



Waveney, Lower Yare  
and Lothingland  
Drainage Board

**STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDING  
31 MARCH 2023**

Pierpoint House  
28 Horsleys Fields  
Kings Lynn  
Norfolk  
PE30 5DD

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**NOTE ACCOUNTING POLICIES**

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**1 FINANCIAL REPORTING STANDARDS, REGULATION AND GUIDANCE**

- (i) The Board has not elected to prepare a full Statement of Accounts required by larger public bodies (Category 1 Authorities), as provided for in the Local Audit and Accountability Act 2014.
- (ii) The Board has completed this Statement of Accounts in accordance with the provisions of FRS102 Section 1A Small Entities issued by the Accounting Standards Board (other than in respect of the note required for the defined benefit pension scheme) and has prepared an Annual Return which all Category 2 Authorities are required to do, in accordance with Regulation 11 of the Accounts and Audit Regulations 2015, based on these Accounts. The Board is a Category 2 Authority.
- (iii) The Annual Return has been prepared in accordance with proper practices that are set out in Sections 1 to 5 of the Guidance published by the Association of Drainage Authorities on 30 March 2023. This Statement of Accounts therefore includes the Accounting Statement reported in Section 2 of the Annual Return, which has been reconciled to the Income and Expenditure Account and Balance Sheet stated herein.

**2 ACCOUNTING CONCEPTS**

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

Going Concern  
Prudence  
Accruals

**3 FIXED ASSETS**

- (i) Fixed Assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets. Most assets with estimated useful economic lives in excess of one year and a value of £5,000 or above are capitalised on an accruals basis in the Accounts.
- (ii) All Fixed Assets are valued on the following basis:
  - Land and buildings are included in the balance sheet at lower of net current replacement cost and net realisable value, net of accumulated depreciation. Net current replacement cost is assessed as:
    - Non-specialised operational properties – existing use value
    - Specialised operational properties – depreciated replacement cost
  - Vehicles, plant and equipment are included at cost less depreciation

For the purposes of Box 9 in Section 2 of the audited Annual Return, Fixed Assets are recorded at Net Book Value.
- (iii) Disposals are written off at cost less depreciation. Any surplus/deficit arising is charged/credited to Exceptional Items in the Income and Expenditure Account.
- (iv) Depreciation has been provided for using the straight-line method on all plant and equipment purchased before 31 March 2018 and using the reducing balance method thereafter.
- (v) The useful lives of the various assets held on the Fixed Assets Register are as follows:

**NOTE ACCOUNTING POLICIES (CONTINUED)**

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Office and Radio Equipment: 3 years  
Motor Vehicles and Equipment: 4 years  
Excavators and Tractors: 5 years  
Specialist Plant and Equipment: <= 10 years  
Fixed Pumping Plant: 20 years  
Lifting Equipment: 5 years  
Land: not depreciated  
Pumping Stations: 10 years  
Buildings: 50 years

All plant with an engine = 22%  
All plant without an engine = 18%  
All vehicles = 25%

**4 STOCKS AND WORK IN PROGRESS**

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

**5 GOVERNMENT GRANTS AND SUBSIDIES**

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

**6 TAXATION**

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

**NOTE ACCOUNTING POLICIES (CONTINUED)**

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**7. EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS**

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

**8. INCOME RECOGNITION**

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

**9. RESERVES**

The Board holds Reserves as itemised below. The adequacy of these Reserves is reviewed by the Board annually. The purpose of the Reserves can be noted in the Board's Capital Reserves and Financing Policy. This policy is reviewed by the Board every 5 years.

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

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

NOTES	INCOME AND EXPENDITURE ACCOUNT	Y-T-D BUDGET £	Y-T-D ACTUAL £	Y-T-D VARIANCE £	ANNUAL BUDGET £	PROJECTED OUT-TURN £	PROJECTED VARIANCE £
	<b>Income</b>						
	Occupiers Drainage Rates	250,877	250,877	0	250,877	250,877	0
1	Special Levies issued by the Board	234,473	234,473	0	234,473	234,473	0
2	Highland Water Contributions from EA	124,177	182,650	58,473	124,177	182,650	58,473
	Grants Applied	0	2,931,145	2,931,145	0	2,931,145	2,931,145
3	Income from Rechargeable Works	0	12,500	12,500	0	12,500	12,500
	Investment Interest	0	22,798	22,798	0	22,798	22,798
4	Other Income	326,337	275,147	-51,190	326,337	275,147	-51,190
	<b>Total Income</b>	<b>£935,864</b>	<b>£3,909,590</b>	<b>£2,973,726</b>	<b>£935,863</b>	<b>£3,909,590</b>	<b>£2,973,726</b>
	<b>Less Expenditure</b>						
5	Capital Works	0	2,931,145	-2,931,145	0	2,931,145	-2,931,145
6	Precept Contributions to EA	91,410	90,826	584	91,410	90,826	584
7	Maintenance Works	754,060	658,108	95,952	754,060	658,108	95,952
8	Administration Charges	143,216	160,736	-17,520	143,216	160,736	-17,520
3	Cost of Rechargeable Works	0	12,500	-12,500	0	12,500	-12,500
	<b>Total Expenditure</b>	<b>£988,686</b>	<b>£3,853,315</b>	<b>-£2,864,629</b>	<b>£988,686</b>	<b>£3,853,315</b>	<b>-£2,864,629</b>
	Profit/(Loss) on disposal of Fixed Assets	£0	£0	£0	£0	£0	£0
	<b>Net Surplus/(Deficit)</b>	<b>-£52,822</b>	<b>£56,274</b>	<b>£109,096</b>	<b>-£52,822</b>	<b>£56,274</b>	<b>£109,096</b>

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

BALANCE SHEET AS AT 31-3-2023		OPENING BALANCE	MOVEMENT THIS YEAR	CLOSING BALANCE
		£	£	£
<b>Fixed Assets</b>				
9	Pumping Stations	2,717,000	0	2,717,000
		<b>2,717,000</b>	<b>0</b>	<b>2,717,000</b>
<b>Current Assets</b>				
10	Bank Account	1,471,775	-1,315,573	156,202
11	Trade Debtors	921	2,114	3,035
12	Work in Progress	0	13,464	13,464
13	Term Deposits	1,017,256	1,274,915	2,292,171
15	Drainage Ratepayers and Special Levies Due	-571	1,872	1,301
16	Prepayments	0	0	0
	Prepayments to WMA	0	6,638	6,638
	VAT Due	69,837	132,608	202,444
	Grants Due	0	0	0
		<b>2,559,218</b>	<b>116,037</b>	<b>2,675,255</b>
<b>Less Current Liabilities</b>				
	Trade Creditors	84,375	-18,028	66,347
	Accruals	94,733	-11,373	83,360
	Payments Received In Advance	344	11,226	11,570
	Loans Due in Less Than One Year	10,916	-2,594	8,322
		<b>190,368</b>	<b>-20,769</b>	<b>169,599</b>
	<b>Net Current Assets</b>	<b>2,368,849</b>	<b>136,807</b>	<b>2,505,656</b>
<b>Less Long Term Liabilities</b>				
21	Pension Liability	0	0	0
	Loan Due in Over One Year	69,293	-8,322	60,971
	<b>Net Assets</b>	<b>£5,016,556</b>	<b>£145,129</b>	<b>£5,161,685</b>
<b>Reserves</b>				
<b>Earmarked</b>				
	General Reserve	210,062	29,760	239,822
17	Grant Reserve	1,461,015	88,855	1,549,870
18	Development Reserve	484,826	5,874	490,700
19	Langley Road & Pump Maint and Repairs Provision	11,668	0	11,668
	Capital Works Accrued Interest Provision	0	14,183	14,183
20	Accrued Interest Provision	131,985	6,457	138,442
		<b>2,299,556</b>	<b>145,129</b>	<b>2,444,685</b>
<b>Non-Distributable</b>				
	Revaluation Reserve	2,717,000	0	2,717,000
		<b>2,717,000</b>	<b>0</b>	<b>2,717,000</b>
	<b>Total Reserves</b>	<b>£5,016,556</b>	<b>£145,129</b>	<b>£5,161,685</b>

S JEFFREY BSc (Hons) FCCA CPFA  
FINANCE & RATING MANAGER

From: 01 April 2022  
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Period To: 12  
Year Ended: 31 March 2023

**Note Notes to the Accounts**

- 1 Special Levies due from constituent Billing Authorities are as follows:

	Y-T-D BUDGET	Y-T-D 2022/23
Breckland District Council	903	903
Broadland District Council	936	936
East Suffolk Council	26,974	26,974
Great Yarmouth Borough Council	64,191	64,191
Mid Suffolk District Council	17,706	17,706
South Norfolk District Council	123,763	123,763
	<b>234,473</b>	<b>234,473</b>

- 2 The EA Highland Water Claim for 2022/23 is due to be paid by the Environment Agency (EA) to the Board in September, following the changes made to the timetable in 2015 (previously the payment was made in two installments - one in May and one in December).

- 3 There have been no rechargeable works completed in this financial year.

- 4 Other income is made up as follows:

	Y-T-D BUDGET	Y-T-D 2022/23
Shared Income from WMA	326,337	273,819
Sundry Income	0	353
Court Summons	0	975
	<b>326,337</b>	<b>275,147</b>

- 5 The gross cost of each capital scheme is approved by the Board annually and detailed on the schedule of capital works as managed by the Project Development Manager, which can be made available to members on request. The Grants Due/(Unapplied) also correspond with the figures shown on the Balance Sheet.

- 6 The EA Precept due for 2022/23 is payable to the EA on 31 May and the other half is payable to them on 30 November. The Board has no idea where or how this money is spent.

	Y-T-D BUDGET	Y-T-D 2022/23
Contributions Payable to the Environment Agency	91,410	90,826
	<b>91,410</b>	<b>90,826</b>

- 7 Detailed maintenance operations are approved by the Board annually and shown on the Operations map, together with the schedule of maintenance works for each catchment, which can be made available to members on request. Expenditure is analysed as follows:

	Y-T-D BUDGET	Y-T-D 2022/23
Materials	23,000	22,216
Pump Attendants	46,139	45,272
Electricity	148,245	150,939
Telemetry	2,000	1,998
Insurance	10,190	15,206
Contractors	155,413	146,941
Surveyors	34,711	23,810
PWLB Repayment	17,958	1,977
<b>Direct Works</b>	<b>437,655</b>	<b>408,359</b>
Technical Support Staff Costs	277,563	219,630
Other Technical Support Costs	38,842	29,494
Biodiversity Action Plan Costs	0	625
<b>Maintenance Works</b>	<b>754,060</b>	<b>658,108</b>

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

**Note Notes to the Accounts**

8 (i) Administration charges are detailed below:

	<u>Y-T-D</u> <u>BUDGET</u>	<u>Y-T-D</u> <u>2022/23</u>
Administration Fee	92,687	95,569
Other Administration Costs	50,528	60,210
Drainage Rates AV Increases/(Decreases)	0	1,964
Bank Charges	0	9
Audit Fees	0	800
Sundry Expenses	0	2,185
	<u>143,216</u>	<u>160,736</u>

8(ii). **Consortium Charges**

	<u>Y-T-D Budget</u>	<u>Y-T-D Actual</u>
<u>Expenses</u>		
Technical Support Staff (note 7)	277,563	219,630
Other Technical Support (note 7)	38,842	29,494
Administration Staff Costs (note 8i)	92,687	95,569
Other Administration Costs (Note 8i)	50,528	60,210
Shared Income from the WMA (note 4)	-326,337	-273,819
<b>Net Consortium Charge</b>	<u><b>133,284</b></u>	<u><b>131,084</b></u>

9

**Cost**

	<u>Land and</u> <u>Buildings</u>	<u>Pumping</u> <u>Stations</u>	<u>Total</u>
Opening Balance as at 1-4-2022 b/fwd	0	2,717,000	2,717,000
(+) Revaluations	0	0	0
(+) Additions	0	0	0
(-) Disposals	0	0	0
(=) Closing Balance as at 31-3-2023 c/fwd	<u>0</u>	<u>2,717,000</u>	<u>2,717,000</u>

**Depreciation**

Opening Balance as at 1-4-2022 b/fwd	0	0	0
(+) Depreciation Charge for year	0	0	0
(-) Accumulated Depreciation written out on disposal	0	0	0
(=) Closing Balance as at 31-3-2023 c/fwd	<u>0</u>	<u>0</u>	<u>0</u>

Net Book Value as at 31-3-2022	<u>0</u>	<u>2,717,000</u>	<u>2,717,000</u>
Net Book Value as at 31-3-2023	<u>0</u>	<u>2,717,000</u>	<u>2,717,000</u>

10 Additional sums are now being invested on the short term money market to maximise the return on the working balances, in accordance with the Board's Investment Policy. The Bank Account is reconciled as follows:

	<u>2021/22</u>	<u>2022/23</u>
Opening Balance as at 1-4-2021 b/fwd	267,759	1,471,775
(+) Receipts	4,841,673	9,906,871
(-) Payments	-3,637,657	-11,222,444
(=) Closing Balance as at 31-3-2023 c/fwd	<u>1,471,775</u>	<u>156,202</u>
Balance on Statement as at 31-3-2023	1,471,885	242,862
Less: Unpresented payments	-195	-89,327
Add: Unpresented receipts	85	2,667
Closing Balance as at 31-3-2023 c/fwd	<u>1,471,775</u>	<u>156,202</u>



From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

**Note Notes to the Accounts**

11 Aged Debtor profile is currently as follows:

Debt period	Amount	Number of Debtors
<=30 days	3,035	2
>30 days and <=60 days	0	0
>60 days and <=90 days	0	0
>90 days	0	0
	<u>3,035</u>	<u>2</u>

>90 days	Amount	Inv. Date	Originator
	<u>0</u>		
	<u>0</u>		

12 Work in Progress is currently made up of the following jobs:

Customer	Amount	Comp. Date	Originator
	<u>0</u>		
	<u>0</u>		

13 Term Deposits are currently as follows:

Financial Institution	Capital	Investment Date	Maturity Date	Variable Interest Rate
National Counties Building Society	227,171	17/02/2023	17/04/2023	3.86%
National Counties Building Society	250,000	06/02/2023	09/05/2023	3.88%
Progressive Building Society	500,000	17/02/2023	17/05/2023	3.85%
Newcastle Building Society	500,000	13/03/2023	13/06/2023	3.90%
Vernon Building Society	315,000	04/01/2023	04/07/2023	3.80%
Saffron Building Society	250,000	03/08/2022	03/08/2023	2.40%
West Bromwich Building Society	<u>250,000</u>	<u>29/12/2022</u>	<u>29/09/2023</u>	<u>3.85%</u>
	<b>2,292,171</b>			

14 Special Levies are due to be paid by Constituent Councils in two halves on 1 May and 1 November every year.

15 There are currently 157 (65 of which are under £5) ratepayers that have not paid their Drainage Rates for 2022/23. Summarised transactions for Drainage Rates and Special Levies during the year are as follows:

	<u>2021/22</u>	<u>2022/23</u>
Arrears b/fwd	475	-571
Drainage Rates for the year	239,877	250,484
Special Levies for the year	218,336	234,469
New Assessments	2,116	7,213
Value Decreases	-2,153	-10,519
Value Increases	37	3,300
Payments Received	-459,666	-482,923
Settlement Discount	0	0
Returned/(Represented) amounts	45	19
Irrecoverables and write offs	-515	-1,165
Summons collection costs	900	975
Adjustments	-23	18
Arrears c/fwd	<u>-571</u>	<u>1,301</u>

16 There have been no prepayments in the period.

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

**Note Notes to the Accounts**

17 **Grants Reserve**

Movements on the Grants Reserve are made up as follows:

	<u>2022/23</u>
Opening Balance at 1-4-2022	1,461,015
Add: Grant Received	3,020,000
Less: Grant Applied	-2,931,145
Closing Balance as at 31-3-2023	<u>1,549,870</u>

	<u>2021/22</u>	<u>2022/23</u>
SCH01 Benacre PS Options Appraisal	637,830	0
SCH02 Norton & Raveningham Water Mgmt Improvement Scheme	32,106	13,942
SCH03 Lower Waveney WLMI FCERM7 Study	296,561	372,752
SCH04 Norton & Raveningham WMIS	494,517	801,165
SCH05 Benacre and Kessingland Flood Risk Management Scheme	0	362,010
	<u>1,461,015</u>	<u>1,549,870</u>

18 **Development Reserve**

	<u>2021/22</u>	<u>2022/23</u>
Burgh Castle	258,448	258,448
Gravitational Level	53,000	53,000
Haddiscoe	0	5,874
Capital Receipt WHAM	173,379	173,379
	<u>484,826</u>	<u>490,700</u>

19 **Langley Road & Pump Maint and Repairs Provision**

	<u>2021/22</u>	<u>2022/23</u>
Langley Pump Repair Replacement Fund	12,000	11,668
Langley Road Maintenance Fund	-332	0
	<u>11,668</u>	<u>11,668</u>

20 **Accrued Interest Provision**

	<u>2021/22</u>	<u>2022/23</u>
Burgh Castle	90,862	94,451
Worlingham	406	2,192
Gravitational Level	40,717	41,680
Langley Pump Repair Replacement Fund	0	120
	<u>131,985</u>	<u>138,442</u>

21 The Board is a member of the Water Management Alliance Consortium and as such also has a proportion of the pension liability for the shared staff that are employed by King's Lynn IDB, t/a the Water Management Alliance. The Fund Actuary for Norfolk County Council has prepared a separate Report for the Water Management Alliance, which identifies a notional net pension liability of £121,000 as at 31 March 2023 that is shared by all 6 Member Boards. The Board's share of this pension liability is set out every year in the WMAs Basis of Apportionment, which was approved by the Board on 24 January 2022.

22 The Reserves are managed in accordance with the Capital Financing and Reserves Policy, as approved by the Board in February 2021. This policy is available for viewing on the Board's website.

23 The purpose of the Development Reserve is to reduce the impact on drainage rates and special levies from development that takes place in the area. The Board charges developers a standard rate per impermeable hectare for agricultural land which is developed and becomes a hard standing area, such as housing, roadways etc. The money is credited to this Reserve and then used to reduce the gross cost of capital work needed to cater for the additional flows arising from such development. The income for this Reserve therefore comes exclusively from developers and is used to fund in part improvement works that are necessary because of development.

**Related Party Transactions**

24 Mr H Thomson-Carrie is the Chairman of the Waveney, Lower Yare and Lothingland IDB. He will receive a total of £3,500.00 Chairman's Allowance for the period 01st April 2022-31st March 2023.

25 The Board uses Rating Software for the collection of Drainage Rates known as DRS. The software was developed by Mr P J Camamile, the Chief Executive, and is supported by Byzantine Ltd. Mr P J Camamile is the Company Secretary of Byzantine Ltd, and his wife, Mrs P Camamile is a Director. Both are shareholders.

**Recommended Actions:**

1. To approve the Financial Report for the period ending 31-3-2023.

S JEFFREY BSc (Hons) FCCA CPFA  
**FINANCE & RATING MANAGER**

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2023	ACTUAL 2021/22 £	ACTUAL 2022/23 £
<b>1 Balances brought forward</b>		
General Reserve	349,021	210,062
Development Reserve	480,385	484,826
Plant Reserve	11,468	11,668
Revaluation Reserve	0	0
Grants Reserve	120,070	1,461,015
Accrued Interest Provision	130,516	131,985
<b>As per Statement of Accounts</b>	<b>1,091,461</b>	<b>2,299,557</b>
<b>(-) Fixed Assets and Long Term Liabilities</b>		
Long Term Liabilities	0	-80,209
Pension Liability	0	0
Net Book Value of Tangible Fixed Assets	0	0
	<b>0</b>	<b>-80,209</b>
<b>(=) Adjusted Balances brought forward (Net Current Assets)</b>	<b>1,091,461</b>	<b>2,379,766</b>
<b>2 (+) Rates and Special Levies</b>		
Drainage Rates	238,868	250,877
Special Levies issued by the Board	218,336	234,473
<b>As per Statement of Accounts</b>	<b>457,204</b>	<b>485,350</b>
<b>3 (+) All Other Income</b>		
Grants Applied	305,763	2,931,145
Highland Water Contributions	170,740	182,650
Income from Rechargeable Works	30,767	12,500
Investment Interest	2,114	22,798
Development Contributions	0	0
Other Income	832	275,147
Profit/(Loss) on disposal of Fixed Assets	0	0
<b>As per Statement of Accounts</b>	<b>510,216</b>	<b>3,424,240</b>
<b>(+) Additional Income from Sale of Fixed Assets</b>		
Capital Cost of disposals	0	0
Less: Accumulated depreciation written out	0	0
	<b>0</b>	<b>0</b>
<b>(+) Grants Applied to Grants Received Conversion</b>		
(-) Grants Applied	-305,763	-2,931,145
(+) Grants Received	1,646,708	3,020,000
	<b>1,340,945</b>	<b>88,855</b>
<b>(=) Adjusted Other Income</b>	<b>1,851,161</b>	<b>3,513,095</b>

From: 01 April 2022  
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Period To: 12  
Year Ended: 31 March 2023

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2023	ACTUAL 2021/22 £	ACTUAL 2022/23 £
<b>4 (-) Staff Costs</b>		
Labour Operations Account	0	0
Shared Technical Support Staff Costs	0	219,630
Shared Administration Staff Costs	0	95,569
	<b>0</b>	<b>315,199</b>
<b>5 (-) Loan Interest/Capital Repayments</b>		
Loan Interest	2,334	1,977
Capital Repayments	11,340	10,916
<b>As per Statement of Accounts</b>	<b>13,674</b>	<b>12,894</b>
<b>6 (-) All Other Expenditure</b>		
Capital Works	305,763	2,931,145
Maintenance Works	463,638	656,130
Environment Agency Precept	88,181	90,826
Development Expenditure	0	0
Administration Charges	118,098	160,737
Cost of Rechargeable Works	30,706	12,500
Pension Interest Cost/(Expected Return on Assets)	0	0
<b>As per Statement of Accounts</b>	<b>1,006,386</b>	<b>3,851,338</b>
<b>(-) All Other Expenditure (Non Cash)</b>		
Plant and Equipment	0	0
Buildings	0	0
Depreciation on Kettlewell House (including in admin. Exp.)	0	0
Pension Interest Cost/(Expected Return on Assets)	0	0
	<b>0</b>	<b>0</b>
<b>(-) Staff Costs now reported in Box 4</b>	<b>0</b>	<b>315,199</b>
<b>(+) Capitalised Additions</b>		
Land and Buildings	0	0
Plant and Equipment	0	0
	<b>0</b>	<b>0</b>
<b>(=) Adjusted Other Expenditure</b>	<b>1,006,386</b>	<b>3,536,139</b>

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2023	ACTUAL 2021/22 £	ACTUAL 2022/23 £
<b>7 (=) Balances carried forward</b>		
General Reserve	210,062	239,822
Development Reserve	484,826	490,700
Plant Reserve	11,668	11,668
Revaluation Reserve	0	0
Grants Reserve	1,461,015	1,549,870
Capital Works Accrued Interest Provision	0	14,183
Accrued Interest Provision	131,985	138,442
<b>As per Statement of Accounts</b>	<b>2,299,556</b>	<b>2,444,685</b>
<b>(-) Fixed Assets and Long Term Liabilities</b>		
Long Term Borrowing	-80,209	-69,293
Loans Payable in less than 12 months	0	0
Pension Liability	0	0
Net Book Value of Tangible Fixed Assets	0	0
	<b>-80,209</b>	<b>-69,293</b>
<b>(=) Adjusted Balances carried forward (Net Current Assets)</b>	<b>2,379,766</b>	<b>2,513,979</b>
<b>8 Total Cash and Short Term Investments</b>		
Cash at Bank and in Hand	1,471,775	156,202
Short Term Investments	1,017,256	2,292,171
<b>As per Statement of Accounts</b>	<b>2,489,031</b>	<b>2,448,373</b>
<b>9 Total Fixed Assets and Long Term Assets (Net Book Value)</b>		
Land and Buildings	0	0
Plant and Equipment	0	0
Pumping Stations	2,717,000	2,717,000
<b>As per Statement of Accounts</b>	<b>2,717,000</b>	<b>2,717,000</b>
<b>10 Total Borrowings</b>		
Loans Due (<= 1 Year)	10,916	8,322
Loans Due (> 1 Year)	69,293	60,971
<b>As per Statement of Accounts</b>	<b>80,209</b>	<b>69,293</b>

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31 March 2023

BOX NO. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2023	ACTUAL 2021/22 £	ACTUAL 2022/23 £
---	------------------------	------------------------

7, 8 RECONCILIATION BETWEEN BOXES 7 AND 8	ACTUAL 2021/22 £	ACTUAL 2022/23 £
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<b>7</b>	<b>Balances carried forward (adjusted)</b>	<b>2,379,766</b>	<b>2,513,979</b>
	<b>(-) Deduct: Debtors and Prepayments</b>		
	Trade Debtors	921	3,035
	Work in Progress	0	13,464
	Drainage Rates and Special Levies Due	-571	1,301
	Prepayments	0	0
	Prepayments to WMA	0	6,638
	Vat Due from HMRC	69,837	202,444
	Intt Accrued	0	0
		<b>70,187</b>	<b>226,882</b>
	<b>(+) Add: Creditors and Payments Received in Advance (&lt;= 1 Year)</b>		
	Trade Creditors	84,375	66,347
	Accruals	94,733	83,360
	Drainage Rates/Special Levies paid in advance	344	11,570
	PWLB	0	0
		<b>179,452</b>	<b>161,277</b>
	<b>(=) Box 8</b>	<b>2,489,031</b>	<b>2,448,373</b>
<b>8</b>	<b>(=) Total Cash and Short Term Investments</b>		
	Cash at Bank and in Hand	1,471,775	156,202
	Short Term Investments	1,017,256	2,292,171
		<b>2,489,031</b>	<b>2,448,373</b>

S JEFFREY BSc (Hons) FCCA CPFA  
FINANCE & RATING MANAGER

14/06/2023

**NOTICE OF CONCLUSION OF AUDIT  
AND  
RIGHT TO INSPECT THE ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN**

**Annual Governance and Accountability Return for the year ended 31 March 2023**

Sections 20 (2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015 No 234)

Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404)

Date of Notice: 25 September 2023

**Notice**

The audit of accounts for the Waveney Lower Yare and Lothingland Internal Drainage Board for the year ended 31 March 2023 was concluded on 23 September 2023 by PKF Littlejohn LLP.

**Rights**

The Annual Governance and Accountability Return, Auditor's Certificate/Report and Statement of Accounts have been published and are available below.

To arrange an inspection and/or copy please contact the Chief Executive between the hours of 9.00 am – 4.00 pm, Monday to Friday.

Documents will remain available for public access for a period of not less than 5 years from the date of this notice.

Pierpoint House  
28 Horsley's Fields  
King's Lynn  
Norfolk  
PE30 5DD

P J CAMAMILE  
CHIEF EXECUTIVE

Tel: 01553 819600

E-mail: [phil@wlma.org.uk](mailto:phil@wlma.org.uk)

# Annual Governance and Accountability Return 2022/23 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 2022/23

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 2023**.
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 2023**. 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 2023
  - 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 2022/23

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 2023 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 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 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) 2022/23

- 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. Any amendments must be approved by the authority and properly initialled.
- 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 2023.
- 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.
- **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 bank reconciliation is incomplete or variances not **fully** explained then 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 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- 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 2023**.

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 <b>the dates set for the period for the exercise of public rights</b> , 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 Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?		
	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 <b>31 March 2023</b> 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? <b>NB:</b> 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](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

# Annual Internal Audit Report 2022/23

## WAVENEY LOWER YARE AND LOTHINGLAND IDB

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

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> 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

03/04/2023

04/04/2023

05/04/2023

Name of person who carried out the internal audit

CHRISTOPHER R. HARRIS

Signature of person who carried out the internal audit



Date

09/05/2023

**\*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 2022/23

We acknowledge as the members of:

### WAVENEY LOWER YARE AND LOTHINGLAND IDB

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		'Yes' means that this authority:	
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>	
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>	
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	
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	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>
			✓	

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

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

14/06/2023

and recorded as minute reference:

36123/01

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

Chairman

HFT

Clerk

S. J. H. H. M.

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

## Section 2 – Accounting Statements 2022/23 for

### WAVENEY LOWER YARE AND LOTHINGLAND IDB

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	1,091,461	2,379,766	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	457,204	485,350	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,851,161	3,513,095	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	0	315,199	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	13,674	12,894	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	1,006,386	3,536,140	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	2,379,766	2,513,979	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	2,489,031	2,448,373	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	2,717,000	2,717,000	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	80,209	69,293	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)				The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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

SIGNATURE REQUIRED

Date

07/06/2023

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

14/06/2023

as recorded in minute reference:

36/23/102 REFERENCE

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

HFT SIGNATURE REQUIRED

## Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of **Waveney Lower Yare & Lothingham Internal Drainage Board – DB0121**

### 1 Respective responsibilities of the auditor and the authority

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 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor’s limited assurance opinion 2022/23

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 2022/23

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 2023.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature



Date

23/09/2023



Internal Audit

FINAL

## Water Management Alliance

Assurance Review of Annual Governance and Accountability Return

2022/23

April 2023

# Executive Summary

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit covers all areas required by the Annual Governance and Accountability Return (AGAR) and includes, where appropriate, the key risks for a drainage board.

## SCOPE

The purpose of the review was to undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.

## KEY STRATEGIC FINDINGS

- The Water Management Alliance has good accounting practices and is a well-run organisation for its six South Lincolnshire and East Anglia member Boards and the Pevensey and Cuckmere Water Level Management Board.
- The Water Management Alliance use the Sage 200 suite of software to manage their accounts which supports accurate accounting and good record keeping.

## GOOD PRACTICE IDENTIFIED

- The Water Management Alliance has good corporate governance as evidenced by the comprehensive minutes of Board and Committee meetings that demonstrate good challenge and an understanding of the issues at hand.
- The Water Management Alliance has a very informative website which is easy to navigate, well populated with useful and key information.

## ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	1

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	In reviewing payments, it was noted that for the supply of Pump Attendants and Surveyor fees at Waveney, Lower Yare and Lothingland IDB no formal agreement was in place. This could present a control risk. As this invoice was selected at random a review should be made across all Boards to see if there are other similar arrangements without an agreement in place.	The Water Management Alliance to review its service providers and to progress putting in place a legal agreement where one does not exist.	3	<i>We will review the agreements between the service providers (pump attendants and surveyors) for Waveney, Lower Yare and Lothingland IDB to ensure they all have formal agreements in place. We will also review these arrangements for Broads IDB and East Suffolk IDB who have pump attendants, many of whom are also Board members. These arrangements are subject to a review by the Boards, and any changes would need to go to the Board meetings to be approved.</i>	To be complete by 31 <sup>st</sup> March 2024	Matthew Philpot – Area Manager (WMA East Anglia)

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.



## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	It was noted that over the next few years the WMA is looking to achieve a balanced budget for each Board. However, due to high inflation, which has particularly impacted on electricity supplies, many other drainage boards in the East Anglia area are now looking to increase their general reserve capacity to 30% of net expenditure.	It is important that all Boards maintain an adequate and appropriate level of general reserves to provide financial protection from unforeseen events that would require a significant amount of resource to manage. It is acknowledged that the WMA are seeking balanced budgets for all Boards in the next four years.	<p><i>All WMA Member Boards have agreed to present a balanced budget within 4 years but are unlikely to also be able to rebuild their reserves during the same time frame without increasing rates and levies further, by at least 30% year on year. The Boards are therefore unlikely to agree to increase their reserves from drainage rates and special levies at this moment in time.</i></p> <p><i>There is also a significant risk that contributing Councils and Farming Businesses feel unable to sustain their support for higher rate/levy increases that they have previously agreed to do during the next 4 years, which means that significant cuts will need to be made in the services provided and maintenance work undertaken to halt the decline of reserves still further.</i></p> <p><i>We will therefore need to consider making cuts to the maintenance programme if the Boards decide not to sustain the increases in drainage rates and special levies that are required to balance the budget over the next 4 years. Clearly, this is far from ideal.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	1	-

### Other Findings



The Water Management Alliance (WMA) consists of the following six Internal Drainage Boards: Broads IDB; East Suffolk IDB; King's Lynn IDB; Norfolk Rivers IDB; South Holland IDB; and Waveney, Lower Yare and Lothingland IDB. In addition, the WMA also provide services to the Pevensy and Cuckmere Water Level Management Board (WLMB).



The audit undertaken in 2021/22 identified the following recommendations:

**Recommendation 1:** *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.* This was accepted and is undertaken by ether the Chief Executive or the Finance and Rating Manager.

**Recommendation 2:** *- 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.* This is achieved by all reconciliations being undertaken to ensure each complete day is included in one recommendation.

**Recommendation 3:** *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.* This is being progressed and working alongside the Bedford Group of IDB as they use electronic purchase ordering and paperless invoicing. This would be looked into for April 2024 once the team is fully resourced.

## Other Findings



The following Policies and procedures were reviewed:

- Financial Regulations - Approved November 2022 with a three yearly review;
- Business Plan (Policy Statement) - Approved November 2022 with a five yearly review;
- Consortium Management Committee - Terms of Reference;
- Capital Financing and Reserves Policy - Approved September 2022 with a five yearly review.

These policies were all in order and up to date.



The following Board agendas and minutes were reviewed:

- Broads IDB – 24<sup>th</sup> January 2022 (approved rate increase of 5.6% for 2022/23); 16<sup>th</sup> May 2022; 18<sup>th</sup> July 2022; 1<sup>st</sup> November 2022.
- East Suffolk IDB – 13<sup>th</sup> January 2022 (approved rate increase of 5.6% for 2022/23); 13<sup>th</sup> June 2022; 31<sup>st</sup> October 2022.
- King's Lynn IDB – 21<sup>st</sup> January 2022 (approved rate increase of 5.6% for 2022/23); 13<sup>th</sup> May 2022; 15<sup>th</sup> July 2022; 11<sup>th</sup> November 2022.
- Norfolk Rivers IDB – 27<sup>th</sup> January 2022 (approved rate increase of 5.6% for 2022/23); 19<sup>th</sup> May 2022; 21<sup>st</sup> July 2022; 3<sup>rd</sup> November 2022.
- Pevensey and Cuckmere WLMB – 15<sup>th</sup> February 2022 (approved rate increase of 5% in the Agricultural Drainage Rates and Special Levies for 2022/23 for the Pevensey Levels Sub District and a rate freeze for the Cuckmere River Sub District); 9<sup>th</sup> June 2022; 6<sup>th</sup> October 2022.
- South Holland IDB – 8<sup>th</sup> February 2022 (approved rate increase of 5.6% (5.73% South Holland DC and 5.55% Boston BC) for 2022/23); 10<sup>th</sup> May 2022; 19<sup>th</sup> July 2022; 8<sup>th</sup> November 2022.
- Waveney Lower Yare & Lothingland IDB – 1<sup>st</sup> February 2022 (**only 29% of Members present**); 14<sup>th</sup> June 2022 (**only 32% of Members present**).

The agendas and minutes were comprehensive and demonstrated good governance was taking place. It is however noted that for Waveney Lower Yare & Lothingland IDB there was a low attendance of Members which could impact on the Board providing appropriate oversight and governance of the services being provided.



The Risk Management Policy was last reviewed in September 2021 and has a five-year review period. The Policy applies to all seven Boards and has been adopted by them.



The risk register is presented to each and every Board meeting for all the Boards (except the Waveney, Lower Yare and Lothingland Board which currently is done annually) to enable all the strategic risks to be considered and approved. The risk register and the resulting minutes are all included in the certified minutes which appear on the Boards website.



Each Board reviews its objectives and sets new objectives for the following financial year at their rate setting meetings in January/February. This is confirmed in each Board's minutes and these are available on the Water Management Alliance (WMA) website. The one exception to this is the Waveney, Lower Yare and Lothingland Board, as they have only recently joined the WMA. This Board will be aligned with the other WMA Member Boards next year (2023/24).

















The Water Management Alliance (WMA) use Sage 200 accounting software for their accounting records which supports the financial transactions of the Boards. The trial balance for all seven Boards were reviewed and were in balance. In addition, the Income and Expenditure accounts and balance sheets were reviewed for all seven Boards and found to be in order.



The accounting records for the seven Boards were all in order, up-to-date and in balance.

## Other Findings

-  The accounts payable system is part of Sage 200 and is working well.
-  A Purchase Order system is in place and a PO is issued for the purchase of goods. A number of examples were examined and found to be in order.
-  A number of paid invoices were selected across the seven Boards and reviewed in detail. These showed good accounting practices with adequate controls in place. .
-  The penny rate is set by each Board at their January/February meeting each year. Rate demands are then sent out towards the end of March each year. Reminders are sent out towards the end of June with a final reminder sent towards the end of October. If still unpaid then a court summons is progressed during November/December for amounts exceeding £20.
-  Accounts Receivable is an integral part of Sage 200 and is working well.
-  The debtors systems were reviewed and at the time of the audit (March 2023) aged debtors reports for the seven Boards were generated which were reviewed and found to be in order with no debt older than 90 days. A number of write offs had taken place during 2022. These were examined and were in order and authorised by the Chief Executive.
-  The Alliance hold a £200 petty cash float which is held in a locked cupboard in Pierpoint House. Access by key only by approved members of the finance and rating team. Member Boards do not have a petty cash float. It is an imprest system and is topped up periodically.
-  Petty cash for December 2022 to March 2023 was examined and found to be in order, in balance and had been reconciled and approved by the Finance and Rating Manager.
-  The payroll for the month of March 2023 was examined and found to be in order.
-  The PAYE and NI payments had been made as required and by the due date for the month of February 2023 for the Boards
-  The Pension payments had been made to the respective pension providers, as required, and by the due date for the month of February 2023 for the Boards.
-  The asset registers for the Boards were reviewed and found to be in order and up to date.
-  Accounting Statements are undertaken and these reconcile to the cash book
-  Data feeding into the Accounting Statements was confirmed to be correct



**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	1
S	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

- Management accounts, including budget data, are reported regularly to Members and to each Board. The Board papers for the seven Boards for 2022 were reviewed and it was confirmed that appropriate financial and budget data was presented to every Board meeting.
- The Boards have a Capital Financing and Reserves Policy which was approved in September 2022. General Reserves should be not less than 20% of net expenditure with a £200,000 minimum and to be reviewed annually.
- The Boards maintain a 5-year forecast which enables future increases in both the penny rate and precept to be calculated and for such bodies as the precepting authorities to be consulted well in advance of any increases being made.
- The WMA accept payment by all methods which includes cash, card (phone or online) BACS, cheque, postal order and also collect by direct debit on/around 5th May for those that have signed up to this payment method. The recording and banking of income was working well.
- The bank reconciliations for the period to 22<sup>nd</sup> March 2023 were reviewed and all Boards bank accounts were reconciled to the cash book.
- The Boards are operating within their approved budgets for the 2022/23 financial year.
- Good practice is adopted by all the Boards to enable them to respond to business interruption events should they arise and to enhance the economic, effective and efficient delivery of their services.

## Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

## Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

## Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

## Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

## Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

## Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	27 <sup>th</sup> March 2023	27 <sup>th</sup> March 2023
<b>Draft Report:</b>	17 <sup>th</sup> April 2023	18 <sup>th</sup> April 2023
<b>Final Report:</b>	19 <sup>th</sup> April 2023	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Water Management Alliance		
<b>Review:</b>	Annual Governance and Accountability Return		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Chris Harris

<b>Outline scope (per Annual Plan):</b>	The purpose of the review was to undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>			

<b>Planned Start Date:</b>	27/03/2023	<b>Exit Meeting Date:</b>	14/04/2023	<b>Exit Meeting to be held with:</b>	Phil Camamile and Sallyanne Jeffrey
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### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

## FRS102 as at 31 March 2023 - Results Schedule

Employer : King's Lynn (WMA)

Local Government Pension Scheme Fund : Norfolk Pension Fund

Terms of Engagement Signed : 22 February 2023

Date report prepared : 26 April 2023

### Summary information from this schedule:

#### (a) Balance sheet

	31 March 2023	31 March 2022
	£(000)	£(000)
Assets	6,749	6,226
Obligations	6,870	10,443
<b>Net asset / (liability)</b>	<b>(121)</b>	<b>(4,217)</b>

#### (b) Profit & Loss account for the period ending 31 March 2023

	£(000)
Service cost	
Current Service Cost	(946)
Past Service Cost (including curtailments)	-
Effect of settlements	-
<b>Total Service Cost</b>	<b>(946)</b>

	£(000)
<b>Total net interest</b>	<b>(121)</b>
<b>Total defined benefit cost recognised in Profit or (loss)</b>	<b>(1,067)</b>



Julie Baillie FFA

For and on behalf of Hymans Robertson LLP



**(c) Key elements**

Has the employer instructed bespoke assumptions?	No
Bulk transfer(s) included?	No
Unfunded Pensioner(s) included?	No

To help with your year-end reporting, you can request a supplementary paper or slide deck explaining the key movements on your specific numbers to aid understanding of the figures, help with audit questions and assist with presentations to committee members / directors on your results. If you have already requested a supplementary paper or slide deck, this will be issued alongside this results schedule. You may also wish to discuss your results with an actuary or arrange a call for your auditor to help answer their queries on your 2023 accounts.

For any questions on your report or to request any additional services or further calculations (e.g. related to asset ceilings), please contact your regular LGPS Fund contact.

**(d) General Information for auditor and Employer**

**The results in the Schedule report should be read in conjunction with the accompanying report entitled 'Actuarial Valuation as at 31 March 2023 for Accounting Purposes'. The method, assumptions, reliances and limitations are described in that document. The restrictions set out in the reports on the disclosure to any third party apply equally to this Results Schedule.**

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

Contents in the remainder of this schedule:

1. Data (including early retirements, investment returns, asset split & unfunded pensions)
2. Assumptions
3. Balance sheet, P&L, OCI disclosures as at 31 March 2023 (and prior year if relevant)
4. Projected defined benefit cost for the period to 31 March 2024
5. Sensitivity analysis

## Section 1 - Data

### Employer membership statistics

	Number of Records	Total Salaries/ Pensions p.a. (£000)	Average Age
	31 Mar 2022	31 Mar 2022	31 Mar 2022
Actives	46	1,776	48
Deferred Pensioners	10	53	49
Pensioners	7	52	66

The membership data summarised in the table above is as at the most recent funding valuation date of 31 March 2022. Salaries are actual, not full-time equivalent. Deferred pensioners include undecided leavers and frozen refunds. Pensioners include dependants.

### Payroll

Period	Assumed Total Pensionable Payroll based on Information Provided
1 April 2022 to 31 March 2023	£2,103,000

### LGPS early retirements

New Early Retirements 1 April 2022 to 31 March 2023	Number	Total Pension Accrued (£)	Total Pension Actual (£)
Redundancy	-	-	-
Efficiency	-	-	-
Other	-	-	-

### Teachers early retirements

New Early Retirements 1 April 2022 to 31 March 2023	Number	Recharged Accrued Pension (£)	Total Actual Recharged Pension (£)
Redundancy	-	-	-
Efficiency	-	-	-
Other	-	-	-

### Investment returns

The return on the Fund in market value terms for the period to 31 March 2023 is estimated based on actual employer returns as reported in HEAT and index returns where necessary. Index returns, where used, are based on employer asset holdings. Details are given below:

Actual Returns from 31 March 2022 to 28 February 2023	(0.7%)
<b>Total Returns from 1 April 2022 to 31 March 2023</b>	<b>0.2%</b>

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

We have used the most recent asset split provided to us and allowed for index returns, where required, on each asset category to determine the estimated split of assets as at 31 March 2023.

Period Ended	31 Mar 2023	31 Mar 2022
Equities	49%	49%
Bonds	36%	36%
Property	12%	12%
Cash	3%	3%

## Unfunded benefits

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

LGPS Unfunded Pensions	Number at 31 March 2023	Annual Unfunded Pension £(000)
Male	-	-
Female	-	-
Dependants	-	-
<b>Total</b>	-	-

Teacher Unfunded Pensions	Number at 31 March 2023	Annual Unfunded Pension £(000)
Male	-	-
Female	-	-
Dependants	-	-
<b>Total</b>	-	-

The annual unfunded pensions include the 2023 pension increase.

## Bulk transfers

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

## Section 2 - Assumptions

### Financial assumptions

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

Period Ended	31 Mar 2023	31 Mar 2022
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.95%	3.15%
Salary Increase Rate	3.65%	3.85%
Discount Rate	4.75%	2.75%

As at the date of the most recent valuation, the duration of the Employer's funded obligations is 26 years.

### Demographic assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current Pensioners	22.2 years	24.7 years
Future Pensioners*	23.6 years	26.0 years

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

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

Current Pensioners	Future Pensioners
CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a.

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

A commutation allowance is included for future retirements to elect to take 45% of the maximum additional tax-free cash up to HMRC limits.

All other demographic assumptions are as per the latest funding valuation of the Employer.

## Section 3 - Balance sheet, P&L, OCI disclosures as at 31 March 2023

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2023

Period ended 31 March 2023	Assets £(000)	Obligations £(000)	Net asset / (liability) £(000)
Fair value of plan assets	6,226		6,226
Present value of funded obligations		10,443	(10,443)
Present value of unfunded obligations		-	-
<b>Opening Position as at 31 March 2022</b>	<b>6,226</b>	<b>10,443</b>	<b>(4,217)</b>
Service cost			
Current service cost*		946	(946)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>946</b>	<b>(946)</b>
Net interest			
Interest income on plan assets	180		180
Interest cost on defined benefit obligation		301	(301)
<b>Total net interest</b>	<b>180</b>	<b>301</b>	<b>(121)</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>180</b>	<b>1,247</b>	<b>(1,067)</b>
Cashflows			
Participants' contributions	171	171	-
Employer contributions	505		505
Benefits paid	(55)	(55)	-
Unfunded benefits paid	-	-	-
Contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
<b>Expected closing position</b>	<b>7,027</b>	<b>11,806</b>	<b>(4,779)</b>
Remeasurements			
Changes in financial assumptions		(5,578)	5,578
Changes in demographic assumptions		(255)	255
Other experience †	(111)	897	(1,008)
Return on assets excluding amounts included in net interest	(167)		(167)
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>(278)</b>	<b>(4,936)</b>	<b>4,658</b>
Fair value of plan assets	6,749		6,749
Present value of funded obligations		6,870	(6,870)
Present value of unfunded obligations**		-	-
<b>Closing position as at 31 March 2023</b>	<b>6,749</b>	<b>6,870</b>	<b>(121)</b>

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

I estimate that the present value of funded obligations comprises of approximately £4,974,000, £860,000 and £1,036,000 in respect of employee members, deferred pensioners and pensioners respectively as at 31 March 2023.

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

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

† The other experience on obligations includes an allowance for the pension increase order applied to the funded obligations at April 2023 being different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period. Within this other experience item, the funded obligations have increased by £558,000 as a result of the pension increase order being different to the previous assumption.

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for year end 31 March 2022

Period ended 31 March 2022	Assets £(000)	Obligations £(000)	Net asset / (liability) £(000)
Fair value of plan assets	5,227		5,227
Present value of obligations		10,326	(10,326)
<b>Opening Position as at 31 March 2021</b>	<b>5,227</b>	<b>10,326</b>	<b>(5,099)</b>
Service cost			
Current service cost*		890	(890)
Past service cost (including curtailments)		-	-
Effect of settlements	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>890</b>	<b>(890)</b>
Net interest			
Interest income on plan assets	112		112
Interest cost on defined benefit obligation		222	(222)
<b>Total net interest</b>	<b>112</b>	<b>222</b>	<b>(110)</b>
<b>Total defined benefit cost recognised in Profit or (Loss)</b>	<b>112</b>	<b>1,112</b>	<b>(1,000)</b>
Cashflows			
Participants' contributions	137	137	-
Employer contributions	405		405
Benefits paid	(29)	(29)	-
Unfunded benefits paid	-	-	-
Contributions in respect of unfunded benefits paid	-	-	-
Effect of business combinations and disposals	-	-	-
<b>Expected closing position</b>	<b>5,852</b>	<b>11,546</b>	<b>(5,694)</b>
Remeasurements			
Changes in financial assumptions		(1,079)	1,079
Changes in demographic assumptions		(44)	44
Other experience	-	20	(20)
Return on assets excluding amounts included in net interest	374		374
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>374</b>	<b>(1,103)</b>	<b>1,477</b>
Fair value of plan assets	6,226		6,226
Present value of funded obligations		10,443	(10,443)
Present value of unfunded obligations		-	-
<b>Closing position as at 31 March 2022</b>	<b>6,226</b>	<b>10,443</b>	<b>(4,217)</b>

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

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

## Section 4 - Projected defined benefit cost for the period to 31 March 2024

Analysis of projected amount to be charged to operating profit for the period to 31 March 2024

Period Ended 31 March 2024	Assets	Obligations	Net asset / (liability)	
	£(000)	£(000)	£(000)	% of pay
Projected Current service cost *		378	(378)	(18.0%)
Past service cost including curtailments		-	-	-
Effect of settlements	-	-	-	-
<b>Total Service Cost</b>	-	<b>378</b>	<b>(378)</b>	<b>(18.0%)</b>
Interest income on plan assets	335		335	15.9%
Interest cost on defined benefit obligation		338	(338)	(16.1%)
<b>Total Net Interest Cost</b>	<b>335</b>	<b>338</b>	<b>(3)</b>	<b>(0.2%)</b>
<b>Total Included in Profit and Loss</b>	<b>335</b>	<b>716</b>	<b>(381)</b>	<b>(18.2%)</b>

\* The current service cost includes an allowance for administration expenses of 0.6% of payroll. The monetary value is based on a projected payroll of £2,103,000.

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

I estimate the Employer's contributions for the period to 31 March 2024 will be approximately £494,000.

Notes:

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

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

The monetary amount of the projected service cost for the period to 31 March 2024 will be adjusted to take account of the actual pensionable payroll for the period.

## Section 5 - Sensitivity Analysis

### Sensitivity analysis

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

Change in assumptions at 31 March 2023:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	182
1 year increase in member life expectancy	4%	275
0.1% increase in the Salary Increase Rate	0%	32
0.1% increase in the Pension Increase Rate (CPI)	2%	152

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

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

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





# Annual Report for the year ended

## 31 March 2023

**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 2023 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood and Coastal Erosion Risk Management Division, Ground Floor, Seacole, 2 Marsham Street, London SW1P 4DF via [flood.reports@defra.gov.uk](mailto:flood.reports@defra.gov.uk)
- Engineering & Standards - Policy Manager, Asset Management and Engineering, **Environment Agency**, Goldcrest House, Alice Holt Lodge, Farnham, Surrey. GU10 4LH via [james.addicott@environment-agency.gov.uk](mailto: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 £.

WAVENEY LOWER YARE AND LOTHINGLAND

Internal Drainage Board

## Section A – Financial information

### Preliminary information on special levies issued by the Board for 2023-24

*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 2023-24 (forecast)	
Name of local authority	2023-24 forecast £
1. BRECKLAND DISTRICT COUNCIL	915
2. BROADLAND DISTRICT COUNCIL	1,124
3. MID SUFFOLK DISTRICT COUNCIL	17,939
4. EAST SUFFOLK COUNCIL	28,648
5. GREAT YARMOUTH BOROUGH COUNCIL	46,702
6. SOUTH NORFOLK DISTRICT COUNCIL	138,672
7.	
8.	
<b>Total</b>	234,000

## Section A – Financial information (continued)

### Income and Expenditure Account for the year ending 31 March 2023

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 2023 £
<b>INCOME</b>		
1. Drainage Rates		250,877
2. Special Levies		234,473
3. Higher Land Water Contributions from the Environment Agency		182,650
4. Contributions received from developers/other beneficiaries		5,874
5. Government Grants (includes capital grants from EA and levy contributions)		2,931,145
6. PSCAs from EA and other RMAs		10,000
7. Loans		0
8. Rechargeable Works		2,500
9. Interest and Investment Income		22,798
10. Rents and Acknowledgements		0
11. Other Income		269,273
<b>Total income</b>		<b>3,909,590</b>
<b>EXPENDITURE</b>		
12. New Works and Improvement Works		2,931,145
13. Total precept to the Environment Agency		90,826
14. Watercourse maintenance		257,235
15. Pumping Stations, Sluices and Water level control structures		397,237
16. Administration		160,736
17. PSCAs		10,000
18. Rechargeable Works		2,500
19. Finance Charges		3,011
20. SSSIs		0
21. IDB Biodiversity and conservation (other than item 20 expenditure)		625
22. Other Expenditure		0
<b>Total expenditure</b>		<b>3,853,315</b>

<b>EXCEPTIONAL ITEMS</b>		
23. Profits/(losses) arising from the disposal of fixed assets		0
<b>Net Operating Surplus/(Deficit) for the year</b>		56,274
24. Developers Funds income not applied in year		490,700
25. Grant income not applied in year		1,549,870

## 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/WLYLIDB\\_Policy\\_Statement.pdf](https://www.wlma.org.uk/uploads/WLYLIDB_Policy_Statement.pdf) Yes  No

### Biodiversity

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

If "yes" is the Biodiversity Action Plan available on your website? [Biodiversity Action Plan \(wlma.org.uk\)](https://www.wlma.org.uk) Yes  No

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

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

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

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:

1. Wortham Ling
2. Gypsy Camp Meadows Thrandeston
3. Reddgrave & Lopham Fens
4. Shelfanger Meadows
5. Stanley & Alder Carrs, Aldeby
6. Barnby Broad & Marshes
7. Spratts Water & Marshes
8. Barnby Btoad & Marsh Carlton Colville
9. Limpenhoe Meadows
10. Poplar Garm Meadows Langley
11. Breydon Water Norfolk
12. Geldeston Meadows

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

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

UNKNOWN

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?

431km

How many pumping stations does the Board operate?

20

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

13.575 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?	37
Seats available to appointed members under the Land Drainage Act 1991.	19
Number of elected members on the board at year end.	17
Number of appointed members on the board at year end.	9
Mean average number of elected members in attendance at each board meeting over the last financial year.	5
Mean average number of appointed members in attendance at each board meeting over the last financial year.	5

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
- Newsletters
- Web site
- Meetings
- Shows/events (including open days/inspections)
- Consultations
- Notices

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

0.0052%



## 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.

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## Section C – Declaration

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WAVENEY LOWER YARE AND LOTHINGLAND

Internal Drainage Board

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

Signature

*P. Camamile*

Date

31/10/2023

Name in BLOCK LETTERS

PHIL CAMAMILE

Designation

CHIEF EXECUTIVE

Email address

PHIL@WLMA.ORG.UK

<b>BOARD MEMBERSHIP AS AT 31 MARCH 2023</b>			
<b>NAME</b>	<b>MEETINGS</b>	<b>ATTENDED</b>	<b>ATTENDANCE %</b>
<b>ELECTED MEMBERS</b>			
Sir Nicholas Bacon	2	2	100
Richard Basey-Fisher	2	1	50
Ben Blower (wef 01 Nov 21)**	2	2	100
John Brown	2	2	100
Henry Budgen	2	2	100
David Burroughs	2	1	50
Collen Burton	2	2	100
Peter Cargill	2	2	100
Bryan Collen	2	0	0
Matt Gooch	2	1	50
John Heathcote (wef Feb 2022)	2	0	0
Rachael Hipperson	2	0	0
Chris Mutton	2	0	0
William Slater	2	2	100
Hamish Thomson-Carrie *	2	2	100
Ivan Vincent	2	0	0
David Watson	2	0	0
Adam Williamson (to Jan 2023)	1	0	0
<b>Elected Member Total</b>	<b>35</b>	<b>19</b>	<b>54%</b>
<b>APPOINTED MEMBERS</b>			
<b>Great Yarmouth BC</b>			
Tracy Cameron	2	0	0
Marlene Fairhead	2	1	50
<b>South Norfolk DC</b>			
Brendon Bernard	2	1	50
Clayton Hudson	2	0	0
James Knight	2	1	50
Graham Minshull (wef Jan 2023)	1	1	100
Jeremy Savage	2	1	100
<b>East Suffolk Council</b>			
Peter Byatt (wef June 2022)	2	2	100
<b>Broadland DC</b>			
Grant Nurden	2	2	100
<b>Appointed Member Total</b>	<b>17</b>	<b>9</b>	<b>53%</b>

\* Chairman / \*\* Vice Chairman

Elected Member Average Attendance (excluding vacancies) **54%**  
Appointed Member Average Attendance (excluding vacancies) **53%**

