

Smaller authority name:

## UPPER MEDWAY INTERNAL DRAINAGE BOARD

### NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF UNAUDITED ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

Local Audit and Accountability Act 2014 Sections 26 and 27

The Accounts and Audit Regulations 2015 (SI 2015/234)

NOTICE	NOTES
<p>1. Date of announcement <u>Friday 30<sup>th</sup> June 2023</u> (a)</p> <p>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</p> <p>Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2023, these documents will be available on reasonable notice by application to:</p> <p>(b) <b>Oliver Pantrey – Clerk to the Board</b> <b>Upper North Hall,</b> <b>Bullen Court Business Centre, Bullen Lane,</b> <b>East Peckham, Kent TN12, 5LX</b> <b>01622 934500</b></p> <p>commencing on (c) <u>Monday 3 July 2023</u></p> <p>and ending on (d) <u>Friday 11 August 2023</u></p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none"><li>• The opportunity to question the appointed auditor about the accounting records; and</li><li>• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.</li></ul> <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</p> <p><b>PKF Littlejohn LLP (Ref: SBA Team)</b> <b>15 Westferry Circus</b> <b>Canary Wharf</b> <b>London E14 4HD</b> (<a href="mailto:sba@pkf-l.com">sba@pkf-l.com</a>)</p> <p>5. This announcement is made by (e) <b>Mr OD Pantrey – Clerk to the Board</b></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and at least 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

## LOCAL AUTHORITY ACCOUNTS: A SUMMARY OF YOUR RIGHTS

**Please note that this summary applies to all relevant smaller authorities, including local councils, internal drainage boards and 'other' smaller authorities.**

### The basic position

The [Local Audit and Accountability Act 2014](#) (the Act) governs the work of auditors appointed to smaller authorities. This summary explains the provisions contained in Sections 26 and 27 of the Act. The Act and the [Accounts and Audit Regulations 2015](#) also cover the duties, responsibilities and rights of smaller authorities, other organisations and the public concerning the accounts being audited.

As a local elector, or an interested person, you have certain legal rights in respect of the accounting records of smaller authorities. As an interested person you can inspect accounting records and related documents. If you are a local government elector for the area to which the accounts relate you can also ask questions about the accounts and object to them. You do not have to pay directly for exercising your rights. However, any resulting costs incurred by the smaller authority form part of its running costs. Therefore, indirectly, local residents pay for the cost of you exercising your rights through their council tax.

### The right to inspect the accounting records

Any interested person can inspect the accounting records, which includes but is not limited to local electors. You can inspect the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records. You can copy all, or part, of these records or documents. Your inspection must be about the accounts, or relate to an item in the accounts. You cannot, for example, inspect or copy documents unrelated to the accounts, or that include personal information (Section 26 (6) – (10) of the Act explains what is meant by personal information). You cannot inspect information which is protected by commercial confidentiality. This is information which would prejudice commercial confidentiality if it was released to the public and there is not, set against this, a very strong reason in the public interest why it should nevertheless be disclosed.

When smaller authorities have finished preparing accounts for the financial year and approved them, they must publish them (including on a website). There must be a 30 working day period, called the 'period for the exercise of public rights', during which you can exercise your statutory right to inspect the accounting records. Smaller authorities must tell the public, including advertising this on their website, that the accounting records and related documents are available to inspect. By arrangement you will then have 30 working days to inspect and make copies of the accounting records. You may have to pay a copying charge. The 30 working day period must include a common period of inspection during which all smaller authorities' accounting records are available to inspect. This will be 3-14 July 2023 for 2022/23 accounts. The advertisement must set out the dates of the period for the exercise of public rights, how you can communicate to the smaller authority that you wish to inspect the accounting records and related documents, the name and address of the auditor, and the relevant legislation that governs the inspection of accounts and objections.

### The right to ask the auditor questions about the accounting records

**You should first ask your smaller authority** about the accounting records, since they hold all the details. If you are a local elector, your right to ask questions of the external auditor is enshrined in law. However, while the auditor will answer your questions where possible, they are not always obliged to do so. For example, the question might be better answered by another organisation, require investigation beyond the auditor's remit, or involve disproportionate cost (which is borne by the local taxpayer). Give your smaller authority the opportunity first to explain anything in the accounting records that you are unsure about. If you are not satisfied with their explanation, you can question the external auditor about the accounting records.

The law limits the time available for you formally to ask questions. This must be done in the period for the exercise of public rights, so let the external auditor know your concern as soon as possible. The advertisement or notice that tells you the accounting records are available to inspect will also give the period for the exercise of public rights during which you may ask the auditor questions, which here means formally asking questions under the Act. You can ask someone to represent you when asking the external auditor questions.

Before you ask the external auditor any questions, inspect the accounting records fully, so you know what they contain. Please remember that you cannot formally ask questions, under the Act, after the end of the period for the exercise of public rights. You may ask your smaller authority other questions about their accounts for any year, at any time. But these are not questions under the Act.

You can ask the external auditor questions about an item in the accounting records for the financial year being audited. However, your right to ask the external auditor questions is limited. The external auditor can only answer 'what' questions, not 'why' questions. The external auditor cannot answer questions about policies, finances, procedures or anything else unless it is directly relevant to an item in the accounting records. Remember that your questions must

always be about facts, not opinions. To avoid misunderstanding, we recommend that you always put your questions in writing.

### The right to make objections at audit

You have inspected the accounting records and asked your questions of the smaller authority. Now you may wish to object to the accounts on the basis that an item in them is in your view unlawful or there are matters of wider concern arising from the smaller authority's finances. A local government elector can ask the external auditor to apply to the High Court for a declaration that an item of account is unlawful, or to issue a report on matters which are in the public interest. You must tell the external auditor which specific item in the accounts you object to and why you think the item is unlawful, or why you think that a public interest report should be made about it. You must provide the external auditor with the evidence you have to support your objection. Disagreeing with income or spending does not make it unlawful. To object to the accounts you must write to the external auditor stating you want to make an objection, including the information and evidence below and you must send a copy to the smaller authority. The notice must include:

- confirmation that you are an elector in the smaller authority's area;
- why you are objecting to the accounts and the facts on which you rely;
- details of any item in the accounts that you think is unlawful; and
- details of any matter about which you think the external auditor should make a public interest report.

Other than it must be in writing, there is no set format for objecting. You can only ask the external auditor to act within the powers available under the [Local Audit and Accountability Act 2014](#).

### A final word

You may not use this 'right to object' to make a personal complaint or claim against your smaller authority. You should take such complaints to your local Citizens' Advice Bureau, local Law Centre or to your solicitor. Smaller authorities, and so local taxpayers, meet the costs of dealing with questions and objections. In deciding whether to take your objection forward, one of a series of factors the auditor must take into account is the cost that will be involved, they will only continue with the objection if it is in the public interest to do so. They may also decide not to consider an objection if they think that it is frivolous or vexatious, or if it repeats an objection already considered. If you appeal to the courts against an auditor's decision not to apply to the courts for a declaration that an item of account is unlawful, you will have to pay for the action yourself.

For more detailed guidance on public rights and the special powers of auditors, copies of the publication [Local authority accounts: A guide to your rights](#) are available from the NAO website.

If you wish to contact your authority's appointed external auditor please write to the address in paragraph 4 of the *Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return*.



# 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

UPPER MEDWAY IDB LTD

www.medwayidb.co.uk WEBSITE ADDRESS

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).	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

13/02/2023

24/04/2023

23/05/2023

Name of person who carried out the internal audit

Katherine Woodward

Signature of person who carried out the internal audit

KAWoodward

Date

06/06/2023

\*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:

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

**\*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:

20/06/2023

and recorded as minute reference:

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

Chairman

Clerk

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## Section 2 – Accounting Statements 2022/23 for

### UPPER MEDWAY IDB

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	994,297	829,950	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	556,979	565,008	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	314,784	115,168	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	250,521	330,381	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	785,589	297,594	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	829,950	882,151	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	1,374,308	1,098,769	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	745,207	899,834	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	0	0	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**



Date

20/06/2023

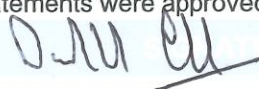
I confirm that these Accounting Statements were approved by this authority on this date:

20/06/2023

as recorded in minute reference:

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





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

In respect of

UPPER MEDWAY IDB

### 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

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

### 3 External auditor certificate 2022/23

We certify/do not 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.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

Date



# UPPER MEDWAY

## INTERNAL DRAINAGE BOARD

### FINANCIAL REPORT

YEAR ENDING 31 MARCH: 2023

PERIOD END: 12

FROM: 01-Apr-22

TO: 31-Mar-23

Prepared By

LORNA CAREY

FINANCE & RATING OFFICER

Checked By

Oliver Pantrey

RFO/CLERK

Approved By:

O PANTREY

RFO/CLERK

Dated:

20/06/2023





# UPPER MEDWAY INTERNAL DRAINAGE BOARD

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31-Mar-23

NOTES INCOME AND EXPENDITURE ACCOUNT	Y-T-D 2021-22 ACTUAL	Y-T-D 2022-23 ACTUAL	Y-T-D VARIANCE	ANNUAL BUDGET	PROJECTED OUT-TURN	PROJECTED VARIANCE
<b>INCOME</b>						
OCCUPIERS DRAINAGE RATES	45,817	46,177	-	-	46,177	46,177
SPECIAL LEVIES ISSUED BY BOARD	511,162	518,831	-	-	518,831	518,831
CONTRIBUTIONS ISSUED BY EA	102,499	110,134	-	-	110,134	110,134
GRANTS APPLIED	-	-	-	-	-	-
INCOME FROM RECHARGEABLE WORKS	-	-	-	-	-	-
INVESTMENT INTEREST	-	5,333	-	-	5,333	5,333
DEVELOPMENT CONTRIBUTIONS	4,335	-	-	-	-	-
CONSENT FEES	750	500	-	-	500	500
LOWER MEDWAY IDB	-	-	-	-	-	-
WORK DONE CHARGED OUT	1,346	-	-	-	-	-
WORKMAN PAYROLL COSTS CHARGED OUT	-	-	-	-	-	-
OTHER INCOME	-	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>£665,909</b>	<b>£680,975</b>			<b>£680,975</b>	<b>£680,975</b>
<b>LESS EXPENDITURE</b>						
CAPITAL WORKS	-	-	-	-	-	-
PRECEPT CONTRIBUTIONS TO EA	90,000	90,000	-	-	90,000	90,000
MAINTENANCE WORKS	344,588	128,419	-	-	110,805	110,805
GROSS WAGES	250,521	330,381	-	-	330,381	330,381
JOINT ADMIN (xcl wages) see above	82,650	-	-	-	-	-
OTHER ADMIN CHARGES	54,227	104,491	-	-	162,936	162,936
COST OF RECHARGEABLE WORKS	-	313,276	-	-	-	-
DEPOT COSTS	8,345	59,946	-	-	19,115	19,115
DEPRECIATION	63,321	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>£580,376</b>	<b>£713,237</b>			<b>£713,237</b>	<b>£713,237</b>
Profit/(Loss) on disposal of fixed assets	205854	-	800	-	-	800
<b>Net Surplus/ (Deficit)</b>	<b>£291,387</b>	<b>-£33,062</b>			<b>-£33,062</b>	<b>-£33,062</b>



# UPPER MEDWAY INTERNAL DRAINAGE BOARD

From: 01 April 2022  
To: 31 March 2023

Period To: 12  
Year Ended: 31-Mar-23

	OPENING BALANCE	MOVEMENT THIS YEAR	CLOSING BALANCE
FIXED ASSETS			
Land and building	319,000	-	319,000
Computer Equipment	12,885	389	13,274
Plant and Equipment	116,948	177,896	294,844
Vehicles	23,269	16,868	6,401
	<b>472,103</b>	161,417	<b>633,519</b>
CURRENT ASSETS			
Bank Account	1,374,308	275,539	1,098,769
Trade Debtors	3,246	3,246	-
Work in Progress	7,602	572	7,030
VAT Purchases Control Account	3	3	-
Staff Loan	4,880	982	5,862
Drainage Ratepayers and Special Levies Due	5,103	4,534	569
Prepayments	-	-	-
Payment made in Advance	-	-	-
VAT Due	3,231	21,719	24,950
Grants Due	-	-	-
	<b>1,398,373</b>	261,193	<b>1,137,180</b>
LESS CURRENT LIABILITIES			
Trade Creditors	5,684	5,800	11,484
Accruals	481	-	481
Payments received in Advance	-	-	-
VAT Sales Tax Control	-	-	-
Payroll Controls	6,782	194	6,588
Revaluation Laddingford	319,000	-	-
Plant Reserves	236,475	-	236,475
	<b>568,422</b>	313,394	<b>255,028</b>
<b>NET CURRENT ASSETS</b>	829,950	52,201	<b>882,151</b>
LESS LONG TERM LIABILITIES			
Pension Liability	-	-	-
<b>NET ASSETS</b>	<b>1,302,053</b>	213,618	<b>1,515,671</b>
Reserves			
Earmarked			
General Reserve	1,010,666	-	1,302,053
Grants Reserve	-	-	-
Development Reserve	-	-	-
Plant Reserve	236,475	-	236,475
	<b>1,247,141</b>	291,387	<b>1,538,528</b>
Non-Distributed			
Revaluation Reserve	459,934	-	319,000
Pension Reserve	-	-	-
	<b>459,934</b>	-	<b>319,000</b>
<b>TOTAL RESERVES</b>	<b>1,302,053</b>	213,618	<b>1,515,671</b>





**Upper Medway IDB**

**Annual Governance and Accountability Return - Salary Figures**

**Operations Team**

Gross Salary	£94,393.00
Bonus	£0.00
Overtime	£0.00
Employers Pension (32.1%)	£30,300.00
Employers NIC	£7,870.00

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<b>Subtotal of Salary for AGAR - Operations Staff</b>	<b>£132,563.00</b>
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**Administration/Management Team**

Gross Salary	£149,113.00
Bonus	£0.00
Overtime	£0.00
Employers Pension (32.1%)	£32,944.00
Employers NIC	£15,761.00

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<b>Subtotal of Salary for AGAR - Admin/Management Staff</b>	<b>£197,818.00</b>
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<b>Total Gross Salary Cost for Box 4 of AGAR</b>	<b>£330,381.00</b>
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**31 March 2023**

Balance per Bank Statements as at 31 March 2023		£	£
Account No.			
58166379	Handelsbanken Paying In	760.84	
20762733	Handelsbanken Paying Out	158897.17	
14427645	Handelsbanken Savings	929328.73	
81568851	NatWest Drainage Rates Account	10332.93	
81531761	NatWest Special Interest Bearing	9.36	
N/A	Lloyds Bank Corporate Card	-559.81	
			<b>1,098,769.22</b>
Less:	Uncleared BACS Payment	0.00	
Add:	Uncleared BACS Receipts	0.00	
<b>Net Balance as at 31 March 2023</b>			<b>1,098,769.22</b>
Cash Book			
Opening Balance 1 April 2022			1,374,307.82
Receipts in the year			680,506.40
Payments in the year			956,045.00
<b>Closing Balance per Cash Book as at 31 March 2023</b>			<b>1,098,769.22</b>



Explanation of variances – pro forma

Name of smaller authority:

County area (local councils and parish meetings only):

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2021/22 £	2022/23 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	994,297	829,950				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	556,979	565,008	8,029	1.44%	TRUE		
3 Total Other Receipts	314,784	115,168	-199,616	63.41%	YES		Recharging from one Board to another was previously and mistakenly considered as income and not accounted for against previous outgoings. Resolved in previous year (2021/22), therefore going forwards figures are correct.
4 Staff Costs	250,521	330,381	79,860	31.88%	YES		Wage increases and new staff brought onboard
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	785,589	297,594	-487,995	62.12%	YES		Funds were set aside from year 2021/22 for purchase of new plant. Was budgeted in last budget, but not all plant as yet received and paid for. Revaluation of Laddingford Depot moved to Capital & Reserves, from current liabilities
7 Balances Carried Forward	829,950	882,151			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	1,374,308	1,098,769				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	745,204	899,834	154,630	20.75%	YES		Purchase and selling of plant. Evidence provided in fixed assets sheet
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)



## Reconciliation between Box 7 and Box 8 in Section 2 - 2022/23

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of Smaller Authority

Upper Medway IDB

County area (local councils and parish meetings only)

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been on an income and expenditure basis and there have been adjustments for debtors/payments and creditors receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8

		£	£
Box 7:	Balances carried Forward		882,151
Deduct:	Debtors (enter these in negative numbers)		
	Debtors	0	
	Work in Progress	7030	
	VAT Sales & Purchase Control	0	
	Drainage Rates Due	569	
	HMRC VAT	24950	
	Staff loan	5862	
		38411	
Deduct:	Payments made in advance	0	
	(prepayments) (enter these as negative numbers)		
	Lower Medway IDB	0	
		0	
Total Deductions			38411
Add:	Creditors (must not include community infrastructure levy (CIL) receipts)		
	Trade Creditors	11484	
	HMRC Payroll	6588	
	Accural	482	
	HMRC VAT	0	
		18554	
	Provision for future plant	236475	
Add:	Revaluation of property		
	Receipts in advance (must not include deferred grants/loans received)		
	Drainage Rates/Special Levies	0	
		236475	
Total Additions			255029
Box 8:	Total cash and short term investments		1,098,769



### UPPER MEDWAY FIXED ASSETS AT 31 MARCH 2023

Asset No.	Code	Description	Nominal Code	Registration	Date Purchased	Capital Cost B/fwd Incl	Years	Additions	Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Annual Depreciation	Acc.depn W/out on disposal	Depreciation B/Fwd	Net Book Value 31.3.2023	Market Value 2022/23
<b>Land and Buildings</b>																
	5007	Depot	20			£319,000.00		0	0	£319,000.00					£319,000.00	£319,000.00
						£319,000.00	0	0	0	£319,000.00					£319,000.00	£319,000.00
<b>Comouter Equipment</b>																
	5008	Computer Server and Cabinet Chairs & Bookcases	40		16/10/2019	£12,379.30	3	0	0	£12,379.30					£12,379.30	
			40		13/03/2022	£ 505.96	3	£ 389.00	£ 505.96	£895.00					£895.00	
						£12,885.26		389	505.96	£13,274.30					£13,274	
<b>Plant and Equipment</b>																
144	6320	JCB Excavator			01/12/2004	£ 65,185.00	6		£ 65,185.00	£0.00				£ -	£0.00	
163	6338	Weedmaster Bucket 3m	30		02/10/2013	£4,495.00	5			£4,495.00	£4,495.00			£4,495.00	£0.00	
181	6335	Bradshaw Weedmaster Bucket 1.5m	30		09/06/2006	£2,675.00	5			£2,675.00	£2,175.00			£ 2,175.00	£500.00	
150	6317	Habbig Tree Cutter	30		22/06/2007	£ 11,250.00	5		£ 11,250.00	£0.00				£ -	£0.00	
123	6305	Trailer Cage - Bateson 1054	30		27/06/1991	£488.34	10			£488.34	£488.34			£ 488.34	£0.00	
143	6329	Trailer for Weedmaster 3m Bucket	30		27/06/1991	£488.34	10			£488.34	£488.34			£ 488.34	£0.00	
149	7338	Woodchipper - Atkinson Vos	30		25/02/2010	£ 12,132.00	6		£ 12,132.00	£0.00				£ -	£0.00	
150	6323	Tractor Valtra T174EH5	30	GN19BTU	01/03/2019	£78,000.00	5			£78,000.00	£48,100.00	£15,600.00		£63,700.00	£14,300.00	
182	6326	Tractor Valtra T174EH5	30	GN19BTU	01/03/2019	£78,000.00	5			£78,000.00	£48,100.00	£15,600.00		£ 63,700.00	£14,300.00	
188	6342	Green Crop Bonded Fuel Bowser	30		31/05/2019	£8,265.00	5			£8,265.00	£4,683.20	£1,653.00		£ 6,336.20	£1,928.80	
190	6313	Flail Mower for Tractor	30		01/06/2020	£34,000.00	5			£34,000.00	£12,466.67	£6,800.00		£ 19,266.67	£14,733.33	
191	6312	Flail Mower for Tractor	30		01/06/2020	£34,000.00	5			£34,000.00	£12,466.67	£6,800.00		£ 19,266.67	£14,733.33	
192	6346	Timberwolk Woodchipper	30		07/07/2022		5	£31,200.00		£31,200.00				£4,160.00	£27,040.00	
193	6347	IFOR Williams Plant Trailer	30		24/08/2022		5	£4,802.00		£4,802.00				£560.23	£4,241.77	
	6330	800L Tank Mou Washing Jet	30		19/01/2023	£3,455.00	5			£3,455.00	£115.17			£ 115.17	£3,339.83	
	6328	Greencrop Pump	30		19/01/2023	£8,484.00	5			£8,484.00	£282.80			£ 282.80	£8,201.20	
	6327	New Holland T4 Tractor	30	GN68 CNA	19/01/2023	£37,985.00	5			£37,985.00	£1,266.17	£1,266.17		£ 1,266.17	£36,718.83	
	6331	Flailmower - Ryetec	30		02/02/2023	£6,500.00	5			£6,500.00	£108.33			£ 108.33	£6,391.67	
	6321	5000L Bunded Diesel Tank	30		07/02/2023	£4,787.93	5			£4,787.93	£79.80			£ 79.80	£4,708.13	
	6322	5000L Rainstore	30		07/02/2023	£1,659.07	5			£1,659.07	£27.65			£ 27.65	£1,631.42	
	6332	Wacker Neuson EW65 Excavator with B	30		08/03/2023	£113,349.00	5	£113,349.00		£113,349.00		£1,428.51		£ 1,428.51	£111,920.49	
	6348	EXAC S210 Tree Shears	30		08/03/2023	£12,080.00	5			£12,080.00		£152.24		£ 152.24	£11,927.76	
	6349	EXAC TF100XL Mulcher	30		08/03/2023	£13,339.00	5			£13,339.00		£168.11		£ 168.11	£13,170.89	
	6350	Weed Bucket 2.0 metres	30		08/03/2023	£5,167.00	5			£5,167.00		£65.12		£65.12	£5,101.88	
						£ 328,978.68		£242,808.00	£ 88,567.00	£483,219.68	£ 133,463.22	£ 54,867.13		£ 188,330.35	£294,889.33	£ -
<b>Vehicles</b>																
185	7424	Isuzu Yukon D-Max	50	GK19EBM	01/03/2019	£27,280.00	5			£27,280.00	£16,822.67	£5,456.00		£ 22,278.67	£5,001.33	
186	7425	Isuzu Yukon D-Max	50	GK19EBN	01/03/2019	£27,280.00	5			£27,280.00	£16,822.67	£5,456.00		£ 22,278.67	£5,001.33	
189	7427	Isuzu D Max D/C Auto	50	GN69 ZNO	25/09/2019	£29,780.00	5			£29,780.00	£14,890.00	£5,956.00		£ 20,846.00	£8,934.00	
187	7426	Utah Isuzu D-Max	50	GK19EBL	01/03/2019		5	£ -	£ 30,085.00	£ -	£ 12,535.42	£ -	£ -	£ 12,535.42	£ -	£ -
						£84,340.00			£ 30,085.00	£84,340.00	£61,070.76	£16,868.00		£ 77,938.76	£6,401.24	
						£745,203.94	£0.00	£243,197.00	£ 119,157.96	£899,833.98	£194,533.98	£71,735.13	£0.00	£266,269.11	£633,564.87	£319,000.00

-£45.87