



Pevensey and Cuckmere

Water Level Management Board

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDING
31 MARCH 2019**

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

From: 01 April 2018
To: 31 March 2019

Period To: 12
Year Ending: 31 March 2019

NOTE	INCOME AND EXPENDITURE ACCOUNT	£	£	£	£	£	£	£	£	£	£	£	
		PEVENSEY				CUCKMERE				TOTAL			
		ACTUAL 2017/18	BUDGET 2018/19	ACTUAL 2018/19	VARIANCE 2018/19	ACTUAL 2017/18	BUDGET 2018/19	ACTUAL 2018/19	VARIANCE 2018/19	ACTUAL 2017/18	BUDGET 2018/19	ACTUAL 2018/19	VARIANCE 2018/19
INCOME													
1	Drainage Rates	10,937	11,285	11,595	310	6,023	10,256	12,661	2,405	16,960	21,541	24,255	2,714
2	Special Levies:												
	Eastbourne Borough Council	215,288	222,302	222,302	0	0	0	0	0	215,288	222,302	222,302	0
	Hastings Borough Council	10,897	11,252	11,252	0	0	0	0	0	10,897	11,252	11,252	0
	Rother District Council	3,994	4,124	4,124	0	0	0	0	0	3,994	4,124	4,124	0
	Wealden District Council	42,832	44,228	44,228	0	4,924	8,411	8,411	0	47,756	52,639	52,639	0
		273,011	281,906	281,906	0	4,924	8,411	8,411	0	277,935	290,317	290,317	0
	Other Income:												
	Net Cash Transfer from the Environment Agency	14,430	0	0	0	7,935	0	0	0	22,365	0	0	0
3	Surface Water Development Contributions	51,068	65,000	299,379	234,379	0	0	27,308	27,308	51,068	65,000	326,686	261,686
4	Highland Water Contributions from the Environment Agency	60,000	73,429	73,429	0	3,000	2,466	2,466	0	63,000	75,895	75,895	0
5	Grants Applied	0	9,995	9,995	0	0	0	0	0	0	9,995	9,995	0
6	Consent Fees	200	250	600	350	0	50	200	150	200	300	800	500
7	Bank and Investment Interest	57	75	336	261	7	25	80	55	64	100	416	316
8	Other Income	1,247	0	5,957	5,957	0	0	543	543	1,247	0	6,500	6,500
9	Income from Rechargeable Works	0	0	89,838	89,838	0	0	0	0	0	0	89,838	89,838
		127,002	148,749	479,533	330,784	10,942	2,541	30,597	28,056	137,944	151,290	510,130	358,840
		410,950	441,940	773,034	331,094	21,889	21,208	51,669	30,461	432,839	463,148	824,703	361,555
(-) EXPENDITURE													
Directly Allocated Expenditure													
5	Grant Work	0	9,995	9,995	0	0	0	0	0	0	9,995	9,995	0
9	Cost of Rechargeable Works	0	0	66,423	-66,423	0	0	0	0	0	0	66,423	-66,423
10	New and Improvement Works	0	0	0	0	0	0	0	0	0	0	0	0
11	Contributions to the Environment Agency	104,492	110,465	68,405	42,060	1,508	1,595	1,595	0	106,000	112,060	70,000	42,060
12	Maintenance Works	129,098	155,426	161,086	-5,660	4,619	8,165	8,164	1	133,717	163,591	169,250	-5,659
		233,590	275,886	305,909	-30,023	6,127	9,760	9,759	1	239,717	285,646	315,668	-30,022
Apportioned Expenditure													
13	Operations Delivery Staff Costs	52,620	44,221	45,821	-1,600	532	4,914	5,091	-177	53,152	49,135	50,912	-1,777
14	WMA Technical Support Staff Costs	25,317	22,793	33,472	-10,679	255	2,533	3,719	-1,186	25,572	25,326	37,191	-11,865
15	Other Technical Support Staff Costs	0	65,000	53,149	11,851	0	0	4,848	-4,848	0	65,000	57,997	7,003
16	WMA Administration Staff Costs	34,006	20,898	34,495	-13,597	344	2,322	3,833	-1,511	34,350	23,220	38,328	-15,108
17	Audit Fees	495	1,000	1,000	0	5	200	200	0	500	1,200	1,200	0
18	Depreciation	5,412	5,037	5,411	-374	55	559	601	-42	5,467	5,596	6,012	-416
19	General Insurances	0	1,575	1,677	-102	0	105	187	-82	0	1,680	1,864	-184
20	Accommodation and Meeting Room Hire	2,770	2,000	3,190	-1,190	28	200	355	-155	2,798	2,200	3,545	-1,345
21	Postages and Stationery	54	525	364	161	1	210	40	170	55	735	404	331
22	Advertising and Public Notices	1,101	500	0	500	11	200	0	200	1,112	700	0	700
23	ADA Subscriptions and Other Expenses	3,892	2,505	5,247	-2,742	39	205	583	-378	3,931	2,710	5,830	-3,120
		125,667	166,054	183,826	-17,772	1,268	11,448	19,456	-8,008	126,935	177,502	203,282	-25,780
		359,257	441,940	489,735	-47,795	7,395	21,208	29,215	-8,007	366,652	463,148	518,950	-55,802
(=) Net Surplus/(Deficit) for the Period													
		£51,693	£0	£283,299	£283,299	£14,494	£0	£22,454	£22,454	£66,187	£0	£305,752	£305,752

From: 01 April 2018
To: 31 March 2019

Period To: 12
Year Ending: 31 March 2019

NOTE	BALANCE SHEET, AS AT 31-3-2019	£ 01/04/2018	£ MOVEMENT	£ 31/03/2019
24 Fixed Assets:				
(i) Vehicles and Trailers		16,916	-5,596	11,321
(ii) Lockup and Equipment		0	0	0
(iii) Pumping Stations		6	0	6
		16,922	-5,596	11,327
Current Assets:				
25(i) Bank Account		26,045	175,817	201,861
25(ii) Short-Term Investments		60,063	250,416	310,479
26 Trade Debtors and Ratepayers Due		937	29,779	30,716
27 Vat Due from HMRC		16,557	-6,035	10,522
		103,602	449,976	553,578
Current Liabilities:				
28 Trade Creditors		21,128	79,756	100,884
29 Accruals		1,000	68,867	69,867
		22,128	148,623	170,751
Net Current Assets		81,474	301,353	382,827
Net Assets		£98,396	£295,757	£394,154
Financed by:				
30 Grant Reserve		9,995	-9,995	0
31 General Reserves		37,327	37,063	74,390
32 Development Reserve		51,068	268,689	319,758
33 Revaluation Reserve		6	0	6
		£98,396	£295,757	£394,154

P J CAMAMILE MA FCIS
CHIEF EXECUTIVE

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

From: 01 April 2018
To: 31 March 2019

Period To: 12
Year Ending: 31 March 2019

Note Notes to the Accounts

Income

- 1 Drainage Rate Demands for 2018/19 were issued by the Board on 1 April 2018. The Board has received approx. 99% of the drainage rates levied, with a diminishing number of legacy queries regarding land ownership and land occupancy still to resolve.
- 2 Special Levies for 2018/19 were issued by the Board on 1 April 2018. The Board has received 100% of Special Levies Due.
- 3 Surface Water Development Contributions received during the year:

	Pevensey	Cuckmere	Status
East Sussex County Council	2,486	0	Paid 16.10.2018
Linden Ltd	17,418	0	Paid 25.09.2018
East Sussex County Council	13,382	0	Paid 01.11.2018
Linden Ltd	17,418	0	Paid 20.12.2018
WW Martin Ltd	10,503	0	Paid 22.11.2018
Monson Homes Ltd	13,257	0	Debtor
Greymoor Homes (Greenlead) Ltd	17,272	0	Debtor (Paid 16.05.19)
Bellway Homes Ltd	103,821	0	Paid 08.02.2019
Orbit Homes (2020) Ltd	103,821	0	Paid 08.02.2019
Optivo Development Services Ltd	0	27,308	Paid 27.03.2019
	299,379	27,308	

- 4 The Board has received its highland water contributions claim from the EA for the year 2018/19. Highland water contributions are intended to reimburse the Board its costs for managing surface water that enters the district from outside the district, in accordance with s57 of the Land Drainage Act 1991. Full payment has been received on 03.10.2018.
- 5 The Board has received no Grant Funding during 2018/19. We had £9,995 sitting in our reserves for a Green Spaces Project paid to us by Natural England for works anticipated to be undertaken by East Sussex County Council (ESCC) in 2018/19. This grant has now been transferred to ESCC.
- 6 The Board issued eight consent fees in 2018/19, in accordance with powers afforded by s23 of the Land Drainage Act 1991. These have been paid in full.
- 7 Bank and Investment Interest arises from temporary cash surpluses being invested on the short term money market, in accordance with the Board's Investment Policy. This income has been apportioned to each of the Rating Sub Districts based on each District's proportion of the closing balances brought forward, as at 31 March 2018. (Pevensey = £81,311 and Cuckmere = £17,085).
- 8 Other Income has been accrued at £6,500. The WMA have received payment in full for 50% of the costs expected from Ardent Consulting, relating to maternity cover in 2018/19 from East Sussex County Council (ESCC).
- 9 Income from Rechargeable Works comes from work we have done for the Environment Agency and the costs attributed to this are also split out separately.

Directly Allocated Expenditure

- 10 There have been no New Works and Improvement Works carried out by the Board during the reporting period.
- 11 The Board has not received a Precept Invoice from the EA for 2018/19, but has accrued for the amount we expect to be charged for the year. The EA has power to levy such a charge on the Board annually, in accordance with s141 of the Water Resources Act 1991.
- 12 All drain maintenance work has been done by the Contractor AMH and supervised by the Board's Operations Manager. All pumping station maintenance has been carried out by Williams M&E.

Apportioned Expenditure

Non directly allocated expenditure has been apportioned between the Pevensey and Cuckmere Rating Sub Districts according to an assessment of the time spent working in each area, as budgeted: 90% for Pevensey and 10% for Cuckmere. Other Technical Support Staff Costs have been apportioned to each Sub District according to the amount of Surface Water Development Contributions received from development within each Sub District and watershed catchment.

From: 01 April 2018
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Note Notes to the Accounts

- 13 These costs relate to the employment costs of the Board's Operations Manager, which includes all Health & Safety PPE, fuel and maintenance costs for his 4 x 4 vehicle.
- 14 These costs relate to the time the WMA Engineer, Flood and Water Manager and Environmental Manager have spent working for the Board.
- 15 This relates to the gross cost of employing a full time Flood and Water Officer from August 2018 and net Consultancy Costs from the Ardent Consultancy to cover a period of maternity leave (£52,497). It also includes hosting costs of £3,500 and a one-off cost of £2,000 for the provision of computer equipment supplied by East Sussex County Council for the postholder to access their data network.
- 16 These costs relate to the time the WMA Chief Executive, Finance & Rating Manager, Rating Officer, the Chief Executive's PA and the Data Manager have spent working for the Board.
- 17 Audit Fees for 2018/19 have been accrued for the full 12 Months.
- 18 The Operations Manager's 4 x 4 vehicle and trailer is being depreciated by £4,850 and £745.75 per year respectively. Small tools have been purchased in year and fully depreciated at £416. The Storage Container and all small tools and equipment are shown in the Fixed Assets Register and have been fully depreciated.
- 19 The insurance costs have been received and paid in full for 2018/19. This came in slightly over the estimated amount. Insurances as a group have increased this year.
- 20 These costs relate to overnight accommodation charges for WMA staff, for hiring meeting rooms and for providing refreshments at Board meetings, site visits and inspections.
- 21 These costs relate to the printing and posting of Board meeting papers and Drainage Rate Demands.
- 22 These costs relate to the public notices that need to be advertised in the local press.
- 23 These costs include the Board's subscription for membership of the Association of Drainage Authorities (ADA), a professional assessment of Park Wood at Hellingly by a Chartered Forrester, members expenses and licence fees payable to the Information Commissioner's Office for Data Protection and to the WMA for the use of the DRS Online software.

Balance Sheet

	Vehicles and Trailers	Lockup and Equipment	Pumping Stations	Total
24 Fixed Assets				
Cost				
Opening Balance as at 1-4-2018	22,383	4,182	6	26,571
(+) Additions	0	416	0	416
(+) Revaluations	0	0	0	0
(-) Disposals	0	0	0	0
Closing Balance as at 31-3-2019	22,383	4,598	6	26,987
Depreciation				
Opening Balance as at 1-4-2018	5,467	4,182	0	9,648
(+) Depreciation Charge	5,596	416	0	6,012
(-) Accumulated depreciation written out on disposal	0	0	0	0
Closing Balance as at 31-3-2019	11,062	4,598	0	15,660
Net Book Value				
Net Book Value as at 31-3-2018	16,916	0	6	16,922
Net Book Value as at 31-3-2019	11,321	0	6	11,327

- (i) The trailer is being depreciated over 4 years: straight line on cost and 12 months of depreciation has been charged to the accounts. The Operations Manager's vehicle has 12 months of depreciation in the reporting period of April-March 2019.
- (ii) The Board has purchased a storage container which is located at the EAs Pevensey Depot. This lockup facility secures all of the Board's equipment used by the Operations Manager. This has been fully depreciated during the last reporting period.
- (iii) The Board owns 6 pumping stations, and these have been revalued in the manner set out in the Practitioners Guide 2019. These assets were received from the EA at zero cost, and have been included in the Fixed Assets Register with a nominal one pound (£1) value, as a proxy for the zero cost.

From: 01 April 2018
To: 31 March 2019

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Note Notes to the Accounts

25(i) Bank Account

The Board's Bank Account is reconciled as follows:

	2017/18	Movement	2018/19
Opening Balance as at 1-4-2018 b/fwd	63,050	-37,005	26,045
(+) Receipts	409,028	432,165	841,193
(-) Payments	-446,033	-219,344	-665,377
Closing Balance as at 31-3-2019 c/fwd	26,045	175,817	201,861
Balance on Bank Statement as at 31-3-2019	26,045	175,817	201,861
Less: Unpresented Payments	0	0	0
Add: Unpresented Receipts	0	0	0
Closing Balance as at 31-3-2019 c/fwd	26,045	175,817	201,861

25(ii) Short Term Investments

32 Day Deposit Account - Lloyds plc (average interest rate of 0.75%)

	2017/18	Movement	2018/19
	60,063	250,416	310,479

26 Trade Debtors and Ratepayers Due

	Pevensey	Cuckmere	2018/19
Trade Debtors	30,529	0	30,529
Highland Water Contributions from the EA	0	0	0
	30,529	0	30,529
Drainage Rates (less Worldpay amounts, in abeyance)	177	10	187
	177	10	187
Special Levies:			
Eastbourne Borough Council	0	0	0
Hastings Borough Council	0	0	0
Rother District Council	0	0	0
Wealden District Council	0	0	0
	0	0	0
	£30,706	£10	£30,716

27 Vat Due from HMRC

The Board is Vat Registered and therefore able to reclaim the Vat that it has paid to its suppliers. Drainage Rates, Special Levies and Surface Water Development Contributions are statutory charges and are beyond the scope for Vat purposes, so the Board should therefore be in a repayment position most of the time.

28 Trade Creditors

The Trade Creditors at the end of the reporting period are as follows:

	2017/18	Movement	2018/19
WMA	9,595	-1,080	8,514
AMH Contractor	9,940	29,514	39,454
Williams M&E Ltd	0	32,756	32,756
Ardent Consulting Engineers	0	15,695	15,695
Vodafone	0	52	52
PKF Littlejohn External Auditors	500	-500	0
Lloyds Plc	0	8	8
British Gas Business	855	2,512	3,367
Screwfix	0	38	38
Southern Farmers	45	584	629
Allstar Business Solutions	194	179	373
	21,128	79,756	100,884

29 Accruals

	2017/18	Movement	2018/19
Audit Fees	1,000	700	1,700

From: 01 April 2018
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Period To: 12
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Note Notes to the Accounts

Biodiversity Costs	0	2,000	2,000
EA Precept Charge for 2018/19	0	70,000	70,000
Pumping Station Insurances	0	2,667	2,667
Income receivable from ESCC (see Note 8 also)	0	-6,500	-6,500
	1,000	68,867	69,867

30 Grant Reserve

	Pevensey	Cuckmere	2018/19
Opening Balance, as at 1-4-2018 b/fwd	9,995	0	9,995
(+) Grants Received	0	0	0
(-) Grants Applied to Income & Expenditure Account	9,995	0	9,995
Closing Balance, as at 31-3-2019 c/fwd	0	0	0

31 General Reserve

	Pevensey	Cuckmere	2018/19
Opening Balance, as at 1-4-2018 b/fwd	20,242	17,085	37,327
(+) Net Surplus/(Deficit) for the Period	283,299	22,454	305,752
* (-) Transferred to Earmarked Development Reserve	-246,230	-22,460	-268,689
Closing Balance, as at 31-3-2019 c/fwd	57,312	17,079	74,390

* Surface Water Development Contributions Invoiced during the year	299,379	27,308	326,686
(-) Collection Costs:			
Gross cost of employing Flood and Water Officer	42,152	3,845	45,997
East Sussex County Council (ESCC) Hosting Costs	3,207	293	3,500
Provision of laptop and software to access ESCC data network	1,833	167	2,000
Net consultancy costs to cover maternity leave	5,957	543	6,500
	53,149	4,848	57,997
* (=) Transferred to Earmarked Development Reserve	246,230	22,460	268,689

32 Development Reserve

	Pevensey	Cuckmere	2018/19
Opening Balance, as at 1-4-2018 b/fwd	51,068	0	51,068
* Transferred from General Reserve, as detailed in Note 31 above	246,230	22,460	268,689
Closing Balance, as at 31-3-2019 c/fwd	297,298	22,460	319,758

33 Revaluation Reserve

	2017/18	Movement	2018/19
Star Inn Pumping Station	1	0	1
Barnhorn Pumping Station	1	0	1
Drockmill Pumping Station	1	0	1
Horsebridge Pumping Station	1	0	1
Rickney Pumping Station	1	0	1
Manxey Pumping Station	1	0	1
	6	0	6

Related Party Transactions

- 34 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 by Byzantine Ltd at an annual cost to the Board of £858.50. Mr P J Camamile is the Company Secretary of Byzantine Ltd and his wife Mrs P Camamile is a Director. Both are shareholders.

P J CAMAMILE MA FCIS
CHIEF EXECUTIVE

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

MAINTENANCE WORK FOR 2019/20

	PEVENSEY				CUCKMERE				TOTAL			
	ACTUAL	BUDGET	ACTUAL	VARIANCE	ACTUAL	BUDGET	ACTUAL	VARIANCE	ACTUAL	BUDGET	ACTUAL	VARIANCE
MAINTENANCE EXPENDITURE	2017/18	2018/19	2018/19	2018/19	2017/18	2018/19	2018/19	2018/19	2017/18	2018/19	2018/19	2018/19
<u>Pumping Stations:</u>												
MEICA planned servicing	5,705	5,705	5,705	0	0	0	0	0	5,705	5,705	5,705	0
MEICA additional work needed in year	1,109	6,000	7,677	-1,677	0	0	0	0	1,109	6,000	7,677	-1,677
Electricity charges	24,729	15,000	39,605	-24,605	0	0	0	0	24,729	15,000	39,605	-24,605
Breakdown Insurances	0	2,667	2,667	0	0	0	0	0	0	2,667	2,667	0
Risk contingency	0	1,469	0	1,469	0	0	0	0	0	1,469	0	1,469
	31,543	30,841	55,654	-24,813	0	0	0	0	31,543	30,841	55,654	-24,813
<u>Watercourses:</u>												
Desilting and Weed cutting	83,170	92,014	90,632	1,382	4,419	6,926	7,306	-380	87,589	98,940	97,938	1,002
Telemetry	2,700	2,700	2,240	460	0	0	0	0	2,700	2,700	2,240	460
Machine Moves	1,840	1,836	2,760	-924	0	0	0	0	1,840	1,836	2,760	-924
Spraying	3,000	5,000	0	5,000	0	0	0	0	3,000	5,000	0	5,000
Biodiversity Action Plan	2,045	3,000	2,788	213	0	0	0	0	2,045	3,000	2,788	213
Hand work	3,000	5,000	0	5,000	0	0	0	0	3,000	5,000	0	5,000
Water Level Control Structure Maintenance	1,800	4,550	7,012	-2,462	200	450	858	-408	2,000	5,000	7,870	-2,870
Risk contingency	0	5,649	0	5,649	0	425	0	425	0	6,074	0	6,074
	97,555	119,749	105,432	14,317	4,619	7,801	8,164	-363	102,174	127,550	113,596	13,954
<u>Emergency reponse contingency (external assistance):</u>												
5 EA operatives for 5 days @ £26/hour	0	4,836	0	4,836	0	364	0	364	0	5,200	0	5,200
	129,098	155,426	161,086	-5,660	4,619	8,165	8,164	1	133,717	163,591	169,250	-5,659

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BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2019		ACTUAL 2017/18 £	ACTUAL 2018/19 £
1	Balances brought forward		
	Grant Reserve	0	9,995
	General Reserve	22,209	37,327
	Development Reserve	0	51,068
	Revaluation Reserve	0	6
	As per Statement of Accounts	22,209	98,396
	(-) Fixed Assets, Long Term Liabilities and Loans		
	Net Book Value of Tangible Fixed Assets	19,400	16,922
		19,400	16,922
	(=) Adjusted Balances brought forward	2,809	81,474
2	(+) Rates and Special Levies		
	Drainage Rates	16,960	24,255
	Special Levies	277,935	290,317
	As per Statement of Accounts	294,895	314,572
3	(+) All Other Income		
	Net Cash Transfer from the Environment Agency	22,365	0
	Surface Water Development Contributions	51,068	326,686
	Highland Water Contributions from the Environment Agency	63,000	75,895
	Bank and Investment Interest	63	416
	Grants Applied	0	9,995
	Other Income	1,247	96,338
	Consent Fees	200	800
	As per Statement of Accounts	137,944	510,131
	(+) Income from Sale of Fixed Assets (above profit/(loss))		
	Capital Cost of disposals	0	0
	Less: Accumulated depreciation written out	0	0
		0	0
	(+) Grants Applied to Grants Received Conversion		
	(-) Grants Applied	0	-9,995
	(+) Grants Received	9,995	0
		9,995	-9,995
	(=) Adjusted Other Income	147,939	500,136

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BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2019		ACTUAL 2017/18 £	ACTUAL 2018/19 £
4	(-) Staff Costs		
	Operations Delivery Staff Costs	53,152	50,912
	WMA Technical Support Staff Costs	25,572	37,192
	Other Technical Support Staff Costs	0	57,997
	WMA Administration Staff Costs	34,350	38,328
		113,074	184,428
5	(-) Loan Interest/Capital Repayments		
	Loan Interest	0	0
	Capital Repayments	0	0
	As per Statement of Accounts	0	0
6	(-) All Other Expenditure		
	New Works and Improvement Works	0	0
	Environment Agency Precept	106,000	70,000
	Maintenance Works	133,717	169,250
	Cost of Rechargeable Works	0	66,423
	Grant Work	0	9,995
	Audit Fees	500	1,200
	Depreciation	5,467	6,012
	General Insurances	0	1,864
	Accommodation and Meeting Room Hire	2,798	3,545
	Postages and Stationery	55	404
	Advertising and Public Notices	1,112	0
	ADA Subscriptions and Other Expenses	3,931	5,830
	As per Statement of Accounts	253,579	334,523
	(-) Depreciation Charged (Non Cash)		
	Vehicles and Trailers	5,467	5,596
	Lockup and Equipment	0	416
	Pumping Stations	0	0
		5,467	6,012
	(+) Capitalised Additions		
	Vehicles and Trailers	2,983	0
	Lockup and Equipment	0	416
	Pumping Stations	0	0
		2,983	416
	(=) Adjusted Other Expenditure	251,095	328,927

From: 01 April 2018
To: 31 March 2019

Period To: 12
Year Ending: 31 March 2019

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2019		ACTUAL 2017/18 £	ACTUAL 2018/19 £
7	(=) Balances carried forward		
	Grant Reserve	9,995	0
	General Reserve	37,327	74,390
	Development Reserve	51,068	319,758
	Revaluation Reserve	6	6
	As per Statement of Accounts	98,396	394,154
	(-) Fixed Assets, Long Term Liabilities and Loans		
	Net Book Value of Tangible Fixed Assets	16,922	11,327
		16,922	11,327
	(=) Adjusted Balances carried forward	81,474	382,827
8	Total Cash and Short Term Investments		
	Bank Account	26,045	201,861
	Short-Term Investments	60,063	310,479
	As per Statement of Accounts	86,108	512,340
9	Total Fixed Assets and Long Term Assets		
	Vehicles and Trailers (valued at Purchase Cost)	22,383	22,383
	Lockup and Equipment (valued at Purchase Cost)	4,182	4,598
	Pumping Stations (Revalued)	6	6
	As per Statement of Accounts	26,571	26,987
10	Total Borrowings		
	Loans Due (<= 1 Year)	0	0
	Loans Due (> 1 Year)	0	0
	As per Statement of Accounts	0	0

From: 01 April 2018
To: 31 March 2019

Period To: 12
Year Ending: 31 March 2019

BOX NO.	ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2019	ACTUAL	ACTUAL
		2017/18	2018/19
		£	£

7, 8	RECONCILIATION BETWEEN BOXES 7 AND 8	ACTUAL	ACTUAL
		2017/18	2018/19
		£	£

7	Balances carried forward (adjusted)	81,474	382,827
	(-) Deduct: Debtors and Prepayments		
	Trade Debtors and Ratepayers Due	937	30,716
	Vat Due from HMRC	16,557	10,522
		17,494	41,238
	(+) Add: Creditors and Payments Received in Advance		
	Trade Creditors	21,128	100,884
	Accruals	1,000	69,867
		22,128	170,751
	(=) Box 8	86,108	512,340
8	(=) Total Cash and Short Term Investments		
	Bank Account	26,045	201,861
	Short-Term Investments	60,063	310,479
		86,108	512,340

P J CAMAMILE MA FCIS
CHIEF EXECUTIVE

11 JUNE 2019

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

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



Final Internal Audit Report

**WATER MANAGEMENT ALLIANCE -
REVIEW OF EFFECTIVENESS OF RISK
MANAGEMENT, CONTROL AND GOVERNANCE
PROCESSES**

30th April 2019



Internal Audit Service

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

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

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

Consultation

Draft report issued	18th April 2019
Management agreement received	29th April 2019
Final report issued	30th April 2019

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Executive Summary

Our Assurance Opinion: SUBSTANTIAL								
No. of Assurances Over Control Areas Reviewed					No. of Recommendations & Priorities			
Full	Substantial	Limited	No	Total	High	Medium	Low	Total
5	3	1	0	9	1	1	12	14

Overall Objective and System Background
<p>The overall objective of the audit was to ensure the robustness and effectiveness of the risk management, internal control and governance processes operating within the Water Management Alliance (WMA).</p> <p>The WMA provides administrative and management support services to the five constituent Internal Drainage Boards, namely Broads, King's Lynn, East Suffolk, Norfolk Rivers and South Holland, and to the Pevensey & Cuckmere Water Level Management Board.</p>

Summary of Key Control Issues
<p>Based upon the work carried out, Substantial Assurance can be given regarding the robustness and effectiveness of the risk management, internal control and governance processes operating within the WMA. However, some control issues were identified which require attention by management:</p> <p>GDPR:</p> <ul style="list-style-type: none"> Benchmarking the WMA Data Protection Policy against a sample of Borough Councils' policies identified some areas, such as risks of non-compliance, staff responsibilities and data breaches, which are not mentioned in WMA's policy. Not all staff have received the online training in GDPR. No separate policy/procedural document has been compiled on data breaches. <p>Fixed Assets:</p> <ul style="list-style-type: none"> Fixed Asset Registers do not include the location of assets or officer responsible. A formal annual physical verification of fixed assets does not take place. The inventory of IT equipment provided to staff for their use when working at home is not up to date. <p>Governance Arrangements:</p> <ul style="list-style-type: none"> Board Members are not required to submit an annual declaration of interests form. Only two thirds of current Board Members have submitted a fully and correctly completed declaration of interests form; 14 Members have not submitted a return and a further 35 have not completed the form fully/correctly. Appointed Members' declaration of interests forms are filed incorrectly on the Broads' website. There is inconsistency in the number of Members on each Board; for example, King's Lynn and South Holland each have 21, whereas Broads has 38 and Norfolk Rivers 29. There is low attendance at Board meetings; typically only two thirds of Members attend each meeting; at Norfolk Rivers, only half attend Board meetings.

Summary of Key Recommendations

The key recommendations arising from the audit are:

GDPR:

- Data Protection Policy should be enhanced to include risk of non-compliance, staff responsibilities, process for dealing with data breaches, breach of the policy by staff or Members, and duties of DPO.
- All relevant staff should receive appropriate training in GDPR and data protection.
- Policy/procedure detailing the investigation and reporting of data breaches should be compiled.

Fixed Assets:

- Each Board's asset register should include location of the asset and officer responsible.
- Annual physical verification of all assets recorded on each Board's asset register should be undertaken.
- Inventory of IT equipment provided to staff for use at home should be updated.

Governance Arrangements:

- Members should be asked to confirm that their current declaration of interests is correct and up to date.
- Members should complete a declaration of interests form for each new term of office.
- Completed declaration of interests forms should be filed under the correct Member on each Board's website.
- Membership of Broads, Norfolk Rivers and East Suffolk should be reduced to no more than 21 Members each, in-line with King's Lynn and South Holland.

Summary of Agreed Recommendations

The CEO of WMA has agreed to undertake the following actions:

- Data Protection Policy will be enhanced to include the points recommended.
- Those staff who have yet to receive external training will receive an appropriate "lower level" of training in data protection and GDPR.
- A policy/procedure detailing the investigation and reporting of data breaches will be compiled.
- Each Board's asset register will include location of the asset and officer responsible.
- An annual physical verification of all assets held at each depot will be undertaken.
- The Inventory of IT equipment will be updated.
- An email will be sent out to all Members asking them to confirm that their current declaration of interests is correct and up to date.
- The website has been updated with all those Declaration of Interests forms received from Members during the last financial year; completed forms are now filed correctly under the appropriate Member on the website.
- The CEO will seek to reduce the Membership of Broads, Norfolk Rivers and East Suffolk to no more than 21 Members each, in-line with King's Lynn and South Holland.

2. Objective & Scope

- 2.1 The overall objective of the audit was to ensure the robustness and effectiveness of the risk management, internal control and governance processes operating within the Water Management Alliance (WMA).
- 2.2 The audit involved the following:
- Reviewing the income collection, payroll and year-end procedures in place.
 - Reviewing each Board's Fixed Asset Register to ensure they are complete, accurate and properly maintained, and that periodic verification of assets takes place.
 - Assessing the risk management arrangements in place and the robustness of each Board's Risk Register and their risk policies and procedures.
 - Assessing the robustness of the policies and procedures in place relating to the General Data Protection Regulations (GDPR) and Data Protection Act (DPA) 2018 and ascertaining training provided to staff and Members.
 - Assessing the robustness of the governance arrangements in place, in particular reviewing the Members' declaration of interests process, the process for declaring gifts and hospitality, key governance policies, and assessing the appropriateness of the number of Members to achieve the effective and cost efficient operation of each Board.
 - Reviewing the process for the write-off of debts.
 - Reviewing the process in place for succession planning.
- 2.3 Recommendations arising from the previous audit were followed-up to ensure their implementation by management.
- 2.4 The audit review was undertaken in liaison with the Personal Assistant (CEO), the Finance & Rating Manager and the Rating Officer / Site Warden, and consisted of discussions relating to the risk management, control and governance processes and review of relevant documentation.
- 2.5 Due regard was taken of the guidance issued on 30th March 2018 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 2018)" and "Good Governance for IDB Members" published by the Association of Drainage Authorities (ADA) in November 2018.
- 2.6 Following completion of the audit, Internal Audit completed section 4 of the Electronic Annual Governance and Accountability Return for 2018/19.
- 2.7 The review was undertaken during March and April 2019.

3. Background Information

- 3.1 The WMA provides administrative and management support services to the five constituent Internal Drainage Boards, namely Broads, King's Lynn, East Suffolk, Norfolk Rivers and South Holland, and to the Pevensey & Cuckmere Water Level Management Board.

4. Our Opinion

- 4.1 On the basis of the work undertaken, management can be provided with an overall opinion of “Substantial Assurance” regarding the robustness and effectiveness of the risk management, internal control and governance processes operating within the WMA.

OVERALL INTERNAL AUDIT OPINION: SUBSTANTIAL ASSURANCE	
Control Objectives	Assurance Opinion
1. Rates Collection – To ensure that processes are in place and functioning correctly to collect, record and bank income in full and on time.	Full
2. Payroll – To ensure that salaries and wages have been paid correctly and in a timely manner, with tax and NIC deducted correctly.	Full
3. Year End Procedures – To ensure that the final accounts have been produced using appropriate accounting policies and any adjustments fully explained.	Full
4. Risk Management – To ensure that robust risk management arrangements are in place, that Boards review their significant risks and mitigating controls on a regular basis, and that a Risk Management Policy is in place.	Substantial
5. GDPR/DPA – To ensure that a robust framework is in place demonstrating compliance with GDPR 2016 and DPA 2018.	Substantial
6. Fixed Assets – To ensure that asset registers are complete, accurate and properly maintained, that stock is held securely, and that robust security of assets is in place.	Limited
7. Governance Arrangements – To ensure that robust governance arrangements are in place.	Substantial
8. Write-Offs – To ensure that robust processes are in place for the write-off of debts and that write-offs are appropriately authorised.	Full
9. Succession Planning – To ensure that adequate arrangements are in place for succession planning.	Full

- 4.2 The detailed findings and recommendations arising from the review are attached as Appendix A, incorporating the agreed management actions.
- 4.3 The two recommendations arising from the previous report have been actioned:
- A PDF copy of each bank reconciliation is saved into the relevant file at the end of the month;
 - WMA are upgrading to Sage 200c on 26th April 2019.
- 4.4 Appendix B provides definitions of the Internal Audit assurance opinions given in the report and of the recommendation priorities.
- 4.5 The Terms of Reference for the audit review are attached as Appendix C.

5. Reporting

- 5.1 A copy of the final report will be sent to the Chief Executive of the Water Management Alliance.

6. Acknowledgements

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

- Sallyanne Jeffrey, Finance & Rating Manager
- Trish Walker, Rating & Finance Officer
- Graham Tinkler, Rating Officer / Site Warden
- Mary Creasy, Personal Assistant (CEO)

Findings, Recommendations and Action Plan

Control Objective 4: Risk Management – To ensure that robust risk management arrangements are in place, that Boards review their significant risks and mitigating controls on a regular basis, and that a Risk Management Policy is in place.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
1.	<p><u>Finding</u></p> <p>The Risk Management Policy does not state the frequency of review, who it is to be reviewed by and when it is next due for review. The policy was last reviewed in January 2017 and is generally reviewed by the Board every three years, or earlier if there are any changes advised by the JPAG Practitioners' Guide.</p>	<p>The Risk Management Policy should state how often it should be subject to review, who it is reviewed by (i.e. the Board) and when it is next due for review.</p>	Low	<p>Agreed. RMP has been updated and the new front pages of the policy uploaded to the WMA website for all six Boards.</p>	<p>Phil Camamile, CEO WMA. Completed.</p>
2.	<p><u>Finding</u></p> <p>Each Board's Risk Register only gives the current risk score; they do not give the target risk score i.e. the risk score which the organisation is working towards. By showing both target and current risk scores, it can be seen if any progress has been made in mitigating each risk.</p> <p>It is not clear who the responsible officer is for addressing each risk. The Good Governance Guide for IDB Members (Nov 2018) states, at 10.2.2, that the IDB's Risk Register should assign ownership for each risk.</p> <p>The ADA Risk Management Strategy & Policy template includes a suggested format for a Risk Register, which differs to the format currently used by each Board. The ADA Risk Register includes the following column headings:</p> <ul style="list-style-type: none"> • Strategic objectives • Risks • Key controls – what controls/systems are in place to mitigate these risks? 	<p>Management should consider enhancing the format of each Board's Risk Register so that it includes the following details:</p> <ul style="list-style-type: none"> • Strategic objectives; • Risks – key risks to achieving strategic objectives; • Key controls – those controls/systems currently in place to mitigate each risk; • Assurances on controls – evidence demonstrating that the systems and controls in place are effective in mitigating the risk; • Current risk score; • Gaps in control – where controls are lacking or are ineffective; • Gaps in assurance – where is further evidence of effective control required? 	Low	<p>The CEO stated to Internal Audit that the Risk Registers used to be laid out in the format as recommended, but that in 2017 it was decided to change them to follow the "simpler" format set out in Section 5, Appendix 1 of the JPAG Practitioner's Guide 2017. The Risk Registers do still show the strategic objectives agreed by the five Boards every year and all risks are linked to these objectives.</p> <p>Following guidance received from External Audit, it has been decided to keep the current format of the Risk Registers (following the JPAG best practice guidance). However, the CEO is to</p>	<p>No required action.</p>

Findings, Recommendations and Action Plan

Control Objective 4: Risk Management – To ensure that robust risk management arrangements are in place, that Boards review their significant risks and mitigating controls on a regular basis, and that a Risk Management Policy is in place.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
	<ul style="list-style-type: none"> Assurances on controls – what evidence shows controls / systems are effective? Risk score Gaps in controls – where are there no controls or ineffective controls? Gaps in assurance – where is further evidence of effective control required? Action plan – what should we do to rectify the situation? Responsible officer / implementation date. 	<ul style="list-style-type: none"> Action Plan – actions/controls required to meet target risk score; Target risk score Officer responsible for implementing required actions; Due date for reaching target risk score; Update on required actions/controls; Current status. 		raise the possibility of amending the current risk register format with JPAG.	

Findings, Recommendations and Action Plan

Control Objective 5: To ensure that a robust framework is in place demonstrating compliance with GDPR and DPA 2018.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
3.	<p><u>Finding</u> From benchmarking the WMA's Data Protection Policy against a sample of Borough Councils' own such policies, there are a number of areas which are not included in the WMA policy:</p> <ul style="list-style-type: none"> • Risks to compliance with DPA/GDPR, such as accidental or deliberate breach of data protection, potential sanctions imposed against WMA by the ICO as a result of loss or misuse of data, and potential legal action from data subjects following a breach. • Staff responsibilities regarding data protection/GDPR. • Duties of the Data Protection Officer. • Data Breaches – brief mention in the policy but the procedure for dealing with data breaches is not included. • Breach of policy by a Member or staff – the WMA policy does not state that failure to comply with the policy could amount to misconduct, which could be a disciplinary matter, leading to the dismissal of staff, and serious breaches could result in personal criminal liability. Breach of the policy by a Member would be a potential breach of the Members' Code of Conduct. A data protection breach could lead to individual officers or Members being prosecuted under GDPR, not just WMA. 	<p>The WMA Data Protection Policy should be enhanced by including the following:</p> <ul style="list-style-type: none"> • Risks of non-compliance; • Staff responsibilities relating to Data Protection and GDPR; • Process for dealing with data breaches; • Breach of policy by staff or Member; • Duties of DPO. 	Low	Agreed. The Data Protection Policy document will be revised to include the points as recommended at the next scheduled policy review.	Phil Camamile, CEO WMA. 31 st December 2019

Findings, Recommendations and Action Plan

Control Objective 5: To ensure that a robust framework is in place demonstrating compliance with GDPR and DPA 2018.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
4.	<u>Finding</u> According to a spreadsheet provided to Internal Audit, of the 32 members of staff at WMA who are required to undertake GDPR training, only 11 to date have completed the online training. However, the CEO and Data Manager have given guidance/training on GDPR compliance to all of the other staff shown in the spreadsheet at a number of Internal Best Practice meetings, which are held quarterly. Therefore, most staff and all Line Managers are therefore aware of the requirements of GDPR and the Information Security & Systems – Acceptable Use Policy, as it affects them.	All relevant members of staff should receive appropriate training in GDPR and Data Protection.	Low	All of the key staff have had GDPR training. Those staff that have yet to receive any external training as shown in the spreadsheet will receive an appropriate “lower level” of training in due course, but it is not a priority for them because of the nature of their roles. Not everyone in the spreadsheet has access to personal data.	Phil Camamile, CEO WMA. 31 st December 2019
5.	<u>Finding</u> WMA does not have a written policy/procedural document describing the process to be followed in the investigation and reporting of data breaches. At present, WMA refers to the ICO website guidance with regards to reporting a data breach.	Management should consider compiling a written policy/procedure detailing the process to be followed in the investigation and reporting of data breaches.	Low	Agreed, although this is covered briefly in the Information Security & Systems - Acceptable Use Policy (particularly 4.4).	Phil Camamile, CEO WMA. 30 th September 2019

Findings, Recommendations and Action Plan

Control Objective 6: To ensure that asset registers are complete, accurate and properly maintained, that stock is held securely, and that robust security of assets is in place.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
6.	<p><u>Finding</u></p> <p>The JPAG Practitioners' Guide (March 2018) at point 5.57 lists the key information which is needed in an asset register. This recommends that an asset register should include the location of the asset and the responsible officer (the guidance states that it may be appropriate to assign responsibility for each asset to members of staff).</p> <p>It is noted that the Boards' asset registers do not include location or responsibility. However, assets listed in the Fixed Asset Register are either located at each Board's depot or working in/alongside the infrastructure within the drainage district.</p>	In accordance with the JPAG guidance, each Board's asset register should include location of the asset and the officer responsible for each asset.	Low	Agreed, although each Board's Financial Regulations clearly state who is responsible for its tangible fixed assets (Section R: Security).	Phil Camamile, CEO WMA. 30 th September 2019
7.	<p><u>Finding</u></p> <p>There is a lack of evidence of an annual physical verification of assets, listed on each Board's asset register, taking place. Point J.4 of the Financial Regulations states that at least once a year, the Finance Officer will confirm the accuracy of the fixed asset register by carrying out a physical inspection of the Board's assets. Some managers do check their assets periodically; however, this is not evidenced. Monthly financial reports, which include the Board's asset register, are sent to each manager; therefore, managers should be aware of the assets they are responsible for.</p>	In accordance with the Financial Regulations, an annual physical verification of all assets recorded on each Board's Fixed Asset Register should be undertaken so as to confirm the accuracy of the register.	Medium	Agreed. A process of undertaking annual checks of assets held at each depot will be introduced. This will include the verifying of asset IDs and taking photographs of assets, evidencing the checking process.	Phil Camamile, CEO WMA. 30 th September 2019

Findings, Recommendations and Action Plan

Control Objective 6: To ensure that asset registers are complete, accurate and properly maintained, that stock is held securely, and that robust security of assets is in place.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
8.	<u>Finding</u> WMA maintain an inventory of IT equipment held by staff; however, there is a lack of assurance that the inventory is up to date. The Data Manager is currently undertaking an audit of IT equipment such as laptops, phones and printers provided to staff for use in their work, which they may have at home. An email was sent to relevant staff asking them to confirm details of any such items held by them; to date, only a few have replied back. It should be noted that this only applies to the three WMA Eastern Boards where most staff work from home; it does not apply to the other three Boards.	The inventory of IT equipment held by staff for their use at home should be updated. This should be referenced when staff leave the organisation to ensure that all such equipment is returned.	Low	Agreed.	Phil Camamile, CEO WMA. 30 th September 2019.

Findings, Recommendations and Action Plan

Control Objective 7: To ensure that robust governance arrangements are in place

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
9.	<p><u>Finding</u> Board Members are not required to make an annual declaration of interests; a new form is required for each new term of office i.e. every three years. However, it has been made clear to Members that the requirement for ensuring their details are correct rests with them; this is included in the Members' Code of Conduct (section 13) and on the first page of the Declarations of Interest Form (item 1).</p>	In the absence of Members submitting an annual declaration of interests form, an email should be sent to each Member each year asking them to confirm their current declaration as being correct and up to date. Members should be given 28 days to respond; if no response is forthcoming, the assumption can be made that there is no change. However, it should be made clear to Members that the requirement for ensuring that their details are correct rests with them.	Low	Agreed; an email will be sent to all Board Members every year.	Phil Camamile, CEO WMA. 31 st December 2019
10.	<p><u>Finding</u> A review was undertaken of the declaration of interest's forms filed by Members on each Board's website. This identified that of the 142 current members across the 6 Boards, only 93 members (65%) had submitted a fully and correctly completed declaration of interests form; 14 members had not filed a return and 35 had not completed the form correctly/fully. At the top of the form it clearly states that where a question does not apply then the member should put "NONE" and that they should not leave any boxes blank. One member had only signed and dated the form, leaving all of the questions blank; another had answered just one question, leaving the rest blank. Several members had left some questions blank, while others had crossed through a question rather than writing "NONE". All forms had been signed.</p>	All Members should complete a declaration of interests form for each new term of office i.e. every three years.	Low	Agreed. Members are always asked to submit a declaration of interest form and most do. Due to a lack of resources, the website is not always kept up to date. The CEO has been through all of the Dols received during the last financial year and has updated the website.	Phil Camamile, CEO WMA. Completed

Findings, Recommendations and Action Plan

Control Objective 7: To ensure that robust governance arrangements are in place

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
	<p>Members are required to complete a declaration of interest form every 3 years i.e. at each new term of office. However, several forms were identified dating longer than that, typically from 2015, although one appeared to date from 2011, and another from 2013.</p> <p>It should be noted that Members are also required by law to declare an interest in any of the business being transacted at each Board meeting (this is a standard agenda item); such declarations are regularly made and always minuted.</p>				
11.	<p><u>Finding</u></p> <p>A total of eight declarations of interest (DoI) forms had been filed under the wrong member on the Broads website relating to Appointed Members; the forms had been filed out of sequence, with each member's form filed under the name of the member listed below them. In addition, for one appointed member who had not filed a return, their entry contained a copy of a form relating to someone else who is not shown on the current list of members.</p>	<p>Completed declaration of interests forms should be filed under the correct Member on each Board's website.</p> <p>Management should consider removing the DoI forms from the website so as to prevent similar errors happening in the future. The CEO informed Internal Audit that no other IDB publishes its Members' Dols on their website.</p>	Low	<p>Agreed. The CEO has been through the Dols of elected and appointed members for all Boards to ensure that they are current and correct, and has uploaded them onto the website. These were checked by Internal Audit (on 29/04/19) and no errors were found.</p>	<p>Phil Camamile, CEO WMA. Completed.</p>
12.	<p><u>Finding</u></p> <p>The Employees' Code of Conduct states that any gift or hospitality valued at more than £25 must be declared in the Register of Gifts & Hospitality. The Members' Code of Conduct does not mention such a limit. The Register of Members' Interests Form states the limit at £30.</p>	<p>The same de minimus limit, above which a gift or hospitality must be declared, should be stated in the Employees' and Members' Codes of Conduct and in the Register of Members' Interests Form.</p>	Low	<p>Agreed. The correct de-minimus figure is £30; this figure was changed by all of the Boards a few years ago and the revised Members Code of Conduct does not appear to have been uploaded to the WMA website.</p>	<p>Phil Camamile, CEO WMA. Completed.</p>

Findings, Recommendations and Action Plan

Control Objective 7: To ensure that robust governance arrangements are in place

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
				The CEO has updated the Members Code of Conduct for each Board to reflect the current figure of £30 and uploaded the new documents to the website.	
13.	<p><u>Finding</u></p> <p>Some key governance policies do not state when they were last reviewed, frequency of review or when they are next due for review. However, it should be noted that most policies do have the Date Last Reviewed and Next Review Date on the first page of the policy.</p> <p>Key governance documents should be reviewed every three to five years; however, the Whistleblowing Policy has not been reviewed since January 2008.</p>	<p>Key governance documents should state when they were last reviewed, by whom (i.e. the Board) and when they are next due to be reviewed. Any document which has not been reviewed within the last five years should be reviewed.</p>	Low	<p>Agreed. All governance policies will be updated so that they state on their front page Date Last Reviewed and Next Review Date.</p> <p>Most governance policies are reviewed every three years at the start of a new three year term, after the IDB has had an election. It would appear that the Whistleblowing Policy slipped through the review process; however, all other governance policies are up to date.</p> <p>A register of policies will be compiled listing all Board policies, the date they were last reviewed and date when they are next due for review.</p>	<p>Phil Camamile, CEO WMA.</p> <p>30th September 2019.</p>

Findings, Recommendations and Action Plan

Control Objective 7: To ensure that robust governance arrangements are in place

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
14.	<p><u>Finding</u></p> <p>There are wide differences in the number of Members each Board has. For example, King's Lynn and South Holland both have 21 Members, whereas Broads has 38 and Norfolk Rivers 29. Attendance at Board meetings is low; typically, only two thirds of Members attend each meeting; at Norfolk Rivers, only half of Members attend Board meetings.</p> <p>ADA's Good Governance Guide (November 2018) states that Defra suggest that IDBs should have 21 Members; it states that "larger IDBs may wish to consider reconstituting to a smaller size, to see fewer vacant seats, more contested elections, and better attendance at meetings".</p>	The membership of Broads, Norfolk Rivers and East Suffolk should be reduced to no more than 21 Members each, as they are geographically much smaller than both King's Lynn and South Holland.	High	Agreed. The CEO will seek to reduce the membership of Broads, Norfolk Rivers and East Suffolk to no more than 21 Members each.	Phil Camamile, CEO WMA. 30 th December 2019.

Assurance Opinion and Recommendation Priority Definitions

Assurance Opinion

Definition

Full Assurance

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

Substantial Assurance

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

Limited Assurance

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

No Assurance

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

Recommendation Priority

Definition

Low

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

Medium

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

High

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

Internal Audit Service

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



WATER MANAGEMENT ALLIANCE

**REVIEW OF EFFECTIVENESS OF RISK
MANAGEMENT, CONTROL & GOVERNANCE
PROCESSES**

**INTERNAL AUDIT
TERMS OF REFERENCE
2018-19**

1. INTRODUCTION

- 1.1 This document sets out the strategy and plan for the audit of the Water Management Alliance for the financial year 2018-19.
- 1.2 Section 6 of The Accounts and Audit Regulations 2015 states that '*The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control*'.
- 1.3 Internal Audit is defined as '*an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*' Public Sector Internal Audit Standards, April 2017
- 1.4 The Internal Auditor will work in accordance with the Public Sector Internal Audit Standards (PSIAS) adopted by CIPFA from April 2017 and thus will be able to provide the review required by the Regulations.
- 1.5 The authority of the Internal Auditor is established in the Financial Regulations.
- 1.6 The audit work will concentrate on records and systems used by the Water Management Alliance, who provide the financial and administrative functions for:
- Broads (2006) Internal Drainage Board
 - East Suffolk Internal Drainage Board
 - King's Lynn Internal Drainage Board
 - Norfolk Rivers Internal Drainage Board
 - South Holland Internal Drainage Board
 - Pavensey & Cuckmere Water Level Management Board.

As such, this work will enable the auditor to complete the Annual Governance and Accountability Returns for all six 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 March 2018)'.
- 2.2 In order to be able to complete section 4 of the Electronic Annual Governance and Accountability Return for 2018-19, the auditor will consider the following internal control objectives (as stated on the return):
- A Accounting Records
To ensure that appropriate accounting records have been properly kept throughout the financial year.
- B Financial Regulations and Standing Orders
To ensure that the authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

- C Risk Management
To ensure that the authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
- E. Income
To ensure that expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.
- G Payroll
To ensure that salaries to employees and allowances to Members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.
- H Asset Management
To ensure that asset registers are complete, accurate and properly maintained, and that robust security of assets is in place.
- J Year End Procedures
To ensure that accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail and, where appropriate, debtors and creditors were properly recorded.

2.3 In addition to the above, the audit will cover the following:

- GDPR – robustness of the policy and procedural documents, and adequacy of training provided to staff and members.
- Board Members' declarations of interest – review of the process for members declaring interests.
- Write-offs – review of the process for the write-off of debts.
- Succession Planning – review of the succession planning process.

2.4 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.

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

3. TASKS

3.1 The project tasks are to:

- Establish if the procedures recorded as part of the audit for 2017-18 remain the same and document any changes that may have taken place.
- Perform tests to establish that systems are operating in accordance with the procedures and that good practice is being complied with.

- Assess strengths and weaknesses of the systems operated and the levels of financial and management risk.
- Discuss the results with the Chief Executive and make recommendations as appropriate, which will be communicated to the Boards by means of a report.
- Complete Section 4 of the Electronic Annual Governance and Accountability Return for 2018-19.

4. WORK PLAN

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

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

Task	Time
Confirm existing procedures and record any changes. Undertake a follow-up of actions agreed from the audit report for the year 2017-18.	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. AGREEMENT

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

Annual Report for the year ended

31 March 2019

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

No later than 30 September 2019 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood Management Division, Floor 3, Seacole, 2 Marsham Street, London SW1P 4DF via floodreports@defra.gsi.gov.uk
- National Flood and Coastal Risk Manager (Strategic Delivery), The Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH via rachael.hill@environment-agency.gov.uk
- The Chief Executives of:
 - all local authorities that pay special levies to the Board;
 - all County Councils or London Boroughs within which the Board is situated.

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

Please round all cash figures down to nearest whole £.

PEVENSEY AND CUCKMERE WATER LEVEL MANAGEMENT	Internal Drainage Board
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Section A – Financial information

Preliminary information on special levies issued by the Board for 2019- 20

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 2019-20 (forecast)	
Name of local authority	2019-20 forecast £
1. EASTBOURNE BOROUGH COUNCIL	229,617
2. HASTINGS DISTRICT COUNCIL	11,622
3. ROTHER DISTRICT COUNCIL	4,260
4. WEALDEN DISTRICT COUNCIL	54,371
5.	
6.	
7.	
8.	
Total	299,870

Section A – Financial information (continued)

Income and Expenditure Account for the year ending 31 March 2019

All Internal Drainage Boards must ensure that the Income and Expenditure information provided below is consistent with the Board's annual accounting statements which have been prepared in accordance with proper practices found in *Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to proper practices to be applied in the preparation of statutory annual accounts and governance statements March 2017*

	Notes	Year ending 31 March 2019 £
INCOME		
1. Drainage Rates		24,255
2. Special Levies		290,317
3. Higher Land Water Contributions from the Environment Agency		75,895
4. Contributions received from developers/other beneficiaries		327,486
5. Government Grants (includes capital grants from EA and levy contributions)		9,995
6. PSCAs from EA and other RMAs		0
7. Loans		0
8. Rechargeable Works		89,838
9. Interest and Investment Income		416
10. Rents and Acknowledgements		0
11. Other Income		6,500
Total income		824,703
EXPENDITURE		
12. New Works and Improvement Works		0
13. Total precept to the Environment Agency		70,000
14. Watercourse maintenance		22,423
15. Pumping Stations, Sluices and Water level control structures		0
16. Administration		38,328
17. PSCAs		0
18. Rechargeable Works		66,423
19. Finance Charges		0
20. SSSIs		306,196
21. IDB Biodiversity and conservation (other than item 20 expenditure)		2,737
22. Other Expenditure		12,843
Total expenditure		518,950

EXCEPTIONAL ITEMS		
23. Profits/(losses) arising from the disposal of fixed assets		0
Net Operating Surplus/(Deficit) for the year		305,753
24. Developers Funds income not applied in year		319,758
25. Grant income not applied in year		0

Notes:

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

Section B –IDB Reporting

Policy Delivery Statement

Boards are required to produce a publicly available policy statement setting out their plans for delivering the Government's policy aims and objectives. It is recommended that these statements be published on Boards' websites where they have them and reviewed every three years.

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

provided to Defra, and EA https://www.wlma.org.uk/uploads/PCWLMB_Policy_Statement.pdf Yes ☒ No ☐

Biodiversity

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

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

https://www.wlma.org.uk/uploads/PCWLMB_BAP_2018.pdf Yes ☒ No ☐

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

2018

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

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

11/06/2019

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

SSSI water level management plans

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

If so, which ones:

Pevensey Levels

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

3,603 ha

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

3,603 ha

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

0

Access to environmental expertise

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

- Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority)
- Co-opted members
- Directly employed staff
- Contracted persons or consultants
- Environmental Partners/NGOs
- Other (please describe)
- ☐
- ☒
- ☒
- ☒
- ☒
- ☐

Asset Management

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

- ADIS
- Paper Records
- Other Electronic System: Bespoke Microsoft Access Database and GIS
- ☐
- ☐
- ☒

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

Yes ☒ No ☐

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

103km

How many pumping stations does the Board operate?

6

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

3.22 cumecs

Health and Safety

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

Yes ☒ No ☐

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

Yes ☒ No ☐

Have there been any reportable incidents in the past year?

Yes ☐ No ☒

If so, please summarise in the box below: I believe there has been an incident Phil??

Guidance and Best Practice

Has your IDB adopted a formal Scheme of Delegation?

Yes ☒

No ☐

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

Governance

☒

Finance

☒

Environment

☒

Health, safety and welfare

☒

Communications and engagement

☒

Other (please describe)

☐

Is your Board’s website information current for this financial year? (Board membership, audited accounts, programmes of works, WLMPS, etc)

Yes ☒

No ☐

Has your IDB adopted computerised accounting and rating systems?

Yes ☒

No ☐

Has your board published all minutes of meetings on the website?.....

Yes ☒

No ☐

Does the Board publish information on its website on its approach to maintenance works and provide contact details to allow for and encourage public engagement?

Yes ☒

No ☐

When planning maintenance and capital works are environmental impacts taken into account and wherever possible best practice applied?

Yes ☒

No ☐

Has your Board adopted the following governance documents?

Standing Orders

Yes ☒

No ☐

Have the Standing Orders been approved by Ministers

Yes ☒

No ☐

Byelaws

Yes ☒

No ☐

If you have Byelaws, have you adopted the latest model byelaws published in 2012.....

Yes ☒

No ☐

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

Yes ☒

No ☐

Code of Conduct for Board Members.....

Yes ☒

No ☐

Financial Regulations.....Yes ☒ No ☐

Register of Member's Interests.....Yes ☒ No ☐

Anti-fraud and corruption policy..... Yes ☒ No ☐

Board membership and attendance

How many Board members (in total – elected and appointed) do you have on your IDB?	17
Seats available to appointed members under the Land Drainage Act 1991.	9
Number of elected members on the board at year end.	8
Number of appointed members on the board at year end.	9
Mean average number of elected members in attendance at each board meeting over the last financial year.	5
Mean average number of appointed members in attendance at each board meeting over the last financial year.	6

Have you held elections within the last three years?.....Yes ☒ No ☐ N/A ☐

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

Complaints procedure

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

Number of complaints received in the financial year?	Nil
Number of complaints outstanding in the financial year?	Nil
Number of complaints referred to the Local Government Ombudsman?	Nil
Number of complaints upheld by the Local Government Ombudsman?	N/A

Public Engagement

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

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

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

0.0006%

Section B: NOTES

Guidance and Best Practice

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

Board membership and attendance

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

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

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

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

Section C – Declaration

PEVENSEY AND CUCKMERE WATER LEVEL MANAGEMENT BOARDINTERNAL DRAINAGE BOARD NAME HERE	Internal Drainage Board
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I confirm that the information provided in sections A-C or with this form is correct.

Signature	<div>P. Camamile</div>
Date	<div>23/09/2019</div>
Name in BLOCK LETTERS	<div>PHIL CAMAMILE</div>
Designation	<div>CHIEF EXECUTIVE</div>
Email address	<div>PHIL@WLMA.ORG.UK</div>



BOARD MEMBERSHIP AS AT 31 MARCH 2019

NAME	MEETINGS	ATTENDED	ATTENDANCE %	CONTACT DETAILS
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ELECTED MEMBERS

Brown R A	3	3	100	rbrown.gira@btinternet.com
Gower W A *	3	3	100	wgwagower@gmail.com
Hesselgrave G F D	3	3	100	stonehouse@hessel.force9.co.uk
Hole M A	3	2	67	montaguefarm@btinternet.com
Miles R J	3	2	67	n/a
Robinson D	3	0	0	n/a
Wadman C A **	3	3	100	priesthawes@gmail.com
Worssam M S	3	0	0	aworssam@yahoo.co.uk

APPOINTED MEMBERS

Eastbourne B C

Coles J	3	2	67	councillor.coles@eastbourne.gov.uk
Dow J (wef Oct 18)	2	2	100	councillor.dow@eastbourne.gov.uk
Robinson M	3	0	0	councillor.robinson@eastbourne.gov.uk
Rodohan P	3	0	0	councillor.rodohan@eastbourne.gov.uk
Smart R	3	3	100	councillor.smart@eastbourne.gov.uk
Taylor B	3	1	33	councillor.taylor@eastbourne.gov.uk

Hastings B C

Patten R	3	2	67	pattencoastguards@yahoo.com
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Wealden D C

Murray D	3	3	100	cllr.douglas.murray@wealden.gov.uk
White D	3	3	100	cllr.david.white@wealden.gov.uk

* Chairman ** Vice-Chairman

Elected Average Attendance 67 %

Appointed Average Attendance 62 %



Gifts and Hospitality Register for 2018/19

[illegible]