry adjustments/Summons	0	0
Arrears c/fwd	23,461	26,363

- 17 Prepayments of £103,250 relates to telemetry service contract and new plant/Ins(John Deere Tractor) which is due in April 2016.
- 18 Grants Unapplied are those grants that we have received in advance of doing work on the following schemes:

	2014/15	2015/16
SCH30: Islington Catchment Flood Risk Management Scheme	119,078	73,622
	119,078	73,622



31 March 2016 Year Ending: 31 March 2016 To:

### **Note Notes to the Accounts**

The Reserves are managed in accordance with the Balances and Earmarked Reserves Policy for 2015/16, as approved by the Board 19 on 22 January 2015. This policy is available for viewing on the Board's website.

### 20 Movements on the General Reserve are made up as follows:

	2014/15	2015/16
Opening Balance, as at 1 April b/fwd	2,776,690	2,836,433
Net Surplus/(Deficit) for the year	100,751	388,164
Net transfer (to)/from Development Reserve	-8,203	-56,576
Net transfer (to)/from Capital Works Reserve	267,195	-98,797
Net transfer (to/from Plant Reserve	-300,000	0
Revaluation Reserve adjustment	0	0
Closing Balance, as at 31 March c/fwd	2.836.433	3.069.224

Movements on the Development Reserve are made up as follows: 21

	2014/15	2015/16
Opening Balance, as at 1 April b/fwd	555,143	563,346
Net contributions transferred from General Reserve	8,203	56,576
Closing Balance, as at 31 March c/fwd	563,346	619,922

22 Movements on the Capital Works Reserve are made up as follows:

The Capital Works Reserve largely represents the committed cost of capital schemes that the Board has approved in previous years, where suppliers have not actually invoiced for work, due to slippage in the programme or other issues with the contract:

		2014/15	Gen. Reserve	2015/16
SCH36	West Lynn Sluice - Structural Investigation	0	28,000	28,000
SCH33	Wolferton Pumping Station - Structural Investigation	0	69,000	69,000
SCH35	Control Panel Replacements & Weedscreen Cleaner Refurbish	0	30,000	30,000
SCH32	Black Drain Syphon (Under Gaywood River)	24,551	-24,551	0
SCH34	Chalk Lane Flood Risk Mangement Scheme	3,652	-3,652	0
		28 203	98 797	127 000

The Fixed Plant Reserve and Mobile Plant Reserve have been merged into a single Plant Reserve, as at 31 March 2014: 23

		2015/16
	Fixed Plant Reserve	2,021,148
	Mobile Plant Reserve	800,000
	Plant Reserve	2,821,148
24	Movements on the Revaluation Reserve are made up as follows:	
		2015/16
	Opening Balance, as at 1 April b/fwd	794,665

Less:	
Pumping Station Depreciation	-88,848
Closing Balance, as at 31 March c/fwd	705,817

### Closing Balance, as at 31 March c/fwd

### **Pension Liability**

25

- The Pension Liability is calculated by the Local Government Pension Scheme (LGPS) Fund Actuary at the end of every financial year. (i) It is a notional liability that is shown as a Long Term Liability on the Balance Sheet. This figure is meant to show the extent of the Board's liability at the Balance Sheet date, based on a number of actuarial assumptions. However it is important to note that this sum does not represent an estimate of the exit cost of withdrawing from the LGPS at the Balance Sheet date.
- (ii) The Board is a member of the Water Management Alliance Consortium and as such also has a proportion of the pension liability for



To: 31 March 2016 Year Ending: 31 March 2016

### Note Notes to the Accounts

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 £1,079,000 as at 31 March 2016 that is shared by all 5 Member Boards. 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 22 January 2015.

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### 26 Related Party Disclosures

- (i) The Board is a full member of Anglia Farmers Ltd, an agricultural purchasing cooperative. Several members of the Board are also shareholders of this organisation. The Board paid Anglia Farmers Ltd £106,664.61 upto 31/03/16.
- (ii) Board member Mr J Askew is related to Mr R Askew, Director of Richard Askew Agricultural Supplies Ltd, which is one of the Board's suppliers. The Board paid Askew Agricultural Supplies Ltd £1,468.36 upto 31/03/16.
- (iii) Mr Harvey Howe is employed by the Board as a full time Operative. The Board's Operations Manager is related to Harvey Howe.
- (iv) 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 2015.
- (v) The Board is a member of the Water Management Alliance Consortium, who provide administrative services to the Board. The Board has 3 representatives who serve on the Consortium Management Committee, that include the Chairman and Vice Chairman of the Board. During the reporting period the Chairman received £2,041.67 Chairman's Allowance.
- (vi) 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 year ending 31 March 2016.

P J CAMAMILE CHIEF EXECUTIVE M FUTTER FINANCE OFFICER



Our ID Capital Works	EA Ref.	GiA Level %	Actual 2014/15	Actual 2015/16	Annual Estimate 2015/16 £	Variance (2015/16) £	Cumulative Cost C/Fwd £	Approved Cost £	Variance (adverse)/ favourable £	Grant Receivable £	Grant Received £	Grant Due/ (Unapplied) £	Grant Applied £
Grant Aided Works:													
SCH30 Islington Catchment Flood Risk Management Scheme	IDB0267	56%_	10,738.40 10,738.40	81,315.43 <b>81,315.43</b>	200,000 <b>200,000</b>	-118,684.57 <b>-118,684.57</b>	119,052.33 <b>119,052.33</b>	483,000.00 <b>483,000.00</b>	363,947.67 <b>363,947.67</b>	66,551.44 <b>66,551.44</b>	140,173.28 <b>140,173.28</b>	-73,621.84 - <b>73,621.84</b>	45,456.14 45,456.14
Non-Grant Aided Works:													
SCH04 Gaywood Flood Alleviation Scheme		0%	500.00	0.00	0	0.00	398,272.25	450,000.00	51,727.75	0.00	0.00	0.00	0.00
SCH15 Pierrepoint Storage Building		0%	46,263.94	0.00	0	0.00	47,033.94	45,000.00	-2,033.94	0.00	0.00	0.00	0.00
SCH18 Middleton Stop Flood Storage Area		0%	551,648.03	36,013.42	27,339	8,674.42	965,022.96	957,000.00	-8,022.96	0.00	0.00	0.00	0.00
SCH22 North Lynn Link Scheme		0%	61,379.47	171,137.52	1,650,000	-1,478,862.48	296,527.59	1,835,000.00	1,538,472.41	0.00	0.00	0.00	0.00
SCH23 Catchment Modelling		0%	0.00	0.00	0	0.00	138,291.50	285,000.00	146,708.50	0.00	0.00	0.00	0.00
SCH24 Telemetry Review		0%	2,624.00	0.00	0	0.00	11,424.00	0.00	-11,424.00	0.00	0.00	0.00	0.00
SCH26 Main Sluice - Structural Investigation		0%	21,839.66	4,475.00	0	4,475.00	57,414.66	50,000.00	-7,414.66	0.00	0.00	0.00	0.00
SCH27 Merries Farm - Structural Investigation		0%	1,276.23	0.00	0	0.00	2,176.23	5,000.00	2,823.77	0.00	0.00	0.00	0.00
SCH28 Ingleborough Pumping Station - Structural Investigation		0%	19,725.00	1,345.20	0	1,345.20	55,785.70	35,000.00	-20,785.70	0.00	0.00	0.00	0.00
SCH30 Islington Catchment Flood Risk Management Scheme		0%	0.00	226.65	0	226.65	226.65	0.00	-226.65	0.00	0.00	0.00	0.00
SCH31 Bawsey Drain Syphon - Structural Investigation		0%	3,900.00	0.00	0	0.00	3,900.00	15,000.00	11,100.00	0.00	0.00	0.00	0.00
SCH32 Black Drain Syphon (Under Gaywood River)		0%	1,800.00	24,556.77	0	24,556.77	26,356.77	40,000.00	13,643.23	0.00	0.00	0.00	0.00
SCH36 West Lynn Sluice - Structural Investigation		0%	0.00	1,500.00	30,000	-28,500.00	1,500.00	30,000.00	28,500.00	0.00	0.00	0.00	0.00
SCH33 Wolferton Pumping Station - Structural Investigation		0%	41,796.25	110,902.98	180,000	-69,097.02	152,699.23	250,000.00	97,300.77	0.00	0.00	0.00	0.00
SCH34 Chalk Lane Flood Risk Mangement Scheme		0%	11,351.43	3,651.97	10,000	-6,348.03	15,003.40	25,000.00	9,996.60	0.00	0.00	0.00	0.00
SCH37 Lighthouse Sluice - Investigations & Refurbishments		0%	0.00	2,000.00	2,500	-500.00	2,000.00	2,500.00	500.00	0.00	0.00	0.00	0.00
SCH35 Control Panel Replacements & Weedscreen Cleaner Refurbishments		0%_	0.00	144,941.14	175,000	-30,058.86	144,941.14	175,000.00	30,058.86	0.00	0.00	0.00	0.00
			764,104.01	500,750.65	2,074,839	-1,574,088.35	2,318,576.02	4,199,500.00	1,690,051.17	0.00	0.00	0.00	0.00
Totals		_	£774,842.41	£582,066.08	£2,274,839	-£1,692,772.92	£2,437,628.35	£4,682,500.00	£2,053,998.84	£66,551.44	£140,173.28	-£73,621.84	£45,456.14

G R DANN
PLANNING/ENFORCEMENT OFFICER



To: 31 March 2016 Year Ending: 31 March 2016

	Actual	Actual	Annual	
MAINTENANCE	2014/15	2015/16	Estimate	Variance
	£	£	£	£
Wiggenhall St German Catchment	1,909.80	2,224.25	2,900.00	675.75
Fitton Road Area Catchment	2,413.00	2,590.19	4,500.00	1,909.81
Waltham Farm Catchment	3,557.40	4,288.01	5,500.00	1,211.99
Mary Magdalen Catchment	2,185.90	2,444.94	2,300.00	-144.94
Magdalen Catchment	14,746.75	19,609.03	16,000.00	-3,609.03
Lighthouse Catchment	18,424.75	16,518.78	17,300.00	781.22
Main Sluice Catchment	37,095.65	42,429.77	38,500.00	-3,929.77
Chalk Lane Catchment	20,429.74	20,585.47	17,500.00	-3,085.47
Ingleborough Catchment	6,059.70	6,049.12	6,500.00	450.88
Searles Catchment	3,583.40	3,441.50	3,800.00	358.50
Heacham Catchment	6,160.60	14,725.81	6,350.00	-8,375.81
Wolferton Catchment (Inc. River Ingol)	33,345.44	32,942.42	34,250.00	1,307.58
North Wootton Catchment	14,590.90	10,964.88	15,000.00	4,035.12
Wootton Marsh Catchment	880.20	0.00	0.00	0.00
South Wootton Catchment	3,080.10	16,876.05	3,250.00	-13,626.05
North Lynn Catchment	8,410.50	10,200.55	10,000.00	-200.55
Black/Bawsey Drains Catchment	16,912.20	23,350.14	24,200.00	849.86
Gaywood Catchment	40,528.24	40,729.23	49,000.00	8,270.77
Middleton Pierrpoint Catchment	46,439.78	65,356.27	48,500.00	-16,856.27
Middleton Level Catchment	9,471.40	9,153.16	8,000.00	-1,153.16
Eau Brink Catchment	9,218.10	14,278.06	9,200.00	-5,078.06
Green Bank Catchment	59,010.20	66,574.42	66,500.00	-74.42
Billy Kerkham Sluice Catchment	12,571.20	14,399.55	17,000.00	2,600.45
West Lynn Sluice Catchment	24,938.90	22,657.46	27,500.00	4,842.54
Cut Bridge Sluice Catchment	344.70	2,703.45	800.00	-1,903.45
Merries Sluice Catchment	1,536.30	2,479.05	2,400.00	-79.05
Knowles Sluice Catchment	1,875.90	2,084.40	2,700.00	615.60
Smeeth Lode Outfall	1,419.60	2,559.29	2,500.00	-59.29
Islington Pump Catchment	140,134.98	129,388.02	136,800.00	7,411.98
Reeds Drain Catchment	48,831.60	51,282.56	60,000.00	8,717.44
Rainbow Drain Outside Area	0.00	248.64	850.00	601.36
Babingley River Catchment	0.00	11,724.48	8,770.00	-2,954.48
Church Farm Catchment	3,189.94	389.74	5,100.00	4,710.26
	593,296.87	665,248.69	653,470.00	-11,778.69
OUTFALL MAINTENANCE				
Lighthouse Outfall	839.13	1,091.43	1,199.00	107.57
Main Sluice Outfall	844.89	1,025.43	1,599.00	573.57
Chalk Lane Outfall	819.29	1,273.53	1,949.00	675.47
Searles Outfall	691.20	871.66	800.00	-71.66
Bawsey Drain Outfall	2,767.24	3,189.43	5,750.00	2,560.57
Millfleet Sluice Outfall	5,516.03	4,235.94	4,600.00	364.06
Billy Kerkham Sluice	2,214.78	2,228.19	2,249.00	20.81
West Lynn Outfall	0.00	105.16	200.00	94.84
Cut Bridge Outfall	97.69	201.65	250.00	48.35
Merries Farm Outfall	64.00	105.16	200.00	94.84
Knowles Outfall	0.00	105.16	200.00	94.84
Straight Mile Outfall	0.00	105.16	4,100.00	3,994.84
<b>3</b>	13,854.25	14,537.90	23,096.00	8,558.10
	. 3,0020	,		2,230.10



To: 31 March 2016 Year Ending: 31 March 2016

PUMPING STATION MAINTENANCE	Actual 2014/15	Actual 2015/16	Annual Estimate	Variance
	£	£	£	£
Waltham Farm Pumping Station	1,610.16	1,357.49	3,009.00	1,651.51
Crabbes Abbey Pumping Station	11,079.05	9,430.81	12,759.00	3,328.19
Ingleborough Pumping Station	3,044.67	1,912.39	3,559.00	1,646.61
Wolferton Pumping Station	26,090.66	27,221.29	29,909.00	2,687.71
North Wootton Pumping Station	9,226.92	4,134.01	6,259.00	2,124.99
North Lynn Pumping Station	2,596.98	2,598.80	12,509.00	9,910.20
Pierrepoint Pumping Station	41,186.60	31,983.39	26,359.00	-5,624.39
Middleton Fen Pumping Station	4,835.88	4,823.24	5,859.00	1,035.76
Eau Brink Pumping Station	15,656.31	8,510.42	9,259.00	748.58
, <del>-</del>		13,327.42	•	
Green Bank Pumping Station	25,044.44		16,959.00	3,631.58
Islington Pumping Station	41,091.62	28,839.41	37,859.00	9,019.59
Church Farm Pumping Station	3,327.27	2,326.90	11,809.00	9,482.10
King's Reach Pumping Station	2,027.70 <b>186,818.26</b>	1,772.98 <b>138,238.55</b>	5,859.00 <b>181,967.00</b>	4,086.02 <b>43,728.45</b>
PROPERTY MAINTENANCE		,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, .
		40.004.00		0.504.00
Islington Depot	38,277.91	40,064.62	36,500.00	-3,564.62
Islington House	62.05	311.61	1,000.00	688.39
Wolferton Property	23.75	264.93	600.00	335.07
Gravel Bank Bungalow	187.11	0.00	3,000.00	3,000.00
Pierrepoint Depot	683.62	2,331.10	1,400.00	-931.10
Reffley Reservoir	904.00	1,931.01	4,400.00	2,468.99
Morrisons Culvert	2,222.55	1,972.71	1,000.00	-972.71
Gravel Bank Museum	315.89	134.36	1,450.00	1,315.64
Goulds Culvert	2,097.40	635.58	0.00	-635.58
Straight Mile Reservoir	0.00	107.86	0.00	-107.86
Bridges	96.00	216.31	0.00	-216.31
Wootton Road Culvert	217.27	231.56	1,100.00	868.44
Middleton Stop	38.00	358.38	0.00	-358.38
King's Reach Flood Storage Area	909.00	1,326.36	2,750.00	1,423.64
Smeeth Lode Storage Area East	311.43	914.58	1,500.00	585.42
Smeeth Lode Storage Area West	639.91	592.63	1,500.00	907.37
5	46,985.89	51,393.60	56,200.00	4,806.40
DIDECT WORKS	940.055.27	000 440 74	044 722 00	4F 24 4 26
DIRECT WORKS	840,955.27	869,418.74	914,733.00	45,314.26
TECHNICAL SUPPORT COSTS	151,050.00	144,925.00	154,919.00	9,994.00
BIODIVERSITY ACTION PLAN COSTS	6,834.00	4,500.00	7,834.00	3,334.00
CONTINGENCY	0.00	0.00	25,000.00	25,000.00
REINSTATEMENT PROVISION	0.00	0.00	300,000.00	300,000.00
MAINTENANCE WORK	£998,839.27 £	£1.018 843 74	1,402,486.00	£383,642.26
	2000,000.21	,0:0,0-0::-	1,702,700.00	~000,072.20

G M HOWE OPERATIONS MANAGER



To: 31 March 2016 Year Ending: 31 March 2016

								3rd Party	PL05				
		Notional	Unit	Units	Charge	PI 01	PL02 Fuel	R&M PL03		PL11		Total	Over (Under)
Plant ID	Mobile Plant Operations Account	Income	Rate	Worked	Out Unit	Labour	Oil Lub	& PL04			PL06 Depn		Recovery
- 14.11.12							0.10.10	<u> </u>					
109	Hitachi Excavator NK09 FVM (Sold 22/06/15)	5,573.60	17.00	328	Hours	0.00	728.88	337.29	93.97	0.00	1,556.88	2,717.02	2,856.58
111	JCB Excavator FJ14 EYG	25,914.90	17.00	1,524	Hours	0.00	6,683.60	3,353.26	2,009.40	0.00	19,941.96	31,988.22	-6,073.32
112	Doosan Wheeled Excavator (Purchased 22/06/15)	22,045.60	17.00	1,297	Hours	0.00	4,217.38	3,199.42	919.29	0.00	10,407.10	18,743.19	3,302.41
	Excavators	53,534.10		3,149		0.00	11,629.86	6,889.97	3,022.66	0.00	31,905.94	53,448.43	85.67
226	Massey Ferguson 6485 AE08 NJY	2,545.90	19.00	134	Hours	0.00	633.14	0.00	190.80	0.00	2,706.15	3,530.09	-984.19
227	Massey Ferguson AE09 MTF	14,787.70	19.00	778	Hours	0.00	2,463.88	1,816.41	307.40	0.00	7,936.20	12,523.89	2,263.81
228	Massey Ferguson AE10 GYS	11,377.90	19.00	599	Hours	0.00	1,512.50	166.40	371.00	0.00	8,169.60	10,219.50	1,158.40
229	Energreen ILF15005 (Sold 30/04/15)	799.00	19.00	42	Hours	0.00	0.00	0.00	56.81	0.00	0.00	56.81	742.19
230	Energreen Tractor AU12 GAX	22,582.10	19.00	1,189	Hours	0.00	4,712.19	5,184.74	530.00	0.00	14,974.92	25,401.85	-2,819.75
231	Massey Ferguson Tractor 7616 AE13 GNU	26,875.60	19.00	1,415	Hours	0.00	6,422.63	3,130.85	805.60	0.00	8,350.20	18,709.28	8,166.32
232	Reform Tractor AJ63 LYZ	8,456.60	19.00	445	Hours	0.00	1,066.77	3,453.87	530.00	0.00	4,567.68	9,618.32	-1,161.72
233	Spearhead TWIGA SPV3 VX14 HND	24,063.50	19.00	1,267	Hours	0.00	4,719.59	1,139.76	1,590.00	0.00	25,470.84	32,920.19	-8,856.69
234	Spearhead TWIGA SP1500 WA15 LFH	18,887.90	19.00	994	Hours	0.00	4,765.79	1,225.46	952.23	0.00	11,390.13	18,333.61	554.29
	Tractors	130,376.20		6,862		0.00	26,296.49	16,117.49	5,333.84	0.00	83,565.72	131,313.54	-937.34
317	Spearhead Flail Mower	1,038.00	10.00	104	Hours	0.00	70.50	79.80	0.00	0.00	0.00	150.30	887.70
326	Herder Grenadier	1,332.70	10.00	133	Hours	0.00	70.50	0.00	0.00	0.00	5,728.24	5,798.74	-4,466.04
327	Herder Grenadier	6,485.00	10.00	649	Hours	0.00	94.22	632.62	0.00	0.00	8,985.96	9,712.80	-3,227.80
331	Herder Grenadier	10,378.00	10.00	1,038	Hours	0.00	70.50	538.32	0.00	0.00	8,073.48	8,682.30	1,695.70
	Flail Mowers	19,233.70		1,923		0.00	305.72	1,250.74	0.00	0.00	22,787.68	24,344.14	-5,110.44
408	Herder MSL 250 (1992)	183.00	2.00	92	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	183.00
409	Weed Basket	1,057.60	2.00	529	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,057.60
410	Herder Bucket 4m	58.20	2.00	29	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58.20
411	Herder Bucket 4m (Sold 15/06/15)	149.00	2.00	75	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149.00
412	Herder Bucket 4m	0.00	2.00	0	Hours	0.00	0.00	654.30	0.00	0.00	0.00	654.30	-654.30
413	Landreus Bucket 4m	0.00	2.00	0	Hours	0.00	0.00	654.32	0.00	0.00	0.00	654.32	-654.32
414	Landreus Bucket	0.00	2.00	0	Hours	0.00	0.00	654.32	0.00	0.00	0.00	654.32	-654.32
415	Landreus LZ400 Bucket	826.20	2.00	413	Hours	0.00	0.00	953.57	0.00	0.00	0.00	953.57	-127.37
418	MXLT Mowing Bucket	1,900.80	2.00	950	Hours	0.00	0.00	992.07	0.00	0.00	785.40	1,777.47	123.33
419	Landreus Bucket 4m	1,955.60	2.00	978	Hours	0.00	0.00	1,233.57	0.00	0.00	963.96	2,197.53	-241.93
420	Herder Bucket 4m	2,030.80	2.00	1,015	Hours	0.00	0.00	336.75	0.00	0.00	605.04	941.79	1,089.01
421	Herder MRZT Mowing Bucket	186.20	2.00	93	Hours	0.00	0.00	0.00	0.00	0.00	168.75	168.75	17.45
	Baskets/Buckets	8,347.40		4,174		0.00	0.00	5,478.90	0.00	0.00	2,523.15	8,002.05	345.35
604	TF 6T Trailer (1989)	1,008.00	7.00	144	Hours	0.00	0.00	559.53	0.00	0.00	0.00	559.53	448.47
605	TF 6T Trailer (1989)	898.10	7.00	128	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	898.10
610	Ifor Williams 2T Trailer (1992)	0.00	7.00	0	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
611	Clash Ro Ro Trailer	505.40	7.00	72	Hours	0.00	0.00	72.90	0.00	0.00	0.00	72.90	432.50
614	Ifor Williams Trailer	0.00	7.00	0	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
616	Red Rock Dump Trailer	661.50	7.00	95	Hours	0.00	0.00	0.00	98.58	0.00	575.04	673.62	-12.12
617	Marston LS120 Trailer	863.80	7.00	123	Hours	0.00	0.00	0.00	0.00	0.00	780.00	780.00	83.80
618	Pallet Trailer	0.00	7.00	0	Hours Hours	0.00	0.00	0.00	267.12	0.00	549.96	817.08	-817.08



From: 01 April 2015

To:

31 March 2016

Period: 12

Year Ending: 31 March 2016

Plant I	D Mobile Plant Operations Account	Notional Income	Unit Rate	Units Worked	Charge Out Unit	PL01 Labour	PL02 Fuel Oil Lub	3rd Party R&M PL03 & PL04	Licence &	PL11	PL06 Depn	Total Expenditure	Over (Under) Recovery
619	8T Tipping Trailer (Purchased 30/04/15)	943.60	7.00	135	Hours	0.00	0.00	103.45	0.00	0.00	453.75	557.20	386.40
	Trailers	4,880.40		697		0.00	0.00		365.70		2,358.75	3,460.33	1,420.07
718	Ford Ranger AF07 0GJ	1,937.99	0.55	3,524	Miles	0.00	157.24	290.00	143.30	0.00	0.00	590.54	1,347.45
721	Ford Ranger AF62 BVY	6,012.12	0.55	10,931	Miles	0.00	942.80	691.00	225.00	0.00	1,188.48	3,047.28	2,964.84
724	Ford Ranger AK15 DFU	6,501.85	0.55	11,822	Miles	0.00	1,941.68	141.24	272.90	0.00	2,145.10	4,500.92	2,000.93
	Vehicles	14,451.96		26,276		0.00	3,041.72	1,122.24	641.20	0.00	3,333.58	8,138.74	6,313.22
800	Diesel Driven Pump Unit	0.00	10.00	0	Hours	0.00	0.00	759.39	141.21	0.00	297.99	1,198.59	-1,198.59
808	JD 3200 Telehandler	2,013.00	10.00	201	Hours	0.00	354.01	0.00	84.80	0.00	0.00	438.81	1,574.19
812	Berky Tree Cutter	0.00	11.00	0	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
815	PP3 Pile Hammer	137.50	11.00	13	Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	137.50
817	Habbig Tree Cutter	2,050.40	11.00	186	Hours	0.00	0.00	0.00	0.00	0.00	2,046.36	2,046.36	4.04
	Attachments	4,200.90		400		0.00	354.01	759.39	226.01	0.00	2,344.35	3,683.76	517.14
	Mobile Plant Operations Account (this year Y-T-D)	£235,024.66		43,481.73		£0.00	£41,627.80	£32,354.61	£9,589.41	£0.00	£148,819.17	£232,390.99	£2,633.67
	Mobile Plant Operations Account (last year Y-T-D)	£219,820.40		18,286.80		£0.00	£52,843.25	£39,924.80	£9.054.46	£0.00	£145,084.63	£246,907.14	-£27,086.74

G M HOWE

**OPERATIONS MANAGER** 



To: 31 March 2016 Year Ended: 31 March 2016

		Actual	Actual	Annual	
ID	Labour Operations Account	2014/15	2015/16	Estimate	Variance
	W. J. D				
7000	Work Done:	440 500 00	400 COE C4	E77.44C	00 540 20
7000	Labour Charges	446,596.80	480,605.61	577,146	-96,540.39
	Direct Costs:				
7010	Basic Pay	155,641.00	150,871.00	199,953	49,082.00
7020	Overtime	42,647.66	34,256.30	47,302	13,045.70
7030	Bonus	9,219.52	7,527.44	12,563	5,035.56
7040	Service Bonus	6,757.42	5,901.93	6,567	665.07
7050	Attendance Pay	1,654.16	1,561.76	2,689	1,127.24
7060	Proficiency Certificates	3,200.00	2,600.00	3,200	600.00
7080	Call Out/Expenses	1,488.34	258.64	100	-158.64
7100	Travelling	14,146.23	12,744.13	15,909	3,164.87
7200	Pool Vehicle - AF62 BVY	9,009.91	0.00	0	0.00
7220	Pool Vehicle - AF07 0GJ	3,624.94	0.00	0	0.00
7110	Holiday Pay	25,182.07	22,410.74	33,136	10,725.26
7120	Sick Pay	1,935.12	4,492.29	0	-4,492.29
	Variable Overheads:	274,506.37	242,624.23	321,419	78,794.77
7070	Telephones	5,256.38	3,911.96	5,000	1,088.04
7075	Lone Worker Telephone Charges	0.00	0.00	0,000	0.00
7130	Employers NI Costs	23,549.24	16,400.73	28,614	12,213.27
7140	Employers Pension Costs	55,278.58	54,160.68	69,557	15,396.32
7150	Private Medical Health Insurance	5,526.38	5,204.19	8,190	2,985.81
7240	Training Course Fees	570.00	467.10	1,500	1,032.90
7250	Protective Clothing/Health and Safety	3,124.70	5,420.63	5,000	-420.63
. 200	r rotoctivo Ciotimigri roditir and Caroty	93,305.28	85,565.29	117,861	32,295.71
	Fixed Supervision Overheads:	,		,	,
7160	Operations Manager	63,497.05	63,562.09	64,032	469.91
7170	Operations Manager - Vehicle AK14 XRE	7,619.30	10,472.60	14,319	3,846.40
7180	Works Supervisor	33,554.04	33,889.56	33,889	-0.56
7190	Works Supervisor - Vehicle AK14 0DE	8,631.68	9,443.03	15,626	6,182.97
	·	113,302.07	117,367.28	127,866	10,498.72
	Staff Costs (excluding depreciation)	455,728.84	433,398.24	554,987	121,589.20
	Depreciation of Company Vehicles etc.	25,384.88	12,158.56	12,159	0.00
	Staff Costs (including depreciation)	481,113.72	445,556.80	567,146	121,589.20
	Depot Overheads:				
7260	Small Tools and Consumables	9,632.71	5,597.71	10,000	4,402.29
7200	Citiali 10010 and Condumables	9,632.71	5,597.71	10,000	4,402.29
	Net Operating Surplus/(Deficit)	-£44,149.63	£29,451.10	£0	£29,451.10
	Productive Hours:				
K0055	Peter Hempson	1,885	1,541.50	1,834	-292.5
K0060	Julian Gowler	2,044	2,003.20	2,086	-82.80
K0065	John Sadler	2,003	2,083.40	2,042	41.40
K0003	Nick Roper	2,112	2,005.50	2,042	-65.50
K0070	Paul Fordham	1,672	1,428.60	1,688	-259.40
K0090	Steve Perry	1,906	1,855.80	1,901	-45.20
K0090	Philip Norman	2052	1927.90	2012	-45.20 -84
K0095	Mick Brown	1939	933.30	2012	-1085
K0125	Jon Noble	2044	2002.40	2016	-64
K0103	Harvey Howe	951	1794.40	1852	-58
110170	riarvoy riovvo	331	1734.40	1002	-30



To: 31 March 2016 Year Ended: 31 March 2016

		Actual	Actual	Annual	
ID	Labour Operations Account	2014/15	2015/16	Estimate	Variance
K0075	Oliver Cheetham	0	357.50	1852	-1495
K0085	Malcolm Thorpe	0	106.20	1852	-1746
K0105	Matthew Norman	0	106.20	0	106
K0120	Jack Voutt	0	106.20	0	106
K0115	John Voutt	0	106.20	0	106
		18,608	18,358	23,274	-4,916
	Cost/Hour:				
	Direct Cost	14.75	13.22	13.81	0.59
	Variable Overhead	5.01	4.66	5.06	0.40
	Fixed Supervision Overhead	6.09	6.39	5.49	-0.90
	Depot Overhead	0.52	0.30	0.43	0.13
	Cost/Hour	£26.37	£24.57	£24.79	£0.22
	Holidays Taken:				
K0055	Peter Hempson	29	22	29	-7
K0060	Julian Gowler	29	20	29	-9
K0065	John Sadler	29	24	29	-5
K0070	Nick Roper	29	12	29	-17
K0080	Paul Fordham	29	24	29	-5
K0090	Steve Perry	29	25	29	-4
K0095	Philip Norman	29	25	29	-4
K0125	Mick Brown	29	12	29	-17
K0165	Jon Noble	29	21	29	-8
K0170	Harvey Howe	8	21	24	-3
K0075	Oliver Cheetham	0	4	0	4
K0085	Malcolm Thorpe	0	0	0	0
K0105	Matthew Norman	0	0	0	0
K0120	Jack Voutt	0	0	0	0
K0115	John Voutt	0	0	0	0
		269	210	285	-32

G HOWE OPERATIONS MANAGER



From: 01 April 2015 To:

31 March 2016

Period:

12

Year Ending: 31 March 2016

		Purchased/	Depreciation		<b>Capital Cost</b>			<b>Capital Cost</b>	Depreciation		Acc.dprn w/out	Depreciation	Profit/(Loss)/	Net Book
Asset I	D Fixed Asset Register	Revalued	Period (Yrs)	ERV	B/Fwd	Additions	Disposals	C/Fwd	B/Fwd	Depreciation	on Disopsal	C/Fwd	on Disposal	Value
400	LIV. LVE. A NIKOO EVA	45/04/0000	_	45.000.00	00.545.00		00 545 00	0.00	04.070.00	4 550 00	00 000 54	0.00		0.00
109	Hitachi Excavator NK09 FVM	15/04/2009	7	15,000.00	86,515.00		-86,515.00	0.00	61,372.63	1,556.88	·	0.00	1,414.51	0.00
111	JCB Excavator FJ14 EYG	13/08/2014	7	40,000.00	179,648.90	447 455 00		179,648.90	12,902.00	19,941.96		32,843.96		146,804.94
112	Doosan DX140W-3 Wheeled Excavator	22/06/2015		30,000.00		•	96 E4E 00	117,455.00	0.00	10,407.10		10,407.10	4 44 4 E 4	107,047.90
	Excavators			85,000.00	266,163.90	117,455.00	-86,515.00	297,103.90	74,274.63	31,905.94	-62,929.51	43,251.06	1,414.51	253,852.84
226	Massey Ferguson AE08 NJY	30/06/2008	7	7,500.00	68,723.36			68,723.36	58,517.21	2,706.15		61,223.36		7,500.00
227	Massey Ferguson AE09 MTF	13/05/2009	7	7,500.00	63,076.00			63,076.00	44,974.01	7,936.20		52,910.21		10,165.79
228	Massey Ferguson AE10 GYS	27/04/2010	7	0.00	57,210.00			57,210.00	40,847.99	8,169.60		49,017.59		8,192.41
229	Energreen AU10 CYL	23/06/2010	7	20,000.00	149,000.00		-149,000.00	0.00	89,035.80	0.00	-89,035.80	0.00	-28,164.20	0.00
230	Energreen AU12 GAX	23/07/2012	7	45,000.00	147,879.40			147,879.40	38,618.57	14,974.92		53,593.49		94,285.91
231	Massey Ferguson AE13 GNU	01/07/2013	6	30,000.00	80,121.03			80,121.03	14,612.85	8,350.20		22,963.05		57,157.98
232	Reform Tractor AJ63 LYZ	04/11/2013	10	15,000.00	60,677.00			60,677.00	6,470.88	4,567.68		11,038.56		49,638.44
233	Spearhead TWIGA SPV3 VX14 HND	28/07/2014	5	40,000.00	167,354.40			167,354.40	18,525.14	25,470.84		43,995.98		123,358.42
234	Spearhead TWIGA SP1500 WA15 LFH	01/07/2015	7	30,000.00	0.00	136,350.00		136,350.00	0.00	11,390.13		11,390.13		124,959.87
	Tractors			195,000.00	794,041.19	136,350.00	-149,000.00	781,391.19	311,602.45	83,565.72	-89,035.80	306,132.37	-28,164.20	475,258.82
317	Spearhead Flail Mower	01/04/2001	E	0.00	4,850.00			4,850.00	4,850.00	0.00		4,850.00		0.00
320	Muthing Flail Mower	01/04/2001	5 3	0.00	5,800.00			5,800.00	5,800.00	0.00		5,800.00		0.00
326	Herder Grenadier	23/09/2008	3 7	6,000.00	65,965.00			65,965.00	54,236.76	5,728.24		59,965.00		6,000.00
327	Herder Grenadier	15/07/2009	7	6,000.00	68,927.00			68,927.00	50,922.86	8,985.96		59,908.82		9,018.18
331	Herder Grenadier	01/07/2013	6	20,000.00	68,460.00			68,460.00	14,128.59	8,073.48		22,202.07		46,257.93
331	Cutting Machinery	01/01/2013	U	32,000.00	214,002.00	0.00	0.00	214,002.00	129,938.21	22,787.68	0.00	152,725.89	0.00	61,276.11
	outing Machinery			32,000.00	214,002.00	0.00	0.00	214,002.00	129,930.21	22,707.00	0.00	132,723.03	0.00	01,270.11
408	Herder MSL 250	01/04/1990	5	0.00	2,000.00			2,000.00	2,000.00	0.00		2,000.00		0.00
410	Herder Bucket 4m	20/04/2001	3	0.00	3,864.96			3,864.96	3,864.96	0.00		3,864.96		0.00
411	Herder Bucket 4m	01/04/2002	3	0.00	4,026.00		-4,026.00	0.00	4,026.00	0.00	-4,026.00	0.00	1,000.00	0.00
412	Herder Bucket 4m	01/04/2002	3	0.00	4,395.00			4,395.00	4,395.00	0.00		4,395.00		0.00
413	Landreus Bucket 4m	01/04/2003	3	0.00	3,680.00			3,680.00	3,680.00	0.00		3,680.00		0.00
414	Landreus Bucket 3m	01/04/2003	3	0.00	3,285.00			3,285.00	3,285.00	0.00		3,285.00		0.00
415	Landreus LZ400 Bucket	01/04/2003	3	0.00	3,790.00			3,790.00	3,790.00	0.00		3,790.00		0.00
418	MXLT Mowing Bucket	11/06/2010	7	0.00	5,500.00			5,500.00	3,796.10	785.40		4,581.50		918.50
419	Lanrues Bucket 4M	16/07/2011	7	0.00	6,750.00			6,750.00	3,614.85	963.96		4,578.81		2,171.19
420	Herder Bucket 4m	17/07/2014	10	0.00	6,050.00			6,050.00	453.78	605.04		1,058.82		4,991.18
421	Herder MRZT 430 Mowing Bucket	01/01/2016	10	0.00	0.00	6,750.00		6,750.00	0.00	168.75		168.75		6,581.25
	Baskets			0.00	43,340.96	6,750.00	-4,026.00	46,064.96	32,905.69	2,523.15	-4,026.00	31,402.84	1,000.00	14,662.12
603	TF 6T Trailer (1983)	01/04/1981	10	0.00	1,000.00			1,000.00	1,000.00	0.00		1,000.00		0.00
604	TF 6T Trailer (1989)	01/04/1989	10	0.00	1,500.00			1,500.00	1,500.00	0.00		1,500.00		0.00
605	TF 6T Trailer (1989)	01/04/1989	10	0.00	1,200.00			1,200.00	1,200.00	0.00		1,200.00		0.00
610	Ifor Williams 2T Trailer (1992)	01/04/1992	10	0.00	1,700.00			1,700.00	1,700.00	0.00		1,700.00		0.00
611	Clash Ro Ro Trailer	01/04/2000	10	0.00	5,000.00			5,000.00	5,000.00	0.00		5,000.00		0.00
614	Ifor Williams Trailer	01/04/2000	5	0.00	2,020.00			2,020.00	2,020.00	0.00		2,020.00		0.00
616	Red Rock Dump Trailer	24/04/2008	10	2,000.00	7,750.00			7,750.00	4,025.24	575.04		4,600.28		3,149.72
617	Marston LS120 Trailer	21/08/2008	10	1,000.00	8,800.00			8,800.00	5,135.00	780.00		5,915.00		2,885.00
618	Pallet Trailer	01/07/2013	10	0.00	5,500.00			5,500.00	962.43	549.96		1,512.39		3,987.61
619	8T Tipping Trailer	30/04/2015	10	800.00	0.00	5,750.00		5,750.00	0.00	453.75		453.75		5,296.25
	Trailers			3,800.00	34,470.00	5,750.00	0.00	40,220.00	22,542.67	2,358.75	0.00	24,901.42	0.00	15,318.58
800	Diesel Driven Pump Unit	01/01/2016	20	33,900.00	0.00	33,838.97		33,838.97	0.00	297.99		297.99		33,540.98
550	Bioddi Birroit i dinp onit	01/01/2010		55,500.00	0.00	55,555.57		55,000.07	0.00	201.00		201.00		35,540.55



Period: 12

Year Ending: 31 March 2016

Asset	ID Fixed Asset Register	Purchased/ Revalued	Depreciation Period (Yrs)	ERV	Capital Cost B/Fwd	Additions	Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Depreciation	Acc.dprn w/out on Disopsal	Depreciation C/Fwd	` '	Net Book Value
000	T	04/04/0004	-	0.00	0.000.00		-	0.000.00	0.000.00	0.00	•	0.000.00	-	0.00
802	Twiggy	01/04/2001	/	0.00	2,000.00			2,000.00	2,000.00	0.00		2,000.00		0.00
804	Steel Boat	01/04/2000	1	0.00	400.00			400.00	400.00	0.00		400.00		0.00
806	Mobile Messroom	01/04/2000	1	0.00	1.00			1.00	1.00	0.00		1.00		0.00
808	JD 3200 Telehandler AO51 GKA	01/04/2001	7	0.00	29,760.00			29,760.00	29,760.00	0.00		29,760.00		0.00
810	Compare Broomswade Compressor	01/04/2002	3	0.00	2,200.00			2,200.00	2,200.00	0.00		2,200.00		0.00
812	Berky Tree Cutter	01/04/2005	3	0.00	7,805.00			7,805.00	7,805.00	0.00		7,805.00		0.00
813	Herder Water Pump	01/04/2004	3	0.00	5,462.07			5,462.07	5,462.07	0.00		5,462.07		0.00
815	PP3 Pile Hammer	01/04/2005	1	0.00	4,150.00			4,150.00	4,150.00	0.00		4,150.00		0.00
816	ECH2300 Sweeper	01/04/2006	1	0.00	1,700.00			1,700.00	1,700.00	0.00		1,700.00		0.00
817	Habbig Tree Cutter	07/04/2010	7	0.00	14,330.00			14,330.00	10,231.76	2,046.36		12,278.12		2,051.88
100	Wirewatchers	24/04/2008	2	0.00	38,457.33			38,457.33	38,457.33	0.00		38,457.33		0.00
101	Pump	07/11/2013	1	0.00	0.00			0.00	0.00	0.00		0.00		0.00
	Attachments			0.00	106,265.40	33,838.97	0.00	140,104.37	102,167.16	2,344.35	0.00	104,511.51	0.00	35,592.86
718	Ford 4x4 Pick up AF07 0GJ	01/12/2008	3	500.00	7,500.00			7,500.00	7,000.00	0.00		7,000.00		500.00
721	Ford Ranger AK62 BVY	18/09/2012	3	3,500.00	17,747.57			17,747.57	12,267.63	1,979.94		14,247.57		3,500.00
722	Ford Ranger AE13 SXR	08/04/2013	3	10,000.00	21,260.45			21,260.45	7,506.24	3,753.12		11,259.36		10,001.09
723	Ford Ranger AK14 0DE	29/05/2014	3	5,500.00	18,342.39			18,342.39	3,923.70	4,280.40		8,204.10		10,138.29
724	Ford Ranger AK15 DFU	01/06/2015	3	10,000.00	0.00	17,722.99		17,722.99	0.00	2,145.10		2,145.10		15,577.89
	Vehicles			29,500.00	64,850.41	17,722.99	0.00	82,573.40	30,697.57	12,158.56	0.00	42,856.13	0.00	39,717.27
	Fixed Assets: Mobile Plant and Equipment			£345,300.00	£1,523,133.86	£317,866.96	-239,541.00	£1,601,459.82	£704,128.38	£157,644.15	-£155,991.31	£705,781.22	-£25,749.69	£895,678.60



Period: 12

Year Ending: 31 March 2016

Asset II	D Fixed Asset Register	Purchased/ Revalued	Depreciation Period (Yrs)	ERV	Capital Cost B/Fwd	Additions	Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Depreciation	Acc.dprn w/out on Disopsal	•	Profit/(Loss)/ on Disposal	Net Book Value
71000111	Tixou Acoot Regional	Novalada	1 01104 (110)		<i>5</i> /1 (74	, raditiono	Diopodaio	<u> </u>	5/1 1/4	Doprodiation	on Dioopour		On Diopodai	Valuo
L001	Bank west side of Smeeth Lode, Walsoken Upper End				50.00			50.00	0.00	0.00		0.00		50.00
L002	Bank west side of Smeeth Lode from railway X				25.00			25.00	0.00	0.00		0.00		25.00
L003	Bank west side of Walpole Gate to St Johns End				25.00			25.00	0.00	0.00		0.00		25.00
L004	Fence bank from Walpole Old Toll to Church Lane				12.50			12.50	0.00	0.00		0.00		12.50
L005	Fence bank from Fenditch to Crossroads at TSC				19.00			19.00	0.00	0.00		0.00		19.00
L006	Fence bank from Walpole Old Toll to Smeeth Lode				25.00			25.00	0.00	0.00		0.00		25.00
L007	Bank of Smeeth Lode to Faulkners Tunnel				40.00			40.00	0.00	0.00		0.00		40.00
L008	Bank adj main drain				250.00			250.00	0.00	0.00		0.00		250.00
L009	Garden adjoining main drain				5.00			5.00	0.00	0.00		0.00		5.00
L010	Black Ditch Level				250.00			250.00	0.00	0.00		0.00		250.00
L011	Middle Bank at Birds Wash				200.00			200.00	0.00	0.00		0.00		200.00
L012	Half of the Middle Bank eastern side				75.00			75.00	0.00	0.00		0.00		75.00
L013	Half of the Middle western side				50.00			50.00	0.00	0.00		0.00		50.00
L014	Part of old Roman, Tilney boundary				50.00			50.00	0.00	0.00		0.00		50.00
L015	Part of old Roman Banklands Hall				30.00			30.00	0.00	0.00		0.00		30.00
L016	Shetland Pony corner				40.00			40.00	0.00	0.00		0.00		40.00
L017	Green Bank from Mr Barnes House				2.00			2.00	0.00	0.00		0.00		2.00
L018	Part of 5 Mile TSJ				33.91			33.91	0.00	0.00		0.00		33.91
L019	Land at West Lynn				40.00			40.00	0.00	0.00		0.00		40.00
L020	Land adjacent Gaywood River NK368981				264,060.00			264,060.00	0.00	0.00		0.00		264,060.00
L021	Land at Emneth for flood reservoir				70,675.00			70,675.00	0.00	0.00		0.00		70,675.00
L022	Land at Emneth, Wisbech NK398723				55,000.00			55,000.00	55,000.00	0.00		55,000.00		0.00
L023	Land at North Lynn Pumping Station				10,000.00			10,000.00	0.00	0.00		0.00		10,000.00
M001	Telemetry				17,620.80			17,620.80	17,620.80	0.00		17,620.80		0.00
M002	Portable Office				1,080.00			1,080.00	1,080.00	0.00		1,080.00		0.00
P135A	CAT 3412 Generator				76,160.00			76,160.00	60,928.00	0.00		60,928.00		15,232.00
PR01	Kettlewell House NK391156 (80%)	25/08/2009	20		398,600.00			398,600.00	55,803.84	7,971.96		63,775.80		334,824.20
PR01A	Kettlewell House				77,500.00			77,500.00	77,500.00	0.00		77,500.00		0.00
WG139			10		40,400.00			40,400.00	40,400.00	0.00		40,400.00		0.00
WP137	Weedscreen Cleaner - Eaubrink & North Wootton		10		88,785.00			88,785.00	88,785.00	0.00		88,785.00		0.00
WPR08			10		82,640.00			82,640.00	82,640.00	0.00		82,640.00		0.00
	Sluice Bungalow, Eau Brink	24/08/2015			•	233,748.00		233,748.00	0.00	0.00		0.00		233,748.00
	Fixed Assets: Land and Buildings	, cc, _c .			£1,183,743.21		0.00	£1,417,491.21	£479,757.64	£7,971.96	£0.03	£487,729.60		£929,761.61



Period: 12

Year Ending: 31 March 2016

Asset ID	Fixed Asset Register	Purchased/ Revalued	Depreciation Period (Yrs)	Capital Cos ERV B/Fwo		Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Depreciation	Acc.dprn w/out on Disopsal	Depreciation C/Fwd	Profit/(Loss)/ on Disposal	Net Book Value
P017	Waltham Farms	31/03/2010	10	0.00			0.00	0.00	0.00		0.00		0.00
P019	Crabbes Abbey	31/03/2010	10	50,000.00			50,000.00	25,000.16	5,000.04		30,000.20		19,999.80
P040	Ingleborough	31/03/2010	10	100.00			100.00	49.84	9.96		59.80		40.20
P128	Wolferton	31/03/2010	10	41,000.00			41,000.00	20,500.16	4,100.04		24,600.20		16,399.80
P129	North Wootton	31/03/2010	10	24,000.00			24,000.00	12,000.00	2,400.00		14,400.00		9,600.00
P132	North Lynn	31/03/2010	10	20,000.00			20,000.00	10,000.16	2,000.04		12,000.20		7,999.80
P135	Pierrepoint	31/03/2010	10	298,400.00			298,400.00	149,200.16	29,840.04		179,040.20		119,359.80
P136	Middleton Fen	31/03/2010	10	750.00			750.00	375.00	75.00		450.00		300.00
P137	Eau Brink	31/03/2010	10	26,500.00			26,500.00	13,249.84	2,649.96		15,899.80		10,600.20
P138	Green Bank	31/03/2010	10	73,500.00			73,500.00	36,750.00	7,350.00		44,100.00		29,400.00
P145	Islington	31/03/2010	10	247,750.00			247,750.00	123,874.84	24,774.96		148,649.80		99,100.20
	Pumping Stations			782,000.00	0.00	0.00	782,000.00	391,000.16	78,200.04	0.00	469,200.20	0.00	312,799.80
PR02	Islington House	31/03/2010	10	34,006.00			34,006.00	17,002.84	3,400.56		20,403.40		13,602.60
PR07	Green Bank Musuem	31/03/2010	10	72,474.00			72,474.00	36,237.00	7,247.40		43,484.40		28,989.60
	Properties			106,480.00	0.00	0.00	106,480.00	53,239.84	10,647.96	0.00	63,887.80	0.00	42,592.20
	Fixed Assets: Pumping Stations and Properties			£888,480.00	£0.00	0.00	£888,480.00	£444,240.00	£88,848.00	£0.00	£533,088.00	£0.00	£355,392.00

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From: Period: 12

01 April 2015 31 March 2016 To: Year Ending: 31 March 2016

		ACTUAL	ACTUAL	ACTUAL	ACTUAL	
BOX NO.	ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	2014/15	2015/16	VARIANCE	VARIANCE	EXPLANATION OF KEY VARIANCES
		RESTATED £	£	£	%	>=15%
1	Balances brought forward					
-	General Reserve	2,776,690	2,836,433			
	Development Reserve	555,143	563,346			
	Plant Reserve	2,521,148	2,821,148			
	Fixed Plant Reserve	0	0			
	Capital Works Reserve	295,398	28,203			
	Mobile Plant Reserve	0	0			
	Revaluation Reserve	883,513	794,665			
	Pension Reserve	-2,916,000	-3,166,000			
	As per Statement of Accounts	4,115,893	3,877,795			
	(-) Fixed Assets, Long Term Liabilities, Loans and Finance Leases					
	Pension Liability	-2,916,000	-3,166,000			
	Loans and Leases Outstanding (Current Liabilities)	-2,916,000	-3,166,000			
	• · · · · · · · · · · · · · · · · · · ·	0	0			
	Long Term Borrowing	_	•			
	Net Book Value of Tangible Fixed Assets	1,931,487 <b>-984,513</b>	1,967,231 -1,198,769			
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, 11, 11			
	(=) Adjusted Balances brought forward	5,100,406	5,076,564			
2	(+) Rates and Special Levies					
	Drainage Rates	303,704	303,611			
	Special Levies issued by the Board	1,843,606	1,843,606			
	As per Statement of Accounts	2,147,310	2,147,217	-93	0%	N/A
3	(+) All Other Income					
•	Grants Applied	6,003	45,456			
	Rental Income	4,163	1,964			
	Highland Water Contributions	58,027	33,978			
	Income from Rechargeable Works	40,847	36,130			
	Investment Interest	27,388	24,518			
	Development Contributions	8,203	56,576			
	Net Surplus on Operating Accounts	0	32,085			
	Other Income	7,663	7,885			
	Profit/(Loss) on disposal of Fixed Assets	12,544	-25,750			
	As per Statement of Accounts	164,838	212,842			
	(1) Income from Sale of Fixed Assets (shows profit/less)					
	(+) Income from Sale of Fixed Assets (above profit/(loss)	0E0 400	220 E44			
	Capital Cost of disposals	253,120 167,164	239,541			
	Less: Accumulated depreciation written out	-167,164	-155,991			
		85,956	83,550			



To: 31 March 2016 Year Ending: 31 March 2016

BOX NO	ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	ACTUAL 2014/15	ACTUAL 2015/16	ACTUAL VARIANCE	ACTUAL VARIANCE	EXPLANATION OF KEY VARIANCES
		RESTATED £	£	£	%	>=15%
	(=) Adjusted Other Income	250,794	296,392	45,598	18%	Other Income was higher than last year, largely due receiving increased contributions from develope
4	(-) Staff Costs					(£48,373).
	Labour Operations Account (16 FTEs)	455,729	433,398			
	Technical Support Staff Costs (2.1 FTEs)	114,006	110,211			
	Shared Administration Staff Costs (9 shared employees; 1.8 FTEs)	80,675	85,349			
		650,410	628,958	-21,452	-3%	N/A
5	(-) Loan Interest/Capital Repayments					
	Loan Interest	0	0			
	Capital Repayments	0	0			
	As per Statement of Accounts	0	0	0	0%	N/A
6	(-) All Other Expenditure					
	Capital Works	774,842	582,066			
	Maintenance Works	998,839	1,018,844			
	Environment Agency Precept	159,146	159,146			
	Development Expenditure	0	0			
	Administration Charges	167,018	176,536			
	Cost of Rechargeable Works	40,316	35,303			
	Net Deficit on Operating Accounts	71,237	0			
	Finance Lease Repayments	0	0			
	Depreciation/(Revaluation) of Pumping Stations	88,848	88,848			
	As per Statement of Accounts	2,300,246	2,060,743			
	(-) All Other Expenditure (Non Cash)					
	Plant and Equipment	157,835	157,644			
	Depreciation/(Revaluation) of Pumping Stations	88,848	88,848			
	Depreciation of Kettlewell House (included in admin.exp.)	7,972	7,972			
		254,655	254,464			
	(-) Staff Costs now reported in Box 4	650,410	628,958			
	(+) Capitalised Additions					
	Land and Buildings	0	233,748			
	Plant and Equipment	376,355	317,867			
		376,355	551,615			
	(=) Adjusted Other Expenditure	1,771,536	1,728,936	-42,601	-2%	N/A



From: Period: 12

01 April 2015 31 March 2016 Year Ending: 31 March 2016 To:

BOY NO	ANNUAL DETUDN FOR THE VEAR ENDED 24 MARCH 2042	ACTUAL	ACTUAL	ACTUAL	ACTUAL	EVEL ANATION OF KEY VARIANCES
BOX NO.	ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	2014/15 RESTATED £	2015/16 £	VARIANCE £	VARIANCE %	EXPLANATION OF KEY VARIANCES >=15%
					70	7-1070
7	(=) Balances carried forward					
	General Reserve	2,836,433	3,069,224			
	Development Reserve	563,346	619,922			
	Capital Works Reserve	28,203	127,000			
	Plant Reserve	2,821,148	2,821,148			
	Revaluation Reserve	794,665	705,817			
	Pension Reserve	-3,166,000	-2,875,000			
	As per Statement of Accounts	3,877,795	4,468,111			
	(-) Fixed Assets, Long Term Liabilities, Loans and Finance Lease	S				
	Pension Reserve	-3,166,000	-2,875,000			
	Loans Outstanding (Current Liabilities)	0	0			
	Finance Leases Outstanding (Current Liabilities)	0	0			
	Long Term Borrowing	0	0			
	Net Book Value of Tangible Fixed Assets	1,967,231	2,180,832			
	-	-1,198,769	-694,168			
	(=) Adjusted Balances carried forward	5,076,564	5,162,279	85,715	2%	N/A
8	Total Cash and Short Term Investments					
	Bank Current Account	232,181	79,308			
	Short Term Investments	4,900,000	5,200,000			
	As per Statement of Accounts	5,132,181	5,279,308			
9	Total Fixed Assets and Long Term Assets (Net Book Value)					
	Land and Buildings	703,986	929,762			
	Plant and Equipment	819,005	895,679			
	Pumping Stations and Properties	444,240	355,392			
	As per Statement of Accounts	1,967,231	2,180,832	213,601	11%	For an explanation of all movements, please refer to the detailed Fixed Assets Register.
10	Total Borrowings					detailed i ined models fregister.
	Loans Due (<= 1 Year)	0	0			
	Loans Due (> 1 Year)	0	0			
	As per Statement of Accounts	0	0			



To: 31 March 2016 Year Ending: 31 March 2016

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	
BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	2014/15	2015/16	VARIANCE	VARIANCE	EXPLANATION OF KEY VARIANCES
	RESTATED £	£	£	%	>=15%

		ACTUAL	ACTUAL
7, 8	RECONCILIATION BETWEEN BOXES 7 AND 8	2014/15	2015/16
		RESTATED £	£
7	Balances carried forward (adjusted)	5,076,564	5,162,279
	(-) Deduct: Debtors and Prepayments		
	Stocks and Consumables	3,469	6,761
	Trade Debtors	28,003	27,336
	Work in Progress	0	2,783
	Drainage Rate Debtors	23,461	26,363
	Special Levies for the year	0	0
	Prepayments	9,101	103,250
	Prepayment/(Accrual) to WMA	8,503	21,699
	Accrued Investment Income	7,464	0
	H M Revenue and Customs	32,616	113,985
	Grant Aid Due	0	0
		112,617	302,177
	(+) Add: Creditors and Payments Received in Advance		
	Trade Creditors	24,898	335,118
	Grants Unapplied	119,078	73,622
	Payments received in advance	8,183	10,466
	Accruals	16,075	0
		168,235	419,206
	(=) Box 8	5,132,181	5,279,308
8	(=) Total Cash and Short Term Investments		
•	Bank Current Account	232,181	79,308
	Short Term Investments	4,900,000	5,200,000
		5,132,181	5,279,308

P J CAMAMILE
CHIEF EXECUTIVE

27 MAY 2016

# Actuarial Valuation as at 31 March 2016 for accounting purposes Norfolk Pension Fund

Dobet Bit

Robert Bilton

Fellow of the Institute and Faculty of Actuaries

For and on behalf of Hymans Robertson LLP

8 April 2016



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Appendix 1 - Glossary of technical terms Appendix 2 - Briefing Note on Assumptions Appendix 3 - Briefing Note on Results

# 1 Introduction and summary

### Scope

- I have been instructed by the Administering Authority named in the accompanying Results Schedule to undertake pension expense calculations for the Employer named in the Results Schedule, for the purpose of complying with the Accounting Standard stated in the accompanying Results Schedule for the period ending 31 March 2016. The instruction is set out in the Terms of Engagement letter (see Results Schedule for date of signature). These calculations relate principally to the Employer's participation in the Fund named on the cover ("the Fund") which is part of the Local Government Pension Scheme ("the LGPS").
- These figures are prepared in accordance with our understanding of the latest version of the Accounting Standard. My calculations and advice, in this report and the accompanying Results Schedule, have been carried out in accordance with the Pensions Technical Actuarial Standard adopted by the Financial Reporting Council, which came into effect on 1 January 2013 (version 2), and other TASs: see 4.1. This report does not constitute an audit opinion in relation to the Fund. This constitutes a "valuation exercise", as the results of my calculations will be formalised in the Employer's financial statements.
- Under accounting guidance, employers are expected to disclose the sensitivity of the valuation to key assumptions, and the required information is contained in section 4 of this report.

### **Results**

- The results of our calculations for the period ended 31 March 2016 and the projected net pension cost for the year ended 31 March 2017 are set out in the Results Schedule.
- 5 Please let me know if the Employer wishes to discuss the contents of this report or if, having considered the results, the Employer wishes to consider alternative assumptions. Note that this is likely to incur additional fees. As noted above, the impact of varying certain key assumptions is illustrated in section 4.

### **Reliances and limitations**

- This report (including the accompanying Results Schedule) is provided to the Employer solely for the purpose of complying with the Accounting Standard for the period ending 31 March 2016. It should not be used for any other purpose. It should not be released or otherwise disclosed to any third party except as required by law or with our prior written consent, in which case it should be released in its entirety. However, a copy of this report may be passed to the Employer's auditor to be used solely for the purpose of their audit.
- 7 We accept no liability to any third party unless we have expressly accepted such liability in writing.
- Note that the methodology of the Accounting Standard, in conjunction with the Fund's investment strategy, means that the surplus or deficit identified in this report can vary significantly over short periods of time. This means that the results set out in the accompanying Results Schedule should not be taken as being applicable at any date other than 31 March 2016.
- The figures presented in this report are prepared only for the purposes of the Accounting Standard and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes, for accounting under any other standard, for bulk transfers or for other statutory purposes under LGPS Regulations.
- The data with which we have been provided with and relied upon for this exercise is summarised in section 3.

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- 11 The projected pension expense calculations for the period to 31 March 2017 may be used for the purpose of any interim financial reporting during the year to 31 March 2017. However, subsequent adjustments may be necessary 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; or
  - any changes to the Fund.
- This report and the Results Schedule deal principally with pension benefits provided via the LGPS. However, the Accounting Standard may require the disclosure of any additional liabilities, for example, those in respect of compensatory added years pensions. I have only valued such additional liabilities, which would not be covered in the formal LGPS funding valuation, to the extent that they have been notified to me and are summarised in the Results Schedule.
- I have not been notified by the auditor to the Employer of the materiality limits which apply to the Employer and I have therefore prepared these figures using methods which are as accurate as is feasible using the data made available to me and the timescale within which the report is required.

### **Next steps**

The information set out in this report and Results Schedule should be included in a disclosure note in the Employer's report and accounts. Please let me know if the Employer would like us to assist in drafting this note.

I would be pleased to discuss this report with the Employer and its auditors.

# 2 Approach

### Valuation method

- 1 As required under the Accounting Standard we have used the projected unit credit method of valuation.
- 2 No allowance has been made for administration expenses in the present value of the defined benefit obligation, or the balance sheet. Expenses are allowed for by way of an increase in the current service cost.
- We have projected the valuation results of the latest formal valuation date (or date Employer joined the Fund if later) forward to 31 March 2016 using approximate methods (unless otherwise stated in the Results Schedule). The roll-forward allows for changes in financial assumptions, additional benefit accrual, estimated cash flows over the period and actual pension increase orders.
- In order to assess the value of the Employer's liabilities in the Fund as at 31 March 2016 (unless otherwise stated in the Results Schedule), I have rolled forward the value of the Employer's liabilities calculated at the latest formal valuation date (or date the Employer joined the Fund if later), allowing for the different financial assumptions required under the Accounting Standard at the reporting date. In calculating the current service cost I have allowed for changes in the Employer's pensionable payroll as estimated from contribution information provided. In calculating the asset share, I have rolled forward the Employer's share of the assets calculated at the latest formal valuation date (or date the Employer joined the Fund if later), allowing for investment returns (estimated where necessary), the effect of contributions paid into (estimated where necessary), and estimated benefits paid from, the Fund by the Employer and its employees.
- In preparing the balance sheet at 31 March 2016 and the revenue account to 31 March 2016, no allowance is made for the effect of changes in the membership profile since the latest formal valuation date (or date the Employer joined the Fund if later) unless otherwise stated in the Results Schedule. The principal reason for this is that insufficient information is available to allow me to make any such adjustment. However, for most employers, the effect is likely to be immaterial in actuarial terms. If there have been significant changes, the Employer should discuss with its auditor whether an investigation into the effect on the balance sheet as at 31 March 2016 and service cost for period to 31 March 2016 are required.
- Whilst the liabilities calculated under the Accounting Standard include an allowance for some premature retirements on grounds of ill-health, there is no allowance for early retirements on grounds of redundancy or efficiency other than those actual cases of which I have been notified.
- It is not possible to assess the accuracy of the estimated rolled-forward liability shown in the Results Schedule without conducting a full valuation using updated individual membership data. Such a valuation is generally not practical in the time available to meet the Employer's reporting requirements. The estimated rolled-forward liability as at 31 March 2016 will therefore not reflect differences in demographic experience from that assumed (e.g. pensioner longevity) or the impact of differences between aggregate changes in salary/pension or changes for specific individuals.
- Whilst we have no reason to believe that the approximations used in rolling forward the valuation to 31 March 2016 will introduce any undue distortion in the results, the Employer and its auditors may wish to consider the size of the Fund's assets and liabilities in relation to the Employer's materiality limits. The Results Schedule will state if a full valuation has been carried out instead of a roll-forward.
- 9 For employers whose separate membership of the Fund started in the last 18 months and where a first time accounting report has been provided:
  - The Results Schedule relates to the period from date of joining to 31 March 2016.

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- The initial asset allocation used for accounting purposes (and in the calculation of the opening funding level) will supersede any initial asset allocation previously quoted. However, if the calculations carried out in the past (for example for a contribution rate assessment) were based on final data and final assumptions at the date the Employer joined the Fund, then the initial asset allocation used for accounting purposes will be in line with that which was previously quoted.
- The liability value reported in the Results Schedule will differ from those in any previous reports related to the employer due to the different assumptions adopted under the Accounting Standard, compared to funding assumptions used for setting contribution rates etc.

## 3 Data and information used

### **Benefit changes**

The pension expense for the period to 31 March 2016 and the projected pension expense for the year to 31 March 2017 allow for the LGPS career average revalued earnings (CARE) benefit design. The figures are based on my understanding of the provisions of the Fund and are subject to change as any changes are made to the Fund.

### **Data sources**

- Our calculations are based on the following information and documents, all provided by the Administering Authority:
  - the bid value and split of Fund assets as at the latest available date;
  - the actual Fund returns provided up to the latest available date;
  - employer and employee contributions for the accounting period (estimated for the most recent month(s) where actual contributions were not yet available);
  - the individual pensioner member data in respect of LGPS unfunded pensions and Teachers' pensions where appropriate, as summarised in the Results Schedule; and
  - any new early retirements to the latest available date on unreduced pensions which are not
    anticipated in the normal employer service cost (e.g. non ill-health retirements before the earliest
    retirement age at which all the member's benefits can be taken unreduced), as set out in Section 1
    of the Results Schedule.

### **Assets and investment returns**

3 Details of the return on the Fund over the accounting period and the Fund's assets at the period end are set out in the Results Schedule.

### **Membership numbers**

The latest numbers of employees, deferred pensioners and pensioners have been provided by the Administering Authority for the purpose of aiding the checking of the contribution data. Please note that these latest numbers have no impact on any of the calculated figures for 31 March 2016 (e.g. the balance sheet or revenue account disclosures).

### **Additional comments**

Any specific comments on the data provided in respect of the Employer are set out in the Results Schedule.

# 4 Actuarial assumptions

### **Reliances and limitations**

My advice to the Employer on the assumptions (and resulting draft disclosures) to be adopted for the purpose of the Accounting Standard is compliant with the Pensions Technical Actuarial Standard, TAS D – Data, TAS M – Modelling and TAS R – Reporting <sup>1</sup>. This report and the accompanying Results Schedule comprise the totality of my advice on the assumptions. These documents show my recommendations, and the Results Schedule will show if I have been instructed by the Employer to use different financial or demographic assumptions.

### **Accounting principles**

I have been advised of the accounting principles adopted by the Employer in preparing its accounts (see Results Schedule). The report and Results Schedule have been prepared in line with my understanding of the relevant guidance. The Employer should confirm adherence of the guidance with its auditor.

### Responsibility

The assumptions are ultimately the responsibility of the directors (or equivalent) based on actuarial advice. Where we have been instructed to use different assumptions to those recommended, details are given in the Results Schedule.

### **Demographic assumptions**

- The mortality assumptions adopted for this year's exercise are consistent with those used for the latest formal funding valuation. Please refer to the Fund's formal valuation report for further information.
- The other demographic assumptions which I recommend are adopted (e.g. commutation, pre-retirement mortality) are the same as those used for the latest formal funding valuation. Full details of these assumptions are also set out in the Fund's formal valuation report.

### **Financial assumptions**

The financial assumptions used to calculate the components of the pension expense for the period ended 31 March 2016 were those from the beginning of the period (as set out in Section 2 of the Results Schedule) and have not been changed during the period. My recommended assumptions for disclosure of the funded status under the Accounting Standard as at 31 March 2016 are summarised below.

	Weighted Average Duration		
	Short	Medium	Long
Period Ended	31 Mar 2016	31 Mar 2016	31 Mar 2016
	% p.a.	% p.a.	% p.a.
Discount Rate	3.4%	3.5%	3.6%
Retail Price Inflation (RPI)	3.1%	3.2%	3.2%
Consumer Price Inflation (CPI) - Pension Increase Rate	2.1%	2.2%	2.2%

Full details of how I have determined my recommended assumptions are set out in Appendix 2.

### **Expected return on assets (only for Employers reporting under FRS17)**

It is my understanding that employers currently reporting under FRS17 will move to FRS102 for the next accounting year. As a result, the expected return on assets assumption as at the reporting date is set equal to the discount rate as per FRS102.

<sup>&</sup>lt;sup>1</sup> Technical Actuarial Standards (TASs) are issued by the Financial Reporting Council (FRC) and set standards for certain items of actuarial work, including the information and advice contained in this report.

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The above has no impact on the balance sheet at 31 March 2016. However, the projected pension expense for the year to 31 March 2017 has been prepared on a FRS102 basis.

### Reasonableness of assumptions

There is a range of actuarial assumptions which are acceptable under the requirements of the Accounting Standard. I consider that the assumptions above are within the acceptable range and are thus consistent with the requirements of the Accounting Standard. Where I have been instructed by the Employer to use different assumptions, these are shown in the Results Schedule: it is possible that these fall outside the range which I consider to be acceptable.

### Sensitivity to assumptions

- The Accounting Standard requires disclosure of the sensitivity of the results to the methods and assumptions used.
- 11 The costs of a pension arrangement require estimates regarding future experience. The financial assumptions used for reporting under the Accounting Standard are the responsibility of the directors (or similar) of the Employer. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pensions in payment), can have a significant effect on the value of the liabilities reported.
- A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude.
- There is also uncertainty around life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in payment. The disclosures have been prepared using longevity assumptions as per paragraph 4. Based on these assumptions, average life expectancies at age 65 are shown in the Results Schedule.
- Details of the effect on the liabilities of the changes in the above assumptions are displayed in the Results Schedule in the Sensitivity Analysis section.

### **Risks and uncertainties**

- There are risks and uncertainties associated with whatever assumptions are adopted. The Accounting Standard requires the assumptions to be determined on a 'best estimate' basis. However, the assumptions are in effect projections of future investment returns and demographic experience many years into the future and there is inevitably a great deal of uncertainty inherent in what constitutes 'best estimate' with such projections. For the purpose of this report, I have interpreted best estimate to mean that the proposed assumptions are 'neutral': there is in my opinion an equal chance of actual experience being better or worse than the assumptions proposed.
- It is also important to note that the Accounting Standard requires the discount rate to be set with reference to the yields on high quality corporate bonds irrespective of the actual investment strategy of the Fund. As such, the figures illustrated in the Results Schedule are unlikely to reflect either the actual eventual cost of providing the benefits or the likely level of contributions to fund the Employer's obligations to the Fund. Also, the balance sheet position may change significantly due to relative changes in the equity and bond markets at the reporting date.
- The main risk to the Employer is that it determines assumptions that are more prudent (for example a lower net discount rate or higher longevity) than its peers, leading to a relatively poorer reported financial position. The Employer therefore needs to take into account both the requirement for a 'best estimate' set of assumptions and the commercial need not to overstate the pension liabilities.

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- There is also a risk that the Employer determines assumptions which are less prudent than its peers. This does not have an impact on the underlying cost of the Fund nor the level of contributions that will be derived from future funding valuations. However, analysts and other users of the accounts may take a view that the Employer is understating its pension liabilities if it uses weaker assumptions and this may have adverse consequences.
- 19 I have not addressed any risks to the Fund itself. Such advice would generally be given to the Administering Authority by the Fund's Actuary through the actuarial valuation process.

# 5 Miscellaneous matters

# Past service costs (including curtailments)

- Past service costs can arise from the Employer awarding discretionary benefits e.g. added years augmentation or allowing LGPS employees to retire on unreduced benefits before attaining their "Rule of 85" age (subject to a minimum of age 60 and a maximum age of 65) on grounds of efficiency.
- Details of any such retirements are summarised in Section 1 of the Results Schedule and any Past Service Costs are set out in the Revenue Account figures of the Results Schedule. These represent the difference between an active member reserve and the actual early retirement reserve both calculated at the time of early retirement based on the reporting date accounting assumptions. Note that these costs relate only to LGPS benefits and not other elements such as redundancy lump sums.

#### **Settlements**

3 My calculations do not take account of any liabilities being settled at a cost materially different to the Accounting Standard reserve during the period ended 31 March 2016, other than as set out in the Results Schedule.

#### **Bulk transfers**

My calculations do not take account of any bulk transfers (in or out) since the Employer's previous Accounting Standard valuation (or following the date of joining for employers receiving a first time Accounting Standard valuation) other than as set out in the Results Schedule.

# Recognition of surplus/deficit

- The Accounting Standard imposes a limit on the maximum amount of surplus which can be recognised on the employer's balance sheet. In broad terms, surplus can only be recognised to the extent that it is no greater than the present value of the liability expected to arise from future service by current and future scheme members less the value of future employee contributions. Where this situation **may** apply, this is indicated on the front page of the Results Schedule and further calculations may be required before publishing the results in the Employer's formal accounts.
- 6 My understanding is that the Employer has a "constructive obligation" to fund any deficit allocated to its share of the Fund and it should therefore fully recognise the whole of any deficit.

#### **Deferred tax**

No allowance has been made for deferred tax, and the appropriate treatment in respect of this should be agreed with the Employer's auditors.

#### **Results and disclosures**

FRS12 - some employers may account for their unfunded pensioners under FRS12 instead of the Accounting Standard stated in the accompanying Results Schedule. For simplicity and where instructed, we have included all unfunded liabilities in the Results Schedule. However, we are happy for employers to move the unfunded results to an FRS12 section of their accounts if they wish and the figures will be unaffected.

# Appendix 1 – Glossary of technical terms

Actuarial gains and losses

Over a reporting period, these consist of:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred, including reflection of any funding valuation which has taken place since the last report; and
- the effects of changes in actuarial assumptions (split between financial and demographic)

Current service cost

The increase in the present value of the defined benefit obligation resulting from employee service in the current period. This is based on the employer's "service cost" rate which accounts for the cost to the employer of benefits accruing over the period allowing for market conditions at the outset of the period. This may differ from what the employer is currently paying in cash contributions based on the certified rates at the last formal valuation.

Net defined benefit liability (asset)

The present value of the defined benefit obligation less the fair value of the plan assets (adjusted for the asset ceiling).

Net interest income (expense)

The change during the period in the net defined benefit liability (asset) that arises from the passage of time. This includes allowance for interest on the current service cost.

#### HYMANS ROBERTSON LLP

Past service cost

The change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by the plan).

Present value of defined benefit obligation

The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Settlement

Occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan, for example, when a lump-sum cash payment is made to, or on behalf of, plan participants in exchange for their rights to receive specified post-employment benefits.

Weighted average duration

The weighted average time until payment of all expected future discounted cashflows, determined based on membership and the financial and demographic assumptions as at the most recent actuarial valuation. The shorter the duration, the more 'mature' the employer.

# Appendix 2 – Briefing Note on Assumptions



# briefing 1001e

LOCAL GOVERNMENT ACCOUNTING

February 2016



Steven Scott Actuary



Craig Alexander Actuarial Student



We recommend that each employer discusses the proposed assumptions with their auditor.

# Local Government Pension Scheme: Accounting Assumptions - 31 March 2016

This briefing note has been prepared by Steven Scott and Craig Alexander of Hymans Robertson's Public Sector Practice. This outlines the approach to deriving our recommended accounting assumptions as at 31 March 2016, specifically for employers participating in the LGPS. We recommend that this paper is shared with all employers in the Fund with March year ends. This will allow employers to discuss our approach with their auditors in advance of the accounting date and decide if they are appropriate to their circumstances.

For the avoidance of doubt, our approach to assumption setting outlined in this briefing note applies to all accounting disclosures (unless otherwise stated). Please note we have discussed our approach with the National Audit Office who have not raised any concerns. We also propose that the same approach be adopted for valuing any unfunded liabilities

# **Background to accounting assumptions**

As for any actuarial calculation, the value of the liabilities for accounting purposes is heavily dependent on the assumptions underpinning the calculations.

In order to be able to provide reports to employers quickly and at a reasonable cost, our default approach is to prepare accounting reports based on our recommended assumptions.

We believe our recommended assumptions are appropriate for the majority of employers, particularly local authorities and other public sector bodies.

Employers are, however, ultimately responsible for the assumptions adopted and may adopt their own 'bespoke' assumptions for accounting purposes.

To assist employers in assessing whether they wish to accept our recommended assumptions, we have set out below the rationale for our recommendations for each of the principal assumptions.

We recommend that each employer discusses the proposed assumptions with their auditor.



# LOCAL GOVERNMENT ACCOUNTING

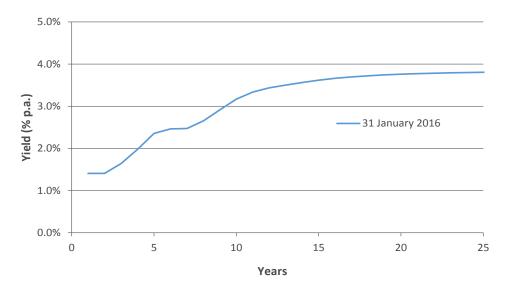
#### **Discount Rate**

IAS19 and FRS102 state that the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high quality corporate bonds used to set the discount rate should be consistent with the currency and term of the liabilities.

# Corporate bond yield curve

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

We have adopted an approach to setting the discount rate whereby a "Hymans Robertson" corporate bond yield curve is constructed based on the constituents of the iBoxx AA corporate bond index. The chart below shows a representative yield curve as at 31 January 2016.



## Weighted average duration

The discount rate should reflect the 'term' of the benefit obligation. We have interpreted 'term' to be the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on membership and the financial and demographic assumptions at a particular time'. The shorter the duration, the more 'mature' the employer.

With increased divergence of LGPS employers, it is now the case that the weighted average durations of individual employers are materially different. It is therefore no longer appropriate for all employers to adopt the same financial assumptions for accounting purposes. Therefore, we continue to recommend separate discount rates (and corresponding RPI/CPI inflation assumptions) for individual employers, dependent on their own weighted average duration. The first step in this is to allocate each employer to a duration category as defined below:

Weighted average duration	Duration category
Less than 17 years	Short
Between 17 and 23 years	Medium
More than 23 years	Long

The weighted average duration used to identify the appropriate category for each employer is determined by us at the most recent actuarial valuation.

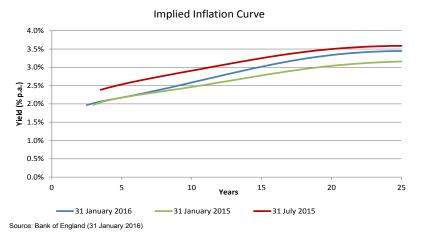


# LOCAL GOVERNMENT ACCOUNTING

#### **Retail Prices Inflation (RPI)**

This assumption is typically derived from yields available on fixed interest and index linked government bonds, and should be consistent with the derivation of the discount rate.

The chart below shows the Bank of England implied inflation curve over a range of maturities at 31 January 2016, 31 July 2015 and 31 January 2015. Cashflow weighted single RPI rates are derived from the Bank of England implied inflation curve that recognise the weighted average duration of each corresponding duration category defined above.



# **Pension Increases (CPI)**

The pension increase assumption is set in line with our Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, we need to estimate the long term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

Based on an accumulation of evidence over the last four years from the Office for National Statistics (ONS) about RPI vs CPI, we are increasing our assumed RPI-CPI gap to 1.0 % p.a. at 31 March 2016 (compared to 0.9% p.a. at 31 March 2015).

# Salary growth

Our recommended assumption will generally be consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

### Indicative financial assumptions (based on market conditions as at 31 January 2016)

The following table shows the **indicative financial assumptions** based on this methodology and **market conditions as at 31 January 2016**.

Bond yields have been particularly volatile over the period since 31 March 2015 and this high volatility is expected to continue at least until 31 March 2016. It is the observed bond yields at 31 March 2016 that will be used to set our recommended assumptions as at 31 March 2016, therefore the 2016 assumptions are subject to change.

	Discount	RPI (CPI)	Discount	RPI (CPI)	Discount	RPI (CPI)
Duration	rate	as at	rate	as at	rate	as at
category	as at	31 Mar	as at	31 Jan	as at	31 Mar
	31 Mar	2015	31 Jan	2016	31 Mar	2016
	2015		2016		2016	
Short	3.1%	3.0% (2.1%)	3.6%	3.1% (2.1%)	tbc	tbc
Medium	3.2%	3.3% (2.4%)	3.7%	3.2% (2.2%)	tbc	tbc
Long	3.3%	3.4% (2.5%)	3.8%	3.3% (2.3%)	tbc	tbc

All else being equal, the financial assumptions above would lead to a reduction in the value placed on the liabilities compared to the financial assumptions typically adopted at 31 March 2015.



# LOCAL GOVERNMENT ACCOUNTING

However, looking at the 10 month period to 31 January 2016, Funds are likely to have experienced significantly lower than expected asset returns which will partly offset any gains made on the liabilities described above. Clearly the balance sheet position at 31 March 2016 will be hugely dependent on how markets move between now and 31 March 2016.

### Longevity assumptions

Our recommended longevity assumptions for the 2016 accounting exercise are in line with those adopted by funds for the most recent actuarial valuation (please refer to the valuation report for your own fund for further information).

### Other demographic assumptions

These include assumptions for commutation, withdrawal, ill-health early retirements, proportions of deaths leaving a dependant, etc. The assumptions underlying the valuation should be mutually compatible and lead to the best estimate of the future cash flows that will arise under the scheme liabilities.

We gathered data on recent experience of LGPS funds in order to set appropriate demographic assumptions for the most recent formal funding valuation. For all funds, our recommendation will be to use the same demographic assumptions for accounting purposes as at the most recent valuation. Collectively, these are intended to be best estimate.

## **Next steps for employers**

Unless otherwise advised, any accounting reports commissioned by employers through the Administering Authority will be based on our default recommended assumptions, which are intended to fully comply with IAS19, FRS102 and FRS17.

The Directors (or equivalent) of the employer should be satisfied that the combined effect of the assumptions is reasonable as a whole. **We recommend that each employer discusses the proposed assumptions with their auditor.** 

We would of course be happy to tailor any of the assumptions to the needs of individual employers.

- Where an employer and its auditor decide to use a different approach to setting just the financial assumptions (e.g. discount rate, salary increase rate) for accounting purposes, there will be a small additional fee.
- Any different approach to demographic assumptions (e.g. life expectancy) is more time-consuming to adopt, and the additional fee is likely to be greater than adopting different financial assumptions.

If we are provided with a note of any 'bespoke' assumptions shortly after the year-end, we should be able to process as part of the main batch of reports in the most cost effective manner. Any delay to providing us with this information may result in the employer not benefiting from the standard batch fees and timescales.

It should also be noted that Hymans Robertson fees for LGPS employers (including the consideration and adoption of bespoke assumptions) are a fraction of the fees for sponsoring employers of stand-alone private sector schemes; this is due to the efficiencies and economies of scale which Hymans Robertson has put in place for the employers' benefit.

Briefing Note **04** 





# Appendix 3 – Briefing Note on Results

# briefing 10te

Accounting as at 31 March 2016 – Results commentary

**April 2016** 



Steven Scott Actuary



Craig Alexander Actuarial Student

# 31 March 2016 accounting exercise Assumptions and results commentary

Steven Scott and Craig Alexander summarise Hymans Robertson's recommended accounting assumptions at 31 March 2016 and provide high level commentary on the results for 'typical' LGPS employers.

### Recommended financial assumptions as at 31 March 2016

The approach to setting our recommended accounting assumptions as at 31 March 2016 is set out in our February 2016 Briefing Note. Our recommended financial assumptions as at 31 March 2016 are set out below.

Weighted average duration	Discount rate	RPI inflation (CPI)
Less than 17 years (Short)	3.4%	3.1% (2.1%)
Between 17 and 23 years (Medium)	3.5%	3.2% (2.2%)
More than 23 years (Long)	3.6%	3.2% (2.2%)

The demographic assumptions, including longevity, are set in line with the assumptions adopted at the latest formal valuation.

# **Results commentary**

Each employer's results will reflect their own specific circumstances. Therefore, this update should be considered as an illustrative guide to the main issues affecting most employers, rather than a detailed explanation of each employer's experience.

The balance sheet position for the typical employer is likely to have improved over 2015/16. This is as a result of an increase in the net discount rate over this period, the positive impact of which has outweighed the likely lower than expected asset returns.

The 2015/16 charge to Profit & Loss is based on financial conditions at the *start* of the year i.e. assumptions as at 31 March 2015. The service cost and net interest cost for 2015/16 should be broadly in line with the projections made in our 2015 reports.





# Accounting as at 31 March 2016 - Results commentary

The projected 2016/17 charge to Profit & Loss is likely to be lower than the 2015/16 charge. The reasons for this are as follows;

- A higher net discount rate (the discount rate net of inflation), leading to a lower current service cost.
- The effect of the change in assumptions and 2015/16 asset experience on the 2016/17 net interest cost will vary for each employer. However, for the typical employer, the 2016/17 net interest cost is likely to be less than the 2015/16 net interest cost due to the likely lower deficit at 31 March 2016.

Please speak to your usual Hymans Robertson contact if you have any queries in respect of this.



# Annual Report for the year ended

31 March 2016



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

# No later than 31 August 2016 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood Management Division, Area 3C, Nobel House, 17 Smith Square, London SW1P 3JR via <u>floodreports@defra.gsi.gov.uk</u>
- National Flood and Coastal Risk Manager (Strategic Delivery), The Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH via <a href="mailto:rachael.hill@environment-agency.gov.uk">rachael.hill@environment-agency.gov.uk</a>
- 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 £.

KING'S LYNN ENTER INTERNAL DRAINAGE BOARD NAME HERE Internal Drainage Board

# Section A – Financial information

# Preliminary information on special levies issued by the Board for 2016-17

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 2016-17 (forecast)		
Name of local authority	2016-17 forecast £	
1. KING'S LYNN AND WEST NORFOLK BOROUGH COUNCIL	1,752,700	
2. FENLAND DISTRICT COUNCIL	81,280	
3. SOUTH HOLLAND DISTRICT COUNCIL	22,530	
4.		
5.		
6.		
7.		
8.		
Total	1,856,510	

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# Income and Expenditure Account for the year ending 31 March 2016

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

	Notes	Year ending 31 March 2016 £
INCOME		
Drainage Rates		303,611
Special Levies		1,843,606
Contributions from the Environment Agency		33,978
Contributions applied from developers/other beneficiaries		56,576
Government Grants		45,456
Rechargeable Works		36,130
Interest and Investment Income		24,518
Rents and Acknowledgements		1,964
Other Income	1	39,970
Total income		2,385,809
EXPENDITURE		
New Works and Improvement Works	2	582,066
Contributions to the Environment Agency	3	159,146
Drains Maintenance	4	776,140
Pumping Stations, Sluices and Water level control structures	5	238,204
Administration	6	176,536
Rechargeable Works	7	35,303
Finance Charges	8	0
SSSIs	9	0
IDB Biodiversity Action Plan actions or other biodiversity activities	10	4,500
Other Expenditure	11	0
Total expenditure		1,971,895
EXCEPTIONAL ITEMS		
Profits/(losses) arising from the disposal of fixed assets		(25,750)
Net Operating Surplus/(Deficit) for the year		388,164

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#### Notes:

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

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# Section B – Defra high level target and IDB Review Reporting

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

# **HLT 1 – Policy Delivery Statement**

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

The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be store on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan		
con the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.  HLT 3 – Biodiversity  Please indicate whether your Board has published a Biodiversity Action Plan	HLT 2 – Information on the National Flood and Coastal Defence Database	
Please indicate whether your Board has published a Biodiversity Action Plan		
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)  Directly employed staff  Contracted persons or consultants	HLT 3 – Biodiversity	
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)  Directly employed staff  Contracted persons or consultants	Please indicate whether your Board has published a Biodiversity Action Plan	Ye
which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Virectly employed staff Contracted persons or consultants	Access to environmental expertise	
Directly employed staff  Contracted persons or consultants		through
Contracted persons or consultants	which environmental expertise is regularly provided to your IDB:	$\checkmark$
•	·	,
Environmental Partners/NGOs $ abla$	which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Directly employed staff	$\sqrt{}$
	which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Directly employed staff  Contracted persons or consultants	$\sqrt{}$
	which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Directly employed staff	√ √ √
	which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Directly employed staff  Contracted persons or consultants  Environmental Partners/NGOs	√ √ √
	which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Directly employed staff  Contracted persons or consultants  Environmental Partners/NGOs	√ √ √
	which environmental expertise is regularly provided to your IDB:  Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)  Directly employed staff  Contracted persons or consultants  Environmental Partners/NGOs	√ √ √

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# **Asset Management (IDB Review Strand A3)**

What system/database does your Board use to manage the assets it is responsible for? (A) ADIS (B) NFCDD (C) Paper Records (D) Other Electronic System (please describe)

Has your Board continued to undertake visual inspections and update asset databases on an annual basis?	Yes
(D) Bespoke Microsoft Access Database and GIS	

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Guidance and Best Practice (IDB Review Section B)	
How many Board members (in total – elected and appointed) do you have on your IDB?	21
Has your IDB adopted a formal Scheme of Delegation?	Yes
Has your IDB provided training for members in the last year?	
Considered:	
Implemented:	Yes
Please detail:	
Various presentations	
Immediate Action (IDB Review Section C)	
Has your IDB adopted minimum website requirements as specified in the	
IDB Review Implementation Plan?	Yes
Is your Board's website information current for 2016? (Board membership, audited accounts, programmes of works, WLMPS, etc)	Yes
Has your IDB adopted computerised accounting and rating systems,	
as specified in the IDB Review Implementation Plan?	Yes
Has your Board adopted the following governance documents?	
Standing Orders	Yes
Have the Standing Orders been approved by Ministers	Yes
Byelaws	Yes

Have the Byelaws been approved by Ministers......Yes

Code of Conduct for Board Members......Yes

Financial Regulations......Yes

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# Section C - Declaration

**Email address** 

phil@wlma.org.uk

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# **BOARD MEMBERSHIP AS AT 31 MARCH 2016**

NAME	MEETINGS	ATTENDED	ATTENDANCE %	CONTACT DETAILS
ELECTED MEMBERS				
Askew J R	6	5	83	john@neoils.freeserve.co.uk
Austen J S *	6	6	100	john.austen@btopenworld.com
Banham K (wef Nov 15)	3	3	100	keith.banham@sandrringhamestate.co.uk
Keene S (Ms)	6	4	67	wmf@farmline.com
Lensen A	6	6	100	alensen@velcourt.co.uk
Markillie R S	6	5	83	Robert@markilliefarms.co.uk
Markillie S A R	6	4	67	shf@strawberryhall.co.uk
Matkin T	6	5	83	timmatkin@lugdenhill.co.uk
Riddington M	6	4	67	mark@fwdeptford.co.uk
Symington J	6	5	83	jls@farming.co.uk
APPOINTED MEMBERS				
Ayres B (wef July 15)	5	4	80	cllr.barry.ayres@west-norfolk.gov.uk
Baron M Chenery of Horsbrugh	6	2	33	michael.chenery@norfolk.gov.uk
Crofts C	6	5	83	cllr.chris.crofts@west-norfolk.gov.uk
Groom R W	6	5	83	cllr.roy.groom@west-norfolk.gov.uk
Lord Howard of Rising	6	4	67	cllr.greville.howard@west-norfolk.gov.uk
Long B **	6	6	100	cllr.brian.long@west-norfolk.gov.uk
Nockolds E (Mrs)	6	4	67	cllr.elizabeth.nockolds@west-norfolk.gov.uk
Whitby D	6	4	67	cllr.david.whitby@west-norfolk.gov.uk
Wing-Pentelow T (wef July 15)	5	5	100	cllr.toby.wing-pentelow@west-norfolk.gov.uk
Young S (Mrs)	6	3	50	cllr.sheila-young@west-norfolk.gov.uk
Fenland DC				
Oliver D	6	2	33	doliver@fenland.gov.uk

<sup>\*</sup> Chairman

Average attendance = 75%

<sup>\*\*</sup> Vice-Chairman



# **Board Members and Officers**

# Gifts and Hospitality Register for 2015/16

Date	Member/Employee	Offer from	Description	Value (if known)	Accepted/Declined
12-13 Oct 2015	Gary Howe	Johnson Brothers, Greenway Lane, Fakenham	Trip to Holland to view tractor and herder, (part of mobile plant requirements 2016/17)	Unknown	Accepted

# Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual return for the year ended 31 March 2016

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'\* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

# The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. Smaller authorities must approve Section 1 before Section 2.
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Sections 1 and 2 of this annual return no later than 30 June 2016.

#### Completing your annual return

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

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

Send the annual return, together with the bank reconciliation as at 31 March 2016, an explanation of any significant year on year variances in the accounting statements, your notification of the commencement date of the period for the exercise of public rights and any additional information requested, to your external auditor by the due date.

Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication or public display of Sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2016.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014

# Section 1 - Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of	
smaller authority here:	

KINGS LYNN INTERNAL BRAINAGE BOARD

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2016, that:

The second secon	Agreed		Yes'	
	Yes	No"	means that this smaller authority:	
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.	
We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	1		made proper arrangements and accepted responsibility for safeguarding the public mone and resources in its charge.	
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 smaller authority to conduct its business or on its finances.	V		has only done what it has the legal power to do and has complied with proper practices in doing so.	
We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	V		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.	
We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	1		considered the financial and other risks it faces and has dealt with them properly.	
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.	
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.	
We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the yeer-end, have a financial impect on this smaller 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.	
(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 NA	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	
nis annual governance statement is approved by this naller authority and recorded as minute reference:		Signed by: Chair	Mustey	
49/16/02		dated Signed by:	27" Hay 2016	
21/03/2016		Clerk	11. 4.	
	financial management during the year, and for the preparation of the accounting statements.  We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.  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 smaller authority to conduct its business or on its finances.  We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.  We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.  We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.  We took appropriate action on all matters raised in reports from internal and external audit.  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 smaller authority and, where appropriate have included them in the accounting statements.  (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountebility responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.  We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.  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 smaller authority to conduct its business or on its finances.  We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.  We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.  We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.  We took appropriate action on all matters raised in reports from internal and external audit.  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 smaller authority and, where appropriate have included them in the accounting statements.  (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.	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.  We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.  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 smaller authority to conduct its business or on its finances.  We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.  We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.  We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.  We took appropriate action on all matters raised in reports from internal and external audit.  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 smaller authority and, where appropriate have included them in the accounting statements.  (For local councilis 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.  Signed by: Chair	

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

# Section 2 - Accounting statements 2015/16 for

Enter name of smaller authority here:

KINGS LYNN INTERNAL DRAINAGE

		Year	ending	Notes and guidance
		31 March 2015— 2.E.S.T.L.T.Eb	31 March 2016 £	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1.	Balances brought forward	5100406	5076564	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	2147310	2147217	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3.	(+) Total other receipts	250794	296392	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	650410	628958	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5.	(-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6.	(-) All other payments	1771536	1728936	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	5076564	5162-279	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	5132181	5279308	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	1967231	2180832	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority as at 31 March
10.	Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11.	(For Local Councils Only) Disclosure note re Trust funds (including charitable)		Yes No	The Council 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 2016 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

P. Can amile 27/05/2016

Date

I confirm that these accounting statements were approved by this smaller authority on this date:

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements.

Date

# Section 3 – External auditor certificate and report 2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:

Enter name of smaller authority here: King's Lyn Internal Drainage Board

# Respective responsibilities of the body and the auditor

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

- · summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual 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.

# External auditor report

(Except for the metters reported below)* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant
legislation and regulatory requirements have not been met. (*delete as appropriate).
(continue on a separate sheet if required)
Other matters not affecting our opinion which we draw to the attention of the smaller authority:
(continue on a separate sheet if required)
External auditor signature Magaza LLP
External auditor name Mazars LLP. Durham, DH1 5TS Date 19 September 2016
Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

# Annual internal audit report 2015/16 to

Enter name of smaller authority here:

KING'S LYNN INTERNAL DRAMAGE BOARD

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective			Agreed? Please choose only one of the following		
		Yes	No.	Not covered**	
A.	Appropriate accounting records have been kept properly throughout the year.	-			
В.	This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	7			
C.	This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	7			
D.	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	7			
E.	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	7			
F.	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	1			
G.	Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	7			
H.	Asset and investments registers were complete and accurate and properly maintained.	V			
I.	Periodic and year-end bank account reconciliations were properly carried out.	>			
J.	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments 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.	7			
K.	(For local councils only)  Trust funds (including charitable) – The council met its responsibilities as a trustee.	Y 65	Ni	Not applicable	

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

LECER TO ATTACNED INTERNAL ANDIT REPORT

Name of person who carried out the internal audit KATE LITTLEWOOD, CMIIA

Signature of person who carried out the internal audit

MBLAMUSOOd

29/04/2016

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

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

# Guidance notes on completing the 2015/16 annual return

- You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide\* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
- 2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs.
  Smaller authorities must approve the annual governance statement before approving the accounts.
- Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically asked for. Doing so is not helpful.
   However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer
   or Chair.
- 5. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide\*.
- 6. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide\* to assist you.
- 7. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge. From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.
- Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).
- Do not complete Section 3 which is reserved for the external auditor.

Completion checklist -	No' answers mean you may not have met requirements	Done?
All sections	All highlighted boxes have been completed?	
	All additional information requested, including the dates set for the period for the exercise of public rights, has been provided for the external auditor?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2016 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Sections 1 and 2	Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	

<sup>\*</sup>Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from www.nalc.gov.uk or www.slcc.co.uk or www.ada.org.uk



# **Water Management Alliance**

# INTERNAL AUDIT REPORT 2015/16

# **April 2016**

# **Contents:**

1.	Executive Summary
2.	Overall Conclusion
3.	Acknowledgements
4.	Detailed Observations, Recommendations and Agreed Actions
APP 1	Agreed Terms of Reference

# 1. Executive Summary

The audit of the Water Management Alliance and the constituent Internal Drainage Boards was carried out by Kate Littlewood and Karen Butler for the year 2015-16. This Executive Summary sets out our overall conclusion on the system reviewed, and summarises the key recommendations arising. A copy of the Terms of Reference for this audit is attached as **Appendix 1**.

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

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

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

New guidance was issued on 30<sup>th</sup> March 2016 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 2016'. Although the new guide does not become mandatory until the 2016/17 financial reports are prepared, the Water Management Alliance has decided on early adoption on a voluntary basis. With this in mind the auditor has considered the effect the new guidance would have on the required internal audit and has concluded that essentially the work remains the same. Therefore the audit has been undertaken in line with previous years, based on the 2007 guidance. Audit work has included review of the procedures and systems of control in place at the Water Management Alliance and considered if they were effective and being applied as intended. Sample testing was carried out on elements as considered necessary by the auditor in order to substantiate the application of the control.

As part of the audit a follow-up was carried out on the recommendations raised in last year's report. All recommendations made have been implemented. It was not possible to test the results of promoting the use of direct debit to collect rates as the invoices raised in April 2016 are the first to display the message. A note has been made to test collection rates during the 2017 audit.

#### 2. Overall Conclusion

In conclusion, the procedures used at the Water Management Alliance are simple but effective, and appear to be carried out diligently by all staff concerned. Controls are working as expected. However, there are some aspects that can be improved and details

of recommendations can be found in Section 4 together with the actions agreed with the Chief Executive.

The overall level of assurance attributed to the system is:

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

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

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

# 3. Acknowledgements

We would like to express our thanks for their assistance and co-operation to:
Mary Creasy, Personal Assistant (CEO)
Michelle Futter, Finance Officer
Trish Walker, Finance Assistant
Graham Tinkler, Rating Officer/Site Warden

Subject Area 4.1 – Cashbook and Bank Reconciliations

W.P. TS7.2

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
1. Bank Reconciliation Observation Bank reconciliations are carried out weekly, as per Financial Regulations. Evidence is presented to the Chief Executive each month in the form of a cashflow statement. All bank accounts remained in credit throughout the year.  The East Suffolk bank statements were referred back to the Finance Assistant as the opening and closing balances for 1 month could not be confirmed. For the month of December there appeared to be one day missing (15 December) meaning the opening and closing balances did not agree. A correct bank statement was obtained and evidenced during the audit.  The Finance Officer and Assistant split the bank reconciliations between them and there is evidence that the 2 do not keep the same paperwork to evidence their reconciliations.  Consequence Monthly reconciliations are carried out correctly but this is not always evidenced.  The method of carrying out the bank reconciliation is thorough but the supporting reports from Sage are not always printed.  Recommendation Agree a single method of reconciliation and the supporting documentation that should be kept as evidence.	Medium	Agreed.  The method of reconciliation and the evidence kept will be coordinated.  Finance Officer

Subject Area 4.2 – Payroll W.P. Ref. TS7.3

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
2. Timesheet Authorisation		
Observation		
Files containing the timesheets were requested and checked for evidence of timesheets and authorisation.	Low	Agreed.
Results were summarised in a spreadsheet. All timesheets had been signed by the Operations Managers for each Board and by the Finance Officer for WMA.		The method of authorising these timesheets will be reviewed.
The Broads Operations Manager is authorising his own timesheets due to the remoteness of the working area. The Operations Manager is now managing 3 sites, Broads, Norfolk Rivers and East Suffolk. For this reason at the end of each month an invoice is raised to recharge supervisory time for the other IDB's. While the Broads Operations Manager is salaried, the timesheets are used to evidence the recharges to other boards. It was also noticed during the Creditors audit that these are also authorised by the Broads Operations Manager.		Chief Executive/Catchment Engineer.
Consequence There is no segregation of duties. This is not best practice, however there is a some mitigating control as all payroll is countersigned by the Chief Executive when is has been entered into Sage and the report produced.		
<b>Recommendation</b> To be discussed to establish if separate authorisation is possible under the new working arrangements.		

Subject Area 4.3 – Creditors W.P. Ref. TS7.5

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
3. Employment Status Indicator (ESI) Observation		
A sample of payments for each Board was selected from the bank statements and traced back to source documents. Purchase orders and invoice payments were for authorisation in accordance with Financial Regulations. Creditor's reports and files containing invoices from all the sites were requested and a sample was checked.  Purchase orders and invoice payments are being authorised by the same person. This does not appear to be breach of Financial Regulations. A mitigating control is the review of the Proposed Payments list by the Chief Executive prior to the payment run.  Invoices were seen for a retired employee, who was engaged to complete some extra work after his retirement. The Finance Officer was of the opinion that this was a short term agreement and would no longer happen. Engagements of this type should be processed through the HMRC Employment Status Indicator Tool. HMRC would require this indicator to prove that the person was self-employed and therefore should not be treated as an employee for Tax and National Insurance. However on processing this engagement through the HMRC ESI Tool, it reported that this individual's status was self-employed in respect of this engagement.	High	Agreed.  Information is to be passed to the WMA and officers procuring contractors will be required to go through the on-line checking process.  Chief Executive.
Consequence It is very important that WMA is able to show an accurate audit trail in the event of a HMRC enquiry or audit concerning decisions made as to whether an individual was self-employed or not.		
Recommendation  For each engagement the person engaging the work, who must have knowledge of how the individual shall be employed, should obtain a HMRC Employment Status Indicator report using the online ESI tool. At the end of the test the tool determines whether the individual is classed as self-employed or employed and provides a reference number to use as evidence.		

# **Internal Audit Services**



# **WATER MANAGEMENT ALLIANCE**

INTERNAL AUDIT TERMS OF REFERENCE 2015-16

# 1. INTRODUCTION

- 1.1 This document sets out the strategy and plan for the audit of the Water Management Alliance for the year 2015-16.
- 1.2 Section 4 of The Accounts and Audit Regulations 2011 states that 'The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control'.
- 1.3 Internal Audit is defined as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.'

Public Sector Internal Audit Standards, April 2013

- 1.4 The Internal Auditor will work in accordance with the Public Sector Internal Audit Standards (PSIAS) adopted by CIPFA from April 2013 and thus will be able to provide the review required by the Regulations.
- 1.5 The authority of the Internal Auditor is established in the Financial Regulations.
- 1.6 The audit work will concentrate on records and systems used by the Water Management Alliance, who provide the financial and administrative functions for:
  - Broads (2006) IDB
  - East Suffolk IDB
  - King's Lynn IDB
  - Norfolk Rivers IDB
  - South Holland IDB.

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

# 2. OBJECTIVES AND SCOPE OF THE AUDIT

- 2.1 The work of the Internal Auditor will be guided by 'Governance and Accountability in Internal Drainage Boards in England A Practitioners Guide (Rev 2007)'.
- 2.2 In order to be able to complete section 4 of the Electronic Annual Return for 2016 the auditor will consider the following:
  - A. The Accounting Records

To ensure that the accounting system is accurate, complete and timely, and that data input is being verified appropriately.

B. Financial Regulations and Standing Orders
To ensure that they are current and are being adhered to.

C. Risk Management processes

To ensure that management review the Risk Register on a regular basis and that risk is being identified and actively managed in a proportionate manner.

# D. Budgetary Controls

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

#### E. Income Controls

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

# F. Petty Cash Procedures

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

# G. Payroll Controls

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

# H. Asset Management

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

#### I. Bank Reconciliation

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

#### J. Year-end Procedures

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

- 2.3 Any recommendations and issues arising from the previous audit will also be followed up to establish if they have been implemented or if there is a satisfactory explanation for non-implementation.
- 2.4 Contained within the scope of work described above it is implied that the auditor will have due regard for Value for Money considerations and the potential for fraud.

# 3. TASKS

# 3.1.1 The project tasks are to:

- Establish if the procedures recorded as part of the audit for 2014-15 remain the same and document any changes that may have taken place.
- Perform tests to establish that systems are operating in accordance with the procedures and that good practice is being complied with.
- Assess strengths and weaknesses of the systems operated and the levels of financial and management risk.
- Discuss the results with the Chief Executive and make recommendations as appropriate, which will be communicated to the Boards by means of a report.

• Complete Section 4 of the Electronic Annual Return for 2015-16.

# 4. WORK PLAN

4.1 The audit will be undertaken by
Mrs Karen Butler,
Auditor, Borough Council of King's Lynn and West Norfolk.

4.2 The audit has been allocated 5 days, which will be utilised as follows:

Task	Time
Confirm existing procedures and record any changes. Undertake a follow-up of actions agreed from the audit report for the year 2014-15.	0.5
Testing – to establish that processes are being applied as intended.	3.5
Conclusions and discussion	0.5
Completing the Return and reporting if required.	0.5

# 5.0 AGREEMENT

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