

Section 1 – Accounting statements 2012/13 for

ENTER NAME OF BOARD: **DONCASTER EAST** INTERNAL DRAINAGE BOARD

	Year ending		Notes and guidance
	31 March 2012 £	31 March 2013 £	
1 Balances brought forward	676176	612139	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 (+) Rates and special levies	576393	606089	Total amount of receipts or income in the year from direct rates on landowners and special levies on local authorities.
3 (+) All other income	██████████ 1065901	305150	Total receipts or income as recorded in the cashbook less the rates and special levies (line 2). Include all contributions from EA here.
4 (-) Watercourses and pumping stations	██████████ 1256153	523734	Total payments or expenditure including capital spending and employment costs on construction and maintenance of watercourses and pumping stations.
5 (-) Loan interest/ capital repayments	87466	93962	Total payments or expenditure of capital and interest made during the year on the Board's borrowings (if any).
6 (-) All other payments	██████████ 362712	354868	Total payments or expenditure as recorded in the cashbook less watercourses and pumping stations (line 4) and loan interest/ capital repayments (line 5). Include all contributions to EA here.
7 (=) Balances carried forward	612139	550817	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	1040367	997817	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 other long term investments and assets	3202055	3202055	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the Board as at 31 March.
10 Total borrowings	930047	879472	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2013 the accounting statements in this annual return present fairly the financial position of the Board and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

 SIGNATURE REQUIRED

Date: 14/06/2013

I confirm that these accounting statements were approved by the Board on this date:

14/06/2013

and recorded as Board minute reference:

BOARD 2013 REFERENCE

Signed by Chair of meeting approving these accounting statements:

 SIGNATURE REQUIRED

Date: 14/06/2013

Section 2 – Annual governance statement 2012/13

We acknowledge as the members of: 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 2013, that:

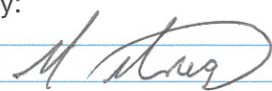
	Agreed –		'Yes' means that the board:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal 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 codes of practice that could have a significant financial effect on the ability of the board to conduct its business or on its finances.	✓		has 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.
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 has given all persons interested the opportunity to inspect and ask questions about the board's accounts.
5 We carried out an assessment of the risks facing the board 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 board's accounting records and control systems.	✓		arranged for a competent person, independent of the board's financial controls and procedures, to give an objective view on whether internal controls meet the needs of the board.
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 the board 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.

This annual governance statement is approved by the board and recorded as minute reference

2013-30

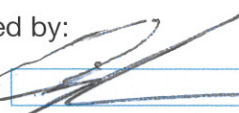
dated 14/06/2013

Signed by:

Chair 

dated 14/06/2013

Signed by:

Clerk  APJDA CONSULTING

dated 14/06/2013

***Note:** Provide explanations to the external auditor on a **separate sheet** for each 'No'. Describe how the board will address the weaknesses identified.

Section 3 – External auditor certificate and opinion 2012/13

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2013 of:

ENTER NAME HERE DONCASTER EFFT INTERNAL DRAINAGE BOARD INTERNAL DRAINAGE BOARD

Respective responsibilities of the board and the auditor

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

- summarises the board accounting records for the year ended 31 March 2013; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor report

~~(Except for the matters reported below)*~~ on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no 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 wish to draw to the attention of the board:

Please see enclosed report

BDO LLP Southampton
United Kingdom

(continue on a separate sheet if required)

External auditor signature BDO UK

External auditor name BDO LLP Southampton
United Kingdom Date 27/2/13

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

Section 4 – Annual internal audit report 2012/13 to

Enter Internal Drainage Board name here:

DOUGCASTER EAST INTERNAL DRAINAGE BOARD

The board'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 2013.

Internal audit has been carried out in accordance with the board'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 following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the board.

Internal control objective	Agreed? Please choose from one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been properly kept throughout the year.	✓		
B The board's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The board assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual rating 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 expenditure was approved and VAT appropriately accounted for.			NOT COVERED (NONE)
G Salaries to employees and allowances to board members were paid in accordance with board 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/income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.	✓		

For any other risk areas identified by the board (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit: Bogachis GBC Certified Accounting

Signature of person who carried out the internal audit: Bogach GBC Date: 10/6/2013

***Note:** 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).

Introduction

The following matters have been raised to draw items to the attention of Doncaster East Internal Drainage Board. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2013.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Fidelity Guarantee
- Minutes

The following issue(s) have been raised to assist the board. The board is recommended to take action on the following issue(s) to ensure that the board acts within its statutory and regulatory framework.

Fidelity Guarantee

What is the issue?

The board have reviewed the level of fidelity guarantee cover, however this still appears to be insufficient in light of the bank balances held at 31 March 2013 and future levies to be received.

Why has this issue been raised?

A board, under S114 of the Local Government Act 1972, must take security as it considers sufficient in the case of any of its officers likely to handle its money. The board may decide that insurance is not 'sufficient' for them, but in order to come to this opinion it must have reviewed the requirement annually and have objective grounds for such a conclusion. The body should consider the level of fidelity guarantee during the annual risk assessment as it is a key risk of the body.

What do we recommend you do?

The board should consider the level of insurance cover and set it to a level that will protect the board against potential loss. The board should review the level of cover at least annually especially during the annual review of the risk assessment, as circumstances may change throughout the year.

The amount should be sufficient to cover the maximum amount of money the board holds at any one time during the year. A board does not have to have fidelity guarantee insurance if it considers that no security is 'sufficient' but there must be objective grounds for such a conclusion.

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 8th Edition, Charles Arnold-Baker, Chapter 9.8
Governance and Accountability in Internal Drainage Boards - A Practitioners Guide 2006

Minutes

What is the issue?

The board produced printed minutes, which were submitted for audit purposes. The pages were not initialled by the person signing the minutes.


Why has this issue been raised?

This board submitted minutes for audit purposes which were not maintained in accordance with schedule 12, paragraph 41(2) of the Local Government Act 1972.

What do we recommend you do?

The board should ensure with immediate effect that if a loose leaf minute books is maintained the loose leaf pages are consecutively numbered and initialled by the person signing the minutes.

Minutes must be maintained in accordance with the Local Government Act 1972. Loose leaf minute books are lawful but the loose leaf pages must be consecutively numbered and each page must be initialled by the person signing the minutes.



Doncaster East Internal Drainage Board 4

Further guidance on this matter can be obtained from the following source(s):

Local Council Administration, 8th Edition, Charles Arnold-Baker, Chapter 7

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 20 September 2013