

The Upper Medway Internal Drainage Board

Statement of Internal Control

For the Year Ending 31st March 2027

1. Scope of Responsibility

The Upper Medway Internal Drainage Board (the Board) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Board is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Board's functions and which includes arrangements for the management of risk.

2. The Purpose of The System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Board for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5, accords with proper practice.

3. The Internal Control Environment

The Board has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Board decisions are lawful.

The Board reviews its obligations and objectives and approves budgets for the following year at its January meeting. During the financial year regular reports have been made to the Finance Committee to ensure that expenditure is in line with the approved budget.

The Board has appointed a Finance Committee of Members who meet at least three times each year and monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. An additional meeting takes place during May each year to review and approve the End of Year Accounts, Annual Return, Annual Governance Statement and Internal Controls. The minutes of the meetings of the Finance Committee are reported to and approved by the Board.

The Board has appointed a Clerk to the Boards who acts as the Board's advisor and administrator. The Clerk is the Board's Responsible Financial Officer and is responsible for administering the Board's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Board is subject to and for managing risks. The Clerk also ensures that the Board's procedures, control systems and policies are adhered to.

All payments are reported to the Board for approval.

The full Board meets at least three times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk.

The Board carries out regular risk assessments in respect of actions and regularly reviews its systems and controls and during this financial year regular updates on Health and Safety issues have been reported to the Board.

The Board has appointed an Independent Internal Auditor who reports to the Board on the adequacy of its:

- records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

The Board's External Auditors, PKF LittleJohn, submit an annual Certificate of Audit, which is presented to the Board.

The Board carries out regular reviews of its internal controls, systems and procedures, including the effectiveness of its system of Internal Audit and has appointed representatives to sit on a joint committee with the Lower Medway Internal Drainage Board for this purpose.

4. Review of Effectiveness

The Board has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- Finance Committee
- Internal Audit Sub Committee
- the Clerk who has responsibility for the development and maintenance of the internal control environment and managing risks
- the independent Internal Auditor who reviews the Board's system of internal control
- PKF LittleJohn, the Board's external auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer. PKF LittleJohn issue an annual audit certificate
- The number of significant issues that are raised during the year.

5. Significant Internal Control Issues

The Board strives for the continuous improvement of the system it has adopted for internal control and has addressed/noted all the minor issues and weaknesses raised and reported during the review process.

Approved by the Board **20th January 2026**

Oliver Pantrey

Clerk

13/1/25

Amendments March 2022

- Added approved by Board date