



Pevensey and Cuckmere

Water Level Management Board

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDING
31 MARCH 2022**

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

From: 01 April 2021
To: 31 March 2022

Period To: 12
Year Ending: 31 March 2022

NOTE	INCOME AND EXPENDITURE ACCOUNT	£	£	£	£	£	£	£	£	£	£	£	
		PEVENSEY				CUCKMERE				TOTAL			
		ACTUAL 2020/21	BUDGET 2021/22	ACTUAL 2021/22	VARIANCE 2021/22	ACTUAL 2020/21	BUDGET 2021/22	ACTUAL 2021/22	VARIANCE 2021/22	ACTUAL 2020/21	BUDGET 2021/22	ACTUAL 2021/22	VARIANCE 2021/22
INCOME													
1	Drainage Rates	13,642	13,821	13,821	0	28,562	28,933	28,933	0	42,204	42,754	42,754	0
2	Special Levies:												
	Eastbourne Borough Council	234,404	237,477	237,477	0	0	0	0	0	234,404	237,477	237,477	0
	Hastings Borough Council	11,865	12,020	12,020	0	0	0	0	0	11,865	12,020	12,020	0
	Rother District Council	4,348	4,405	4,405	0	0	0	0	0	4,348	4,405	4,405	0
	Wealden District Council	46,636	47,247	47,247	0	16,586	16,802	16,802	0	63,222	64,049	64,049	0
		297,253	301,149	301,149	0	16,586	16,802	16,802	0	313,839	317,951	317,951	0
	Other Income:												
3	Surface Water Development Contributions	87,634	117,085	178,027	60,942	153,627	0	27,904	27,904	241,260	117,085	205,931	88,846
4	Highland Water Contributions from the Environment Agency	89,887	89,887	89,887	0	1,613	1,613	1,613	0	91,500	91,500	91,500	0
5	Grants Applied	50,784	413,000	179,403	-233,597	0	0	0	0	50,784	413,000	179,403	-233,597
6	Consent Fees	950	700	1,450	750	600	200	1,000	800	1,550	900	2,450	1,550
7	Bank and Investment Interest	579	225	263	38	64	25	62	37	643	250	324	74
8	Other Income	474	0	28,588	28,588	0	0	412	412	474	0	29,000	29,000
9	Income from Rechargeable Works	33,412	0	0	0	0	0	0	0	33,412	0	0	0
		263,719	620,897	477,618	-143,279	155,904	1,838	30,991	29,153	419,622	622,735	508,608	-114,127
		574,614	935,867	792,588	-143,279	201,052	47,573	76,726	29,153	775,665	983,440	869,313	-114,127
(-) EXPENDITURE													
Directly Allocated Expenditure													
5	Grant Work (WEG) + (Waller Windpump)	47,826	63,000	45,169	17,831	0	0	0	0	47,826	63,000	45,169	17,831
9	Cost of Rechargeable Works	32,288	0	0	0	0	0	0	0	32,288	0	0	0
10i	Surveying and Modelling Programme Costs	93,732	150,000	59,670	90,330	0	0	0	0	93,732	150,000	59,670	90,330
10ii	New and Improvement Works (Water Level Mgmt Project)	2,958	350,000	134,234	215,766	0	0	0	0	2,958	350,000	134,234	215,766
11	Cuckmere Deshingle and targeted De-silting Ops	0	0	0	0	11,690	20,000	1,558	18,442	11,690	20,000	1,558	18,442
12	Contributions to the Environment Agency	39,431	29,573	29,573	0	569	427	427	0	40,000	30,000	30,000	0
13	Maintenance Works	154,987	210,918	140,200	70,718	7,631	8,276	7,379	897	162,618	219,194	147,578	71,616
		371,222	803,491	408,846	394,645	19,889	28,703	9,364	19,339	391,112	832,194	418,209	413,985
Apportioned Expenditure													
14	Operations Delivery Staff Costs	84,185	89,717	87,495	2,222	9,354	9,969	9,721	247	93,539	99,686	97,216	2,469
15	WMA Technical Support Staff Costs	33,637	36,000	18,748	17,252	7,205	4,000	5,550	-1,550	40,842	40,000	24,298	15,702
16	Other Technical Support Staff Costs	26,468	117,085	96,136	20,949	51,399	0	15,069	-15,069	77,867	117,085	111,205	5,880
17	WMA Administration Staff Costs	19,589	23,850	20,363	3,487	2,177	2,650	2,263	387	21,766	26,500	22,626	3,874
18	Provision for Doubtful Debts	0	0	0	0	0	0	0	0	0	0	0	0
19	Drainage Rates Increases/Decreases/Write Offs	8	0	108	-108	1,723	1,742	1,746	-4	1,731	1,742	1,854	-112
20	Audit Fees	333	1,333	1,665	-332	67	267	335	-68	400	1,600	2,000	-400
21	Depreciation	11,451	11,377	8,148	3,229	1,273	1,263	905	358	12,724	12,640	9,053	3,587
22	General Insurances	4,582	4,500	4,500	0	509	500	500	0	5,091	5,000	5,000	0
23	Accommodation and Meeting Room Hire	0	2,000	802	1,198	0	200	89	111	0	2,200	891	1,309
24	Postages and Stationery	786	650	495	155	87	95	55	40	873	745	550	195
25	Advertising and Public Notices	0	400	0	400	0	100	0	100	0	500	0	500
26	ADA Subscriptions and Other Expenses	3,760	4,489	5,583	-1,094	418	499	621	-122	4,178	4,988	6,204	-1,216
		184,800	291,401	244,043	47,358	74,211	21,284	36,854	-15,569	259,010	312,685	280,896	31,789
		556,022	1,094,892	652,888	442,004	94,100	49,987	46,218	3,770	650,122	1,144,879	699,106	445,773
Profit/(Loss) on Disposal of Fixed Assets													
		0	0	10,441	10,441	0	0	1,160	1,160	0	0	11,601	11,601
(=) Net Surplus/(Deficit) for the Period													
		£18,592	-£159,025	£150,140	£309,165	£106,952	-£2,414	£31,668	£34,083	£125,544	-£161,439	£181,808	£343,248

From: 01 April 2021
To: 31 March 2022

Period To: 12
Year Ending: 31 March 2022

NOTE	BALANCE SHEET, AS AT 31-3-2022	£ 01/04/2021	£ MOVEMENT	£ 31/03/2022
27	Fixed Assets:			
(i)	Vehicles and Trailers	14,648	14,807	29,455
(ii)	Lockup and Equipment	0	0	0
(iii)	Pumping Stations	6	0	6
		14,654	14,807	29,461
	Current Assets:			
28(i)	Bank Account	75,022	108,765	183,787
28(ii)	Short-Term Investments	1,001,027	100,324	1,101,352
29	Trade Debtors and Ratepayers Due	515	52,515	53,030
30	Vat Due from HMRC	29,061	32,317	61,378
5	Work In Progress (WEG)	50,903	-8,937	41,967
		1,156,528	284,985	1,441,513
	Current Liabilities:			
31	Trade Creditors	62,196	-34,713	27,482
32	Accruals	95,559	35,375	130,934
	Rates Received In Advance	4,626	1,556	6,182
		162,381	2,217	164,598
	Net Current Assets	994,148	282,767	1,276,915
	Net Assets	£1,008,801	£297,574	1,306,376
	Financed by:			
33	Grant Reserve	97,043	115,766	212,809
34	General Reserves	130,418	129,868	260,286
35	Development Reserve	773,025	35,056	808,081
36	Cuckmere Targeted Improvements Works Reserve	8,310	16,884	25,194
37	Revaluation Reserve	6	0	6
		£1,008,801	£297,574	£1,306,376

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

From: 01 April 2021
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Note Notes to the Accounts

Income

- 1 Drainage Rate Demands for 2021/22 were issued by the Board on 1 April 2021. The Board has received approx 98% of the drainage rates levied.
- 2 Special Levies for 2021/22 were issued by the Board on 1 April 2021.
- 3 Surface Water Development Contributions invoiced during the year:

	Pevensey	Cuckmere	Status	Case Reference
STA001		3,616	PAID	20_03909_C
BRK002	2,643		PAID	21_03998_C
PAR001	8,336	0	PAID	20_03542_C
MOR001	28,529	0	PAID	20_02937_C
BA0002	6,546		PAID	20_03088_C
BA0003	6,918		PAID	21_04515_C
PA0001	1,798		PAID	21_04865_C
BE0001	47,851		PAID	21_04502_C
RO0001		1,877	PAID	21_03667_C
DA0001	11,910		PAID	20_04500_C
GR0001	25,652		PAID	21_05271_C
VO0001		5,922	PAID	21_05272_C
VO0001		7,757	PAID	21_05275_C
VO0001		7,256	PAID	21_05119_C
VO0001		1,476	PAID	21_05120_C
BE0001	584		PAID	21_04502_C
HA0001	28,016		PAID	21_05423_C
JE0001	9,245		PAID 27.05.22	22_05977_C
	178,027	27,904		

- 4 The Board has issued its highland water contributions claim from the EA for the year 2021/22. 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. This was paid on 06th September 2021.
- 5 The Board has funding approved by Natural England for two Water Environmental Grant (WEG) projects. The Board has received £45,169 for the second Pennywort WEG Grant Claim 2. The remaining balance relates to the Waller Windpump, and was paid in full on 18.05.22.
- 6 These are consent fees issued by the Board 2021/22, 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 2021. (Pevensey 81% = £820,743 and Cuckmere 19% = £188,058).
- 8 Other Income is a partial refund of the Precept from the EA for works they have not completed in 2021/22
- 9 There has been no Rechargeable Works completed this year.

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Note **Notes to the Accounts**

Directly Allocated Expenditure

- 10(i) This incorporates Phase 1 costs of the hydromodelling, the budget set was for £235,000 and spend to date is £220,275. This will be funded from the Development Reserve. The movements are detailed and will approved by the Board at Year End. The budget set of £150,000 was for Phase 2, which has not yet been started and will not move forward until Phase 1 has been fully approved by the Board.
- 10(ii) These are the costs incurred for the Pevensey Water Levels Management Project. The approved value of funding from the EA for this project is £350,000, which has been received in full. (see Note 33)
- 11 These are the costs of WMA Technical Staff working on the Cuckmere Desilting and DeShingling issues within the Sub-District. The remaining balance of the contribution rated within the Cuckmere Subdistrict has been moved into a reserve specifically for these works. (See Note 36)
- 12 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.
- 13 All drain maintenance work has been done by the Contractor Agricultural Machine Hire Ltd (AMH - Darren Walker) 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.

- 14 These costs relate to the employment costs of the Board's Operations Manager and Water Level Management Operative, which includes all Health & Safety PPE, fuel and maintenance costs for two 4 x 4 vehicles. These vehicles are owned by the Board.
- 15 These costs relate to the time the WMA Engineer, Sustainable Development Manager and Environmental Manager have spent working for the Board.
- 16 This relates to the gross cost of employing a full time Area Manager (the former Sustainable Development Officer, and the newly appointed Flood Risk Engineer)
- 17 These costs relate to the time the WMA Chief Executive, Business Support, Finance & Rating Manager, Rating Officer and the ICT Manager have spent working for the Board.
- 18 There are no doubtful debts to report.
- 19 There have been a small amount of write offs in 2021/22 to date. These consist of drainage rates that are under £3 and not viable to chase for payment. It also includes the write off, as agreed by the Board, for the ratepayer for flooding in the Cuckmere.

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Note Notes to the Accounts

- 20 Audit Fees for 2021/22 have been accrued for the full 12 Months.
- 21 The Operations Manager's 4 x 4 vehicle has been depreciated by £5,444, and the Operative's vehicle by £3,480 in 2021/22. The trailer is now fully depreciated, the final amount of £129 depreciation in April 2021. The Storage Container and all small tools and equipment are shown in the Fixed Assets Register and have been fully depreciated.
- 22 The insurance costs relate to the general insurance costs such as Employer's and Public Liability Insurance. Pumping Station insurance is shown within repairs and maintenance, and included within the maintenance breakdown sheet.
- 23 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.
- 24 These costs relate to the printing and posting of Board meeting papers and Drainage Rate Demands.
- 25 These costs relate to the public notices that need to be advertised in the local press.
- 26 These costs include the Board's subscription for membership of the Association of Drainage Authorities (ADA), 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

27 Fixed Assets	Vehicles and Trailers	Lockup and Equipment	Pumping Stations	Total
Cost				
Opening Balance as at 1-4-2021	44,161	10,268	6	54,435
(+) Additions	23,860	0	0	23,860
(+) Revaluations	0	0	0	0
(-) Disposals	-19,400	0	0	-19,400
Closing Balance as at 31-3-2022	48,621	10,268	6	58,895
Depreciation				
Opening Balance as at 1-4-2021	29,513	10,268	0	39,781
(+) Depreciation Charge	9,053	0	0	9,053
(-) Accumulated depreciation written out on disposal	-19,400	0	0	-19,400
Closing Balance as at 31-3-2022	19,166	10,268	0	29,434
Net Book Value				
Net Book Value as at 31-3-2021	14,648	0	6	14,654
Net Book Value as at 31-3-2022	29,455	0	6	29,461

- (i) The trailer is now fully depreciated, with the final £129 depreciation in April 2021. The Operations Manager's and Water Level Management Operatives trucks are being depreciated monthly, at a rate of £497.08 and £453.66 per month. The old truck has been sold, and made a profit on disposal of £11,601 (net of VAT).
- (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 in the accounting period April 2017-March 2018.
- (iii) The Board owns 6 pumping stations, and these have been revalued in the manner set out in the Practitioners Guide 2021. 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 2021
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Note Notes to the Accounts

28(i) Bank Account

The Board's Bank Account is reconciled as follows:

	2020/21	Movement	2021/22
Opening Balance as at 1-4-2021 b/fwd	32,880	42,142	75,022
(+) Receipts	1,147,192	-106,648	1,040,544
(-) Payments	-1,105,050	173,271	-931,779
Closing Balance as at 31-3-2022 c/fwd	75,022	108,765	183,787
Balance on Bank Statement as at 31-3-2022	75,022	108,765	183,787
Less: Unpresented Payments	0	0	0
Add: Unpresented Receipts	0	0	0
Closing Balance as at 31-3-2022 c/fwd	75,022	108,765	183,787

28(ii) Short Term Investments

	2020/21	Movement	2021/22
32 Day Deposit Account - Lloyds plc	1,001,027	100,324	1,101,352

The Short Term Investments are currently attracting interest of 0.10%.

29 Trade Debtors and Ratepayers Due

	Pevensey	Cuckmere	2021/22
Trade Debtors	50,362	1,804	52,166
	50,362	1,804	52,166

Aged Debtor Profile is currently as follows:

Debt period	Pevensey	Cuckmere	No of Debtors
<=30 days	50,362	1,804	3
>30 days and <=60 days	0	0	0
>60 days and <=90 days	0	0	0
>90 days	0	0	0
	50,362	1,804	3

Drainage Rates (less Worldpay amounts, in abeyance)

	283	581	864
	283	581	864

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
	50,645	2,385	53,030

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Note Notes to the Accounts

30 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.

31 Trade Creditors

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

	2020/21	Movement	2021/22
WMA	21,506	2,937	24,444
Broads IDB	1,716	-1,552	164
Blakes Self Loading Vehicles	1,170	-1,170	0
AMH Contractor	34,172	-34,172	0
Williams M&E Ltd	1,178	-1,178	0
Vodafone	82	29	111
Lloyds Plc	9	-2	7
British Gas Business	1,650	-1,713	-62
Screwfix	148	-148	0
Southern Farmers	146	2,117	2,264
Allstar Business Solutions	418	137	556
	62,196	-34,714	27,482

32 Accruals

	2020/21	Movement	2021/22
Audit Fees	2,000	400	2,400
Biodiversity Costs	7,000	4,000	11,000
EA Precept Charge for 2018/19	70,000	0	70,000
NE Telemetry Survey	10,559	0	10,559
Rechargeable Works	0	33,652	33,652
British Gas	0	1,460	1,460
Sage Services and Support	0	1,312	1,312
Postage	0	550	550
Pumping Station Insurances	6,000	-6,000	0
	95,559	35,375	130,934

33 Grant Reserve

	Pevensey	Cuckmere	2021/22
Opening Balance, as at 1-4-2021 b/fwd	97,043	0	97,043
(+) Grants Received (SCH01 Water Mgmt Improvement Scheme)	250,000	0	250,000
(+) Grants Received (WEG Floating Pennywort)	45,169	0	45,169
(-) Grants Applied to Income & Expenditure Account (WEG)	-45,169	0	-45,169
(-) Grants Applied to Income & Expenditure Account (SCH01)	-134,234	0	-134,234
Closing Balance, as at 31-3-2022 c/fwd	212,809	0	212,809

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Note Notes to the Accounts

34 General Reserve

	Pevensey	Cuckmere	2021/22
Opening Balance, as at 1-4-2021 b/fwd	63,549	66,869	130,418
(+) Net Surplus/(Deficit) for the Period	150,140	31,668	181,808
* (-) Transferred to Earmarked Development Reserve	-30,306	-4,750	-35,056
(-) Transferred (to)/from Cuckmere Targeted Improvement Reserve	0	-16,884	-16,884
Closing Balance, as at 31-3-2022 c/fwd	183,383	76,903	260,286
* Surface Water Development Contributions Invoiced during the year	178,027	27,904	205,931
(-) Collection Costs:			
Gross cost of employing Sustainable Development Officer	91,814	14,391	106,205
East Sussex County Council (ESCC) Hosting Costs	4,322	678	5,000
Stage 2 + 3 Hydro-Modelling	51,585	8,085	59,670
	147,721	23,154	170,875
* (=) Transferred to Earmarked Development Reserve	30,306	4,750	35,056

35 Development Reserve

	Pevensey	Cuckmere	2021/22
Opening Balance, as at 1-4-2021 b/fwd	660,146	112,879	773,025
* Transferred from General Reserve, as detailed in Note 34 above	30,306	4,750	35,056
Closing Balance, as at 31-3-2022 c/fwd	690,452	117,629	808,081

36 Cuckmere Targeted Improvements Reserve

	Pevensey	Cuckmere	2021/22
Opening Balance, as at 1-4-2021 b/fwd	0	8,310	8,310
Transferred from General Reserve, as detailed in Note 34 above	0	16,884	16,884
Closing Balance, as at 31-3-2022 c/fwd	0	25,194	25,194

37 Revaluation Reserve

	2020/21	Movement	2021/22
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

- 37 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 £922. Mr P J Camamile is the Company Secretary of Byzantine Ltd and his wife Mrs P Camamile is a Director. Both are shareholders.

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

MAINTENANCE WORK FOR 2021/22

MAINTENANCE EXPENDITURE	PEVENSEY				CUCKMERE				TOTAL			
	ACTUAL 2020/21	BUDGET 2021/22	ACTUAL 2021/22	VARIANCE 2021/22	ACTUAL 2020/21	BUDGET 2021/22	ACTUAL 2021/22	VARIANCE 2021/22	ACTUAL 2020/21	BUDGET 2021/22	ACTUAL 2021/22	VARIANCE 2021/22
<u>Pumping Stations:</u>												
MEICA planned servicing	5,705	6,000	5,705	295	0	0	0	0	5,705	6,000	5,705	295
MEICA additional work needed in year	2,936	6,000	2,086	3,914	0	0	0	0	2,936	6,000	2,086	3,914
Electricity charges	29,041	46,250	23,094	23,156	0	0	0	0	29,041	46,250	23,094	23,156
Breakdown Insurances	6,000	3,410	5,600	-2,190	0	0	0	0	6,000	3,410	5,600	-2,190
Risk contingency	0	2,500	0	2,500	0	0	0	0	0	2,500	0	2,500
	43,682	64,160	36,485	27,675	0	0	0	0	43,682	64,160	36,485	27,675
<u>Watercourses:</u>												
Desilting and Weed cutting	81,996	119,542	87,541	32,001	7,234	6,402	4,607	1,795	89,230	125,944	92,148	33,796
Telemetry	2,460	5,000	2,325	2,675	0	0	0	0	2,460	5,000	2,325	2,675
Plant	7,340	0	6,309	-6,309	50	0	0	0	7,390	0	6,309	-6,309
Materials	10,935	0	3,863	-3,863	0	0	0	0	10,935	0	3,863	-3,863
Machine Moves	1,380	1,500	1,200	300	0	500	0	500	1,380	2,000	1,200	800
Spraying	0	0	0	0	0	0	0	0	0	0	0	0
Biodiversity Action Plan	4,000	4,000	4,000	0	0	0	0	0	4,000	4,000	4,000	0
Health and Safety	0	0	1,248	-1,248	0	0	0	0	0	0	1,248	-1,248
Water Level Control Structure Maintenance	75	5,000	0	5,000	0	500	0	500	75	5,500	0	5,500
Risk contingency	0	6,880	0	6,880	0	510	0	510	0	7,390	0	7,390
	108,185	141,922	106,486	35,436	7,284	7,912	4,607	3,305	115,469	149,834	111,093	38,741
<u>Emergency response contingency (external assistance):</u>												
5 EA operatives for 5 days @ £26/hour/Overtime for Operations Staff for Mgmt of Water Levels	3,120	4,836	0	4,836	347	364	0	364	3,467	5,200	0	5,200
	154,987	210,918	142,970	67,948	7,631	8,276	4,607	3,669	162,618	219,194	147,578	71,616



Pevensey and Cuckmere

Water Level Management Board

From: 01 April 2021
To: 31 March 2022

Period To: 12
Year Ending: 31 March 2022

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2022		ACTUAL 2020/21 £	ACTUAL 2021/22 £
1	Balances brought forward		
	Grant Reserve	0	97,043
	General Reserve	82,845	130,418
	Development Reserve	703,365	773,025
	Cuckmere Targeted Improvements Works Reserve	0	8,310
	Revaluation Reserve	6	6
	As per Statement of Accounts	786,215	1,008,801
	(-) Fixed Assets, Long Term Liabilities and Loans		
	Net Book Value of Tangible Fixed Assets	25,694	14,654
		25,694	14,654
	(=) Adjusted Balances brought forward	760,522	994,148
2	(+) Rates and Special Levies		
	Drainage Rates	42,204	42,754
	Special Levies	313,839	317,951
	As per Statement of Accounts	356,043	360,705
3	(+) All Other Income		
	Profit/(Loss) on Disposal of Fixed Assets	0	11,601
	Surface Water Development Contributions	241,260	205,931
	Highland Water Contributions from the Environment Agency	91,500	91,500
	Bank and Investment Interest	643	324
	Grants Applied	50,784	179,403
	Other Income	33,886	29,000
	Consent Fees	1,550	2,450
	As per Statement of Accounts	419,622	520,209
	(+) Income from Sale of Fixed Assets (above profit/(loss))		
	Capital Cost of disposals	0	19,400
	Less: Accumulated depreciation written out	0	-19,400
		0	0
	(+) Grants Applied to Grants Received Conversion		
	(-) Grants Applied	-50,784	-179,403
	(+) Grants Received	147,826	295,169
		97,043	115,766
	(=) Adjusted Other Income	516,665	635,975



Pevensey and Cuckmere

Water Level Management Board

From: 01 April 2021
To: 31 March 2022

Period To: 12
Year Ending: 31 March 2022

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2022		ACTUAL 2020/21 £	ACTUAL 2021/22 £
4	(-) Staff Costs		
	Operations Delivery Staff Costs	84,262	87,188
	WMA Technical Support Staff Costs	0	0
	Other Technical Support Staff Costs	73,118	89,292
	WMA Administration Staff Costs	0	0
		157,380	176,481
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 and Improvement Works (Hydromodelling)	93,732	59,670
	New and Improvement Works (Water Levels Mgmt Project)	2,958	134,234
	Cuckmere Deshingle and Desilting Works	11,690	1,558
	Environment Agency Precept	40,000	30,000
	Maintenance Works	162,618	147,578
	WMA Technical Support Costs	40,842	24,298
	WMA Admin Costs	21,766	22,626
	Other Operational Staff Costs	9,277	10,028
	Other Technical Support Costs	4,749	21,913
	Cost of Rechargeable Works	32,288	0
	Grant Work	47,826	45,169
	Drainage Rate Write Off	1,731	1,854
	Provision for Doubtful Debts	0	0
	Audit Fees	400	2,000
	Depreciation	12,724	9,053
	General Insurances	5,091	5,000
	Accommodation and Meeting Room Hire	0	891
	Postages and Stationery	873	550
	Advertising and Public Notices	0	0
	ADA Subscriptions and Other Expenses	4,178	6,204
	As per Statement of Accounts	492,741	522,625
	(-) Depreciation Charged (Non Cash)		
	Vehicles and Trailers	11,040	9,053
	Lockup and Equipment	1,683	0
	Pumping Stations	0	0
		12,724	9,053

From: 01 April 2021
To: 31 March 2022

Period To: 12
Year Ending: 31 March 2022

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2022		ACTUAL 2020/21 £	ACTUAL 2021/22 £
(+) Capitalised Additions			
Vehicles and Trailers		0	23,860
Lockup and Equipment		1,683	0
Pumping Stations		0	0
		1,683	23,860
(=) Adjusted Other Expenditure		481,702	537,432
7 (=) Balances carried forward			
Grant Reserve		97,043	212,809
General Reserve		130,418	260,286
Development Reserve		773,025	808,081
Cuckmere Targeted Improvements Works Reserve		8,310	25,194
Revaluation Reserve		6	6
As per Statement of Accounts		1,008,801	1,306,376
(-) Fixed Assets, Long Term Liabilities and Loans			
Net Book Value of Tangible Fixed Assets		14,654	29,461
		14,654	29,461
(=) Adjusted Balances carried forward		994,148	1,276,915
8 Total Cash and Short Term Investments			
Bank Account		75,022	183,787
Short-Term Investments		1,001,027	1,101,352
As per Statement of Accounts		1,076,049	1,285,139
9 Total Fixed Assets and Long Term Assets			
Vehicles and Trailers (valued at Purchase Cost)		44,161	48,621
Lockup and Equipment (valued at Purchase Cost)		10,268	10,268
Pumping Stations (Revalued)		6	6
As per Statement of Accounts		54,435	58,895
10 Total Borrowings			
Loans Due (<= 1 Year)		0	0
Loans Due (> 1 Year)		0	0
As per Statement of Accounts		0	0



**Pevensey and
Cuckmere**
Water Level Management Board

From: 01 April 2021
To: 31 March 2022

Period To: 12
Year Ending: 31 March 2022

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDING 31 MARCH 2022	ACTUAL	ACTUAL
	2020/21	2021/22
	£	£

7, 8 RECONCILIATION BETWEEN BOXES 7 AND 8	ACTUAL	ACTUAL
	2020/21	2021/22
	£	£

7	Balances carried forward (adjusted)	994,148	1,276,915
	(-) Deduct: Debtors and Prepayments		
	Trade Debtors and Ratepayers Due	515	53,030
	Vat Due from HMRC	29,061	61,378
	Work in Progress	50,903	41,967
		80,479	156,374
	(+) Add: Creditors and Payments Received in Advance		
	Trade Creditors	62,196	27,482
	Accruals	95,559	130,934
	Provision for Doubtful Debts	0	0
	Rates Received in Advance	4,626	6,182
		162,381	164,598
	(=) Box 8	1,076,049	1,285,139
8	(=) Total Cash and Short Term Investments		
	Bank Account	75,022	183,787
	Short-Term Investments	1,001,027	1,101,352
		1,076,049	1,285,139

S JEFFREY BSc (Hons) FCCA
FINANCE & RATING MANAGER

09 JUNE 2022

Annual Governance and Accountability Return 2021/22 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2022
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2021/22

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

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

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2022 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

***Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2021/22

PEVENSEY AND CUCKMERE WLMB

ENTERED BY: <https://www.wlma.org.uk/pevensey-cuckmere/home/> SS

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

07/04/2022 08/04/2022 11/04/2022

Name of person who carried out the internal audit

KATHY WOODWARD INTERNAL AUDITOR

Signature of person who carried out the internal audit

K. Woodward

Date

19/04/2022

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

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

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

PEVENSEY AND CUCKMERE WLMB

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed		
	Yes	No*	'Yes' means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

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

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

09/06/2022

and recorded as minute reference:

42/22/01

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

Chairman

M. A. Gower

Clerk

P. Connelley

<https://www.wlma.org.uk/pevensey-cuckmere/home/>

Section 2 – Accounting Statements 2021/22 for

PEVENSEY AND CUCKMERE WLMB

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
1. Balances brought forward	760,522	994,148	<i>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.</i>
2. (+) Precept or Rates and Levies	356,043	360,705	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	516,665	635,975	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	157,380	176,481	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	481,702	537,432	<i>Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	994,148	1,276,915	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	1,076,049	1,285,139	<i>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.</i>
9. Total fixed assets plus long term investments and assets	54,435	58,895	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A
			✓
			<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners’ Guide to Proper Practices and present fairly the financial position of this authority.

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

5. J. H. M.

Date _____

26/05/2022

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

09/06/2022

as recorded in minute reference:

42122102

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

W. A. Gower

Section 3 – External Auditor Report and Certificate 2021/22

In respect of **PEVENSEY AND CUCKMERE WATER LEVEL MANAGEMENT BOARD – DB0074**

1 Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

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

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor report 2021/22

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

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

None.

3 External auditor certificate 2021/22

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

 SIGNATURE REQUIRED

Date

10/09/2022

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

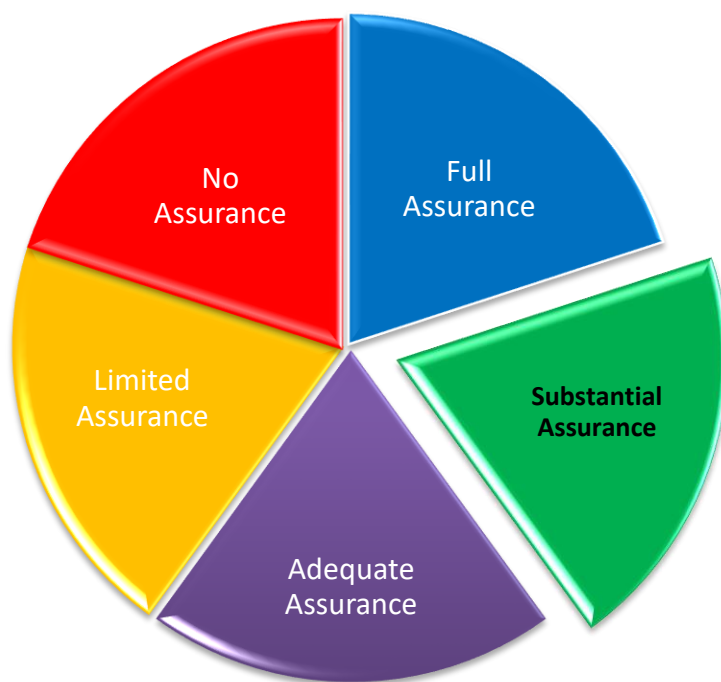


INTERNAL AUDIT REPORT

WATER MANAGEMENT ALLIANCE

REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL 2021/22

19th April 2022



Internal Audit Service

This audit has been conducted in accordance with the Accounts & Audit Regulations 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 if 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 Kathy Woodward to whom any query concerning the content of this report should be made to kwoodward@fenland.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	19/04/2022
Management agreement received	19/04/2022
Final Report issued	19/04/2022

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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
3	9	0	0	12	0	0	3	3

Overall Objective and System Background

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

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

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

Summary of Key Control Issues and Risks

Based upon the work carried out, Substantial Assurance can be given regarding the effectiveness of the system of internal control operating within the WMA. There are few minor weaknesses identified within the Creditors and Bank Reconciliation areas that require review.

- Instances were identified where payment runs are not authorised as per the financial regulations on either the suggested payments report or the authorisation report.
- There are instances on the Broads IDB bank reconciliation where reconciliations take place for part days, meaning that one full day can have two separate reconciliations. There is a risk that transactions could be missed and is not following standard operating procedure.

A general recommendation has been included regarding improvements that could be made to increase the audit trail of the finance transactions and authorisation procedures, to increase efficiency and to go paperless, thus increasing the efficiency, flexibility and agility of the team.

Summary of Key Recommendations

The key recommendations arising from the audit are:

- Ensure all payment runs have been appropriately authorised.
Internal Audit advice would be that this could be done by the Finance and Rating Manager or the Chief Executive, so long as appropriate segregation of duties is in place.

- Ensure all reconciliations are undertaken up to the end of the previous day, to ensure each complete day is recorded in one reconciliation and corresponds to the bank statements.
- Review current practices to see where efficiencies can be made in going paperless and explore the finance system capabilities for more efficient and robust electronic authorisations.

2. Objective & Scope

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

2.2 The audit involved the following:

- Creditors – sample testing of purchase orders and invoice payments for appropriate authorisation in accordance with Financial Regulations.
- Risk Management - reviewing Board minutes for evidence of review of Risk Register at regular intervals; reviewing each Board's Risk Register for expected and relevant risks.
- Budgetary Control – reviewing Board minutes for evidence that budgets for the year ahead are set and that monitoring reports are presented to the Board on a regular basis with analysis of any variations. Checking that financial reporting to Boards is in accordance with Financial Regulations.
- Reserve's Policy – reviewing each Board's Reserves Policy for adequacy and assessing whether each Board's reserves are appropriate.
- Income – reviewing the system for the receipt and banking of income; test checking a sample of income receipts for evidence of prompt and correct banking, and that VAT is accounted for correctly.
- Petty Cash – reviewing the petty cash system and the appropriateness of payments made out of petty cash for appropriateness.
- Payroll – sample testing of payroll records for correct authorisation of timesheets and correct application of PAYE/NIC deductions.
- Assets & Investments – reviewing the process for monitoring and reporting investments and assets, ascertaining each Board's current investments and where they are held. Tracing a sample of investments back to source documents for appropriate authorisation. Reviewing the process for the monitoring and reporting of cash flow, ensuring that cash flows are maintained at an appropriate level.
- Cashbook & Bank Reconciliations – sample testing of the reconciliation of each Board's cashbook to their bank statements, checking that any discrepancies are identified, investigated and explained, and that corrective action is taken. Checking that all bank accounts have remained in credit throughout the whole year.
- Year End Procedures – checking that accounting statements prepared during the year were prepared using the correct accounting basis.
- Transparency – checking that the Board published information on a website that complies with the relevant Transparency code.
- Exercise of Public Rights – checking that the authority has provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations and complied with the publication requirements for the prior year AGAR.

- 2.3 Recommendations arising from the previous year's audit were followed-up to ensure their implementation by management.
- 2.4 The audit review was undertaken in liaison with the Finance & Rating Manager and consisted of discussions relating to the operation of the internal control processes, review of relevant documentation and sample testing of specific transactions.
- 2.5 Due regard was taken of the guidance issued in March 2021 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 2021)" 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 2021/22 for each of the six Boards.
- 2.7 The review was undertaken during March and April 2022.

3. Background Information

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

4. Our Opinion

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

OVERALL INTERNAL AUDIT OPINION: <i>SUBSTANTIAL ASSURANCE</i>	
Control Objectives	Assurance Opinion
1. Creditors - To ensure that all orders have been raised and payments processed in accordance with Financial Regulations.	Substantial
2. Risk Management – To ensure that the authority has assessed the significant risks to achieving its objectives and has reviewed the adequacy of the arrangements to manage these.	Substantial
3. Budgetary Control - To ensure that robust controls exists regarding the budget setting and monitoring process, and that budgets are set for the year ahead and are monitored throughout the year, with any variances identified and explained adequately.	Substantial
4. Reserve's Policy - To ensure that each Board has a Reserves Policy in place relating to capital financing and reserves, and that reserves are appropriate.	Full
5. Income – To ensure that expected income is fully received, based on correct prices, properly recorded and promptly banked, and that VAT is appropriately accounted for.	Substantial
6. Petty Cash - To ensure that petty cash provisions are reasonable, used in accordance with Financial Regulations and that adequate records are kept of payments made.	Substantial
7. Payroll - To ensure that salaries have been paid correctly and in a timely manner, and that PAYE/NIC have been paid over correctly.	Substantial
8. Assets & Investments - To ensure that investments and assets are properly recorded, that reimbursements and interest are received promptly and in full, and that cash flows are maintained at an adequate level.	Substantial
9. Cashbook & Bank Reconciliations - To ensure that regular monthly reconciliations are carried out by a responsible officer and that this is evidenced. To ensure that any discrepancies are investigated and explained, and that corrective action is taken where necessary.	Substantial
10. Year End Procedures – To ensure that accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail and, where appropriate, debtors and creditors were properly recorded.	Substantial
11. Transparency -To ensure that information published on the website complies with the relevant Transparency code.	Full
12. Publications – To ensure that the period for the exercise of public rights as required by the Accounts and Audit regulations has been provided for and that publication requirements for the prior year AGAR has been complied with.	Full

- 4.2 The detailed findings and recommendations arising from the review are attached as Appendix A, incorporating the agreed management actions.
- 4.3 A total of five recommendations were made arising from last year's review; as part of this current year's audit these were followed-up to ensure that they had been implemented by management. The results of the follow-up are attached as Appendix B. Of the five recommendations, all have been actioned.
- 4.4 Significant improvements have been made since the last audit on the control environment, with increased resources in the team and improved processes for ensuring accuracy and control.
- 4.5 Appendix C provides definitions of the Internal Audit assurance opinions given in the report and of the recommendation priorities.
- 4.6 The Terms of Reference for the review are attached as Appendix D.

5. Reporting

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

6. Acknowledgements

- 6.1 Internal Audit would like to express our thanks to the following for their assistance during the course of the audit:
- Sallyanne Jeffrey, Finance & Rating Manager/RFO
 - Phil Camamile, Chief Executive
 - Lisa Manning, Senior Finance & Rating Officer
 - Amy Taylor, Finance & Rating Officer
 - Alex Burton, Finance and Rating-Officer
 - Agi Escovia, Senior Finance and Rating-Officer
 - Graham Tinkler, Rating/Enforcement Officer
- 6.2 I would like to congratulate you on significant improvements over previous years audits. The changes that have been implemented, along with increasing the resourcing capacity has had a marked impact on the results of the audit and the finance and rating team should be congratulated on their achievements.

Findings, Risks, Recommendations and Management Action Plan

Control Objective 1: Creditors – To ensure that all orders have been raised and payments processed in accordance with Financial Regulations. (AGAR B)

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
1.	<p><u>Finding</u></p> <p>All suggested payment reports and authorisation reports for the whole year were checked for appropriate authorisation. The process requires at least one of these reports to be initialled or authorised by PC. Three instances were identified where neither report had been authorised before payments were made.</p> <p>Kings Lynn – 31/05/2021 South Holland – 31/05/2021 Norfolk Rivers – 31/07/2021</p> <p>It was explained by the Finance and Rating Manager that this was likely a result of staff members working from home and authorisations obtained via email, but not attached to the file.</p> <p><u>Risk</u></p> <p>Risk that unauthorised payments could be made and not made in accordance with Financial Regulations.</p>	<p>Ensure all payment runs have been appropriately authorised. Internal Audit advice would be that this could be done by the Finance and Rating Manager or the Chief Executive, so long as appropriate segregation of duties is in place.</p>	Low	<p>These payment runs were processed by the Finance and Rating Officer that was required to isolate due to being classed as Clinically Extremely Vulnerable, and working from home.</p> <p>The Finance and Rating Manager will now approve these moving forward from 01st April 2022 (the Chief Executive will sign in her absence)</p>	<p>Sallyanne Jeffrey/All Finance and Rating Team</p> <p>April 2022</p>

Follow-up of Previous Report's Recommendations

Control Objective 9: Cashbook and Bank Reconciliation - To ensure that regular monthly reconciliations are carried out by a responsible officer, that this is evidenced, and that any discrepancies are investigated and explained, and corrective action is taken where necessary.

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
2.	<p><u>Finding</u> For the Broads IDB bank reconciliation all of the transactions are reconciled, however a number of reconciliations are undertaken in 'part' days so some transactions will go into one rec and others into the next rec. This creates the illusion that the bank statements are showing incorrect balances.</p> <p><u>Risk</u> Risk that transactions could be missed or duplicated. This could create an issue for business continuity in the event of absences and unnecessary inefficient backtracking to ensure the reconciliations are complete and up to date.</p>	Recommendation - ensure all reconciliations are undertaken up to the end of the previous day, to ensure each complete day is recorded in one reconciliation and corresponds to the bank statements.	Low	Although the bank reconciliations were part complete, we would like to clarify no mistakes or errors were found within any of the Bank reconciliations performed. It could be argued that the Officer was being overly efficient and proactive. We have agreed to complete only full day reconciliations moving forward so the audit trail is clearer.	Finance and Rating Team April 2022

Follow-up of Previous Report's Recommendations

General Observation – Improvements and Best Practice

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date
3.	<p><u>Finding</u></p> <p>Following on from the Covid 19 pandemic, significant strides have been made in digital efficiencies to enable the workforce to work in a more flexible and agile manner. There is still a lot more that could be achieved to reduce reliance upon paper audit trails, resulting in benefits such as more efficient working practices, cost savings through reduced storage and enabling electronic authorisation through the finance system, increasing the audit trail. With the impending move to new offices, this would be an ideal time to create a paperless strategy and plan for the finance team.</p>	<p>Review current practices to see where efficiencies can be made in reducing reliance upon paper audit trails and explore the finance system capabilities for more efficient and robust electronic authorisations.</p> <p>Additional support could be sought from the internal auditor to provide advice and guidance if required on implementation on electronic procure to pay and authorisation structures.</p>	Low	<p>The Finance and Rating Team have reduced printing within 2021/22 by saving more on the server, and reducing reliance on paper files, where possible.</p> <p>We have agreed to save down the monthly Financial Reporting pack onto the server from 01st April 2022. This will save significant amounts of paper.</p> <p>Moving forwards the Finance and Rating Manager will look at a strategy to move towards a more paperless way of working. The Bedford Group of IDBs is currently trialling a system that is moving towards a paperless system, so we can benefit from their experience and visit to see how their system works, and how we can utilise this best for our Consortium.</p>	<p>Finance and Rating Manager</p> <p>April 2022 (Month End Financial Reporting Packs)</p> <p>April 2024</p>

Follow-up of Previous Report's Recommendations

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

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

Follow-up of Previous Report's Recommendations

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

Rec. no.	Finding / Risk	Recommendation	Priority Rating	Management Response	Responsible Officer and Agreed Due Date	Follow-up of Agreed Actions
3.	<p><u>Finding</u> Payrolls for King's Lynn, Norfolk Rivers, South Holland and Broads IDB, and for WMA, for July 2020 and January 2021, were checked to ensure that:</p> <ul style="list-style-type: none"> • BACS Submission Details report had been initialled by CEO; • Update Records Check Report payroll totals for each employee agreed to their payslip; • Payslip details agreed to timesheet or expenses sheet; • Timesheet or expenses sheet signed by employee; • Timesheet or expenses sheet authorised by the appropriate officer. <p>Testing proved satisfactory with the exception of two employees whose expenses payments had been underpaid and two employees who had not been reimbursed for their expenses claims:</p> <ul style="list-style-type: none"> • One SHIDB employee claimed for 10 callouts in December 2020. They should have been paid £75.00 for each callout (as per their contract) and as claimed for on their timesheet/expenses form; however, in the January 2021 payroll they were paid £49.20 for each one; therefore, they were paid a total of £492.00 instead of £750.00. 	The two employees whose expenses payments had been underpaid and the two whose expenses payments had been missed should be reimbursed correctly in the May 2021 payroll.	Medium	The two employees whose expenses payments had been underpaid and the two whose expenses payments had been missed should be reimbursed correctly in the May 2021 payroll.	The two employees whose expenses payments had been underpaid and the two whose expenses payments had been missed should be reimbursed correctly in the May 2021 payroll.	<p>Corrections actioned in May 2021 payroll.</p> <p>Additional processes have been introduced for the payroll processing, which has resulted in fewer errors and none identified during the audit for 2021/22.</p>

Follow-up of Previous Report's Recommendations

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

Follow-up of Previous Report's Recommendations

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

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

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 minor weaknesses** which could put the achievement of system objectives at risk.

Adequate Assurance

In our opinion, there is a sound system of internal control operating, but there are **some 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.

WATER MANAGEMENT ALLIANCE

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

**INTERNAL AUDIT
TERMS OF REFERENCE
2021-22**

Terms of Reference

1. INTRODUCTION

- 1.1 This document sets out the strategy and plan for the audit of the Water Management Alliance for the financial year 2021--22.
- 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
 - Waveney, Lower Yare and Lothingland Internal Drainage Board

And to the Pavensey & Cuckmere Water Level Management Board.

As such, this work will enable the auditor to complete the Annual Governance and Accountability Returns for 2021-22 for each of the IDBs.

2. OBJECTIVES AND SCOPE OF THE AUDIT

- 2.1 The work of the Internal Auditor will be guided by the Joint Panel on Accountability & Governance (JPAG) Practitioners' Guide (March 2021).
- 2.2 In order to be able to complete section 4 of the Electronic Annual Governance and Accountability Return for 2021-22, the auditor will consider the following internal control objectives (as stated on the return):
 - A. The Accounting Records
Appropriate accounting records have been properly kept throughout the financial year.
 - B. Financial Regulations and Standing Orders
The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Terms of Reference

- C. Risk Management processes
The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
 - D. Budgetary Controls
The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored: and reserves were appropriate.
 - E. Income Controls
Expected Income was fully received, based on correct process, properly recorded and promptly banked: and VAT was appropriately accounted for.
 - F. Petty Cash Procedures
Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.
 - G. Payroll Controls
Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.
 - H. Asset Management
Assets and Investments registers were complete and accurate and properly maintained.
 - I. Bank Reconciliation
Periodic bank account reconciliations were properly carried out during the year.
 - J. Year-end Procedures
Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.
 - L. The authority publishes information on a free to access website/webpage up to date at the time of internal audit in accordance with any relevant transparency code requirements.
 - M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.
 - N. The authority has complied with the publication requirements for 2020-21 AGAR.
- 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.

Terms of Reference

3. TASKS

3.1 The project tasks are to:

- Establish if the procedures recorded as part of the audit for 2020-21 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 2021-22 for each of the IDBs.

4. WORK PLAN

4.1 The audit will be undertaken by Kathy Woodward, Internal Auditor Manager, Fenland District Council.

4.2 The audit has been allocated seven 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 2020-21.	1
Testing – to establish that processes are being applied as intended.	4.5
Conclusions and discussion.	1
Completing the Return and reporting if required.	0.5

Terms of Reference

5. AGREEMENT

	Signature	Date
Phil Camamile Chief Executive, Water Management Alliance
Kathy Woodward Internal Audit Manager Fenland District Council



Annual Report for the year ended

31 March 2022

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 October 2022 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood and Coastal Erosion Risk Management Division, Floor 3, Seacole, 2 Marsham Street, London SW1P 4DF via flood.reports@defra.gov.uk
- National Flood and Coastal Risk Manager (Strategic Delivery), The Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH via james.addicott@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 BOARD

Internal Drainage Board

Section A – Financial information

Preliminary information on special levies issued by the Board for 2022-23

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 2022-23 (forecast)	
Name of local authority	2022-23 forecast £
1. EASTBOURNE BOROUGH COUNCIL	249,351
2. HASTINGS DISTRICT COUNCIL	12,621
3. ROTHER DISTRICT COUNCIL	4,626
4. WEALDEN DISTRICT COUNCIL	66,411
5.	
6.	
7.	
8.	
Total	333,009

Section A – Financial information (continued)

Income and Expenditure Account for the year ending 31 March 2022

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 2022 £
INCOME		
1. Drainage Rates		42,754
2. Special Levies		317,951
3. Higher Land Water Contributions from the Environment Agency		91,500
4. Contributions received from developers/other beneficiaries		208,381
5. Government Grants (includes capital grants from EA and levy contributions)		179,403
6. PSCAs from EA and other RMAs		0
7. Loans		0
8. Rechargeable Works		0
9. Interest and Investment Income		324
10. Rents and Acknowledgements		0
11. Other Income		29,000
Total income		869,313
EXPENDITURE		
12. New Works and Improvement Works		239,073
13. Total precept to the Environment Agency		30,000
14. Watercourse maintenance		40,182
15. Pumping Stations, Sluices and Water level control structures		0
16. Administration		39,124
17. PSCAs		0
18. Rechargeable Works		0
19. Finance Charges		0
20. SSSIs		346,727
21. IDB Biodiversity and conservation (other than item 20 expenditure)		4,000
22. Other Expenditure		0
Total expenditure		699,106

EXCEPTIONAL ITEMS		
23. Profits/(losses) arising from the disposal of fixed assets		11,601
Net Operating Surplus/(Deficit) for the year		181,808
24. Developers Funds income not applied in year		808,081
25. Grant income not applied in year		212,809

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

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)?.....

06/10/2022

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.....

3,603ha

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

3,603ha

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

0

Access to environmental expertise

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

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

Asset Management

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

- ADIS
- Paper Records
- Other Electronic System
- ☐
- ☐
- ☒

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

Yes☒No☐

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

103km

How many pumping stations does the Board operate?

6

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

4.03 cumecs

Health and Safety

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

Yes☒No☐

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

Yes☒No☐

Have there been any reportable incidents in the past year?

Yes☐No☒

If so, please summarise in the box below:

Guidance and Best Practice

Has your IDB adopted a formal Scheme of Delegation?

Yes ☒

No ☐

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

Governance

☒

Finance

☐

Environment

☒

Health, safety and welfare

☒

Communications and engagement

☐

Other (please describe)

☐

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

Yes ☒

No ☐

Has your IDB adopted computerised accounting and rating systems?

Yes ☒

No ☐

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

Yes ☒

No ☐

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

Yes ☒

No ☐

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

Yes ☒

No ☐

Has your Board adopted the following governance documents?

Standing Orders

Yes ☒

No ☐

Have the Standing Orders been approved by Ministers

Yes ☒

No ☐

Byelaws

Yes ☒

No ☐

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

Yes ☒

No ☐

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

Yes ☒

No ☐

Code of Conduct for Board Members.....

Yes ☒

No ☐

Financial Regulations.....Yes ☒ No ☐

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

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

Board membership and attendance

How many Board members (in total – elected and appointed) do you have on your IDB?	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.	8
Mean average number of elected members in attendance at each board meeting over the last financial year.	6
Mean average number of appointed members in attendance at each board meeting over the last financial year.	6

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

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

Complaints procedure

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

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

Public Engagement

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

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

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

2.0%

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 BOARD

Internal Drainage Board

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

Signature

P. Camamile

Date

27/10/2022

Name in BLOCK LETTERS

PHIL CAMAMILE

Designation

CHIEF EXECUTIVE

Email address

PHIL@WLMA.ORG.UK



BOARD MEMBERSHIP AS AT 31 MARCH 2022			
NAME	MEETINGS	ATTENDED	ATTENDANCE %
ELECTED MEMBERS			
Richard Brown	3	2	67
Bill Gower *	3	3	100
Gill Hesselgrave	3	3	100
Martin Hole	3	1	33
Robert Miles	3	1	33
David Robinson	3	1	33
Chris Wadman **	3	3	100
Monty Worssam	3	0	0
Elected Member Total	24	14	58%
APPOINTED MEMBERS			
Eastbourne B C			
Helen Burton	3	0	0
Penny Di Cara (wef October 2020)	3	2	67
Jonathan Dow (wef November 2020)	3	0	0
Jim Murray (wef June 2020)	3	2	67
Pat Rodohan (until August 2021)	1	0	0
Robert Smart	3	2	67
Hastings B C/ Rother D C			
Richard Thomas (wef June 2020)	3	3	100
Wealden D C			
Michael Lunn	3	3	100
David White	3	3	100
Appointed Member Total	25	15	60%

* Chairman ** Vice-Chairman

Elected Average Attendance (excluding vacancies) **58%**

Appointed Average Attendance (excluding vacancies) **60%**



Gifts and Hospitality Register for 2021/22

[illegible]