

**Doncaster East IDB  
Finance Committee**

Yorkshire Wildlife Park  
Branton  
Doncaster  
DN3 3NH

**Meeting**

**Friday, 13 October 2017  
1.00pm**

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Mngmnt, PIEMA.  
Senior Administrator and Environment Officer

Reviewed by .....Craig Benson BA  
Finance Officer

## Purpose

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# 1. Apologies for Absence

## 2. Declaration of Interest

### 3. Minutes of Meeting on 2 June 2017

Attendees:	Peter Horne (Chair)	PH
	Roni Chapman	RC
	Catherine Anderson	CA
	Geoff Parker	GP
	Michael Brooke	MB
Management	Craig Benson	FO
	Ian Benn	CEO

- 2017.1** Apologies – Martin Oldknow, Sue Wilkinson, Neville Williams and Chris McGuinness.
- 2017.2** Declaration of Interest – none made.
- 2017.3** Minutes 9 December 2016 – Members agreed true record of the meeting proposed RC, seconded CA, all in agreement.
- 2017.4** Matters arising – 2016.38. PH enquired if the two audit reports were available on the Board's website. FO confirmed that they were.
- 2017.5** Finance-Audit-Internal – The internal audit of the Board's financial statements is now complete. There have been no issues raised by the auditor. The report would be circulated to members when available.
- 2017.6** Accounts for the Year Ending 31 March 2017 – FO reviewed the year end accounts and supporting documentation, including the annual return.
- 2017.7** Five Year Budget Estimate and Capital Programme – Discussed major works in pipeline up to 2025. PH discussed transferring monies from the Revenue Account to the Capital Reserve Account. CA confirmed that she would prefer to see a low rate and added that completion of the hydraulic modelling of the Board's district would enable the Board to have a clear understanding of the future requirements to manage the district. IB agreed, this was fundamental to the implementation of the Isle of Axholme Strategy and it was important for the Board to work with its' Partners. PH asked if there was going to be any financial constraints placed on the Board as a result of the strategy. IB suggested it was important for the Board to look at other funding streams. MB added that there would also be an issue with subsidence areas throughout the district.
- 2017.8** Hydraulic Modelling – Members noted the allocation of £40,000 local levy to supplement the Board's contribution towards the model and that the Invitation to Tender documents had been sent to North Lincolnshire Council's procurement team. They are awaiting instruction from the Board Chairman to issue the documents.
- 2017.9** Maintenance Contract – FO advised members that the contract had been awarded. MB expressed his concern over one of the successful tenderers and added that he was also not happy with the way North Lincolnshire Council managed the procurement process. This sentiment was also echoed by PH.
- 2017.10** Thorne, Crowle and Goole Moors SSSI WLMP – FO gave a brief update on the progress of the works and informed members of the stance taken by the Environment Agency with regard to the use of the remaining grant monies. FO also advised members that he would be attending a meeting with EU monitors along with Natural England to discuss the Life Plus project and the Board's involvement.

**2017.11** LoC – MB queried the payment to Ebsford Environmental Ltd and FO confirmed it was for PSCA work that was 100% recoverable. PH noted the payment to North Lincolnshire Council with respect to the Procurement process for the Maintenance Contract and commented it was high when compared to the service the Board received. There were no more queries. The payments were approved following a proposal by CA that was seconded by RC.

**2017.12** Any other Business – Members discussed an issue with regard to a member of the workforce. It was agreed that the Board was not in a position to offer advice to the individual.

MB enquired if the Board were still liable for the bridges that had appeared in the statement of assets. FO confirmed that the Board was no longer liable.

At this point, the JBA Consulting staff were asked to leave the meeting.

**2017.13** Date of next meeting – 13 October 2017.

### **3.1 Matters arising not discussed elsewhere**

## 4. Finance

### 4.1 Audit

#### 4.1.1 External Audit

The external audit of the Board's financial statements is now complete and the annual return is attached for members approval at Appendix A.

#### 4.1.2 Internal Audit

The annual internal audit meeting will take place on Monday 27 November 2017.

### 4.2 Budget Comparison for the Year Ending 31 March 2018

#### 4.2.1 Budget Comparison To date (28-9-2017)

<b>BUDGET FOR THE YEAR ENDING 31ST MARCH 2018</b>						
	2017/18					2017/18
Approved Estimate		Actual To date			28 September 2017	
£	£	£	£			%
					<b>INCOME</b>	
77,909		65,566	77,958		Drainage Rates on Agricultural Land:-	84%
			333,936		Special Levy:-	
632,933		316,466			Doncaster MBC	50%
12,498		12,498			North Lincolnshire Council	100%
9,942		4,971			Bassetlaw District Council	50%
2,000		1,131			Interest and other Contributions	57%
15,000		0			WLMPs Contribution	0%
57,430		17,546			Contribution to Pumping Stations	31%
42,165		15,104			Contribution to Other Costs	36%
0		0			New Works and Contributions	0%
10,650	860,527	938	434,221		Other Contributions	9% 50%
					<b>EXPENDITURE</b>	
225,000		109,440			Flood Defence Levy	49%
111,500		31,512			Pumping Stations	28%
235,500		-491			Drain Maintenance	0%
149,835		82,583			Administration Costs	55%
15,000		0			SSSI's WLMP	0%
0		36			Other Expenditure	0%
85,191	822,026	42,596	265,676		Cost of Borrowing	50% 32%
	38,501		168,545		Surplus - (Deficit)	438%
	394,463		449,005		Balance Brought Forward	114%
	25,000		0		Transfer to Capital Reserve Account	
	<b>407,964</b>		<b>617,549</b>		<b>Balance Carried Forward</b>	151%

### 4.3 Five Year Budget Estimate

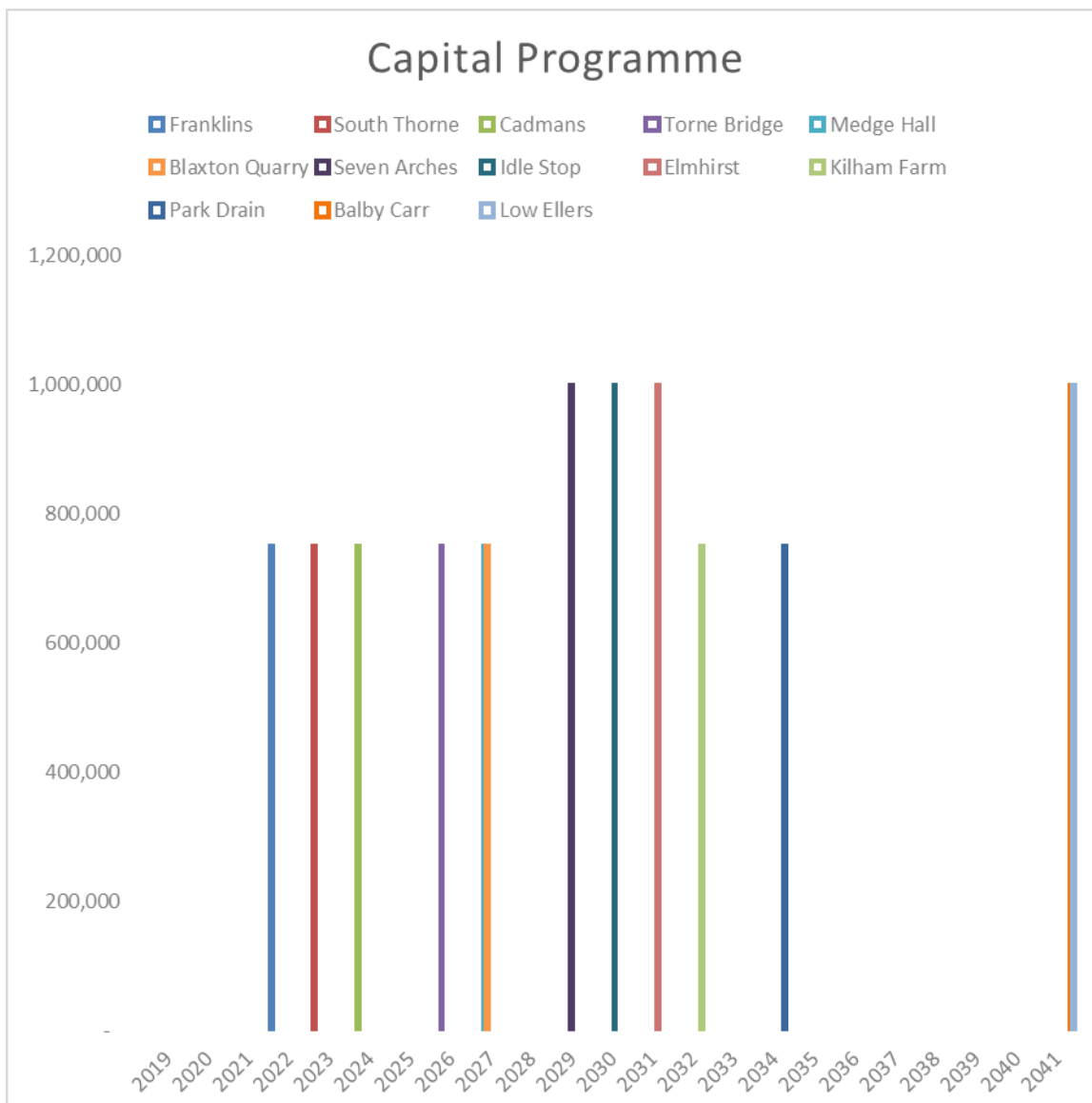
The Five-Year Budget Estimate Is shown Below.

Doncaster East IDB 5 yr Budget Estimate Plan		0	1	2	3	4	5
Income & Expenditure Account	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	App	Estimated Out-Turn					
	Budget						
	£	£	£	£	£	£	£
<b>Income</b>							
Drainage Rates	77,909	78,091	77,909	77,909	77,909	77,909	82,009
Special Levies	655,372	655,372	655,372	655,372	655,372	655,372	689,866
Grant WLMP	15,000	15,000	-	-	-	-	-
Contribution to Pumping stations	57,430	57,605	58,430	60,183	61,988	63,848	65,763
Other Contributions	10,650	3,800	3,650	3,760	3,872	3,988	4,108
Other recoverable items	42,165	42,600	42,165	43,430	44,733	46,075	47,457
Bank Interest	2,000	1,800	2,000	1,800	1,800	1,800	1,800
<b>Total Income</b>	<b>860,526</b>	<b>854,268</b>	<b>839,526</b>	<b>842,454</b>	<b>845,675</b>	<b>848,993</b>	<b>891,004</b>
<b>Expenditure</b>							
Environment Agency Precept	225,000	218,880	225,000	225,000	225,000	225,000	231,750
Administration Costs	149,835	163,216	150,135	154,639	159,278	164,057	168,978
Capital Works	-	-	-	-	-	-	-
Drain Maintenance	235,500	237,555	241,630	248,879	256,345	264,036	271,957
Maintenance of Pumping Stations	111,500	111,000	112,500	115,875	119,351	122,932	126,620
SSSi WLMPs	15,000	15,000	-	-	-	-	-
Loan Repayments:-	85,191	85,191	85,191	85,191	85,191	85,191	78,398
New Loans	-	-	-	-	-	-	46,094
<b>Total Expenditure</b>	<b>822,026</b>	<b>830,842</b>	<b>814,456</b>	<b>829,584</b>	<b>845,166</b>	<b>861,215</b>	<b>923,797</b>
Surplus/(Deficit)	38,500	23,426	25,070	12,870	509	(12,222)	(32,793)
Balance Brought Forward	394,462	449,004	447,430	455,500	458,370	458,879	406,657
<b>Transfer to Cap Res Acc</b>	<b>25,000</b>	<b>25,000</b>	<b>17,000</b>	<b>10,000</b>	-	<b>40,000</b>	<b>40,000</b>
<b>Balance Carried Forward</b>	<b>407,962</b>	<b>447,430</b>	<b>455,500</b>	<b>458,370</b>	<b>458,879</b>	<b>406,657</b>	<b>333,863</b>
<b>Capital Reserve Account</b>	<b>74,152</b>	<b>113,741</b>	<b>130,741</b>	<b>137,241</b>	<b>132,241</b>	<b>162,241</b>	<b>172,741</b>
<b>Commuted Sum Accounts</b>	<b>76,200</b>	<b>76,200</b>	<b>76,500</b>	<b>76,800</b>	<b>77,100</b>	<b>77,400</b>	<b>77,700</b>
<b>Penny Rate in £</b>	<b>4.75p</b>	<b>4.75p</b>	<b>4.75p</b>	<b>4.75p</b>	<b>4.75p</b>	<b>4.75p</b>	<b>5.00p</b>
<b>Penny Rate £154,375</b>	<b>49.63%</b>	<b>53.85%</b>	<b>55.93%</b>	<b>55.25%</b>	<b>54.29%</b>	<b>47.22%</b>	<b>36.14%</b>

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	App	Estimated Out-Turn					
	Budget						
	£	£	£	£	£	£	£
<b>Capital Reserve Account</b>							
<b>Income</b>							
Catchment Modelling- Contribution	98,429	125,507	-	-	-	-	-
<b>Total Income</b>	<b>98,429</b>	<b>125,507</b>	-	-	-	-	<b>750,000</b>
<b>Expenditure</b>							
Asset Inspections	-	-	-	-	5,000	5,000	5,000
Asset Management	-	-	-	1,500	-	-	1,500
Research & Development	-	-	-	-	-	-	1,000
Website Design	-	-	-	-	-	5,000	-
ICT Equipment & Software	-	-	-	2,000	-	-	-
Catchment/ Hydraulic Modelling	156,857	185,000	-	-	-	-	-
Pumping Station Refurbishment	33,300	-	-	-	-	-	750,000
<b>Total Income</b>	<b>190,157</b>	<b>185,000</b>	-	<b>3,500</b>	<b>5,000</b>	<b>10,000</b>	<b>779,500</b>
Surplus/(Deficit)	(91,729)	(59,493)	0	(3,500)	(5,000)	(10,000)	(29,500)
Balance Brought Forward	140,880	148,234	113,741	130,741	137,241	132,241	162,241
Transfer from Revenue	25,000	25,000	17,000	10,000	-	40,000	40,000
<b>Balance Carried Forward</b>	<b>74,152</b>	<b>113,741</b>	<b>130,741</b>	<b>137,241</b>	<b>132,241</b>	<b>162,241</b>	<b>172,741</b>

### 4.4 Capital Programme

The Capital Program is shown over the page.



## 4.5 Hydraulic Modelling of Board District

Following instruction from the Chairman, North Lincolnshire Council's procurement team have instigated the process to invite tenders.

## 4.6 Thorne, Crowle & Goole Moors SSSI WLMP

### 4.6.1 Project Update

The major works are now complete. The anticipated surplus on completion will be in the region of £175k-£225k. The Environment Agency have confirmed that this surplus can be spent on additional works on the Moors providing they have been approved by the Internal Auditor. The Auditor has reviewed the list of additional works, approved by the steering group last year, and agreed that they meet the criteria specified by the Environment Agency.

Specifications for the Management Supervision of the Additional Works have been compiled and issued to North Lincolnshire Council's procurement team for issue. The successful tenderer would be required to prepare the specifications, tender documents for the site works. It is hoped that this process would be completed by the end of the year with the works commencing on site during winter and spring next year.



## 4.6.2 Spend Profile

The Spend Profile is shown below.

Thorne, Crowle & Goole Moors SSSI	Estimated Final Costs	Estimated Final Contributions	Estimated Final Net Expenditure	EA Grant Approved	Expenditure to date to 30-Sep-17	Contributions To date to 30-Sep-17	Net Expenditure to date to 30-Sep-17	EA Grant balance 30-Sep-17
Environmental Statement	£100,543	£10,542	£90,001	£90,000	£100,543	£10,542	£90,001	-£1
Design and Appraisal	£478,068	£10,145	£467,923	£514,400	£474,374	£10,145	£464,229	£50,171
Construction Works	£2,201,969	£56,255	£2,145,714	£2,329,600	£2,013,326	£56,255	£1,957,072	£372,528
Contingencies	-	-	-	-	-	-	-	-
<b>TOTALS</b>	<b>£2,780,579</b>	<b>£76,942</b>	<b>£2,703,638</b>	<b>£2,934,000</b>	<b>£2,588,244</b>	<b>£76,942</b>	<b>£2,511,302</b>	<b>£422,698</b>

Thorne, Crowle & Goole Moors SSSI	Actual Expenditure		Estimated Expenditure		Estimated EA Grant
	2017/18				
	Q1	Q2	Q3	Q4	
WLMP Spend Profile	apr to jun	jul to sep	Oct to Dec	Jan to Mar	
Environmental Statement	-	-	-	-	-£1
Design and Appraisal	835	7,565	-	-	£46,477
Construction Works	164,329	202,623	70,003	26,885	£183,886
Contingencies	-	-	-	-	-
<b>TOTALS</b>	<b>£165,164</b>	<b>£210,188</b>	<b>£70,003</b>	<b>£26,885</b>	<b>£230,362</b>
	<b>Year Total</b>				<b>£472,240</b>

The current project forecast indicates that the final total expenditure on the scheme is estimated to be	£2,780,579
The project has generated contributions from various sources to a current value of	£76,942
This contribution figure is expected to increase with the addition of any further bank interest gained.	
The estimated net final expenditure figure is	£2,703,638 and is less than the EA approved figure of
	£2,934,000
In summary it is envisaged that the scheme will be under budget by	£230,362
The project has to date incurred expenditure of	£2,588,244 and income of
	£76,942
This results in a net expenditure to date of	£2,511,302
The amount of EA grant to spend is	£422,698
However the Environment Agency are looking for efficiency savings on this scheme.	
It has been confirmed by the EA that savings can also include reinvesting unspent monies on the project to deliver more.	
Natural England and the WLMP Steering Group have identified a number of additional works for this purpose	
The spend profile over the next nine months shows how this remaining grant money is to be spent.	
The actual expenditure in Q1 and Q2 of 2017/18 is	£375,352
The estimated expenditure in the last two Quarters of 2017/18 excluding any additional works is	£96,888
Which confirms the underspend of	£230,362 (which can be used on identified and agreed additional works)
The monies left will be used for works on the ground and Project Management, Design and site supervision costs.	
It is envisaged that the additional works would be undertaken during 2017/18 and after the original scope of works are complete.	

## 4.6.3 Thorne, Crowle and Goole Moors SSSI WLMP – Internal Audit

The annual audit of the WLMP has been completed and the report is attached at Appendix B.

## 4.6.4 Steering Group Meeting

A meeting of the Steering Group is due to take place this month.

## 4.6.5 Life+ Project

A meeting has taken place with Natural England's project officers and the Board's finance officer to discuss progress of the works and the match funding position. The finance officer providing Natural England with a schedule of payments made to date that were eligible for match funding and the project forecast. It was confirmed that the Life+ Project had been extended. It was agreed that the expenditure schedule would be sent to Natural England at monthly intervals until the end of the scheme.

## 4.7 List of Payments

Schedules of all payment made since those reported at the last meeting can be found below.

### 4.7.1 Payments made by cheque

#### Current Account:

DATE	CHEQUE NO.	REF	PAYEE	DESCRIPTION	TOTAL CHEQUE
<b>2017</b>					<b>£</b>
Jun	2nd	000077	29,35	JBA Consulting	Fee Accounts: -
					BAP Implementation 415.97
					BAP Implementation 1,319.70
		000078	53	JBA Bentley Limited	Management Services - May 12,494.80
		000079	54	Bond Dickinson	Legal Fees - Advice on Employment Law 900.00
	27th	000080	49	WD Goodall	Parson Carr PS - Concrete Sleepers 360.00 *
	28th	000081	67	Environment Agency	Flood Defence Levy 54,720.00
		000082	66	JBA Consulting	Fee Account - BAP Implementation 2,035.20
Aug	8th	000083	97	JBA Bentley Limited	Management Services - July 12,198.10
	25th	000084	112	JBA Bentley Limited	Management Services - June 12,269.68
Sep	6th	000085	128	Bond Dickinson	Legal Fees - Employment and Procurement Advice 3,900.00
		000086	130	Doncaster MBC	Procurement Services 2,000.00
	25th	000087	-	CH Scholey	Rates 69.35 *
	26th	000088	135	Environment Agency	Flood Defence Levy 54,720.00
		000089	131-2	JBA Bentley Limited	Management Services - Aug & Sep 24,372.98
<b>Total amount of all Cheques</b>					<b>181,775.78</b>
<b>* Total amount of Cheques sent out signed by the Clerks only</b>					<b>429.35</b>

#### Thorne, Crowle & Goole Moor WLMP Account:

DATE	CHEQUE NO.	REF	PAYEE	DESCRIPTION	TOTAL CHEQUE
<b>2017</b>					<b>£</b>
Jun	2nd	000058	31	Field Archaeological Specialists Ltd	Archaeological Watching Brief 600.00
		000059	39-45	G Fillingham & Sons	Access Platform, Retention, etc. 13,607.33
		000060	46	JBA Consulting	Professional Services 7,194.53
		000061	47-8	North Midland Construction	Thorne Moors Pumping Station 24,389.35
		000062	32	Oneway TM Ltd	Road Repairs 5,376.00
	28th	000063	64	JBA Consulting	Professional Services 4,401.34
		000064	77-8	North Midland Construction	Thorne Moors Pumping Station 5,915.96
Aug	8th	000065	87	JBA Consulting	Professional Services 2,762.70
		000066	106,108	North Midland Construction	Thorne Moors Pumping Station 84,852.16
	25th	000067	109	JBA Consulting	Professional Services 1,182.22
Sep	6th	000068	129	Brodericks GBC	Audit Fee 4,644.00
		000069	125	North Midland Construction	Thorne Moors Pumping Station 14,846.46
<b>Total amount of all Cheques</b>					<b>169,772.05</b>
<b>* Total amount of Cheques sent out signed by the Clerks only</b>					<b>0.00</b>

## 4.7.2 Payments Made Directly from the Bank Account

### Current Account:

DATE		REF	PAYEE	DESCRIPTION	Amount	
2017					£	
May	17th	38	Allstar Fuel Card Services	Fuel Account	69.37	*
	18th	-	HMRC	PAYE/NI	730.02	*
	22nd	27	Dawsonrentals Vans Ltd	Vehicle Hire	627.43	*
		36	Woldmarsh Producers Ltd	Supply to Park Drain PS	893.29	*
				Supply to Wikewell PS	830.26	*
				Supply to Balby Carr PS	993.34	*
				Supply to Medge Hall PS	660.79	*
				Supply to Parsons Carr PS	72.24	*
				Supply to Sandall Grange PS	56.66	*
				Supply to Idle Stop PS	37.37	*
				Supply to Kilham Farms PS	119.19	*
				Elmhurst PS - Meter Operator Charges	168.00	*
				Huxterwell PS - Meter Operator Charges	168.00	*
				Vodafone - Telemetry Lines, etc.	158.00	*
				Membership Fees	242.46	*
	23rd	56	Land Registry	Land Registry Searches	9.00	*
	24th	50	Allstar Fuel Card Services	Fuel Account	65.03	*
	25th	-	Scottish Widows	Pension Contributions	38.26	*
		-	B&CE Holdings Ltd	Pension Contributions	89.28	*
		-	Workforce	Wages	2,531.32	*
	31st	57	Land Registry	Land Registry Searches	6.00	*
		55	Allstar Fuel Card Services	Fuel Account	120.65	*
Jun	5th	34	3 Business Services	Mobile Broadband	40.08	*
	9th	52	ADA Trent Branch	Conference Fees	80.00	*
		59	Brodericks GBC	Internal Audit Fee 2016/17	2,304.00	*
		61	Henry Jubb	Franklins Drain PS - Electrical Works	390.66	*
		58	NPower	Wikewell PS Annual Meter Charge	474.00	*
	13th	69	Land Registry	Land Registry Searches	9.00	*
	14th	62	Secure Trading	Card Transaction Charges	17.98	*
		70	Lloyds TSB Cardnet	Cardnet Fees	61.56	*
		71	Allstar Fuel Card Services	Fuel Account	67.68	*
	20th	75	Land Registry	Land Registry Searches	6.00	*
		60	Dawsonrentals Vans Ltd	Vehicle Hire	648.33	*
		65	Woldmarsh Producers Ltd	Supply to Park Drain PS	314.92	*
				Supply to Wikewell PS	384.49	*
				Supply to Balby Carr PS	759.30	*
				Supply to Medge Hall PS	121.52	*
				Supply to Parsons Carr PS	31.06	*
				Supply to Sandall Grange PS	31.28	*
				Supply to Kirton Lane PS	564.64	*
				Supply to High Levels PS	448.63	*
				Supply to Torne Bridge PS	119.58	*
				Supply to Blaxton Quarry PS	295.23	*
				Supply to Cadmans Drain PS	201.63	*
				Supply to Franklins Drain PS	122.09	*
				Supply to Seven Arches PS	588.91	*

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				Supply to Low Ellers PS	1,684.15	*
				Supply to Idle Stop PS	466.58	*
				Vodafone	158.00	*
Jun	20th	-	M Pilkington	Rates	6.00	*
	21st	73	Allstar Fuel Card Services	Fuel Account	67.89	*
	22nd	-	HMRC	PAYE/NI	730.42	*
	23rd	-	B&CE Holdings	Pension Contributions	89.28	*
		-	Workforce	Wages	2,531.32	*
	27th	76	Land Registry	Land Registry Searches	3.00	*
	28th	74	Allstar Fuel Card Services	Fuel Account	60.49	*
Jul	3rd	79	Lloyds TSB Commercial	Business Card - Antivirus Software	14.99	*
	4th	81	Land Registry	Land Registry Searches	9.00	*
	5th	80	Allstar Fuel Card Services	Fuel Account	53.62	*
	6th	63	3 Business Services	Mobile Broadband	39.97	*
	11th	91	Land Registry	Land Registry Searches	9.00	*
	12th	89	Allstar Fuel Card Services	Fuel Account	64.14	*
	14th	96	Secure Trading	Card Transaction Charges	17.98	*
		86	Lloyds TSB Cardnet	Cardnet Fees	30.50	*
	17th	82	Controlstar Systems Ltd	Telemetry Monitoring Contract	3,897.60	*
		83	Dawson & Burgess	Legal Advice - White Rose Way Dualling Scheme	420.00	*
		68	Henry Jubb	West Moor PS - Electrical Maintenance	89.10	*
		84	Smartwater Technology Ltd	Smartwater Licence	90.00	*
		72	York Survey Supply	Suparule Calibration	192.00	*
		-	HMRC	PAYE/NI	730.42	*
	18th	92	Land Registry	Land Registry Searches	6.00	*
	19th	88	Allstar Fuel Card Services	Fuel Account	71.52	*
	20th	90	Dawsonrentals Vans Ltd	Vehicle Hire	627.43	*
		85	Woldmarsh Producers Ltd	Supply to Park Drain PS	500.02	*
				Supply to Wikewell PS	397.15	*
				Supply to Langholme PS	776.64	*
				Supply to South Thorne PS	326.31	*
				Vodafone - Telemetry Lines, etc.	131.67	*
	24th	105	Public Works Loan Board	Loan Repayment	10,298.70	*
	25th	99	Land Registry	Land Registry Searches	12.00	*
		-	Workforce	Wages	2,627.40	*
	26th	103	Allstar Fuel Card Services	Fuel Account	67.51	*
Aug	1st	107	Land Registry	Land Registry Searches	3.00	*
		93	Public Works Loan Board	Loan Repayment	15,964.11	*
	2nd	17	Allstar Fuel Card Services	Fuel Account	61.60	*
	7th	101	Fairfield Fencing	Cuckoo Lane PS - Replacement Post	426.00	*
		100	John H Pickup & co	Land Agent's Fee - Tenancy at Bessacarr	120.00	*
		104	Torne Valley	Tools & Equipment	28.99	*
		98	3 Business Services	Mobile Broadband	40.28	*
	9th	119	Allstar Fuel Card Services	Fuel Account	62.63	*
	10th	94	Public Works Loan Board	Loan Repayment	13,388.63	*
	14th	115	Secure Trading	Card Transaction Charges	17.98	*
		110	Lloyds TSB Cardnet	Cardnet Fees	30.50	*
		95	Public Works Loan Board	Loan Repayment	2,944.15	*
		-	HMRC	PAYE/NI	778.17	*
	16th	118	Allstar Fuel Card Services	Fuel Account	69.94	*
	21st	116	Dawsonrentals Vans Ltd	Vehicle Hire	648.33	*

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13 October 2017

Aug	21st	114	Woldmarsh Producers Ltd	Supply to Park Drain PS	459.88	*
				Supply to Wikewell PS	449.00	*
				Supply to Elmhurst PS	351.34	*
				Supply to Balby Carr PS	933.62	*
				Supply to Medge Hall PS	67.41	*
				Supply to Parsons Carr PS	24.03	*
				Supply to Sandall Grange PS	30.92	*
				Supply to Idle Stop PS	37.52	*
				Supply to Elmhurst PS	124.92	*
				Supply to Huxterwell PS	3,249.77	*
				Supply to Kilham Farms PS	77.24	*
				Vodafone - Telemetry Lines, etc.	142.75	*
				Membership Fees	188.80	*
	22nd	120	Land Registry	Land Registry Searches	3.00	*
	23rd	121	Allstar Fuel Card Services	Fuel Account	60.02	*
	25th	113	Network Rail	Park Drain PS - Access Agreement	108.00	*
		-	Workforce	Wages	2,629.44	*
	30th	126	Land Registry	Land Registry Searches	3.00	*
		123	Allstar Fuel Card Services	Fuel Account	68.45	*
	31st	122	Lloyds TSB Commercial	Business Card - Kilham Farm PS Tarmac Planings	691.25	*
Sep	5th	111	3 Business Services	Mobile Broadband	39.97	*
	13th	136	Allstar Fuel Card Services	Fuel Account	66.98	*
	14th	124	Secure Trading	Card Transaction Charges	17.98	*
		133	Lloyds TSB Cardnet	Cardnet Fees	30.50	*
	19th	139	Land Registry	Land Registry Searches	3.00	*
	20th	-	HMRC	PAYE/NI	742.51	*
		141	Allstar Fuel Card Services	Fuel Account	70.76	*
	20th	127	Dawsonrentals Vans Ltd	Vehicle Hire	648.33	*
		129	Woldmarsh Producers Ltd	Supply to Park Drain PS	483.91	*
				Supply to Wikewell PS	438.43	*
				Supply to Elmhurst PS	127.98	*
				Supply to Huxterwell PS	1,017.62	*
				Supply to Seven Arches PS	505.93	*
				Supply to Low Ellers PS	1,711.07	*
				Vodafone - Telemetry Lines, etc.	150.12	*
	25th	-	Scottish Widows	Pension Contributions	359.61	*
		-	Workforce	Wages	2,512.84	*
			<b>Total</b>		<b>97,278.54</b>	
				<b>*Total of Direct Debits and Payments Approved by the Clerk Only</b>	<b>97,278.54</b>	

**Thorne, Crowle & Goole Moor WLMP Account:**

*None to report.*

**4.8 Handover**

## **5. Date of Next Meeting**

8 December 2017 at Yorkshire Wildlife Park, Branton.

## **6. APPENDIX A – Annual Return**

A copy of the Annual Return can be found over the following pages.

# Local Councils, Internal Drainage Boards and other Smaller Authorities in England

## Annual return for the year ended 31 March 2017

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Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'\* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. **Smaller authorities must approve Section 1 before Section 2.**
- Section 3 is completed by the external auditor.

In addition, the **internal audit report** is completed by the smaller authority's internal audit provider.

**Each smaller authority must approve Section 1 and Section 2 in order and in accordance with the requirements of the Accounts and Audit Regulations 2015.**

### Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2017, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

**Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.**

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication and public display of Sections 1, 2 and 3. You must publish and display the annual return, including the external auditor's report, by 30 September 2017.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guide that can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.slcc.co.uk](http://www.slcc.co.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

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



# Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of  
smaller authority here:

DONCASTER EAST INTERNAL DRAINAGE BOARD

our responsibility for ensuring that there is a sound system of internal control, including 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 2017, that:

	Agreed			'Yes' means that this smaller 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 smaller authority to conduct its business or on 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 smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			considered the financial and other risks it faces and has 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 smaller 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	NA	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by this smaller authority on:

30/06/2017

and recorded as minute reference:

2017.51 NCE

Signed by Chair at meeting where approval is given:



Clerk:

 SIGNATURE

\*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

## Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

DONCASTER EAST INTERNAL DRAINAGE BOARD

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	491448	565573	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	723462	733232	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	609876	1159686	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	39678	41355	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	85191	85191	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	1134344	1658931	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	565573	673014	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	2090763	1423721	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	3202055	1518954	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	736775	685507	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:



Date

25/05/2017

I confirm that these accounting statements were approved by this smaller authority on:

30/06/2017

and recorded as minute reference:

2017-54

Signed by Chair at meeting where approval is given:



## Section 3 – External auditor report and certificate

In respect of:

Enter name of  
smaller authority here:

DONCASTER EAST IDA.

### 1. Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2017; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

### 2. 2016/17 External auditor report

(Except for the matters reported below)\* on the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislative 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 smaller authority:

(continue on a separate sheet if required)

### 3. 2016/17 External auditor certificate

We certify/~~do not certify~~\* that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2017.

\* We do not certify completion because:

External auditor signature

BDO LLP

External auditor name

BDO LLP Southampton  
United Kingdom

Date

4/9/17

Note: The NAO issued guidance applicable to external auditors' work on 2016/17 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

# Annual internal audit report 2016/17 to

Enter name of smaller authority here:

**DONCASTER EAST INTERNAL DRAINAGE BOARD.**

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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.			NOT COVERED (NONE)
G. Salaries to employees and allowances to members were paid in accordance with this smaller 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 and year-end bank account reconciliations were properly carried out.	✓		
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. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

Name of person who carried out the internal audit

**MR ANDREW CANE - FCA - <sup>BARBERS & B</sup> CHARTERED CERTIFIED ACCOUNTANTS.**

Signature of person who carried out the internal audit

SIGNATURE **A. C.**

Date

**26/05/2017**

\*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, internal audit must explain why not (add separate sheets if needed).

## Guidance notes on completing the 2016/17 annual return

1. You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide\* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unexplained or unapproved amendments may be returned and incur additional costs.
3. **Smaller authorities must approve Section 1 on page 2 before approving Section 2 on page 3.**
4. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness and accuracy before sending it to the external auditor.
5. Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
6. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide\*.
7. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a complete numerical and narrative analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide\* to assist you.
8. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
9. **You must inform the external auditor of the date set for the commencement of the period for the exercise of public rights.**
10. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 1 of 2017).
11. Do not complete Section 3 which is reserved for the external auditor.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	✓
	All additional information requested, <b>including the dates set for the period for the exercise of public rights</b> , has been provided for the external auditor?	✓
Section 1	For any statement to which the response is 'no', an explanation is provided?	✓
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2017 agreed to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Sections 1 and 2	Trust funds – all disclosures made if a Council is a sole managing trustee? NB: Do not send trust accounting statements unless requested.	✓
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	✓

\*Note: The Practitioners' Guide is available from your local NALC, SLCC or ADA representatives or from [www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk) or [www.ada.org.uk](http://www.ada.org.uk).

## **7. APPENDIX B – Thorne, Crowle and Goole Moors SSSI WLMP - Internal Audit Report**

A copy of the report can be found over the following pages.

**Doncaster East Internal Drainage Board**

**Interim Report of the Internal Auditor on the Internal Controls within the  
Thorne, Crowle & Goole Moors SSSI Implementation Scheme as at  
30<sup>th</sup> June 2017**



## **Doncaster East Internal Drainage Board**

### **Interim Report of the Internal Auditor on the Internal Controls within the Thorne, Crowle & Goole Moors SSSI Implementation Scheme as at 30<sup>th</sup> June 2017.**

Dear Sirs

Whilst the scheme being reviewed is specific, the responsibility of the Board and the purpose of the internal control system remains the same as for any other area in which the Board is involved. We have as such highlighted these factors below: -

#### **1) Scope and Responsibility**

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. The Board also has a duty to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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 Boards 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 Boards 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.

#### **3) The Internal Control Environment**

The key elements of the internal control environment, which the Board have addressed, are in ensuring that they:

- Prepare its accounting statements in the way prescribed by law.
- Make proper arrangements and accept responsibility for safeguarding public money and resources in its charge.
- Have only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
- Have given all persons interested the opportunity to inspect and ask questions about the board's accounts.
- Considered the financial and other risks it faces and has dealt with them properly
- Arranged for a competent person, independent of the board's financial controls and procedures, to give an objective view on whether these meet the needs of the board and reviewed the impact of this work.
- Responded to matters brought to its attention by internal and external audit.
- Disclosed everything it should have about its business activity during the period including events taking place after the period if relevant.



### **Brief History and Statistics of the Scheme**

After the undertaking of preliminary work in connection with the scheme, formal approval for the implementation of the scheme was granted by the Environment agency on 18<sup>th</sup> February 2011. The total approved sum is calculated as follows: -

<b><u>Type of Expenditure</u></b>	<b><u>Estimated Cost</u></b>
Design and appraisal	£ 243,804.00
Construction Works	£ 2,474,286.00
Environmental Impact Assessment	£ 20,000.00
Contingencies (95 Percentile & Inflation)	<u>£ 196,000.00</u>
<b>Total</b>	<b><u><u>£ 2,934,090.00</u></u></b>

As at the 30<sup>th</sup> June 2017 there had been a total amount drawn down from the scheme in the amount of £2,934,000. Additional contributions to the scheme had been received in the amount of £66,796.80 (these are covered below). Also, interest earned on monies drawn down and not spent in the cumulative amount of £10,182.20.

The additional contributions to the scheme in the current and previous periods are analysed as follows: -

Natural England	£ 20,196.80
DEFRA	£ 10,000.00
Yorkshire Wildlife Trust	<u>£ 36,600.00</u>
<b>Total</b>	<b><u><u>£ 66,796.80</u></u></b>

### **Treatment of additional contributions**

We previously recommended that the spend profile needed to be reflective of any additional contributions made to the scheme during the lifetime of the scheme. We can confirm that this is the case and the above contributions are reflected accordingly within the spend profile.

During the period from 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017 there were additional contributions to the scheme from Natural England in the total amount of £10,216.80. This reflected a contribution in respect of the pumping station costs within the scheme.

### **Expenditure Summary**

In respect of expenditure, a total amount of £2,498,003.92 had been physically spent within the scheme up to 30<sup>th</sup> June 2017.

A summary of this expenditure is as follows: -

JBA Consulting (time costs)	£ 629,633.13
JBA Consulting (expenses/mileage)	£ 24,271.76
Assets acquired	£ 22,953.35
Dinsdale Moorland Services Limited	£ 168,577.29
Thorne & Hatfield Moors Forum	£ 20,123.63
Northmoor Plant Ltd	£ 293,357.27
George Fillingham	£ 96,487.00
G Fillingham & Sons	£ 320,345.31
M Gould (Scunthorpe) Ltd	£ 305,055.96
North Midland Construction Limited	£ 472,499.47
Various third party costs	£ 144,699.75
<b>Total</b>	<b><u>£ 2,498,003.92</u></b>

### **Scheme Funds held by the Board**

When deducting the expenditure from the total income received shown above, this resulted in a balance of monies in respect of the scheme held by the board as at 30<sup>th</sup> June 2017 in the amount of £512,975.08.

### **Retentions**

In respect of the main contractor's work executed in the period under review retentions totalling £26,998.13 are being withheld under agreed terms as at 30 June 2017.

These will be due for payment in the current period subject to full satisfaction of the works that they relate to.

The total contractual works values are included in full within the ongoing budget of the scheme and therefore the retentions referred to are fully provided for within the overall spend profile as at 30 June 2017.

### **Application for prior approval of variations of approved scheme/studies**

A subsequent application of variation to the analysis of costs within the scheme was submitted on 14<sup>th</sup> February 2014 and Environment Agency approval of this was then subsequently received.

This did not amend the total grant funding in any way, it was the split of costs which was varied as follows: -

1. Project management fees uplifted £150,000 from £287,090 to £437,090.
2. Environmental impact assessment fees uplifted £70,000 from £20,000 to £90,000.
3. Pumping Station costs decreased by £220,000 from £815,000 down to £595,000.

The total values included within 1 and 3 above do not correlate back to the original approved grant valuation in their own right. We therefore requested the specific detailed background of where they ultimately fit into the breakdown of the grant.

This forms part of the spend profile documentation of the scheme which is now maintained by the clerks to the board. This is then reviewed and discussed with the project manager of the scheme on no less than a monthly basis.

We are satisfied that this key document is being maintained as required and updated accordingly on a timely basis. This provides the board with updated information as required alongside other supporting documentation attributable to the spend profile of the scheme.

### **Asset Protection**

We previously recommended that an asset register be prepared and maintained throughout the project.

We have reviewed this and a register is now maintained and is being updated and monitored on an ongoing basis.

Also, all moveable assets in respect of the scheme, owned by the Board are labelled with a record number which is reflected on the asset register being maintained. This will ensure easy reference back to the register and also assist in physically verifying and monitoring the assets.

The main moveable asset to consider for the board moving forward is a Leica Geosystem Survey Pole which was purchased utilising scheme monies for an amount of £11,018 on 16<sup>th</sup> January 2012.

Moving forward the Board will need to assess both the condition and future requirement for all assets within the asset register and also ensure that adequate maintenance and insurance is in place.

In addition, we would recommend that use of the assets is consistently monitored by the clerks to the board and where any none scheme use is apparent that an appropriate recompense of rental is agreed and remitted to the board.

### ***Tendering Process***

In respect of the overall tendering process which has been evident in respect of the scheme we would comment as follows.

We have looked at a sample of tenders which have been undertaken in respect of the scheme: -

1. Plastic sheet piling and peat bunding – Crowle Moor (Lot A).
2. Plastic sheet piling and peat bunding – Thorne Moor (Lot B).

In respect of the above tenders, all tender and tender review documentation were reviewed by ourselves. We are satisfied that the process is thorough and appropriate documentation is being maintained.

### ***Finance Regulations***

In respect of the financial regulations in this area, the new procedures approved for adoption and being followed are as follows: -

Up to £5,000 - At the CEO's discretion or the Chairman's discretion in relation to specialist service provided by the management services.

£5,000 to £20,000 - Two quotations/estimates and agree with Chairman.

£20,000 and over - Obtain three tenders, consult Board and obtain Board approval. Comply with EU procurement legislation where applicable.

### ***Spend Profile Documentation***

When fully reviewing the spend profile documentation being maintained with regard to the scheme it is clear that it is being recorded on a basis in keeping with this type of project in that it incorporates the following key aspects previously recommended: -

1. Provides the precise position at the end of each month in respect of both costs incurred and monies drawn down from the scheme.
2. Provides a ledger balance of unspent funds held in the scheme at the end of each calendar month.
3. Each cost is maintained under the required headings so that that the spend profile can be easily reconciled back to the analysis of the grant initially approved by the Environment Agency on 18<sup>th</sup> February 2011.
4. Provision is made within the spend profile to ensure easy reconciliation to the approved application for variation to the analysis of costs within the scheme.

### **Verification of expenditure in relation to Project Officers**

In respect of invoices being raised in respect of Project Officers (including project manager) it was agreed at the meeting held on 23<sup>rd</sup> January 2015 that verification of these must be undertaken by senior management personnel.

We have reviewed all invoices in respect of this for the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017 and can confirm the procedure being maintained is a three-stage process as follows: -

1. The engineer/project officer prepares the invoice as required based on hours worked and necessary expenditures incurred and signs the invoice.
2. This is then fully checked by the project manager/senior engineer who then signs the invoice.
3. The regional director of the company then reviews the invoice and signs off the same as a final check.

We can confirm from the detailed testing undertaken by ourselves that the above procedure is being fully operated on an ongoing basis. This ensures compliance with the signing off issues raised previously by the board.

In relation to the above we are informed by local authority audit that a specialist consultancy firm in this area is to be engaged to review the detailed costings of the project officers over the term of the scheme.

### ***Right of Access***

In respect of the right of access issues raised in our previous report to 30<sup>th</sup> June 2014 we confirm that we are aware that the Board is still reviewing its position on this matter. We are informed by local authority audit that a specialist consultancy firm in this area has been engaged to review this specific issue.

Also, being reviewed by the specialist consultancy firm are the project management works undertaken in respect of the scheme to date.

There is, however, currently no provision within the above budgeted figures in relation to the specialist consultancy costs which will arise from the above specific reviews. These are currently unknown and therefore require quantifying as soon as possible and incorporating within the ongoing budget being maintained on the scheme.

From an internal audit perspective, there are no new ongoing internal control issues in these areas.

### ***Overall Budget***

It is apparent from the spend profile documentation referred to above and the core works and liabilities remaining that currently it is estimated that the scheme will run under budget in the amount of approximately £300,000.

However, the Board are in receipt of several compensation events raised by a contractor which have been assessed. These have been reviewed, amended and discussed with the Contractor with a view to agreeing settlement of the same.

There is currently a significant differential between the Boards opinion on the value of the compensation events and that of the contractor.

An approximate value of this differential is around £60,000. This would of course decrease the above estimated final surplus after the core works are complete if they are ultimately payable.

In respect of any overall surplus monies the Environment Agency have advised that these can be spent on additional works in respect of the scheme.

They have also specified that these costs are to be approved by the internal auditor.

As current internal auditors, we have issued a letter to the board on 10 August 2017 in respect of the potential additional works summarised by Natural England and suggestions therein.

The Clerks to the Board have subsequently been given an instruction by the Board to produce a management services specification in respect of the additional works.

**Overall Assessment**

From the internal audit work undertaken in respect of the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017 previous issues have been addressed and advised changes and improvements have been implemented. As such, we are satisfied with the documentation being maintained, systems being operated and controls in place in respect of this period reviewed.

Brodericks GBC  
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Dated: 4th September 2017



