

**BEDFORDSHIRE AND RIVER IVEL  
INTERNAL DRAINAGE BOARD  
STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2009**



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## **ANNUAL REPORT**

The Bedfordshire and River Ivel Internal Drainage Board is an independent body created under land drainage statutes responsible for flood defence works, other than on main rivers in the Bedfordshire and River Ivel drainage district. Board Members are either elected by and represent the occupiers of land in the area or are nominated by the District Councils in the area.

The Board secures income mainly from drainage levies on farmers and other occupiers and from special levies on local authorities. The Board also pays levies to the Environment Agency to fund works on main rivers that protect our area.

The Board consists of 12 elected members and 13 nominated members.

### **The Bedford Group of Internal Drainage Boards**

The Board's activities are administered by the Bedford Group of Internal Drainage Boards; which also comprises the Buckingham and River Ouzel IDB and the Alconbury and Ellington IDB.

The Bedfordshire and River Ivel and the Buckingham and River Ouzel Boards share a direct labour force and engineering/admin staff, together with a plant pool.

The Alconbury and Ellington Board joined the Group on 1st April 2004. All their maintenance works are carried out by Contractors and they pay the other two Boards an annual fee towards administration costs.

This Board and the Alconbury and Ellington Board are considering a process of amalgamation which is in line with the requirements of the Defra Review of Internal Drainage Board's, and this will be proposed at the June 2009 Board Meeting.

For legal, accounting and taxation purposes the Bedfordshire and River Ivel IDB is the lead board; being responsible for the employment of all staff, the maintenance of bank accounts and items such as insurance and plant.

All costs such as labour, plant, materials, contractors and consultancy fees are paid from the Group account and are then recharged back to the Boards.

The Group account maintains the Stock and Work in Progress control accounts together with Creditors, Debtors and Nominal ledger accounts

The joint administration costs are apportioned between the Bedfordshire and River Ivel and the Buckingham and River Ouzel Boards on the basis of their assessable rateable values; which for this Board is currently 60% and the Buckingham and River Ouzel 40%. The Alconbury and Ellington Board's contribution towards administration costs is apportioned between the other two Boards by the same percentage.

At the end of each quarter The Board makes payments to the Group account to clear any balances outstanding and to make an advance payment for the following quarter.

This document is the statement of accounts of the Bedfordshire and River Ivel Internal Drainage Board for the financial year ended 2008/09 which are set out on pages 3 to 24  
The accounts consist of:

#### The Annual Governance Statement

This statement shows the Board members acknowledgement of their responsibilities for the governance of the Board's activities.

#### The Statement of Responsibilities

This statement identifies the officer who is responsible for the proper administration of the Board's financial affairs.

#### The Statement of Accounting Policies

This statement details the legislation and source of accounting principles on which the financial statements are prepared

#### The Income and Expenditure Account

This statement shows the gross expenditure, income and net expenditure on the major activities for which the Board is responsible and compares that cost with the finance provided by the local rate payer and others.

#### The Statement of Movement on Reserves

This statement brings together all movements on reserves during the year in addition to those which have not been recognised in the Income and Expenditure Account.

#### The Statement on Total Recognised Gains and Losses

This statement brings together all recognised gains and losses of the Board for the year and shows the aggregate increase in net worth. In addition to the surplus generated on the Income and Expenditure Account it includes gains and losses in relation to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

#### The Balance Sheet

This statement is fundamental to the understanding of the Board's financial position at the year end. It shows the balances and reserves at the Board's disposal; and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board

#### Notes to the Accounts

The notes show breakdowns, where relevant, of items of income and expenditure and provide additional information as required.

## The Auditors Report

An independent review as to whether the accounts are a true and fair representation of the Boards financial position. The Auditor comments on the Board's arrangements for securing economy, efficiency and effectiveness in the use of its resources.

## Summary of Financial Performance

In 2008/2009 there was a net surplus on the Board's Income and Expenditure of £39,920 and a reduction in Reserves of £123,280. Fund balances and reserves totaled £1,022,623

The Board, together with the Buckingham and River Ouzel Board, Invested in new Plant and Machinery:

- Replacement of the Leibherr excavator with a Volvo excavator at a cost to this Board of £41,858
- Purchase of 2 sets of tree clippers for excavators' at a cost to this Board of £10,818

## The Annual Governance Statement

We acknowledge as the members of the Bedfordshire and River Ivel Internal Drainage Board our responsibility for ensuring that there is a sound system of internal control, including the preparation of the statement of accounts, and confirm, to the best of our knowledge and belief, with respect to the Board's statement of accounts for the year ended 31 March 2009, that:

1. We have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices. The statement of accounts were due to be approved by the Board on 29 June 2009. Unfortunately, as that meeting was not quorate the statements were not approved until 28 July 2009.
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption.
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the board to conduct its business or on its finances.
4. We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.
5. We have carried out an assessment of the risks facing the Board and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.
6. We have maintained throughout the year a system of internal audit of the board's accounting records and control systems.
7. We have taken appropriate action on all matters raised in previous reports from the internal and external audit.
8. We have 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 statement of accounts.

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

Date .....

Signed by: Chair..... Date .....

Signed by: Clerk ..... Date .....

## **Statement of Responsibilities for the Statement of Accounts**

The Board is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Board that officer is the Clerk.
- To manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.

### **Responsibilities of the Clerk:**

The Clerk is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2009.

In preparing this Statement of Accounts, the Clerk has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- compiled the accounts in accordance with the Financial Reporting Standard for Smaller Entities 2008 issued by the Accounting Standards Board, and the IDB Governance and Accountability Practitioners guide;
- applied the accounting concept of a "going concern" by assuming that the Board will continue to operate for the foreseeable future.

The Clerk has:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **Certificate of the Clerk**

I hereby certify that the Statement of Accounts presents a true and fair view of the financial position of the Board at 31<sup>st</sup> March 2009, and its income and expenditure for the year ended 31<sup>st</sup> March 2009.

Frances Bowler FCCA  
Clerk of the Board  
May 2010

## STATEMENT OF ACCOUNTING POLICIES

### General

This statement of accounts has been prepared in accordance with the Financial Reporting Standard for Smaller Entities 2008 (FRSSE) issued by the Accounting Standards Board. In preparing the statements regard has been had to the Guidance published by the Association of Drainage Authorities.

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

- Accruals
- Relevance
- Consistency
- Reliability
- Comparability
- Understandability
- Materiality and
- Going Concern.

### Debtors and Creditors

The revenue accounts of the Board and the Group are maintained on an accruals basis, whereby sums due or owing during the year are included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to electricity, postage, insurance premiums and other small or similar payments which are charged at the date of the invoice rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

### Fixed assets

Fixed Assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets with a value in excess of £5,000 and with estimated useful lives in excess of one year and are capitalised on an accruals basis in the accounts.

All fixed assets are valued on the following basis:

Vehicles, plant and equipment are included at cost less depreciation. There are some older assets that have been fully depreciated and are now included at their recoverable amount. This recoverable amount is the insurance value of the asset and this is estimated on an annual basis by the Board's Works Manager, Mr R Spendlove. This method is used as a proxy for historical cost.

Disposals are written off at cost less depreciation. Any surplus/deficit arising is charge/credited to the income and expenditure account.

The useful lives of the various assets held on the asset register are as follows:

Pumping Stations/Flood Gates: 30 years

Excavators and Plant: 7 years

Motor Vehicles: 5 years

Depreciation is charged using the straight line method.

Depreciation is charged in the year of purchase but not the year of sale.

The Board shares its excavator, plant and motor vehicle fixed assets with the Buckingham and River Ouzel IDB, and has a 60% share of the asset values.

The Board's pumping station and flood gate assets are not shared.

Office equipment and IT hardware and software are not capitalised and the full cost is taken to the revenue account in the year of purchase.

### **Plant Operations Account**

Historically the Bedford Group has maintained a Plant Operations Fund through which the cost of all plant purchased, serviced and repaired is charged. The individual Boards are then recharged using an hourly plant rate depending on the items used and any balance left at the yearend has been used to purchase new plant and equipment. This procedure is still in place for funding purposes but since 2007/2008 the Financial Statements have included the yearend balance of the difference between the plant hours charged out and the plant running costs for the year.

This Boards share of the plant fund balance is currently 60% and is based on the valuation of the plant held at the inception of the fund. This has been agreed by the group as the basis in which the fund would be divided should the fund have to be liquidated.

### **Labour Operations Account**

The Group operates a workforce charge out scheme.

Basic and overtime pay are charged directly to the contract, with an additional percentage being added to cover all labour overheads, such as holiday and sick pay.

Any surplus/deficit between income and expenditure is charged to the Board based on the cost of hours worked on contracts throughout the year, and is payable at the year end.

The overhead recovery rate is currently 100% and is reviewed annually.

### **Stocks and work in progress**

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

### **Government grants and subsidies**

Government grants and contributions have been credited to the income and expenditure account on an accruals basis. Government Grant used for the acquisition of fixed assets have been deducted from the purchase price of the asset.

## **Operating Leases**

Rentals payable, net of benefits received or receivable, under operating leases are charged to expenditure on a straight-line basis over the term of the lease.

## **Provisions**

The Board can set aside provisions where there is a definite liability, but the amount and timing of settlement is not known. Details are given as notes to the accounting statements. The 2008/2009 Accounts include a provision for the Performance Related Pay due to the former Clerk of the Boards when he retires in May 2009.

## **Pensions**

The Bedford Group's employees are all entitled to join the Local Government Pension Scheme, which is a defined benefits scheme administered by Bedfordshire County Council. The Pension figures shown are based on this Board's 60% share of the scheme costs, assets and liabilities.

The Group currently pays a contribution rate of 17.3% of the employees' superannuable pay with employees' contributions being between 5.5% and 7.5% dependent on their annual pensionable pay.

Full actuarial valuations are carried out at three year intervals by Hymans Robertson LLP, with the most recent full actuarial valuation being carried out in March 2007.

An annual actuarial valuation for FRS17 purposes is also carried out and the amounts from the valuation as at 31<sup>st</sup> March 2009 have been used in the financial statements to reflect current conditions.

Scheme Assets are measured at their fair value at the Balance sheet date.

Scheme Liabilities are measured on an actuarial basis using the projected method basis.

The pension charge for the Board for the year was £87,000 (2008 £65,400). This included £13,800 in respect of retrospective changes to member benefits that came into effect on 1<sup>st</sup> April 2008.

## **Post balance sheet events**

Any material post balance sheet events, which did not exist at the date of the balance sheet, have been disclosed as a separate note to the accounts.

## **Taxation**

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

## **Exceptional items, extraordinary items and prior year adjustments**

There are no material exceptional or extraordinary items to disclose in the accounts. There are no material prior period adjustments in the accounts.

## **Discontinued operations**

The Board had no material operations which it acquired or which were discontinued in the year and therefore no separate disclosure is required in respect of the revenue and balance sheet accounts.

## **Reserves**

**Occupiers Rate Fund** – The Board's balances allow for fluctuations in the Precepts payable to the Environment Agency, and for its own emergency works.

**Capital Development Account** – Contributions from developers are set aside for future works arising from development and associated increases in impermeable area which impacts on the Board's Drainage District.

**Pensions Reserve** - This reserve allows for the Board's long term pension liability and under FRS1 7 is required to be shown separately on the Balance Sheet.

**Revaluations Reserve** – This reserve is for the changes in values on the Board's fixed assets which have not been realised in the income and expenditure account.

# INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDING 31<sup>ST</sup> MARCH 2009

	Note	2007/2008 £	2008/2009 £
<b>INCOME</b>			
Agricultural Rates Issued by the Board		66,475	68,886
Special Levies Issued by the Board	1	728,663	756,277
Capital Development/Long Term Maintenance Income	2	54,975	50,257
Admin Charged on Capital Income	3	1,156	2,256
Environment Agency Highland Water Contributions	4	132,064	132,235
Consent Application Fees		7,000	4,300
Interest	5	93,295	76,674
Sundry Income	6	29,358	8,881
Plant Operations Account Surplus	7	20,145	15,938
Profit on Disposal of Fixed Assets	16	3,900	2,235
<b>Total Income for the Year</b>		<b>1,137,031</b>	<b>1,117,939</b>
<b>EXPENDITURE</b>			
Capital Works	8	212,617	151,537
Precept Contributions		153,622	99,398
Maintenance of Watercourses	9	312,210	325,586
Engineering/Administrative Staff Costs	10	246,456	274,548
Group Administration Costs	11	84,532	70,801
Labour Operations Account	17	-24,532	-10,621
Board Expenses	12	69,871	87,071
Fixed Asset Depreciation	16	37,553	39,216
Net Surplus/Deficit on Stock Account		-856	-117
FRS17 Net Pension Costs	18	24,425	40,600
<b>Total Expenditure for the Year</b>		<b>1,115,898</b>	<b>1,078,019</b>
<b>Surplus For Year</b>		<b>21,133</b>	<b>39,920</b>
Transfer to Pension Reserve		-24,425	-40,600
Capital Dev Account		15,636	-70,304
Occupiers Rate Fund		29,922	150,824

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009

	Notes	2007/2008 £	Movement £	2008/2009 £
<b>Fixed Assets</b>				
	16			
Group Assets		128,363	20,260	148,623
Board Fixed Assets		46,333	-2,000	44,333
Standalone Farm (Insurance Value£1 50000)		0	0	0
		<b>174,696</b>	<b>18,260</b>	<b>192,956</b>
<b>Current Assets</b>				
Stock		3,062	117	3,179
Ratepayers Due	13	8,271	12,890	21,161
E. Agency Highland Water		0	30,205	30,205
Cash atBankand in Hand		43,164	118,753	161,917
Short Term Investments		1,843,731	-71,849	1,771,882
		<b>1,898,228</b>	<b>90,116</b>	<b>1,988,344</b>
<b>Total Assets</b>				
		<b>2,072,924</b>	<b>108,376</b>	<b>2,181,300</b>
<b>Less Current Liabilities</b>				
PWLB - Great Barford payable in less than 12 months				
	14	44,790	2,059	46,849
GroupAccount		68,218	43,556	111,774
Audit Accrual		5,700	13,100	18,800
Former Clerk Pay Accrual		0	8,590	8,590
		<b>118,708</b>	<b>67,305</b>	<b>186,013</b>
<b>Long Term Liabilities</b>				
PWLB - Great Barford payable in morethan1year				
	14	361,313	-46,849	314,464
FRS17 Pension Liability	18	447,000	211,200	658,200
		<b>808,313</b>	<b>164,351</b>	<b>972,664</b>
<b>Net Assets</b>				
		<b>1,145,903</b>	<b>-123,280</b>	<b>1,022,623</b>
<b>Fund Balances and Reserves</b>				
Occupiers Rate Fund		842,405	153,424	995,829
Revaluation Reserve		22,200	4,800	27,000
Capital Development Account	15	728,298	-70,304	657,994
Pensions Reserve	18	-447,000	-211,200	-658,200
		<b>1,145,903</b>	<b>-123,280</b>	<b>1,022,623</b>

## Statement on the Movement on Reserves

This statement brings together all movements on reserves during the year in addition to those which have not been recognised in the Income and Expenditure Account.

	Occupiers Rate Fund £	Pensions Reserve £	Capital Development Fund £	Revaluations Reserve £	Total £
<b>Balance b/fat 1 April 2008</b>	<b>842,405</b>	<b>-447,000</b>	<b>728,298</b>	<b>22,200</b>	<b>1,145,903</b>
Net surplus/(deficit) for the year	150,824	-172,200	-70,304		-91,680
Revaluation of Plant and Equipment				9,000	9,000
Asset Disposal from Revaluation Reserve	4,200			-4,200	0
I & E Account Transfers		-40,600			-40,600
Adjustment to FRS17 Pension Balance	-1,600	1,600			0
Movement in Reserves	<b>153,424</b>	<b>-211,200</b>	<b>-70,304</b>	<b>4,800</b>	<b>-123,280</b>
<b>Bal c/f at 31st March 2009</b>	<b>995,829</b>	<b>-658,200</b>	<b>657,994</b>	<b>27,000</b>	<b>1,022,623</b>

## Statement of Total Recognised Gains and Losses

This statement brings together all recognised gains and losses of the Board for the year and shows the aggregate increase in net worth. In addition to the surplus generated on the Income and Expenditure Account it includes gains and losses in relation to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

	2007/2008 £	2008/2009 £
Surplus on the Income and Expenditure Account	21,133	39,920
Surplus/deficit on the revaluation of fixed assets	1,800	9,000
Actuarial gains/losses Pension Fund assets & liabilities	195,000	-172,200
<b>Total Recognised Gains and Losses for year</b>	<b>217,933</b>	<b>-123,280</b>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2009

<b>Special Levies Issued by the Board</b>		<b>2007/2008</b>	<b>2008/2009</b>
<b>NOTE</b>		<b>£</b>	<b>£</b>
<b>1</b>			
	Bedford Borough Council	443,280	466,570
	Mid Beds District Council	246,200	249,533
	South Beds District Council	37,026	38,040
	North Herts District Council	1,990	1,963
	South Cambs District Council	167	171
		<hr/>	<hr/>
		728,663	756,277
<b>2</b>	<b>Capital Development/Long Term Maintenance Income</b>		
	Wilstead	514	189
	Defra IUD Pilot Study	20,000	7,000
	Defra Flitwick Moor SSSI	15,674	19,563
	Elstow Brook/West of Kempston	13,230	14,098
	Amphill	0	4,029
	Harrowden	0	5,378
	Minor Works	5,557	0
		<hr/>	<hr/>
		54,975	50,257
<b>3</b>	<b>Admin Charged on Capital Development Income</b>		
	Elstow Brook/West of Kempston	0	465
	Wilstead	98	0
	Minor Works	1,058	0
	Amphill	0	767
	Harrowden	0	1,024
		<hr/>	<hr/>
		1,156	2,256
<b>4</b>	<b>Environment Agency Highland Water Contributions</b>		
	Maintenance Works	88,423	110,691
	16% Administration Contribution	16,842	21,084
	Great Barford Contribution	26,799	460
		<hr/>	<hr/>
		132,064	132,235
<b>5</b>	<b>Interest Received</b>		
	Elstow Brook	19,727	13,385
	Wilstead Improvements	1,344	1,013
	Renhold Brook Imp	1,282	947
	Biggleswade	87	64
	Award Drains-Potton	925	683
	Roxton	195	144
	Goldington Area	746	551
	Henlow	1,297	958

NOTE	2007/2008 £	2008/2009 £
Capital Fund Minor Works	250	366
Barton - le -Clay	1,689	1,228
Elstow Brook Maintenance	4,741	3,386
Biggleswade East Maintenance	2,414	1,764
Flitwick Moor WLMP	0	305
Stotfold - Wheatley Homes	392	280
Marston Moretaine - Swanhill Homes	460	340
River Flit & Clophill	25	18
Fallow Fields Sandy	1,525	1,107
Maintenance Fund Minor Works	177	131
Standalone Farm Floodgates	1,935	1,370
General Fund	54,084	48,634
	<hr/>	<hr/>
	93,295	76,674
<b>6 Sundry Income</b>		
39 Brookfield Road Renhold Wall Repairs Contribution	16,092	0
General Maintenance Works Recharged	6,241	8,881
Hatch Maintenance Works Contribution Beds CC	7,025	0
	<hr/>	<hr/>
	29,358	8,881
<b>7 Plant Operations Account</b>		
Plant Hours Charged to Boards	95,121	98,086
Less: Maintenance, Fuel, Insurance and New Equipment Purchases up to £5000	-61,546	-71,523
	<hr/>	<hr/>
Surplus for Year	33,575	26,563
	<hr/>	<hr/>
<b>Beds and River Ivel @ 60%</b>	<b>20,145</b>	<b>15,938</b>
<b>8 Capital Works</b>		
Elstow Brook/West of Kempston	43,474	102,231
Pix Brook	1,519	3,927
Flitwick Moor	7,742	31,456
Great Barford	139,319	2,461
Forest of Marston Vale Defra IUD Pilot Study	20,000	6,865
Minor Works	563	2,143
Kings Ditch	0	2,454
	<hr/>	<hr/>
	212,617	151,537
<b>9 Maintenance of Watercourses</b>		
Dredging and Clearing	215,079	226,572
Flailing and Weedcutting	42,806	37,866
Fencing & Revetment	2,124	4,217

## NOTE

	2007/2008 £	2008/2009 £
Emergency and Miscellaneous Work	36,406	27,611
Maintenance of Structures	14,508	5,548
Environmental Assessment/Enhancement	1,287	4,135
Asset Surveys	0	19,637
	<u>312,210</u>	<u>325,586</u>
<b>10 Engineering and Administration Staff Costs</b>		
Staff Salaries, Travel and Subsistence	203,946	220,995
Employers National Insurance	16,416	17,597
Employers Superannuation	26,094	27,366
Former Clerk Pay Accrual	0	8,590
	<u>246,456</u>	<u>274,548</u>
<b>11 Group Administration Costs</b>		
Rent and Rates	18,866	20,091
Insurances	11,165	11,451
Repairs and Maintenance	193	150
Lighting and Heating	1,266	1,635
Cleaning	1,415	1,712
Security and Fire Equipment	434	792
Telephones	3,505	3,728
Postage	2,086	1,826
Stationery and Printing	2,217	2,624
Telemetry Equipment	2,948	264
New Office Equipment	326	0
New Computer Equipment	10,527	2,264
Software Purchases and Licenses	16,808	16,734
Office Equipment Maintenance and Supplies	25	876
Subscriptions and Periodicals	287	222
Joint Committee Expenses	398	408
Staff Training, Conferences and Seminars	962	3,846
Personnel/Health and Safety Consultancy	3,111	3,111
Engineers Specialist Equipment	462	255
Audit Fees	9,000	0
Internal Audit	200	407
Legal and Professional Fees	3,600	5,127
Bank Charges	303	237
Miscellaneous Expenses - Inc Tour of Inspection	2,768	1,569
Environmental Strategy	0	275
Staff Advertising and Recruitment Costs	0	1,937
New Office/Depot Accommodation Project	0	660
Miscellaneous Income	-690	-3,600
Alconbury & Ellington Administration Charges	-7,650	-7,800
	<u>84,532</u>	<u>70,801</u>
<b>12 Board Expenses</b>		
Rates Collection Costs and Advertising	158	329
ADA Subscriptions and Conference Fees	2,071	2,734
Board Meeting Expenses	140	152
Members Expenses	182	114

	2007/2008 £	2008/2009 £
Pension Payments for Former Employees	721	812
Miscellaneous Expenses	251	240
General Survey Costs	18,585	10,697
Works Supervisor & Assistant Works Supervisor Costs	23,240	33,651
Yard/Fuel Tank Rental	4,500	7,889
FRS17 Report	0	1,742
Audit B & I Only	0	9,800
Chairmans Allowance (£250)	50	60
Biodiversity Action Plans	0	847
PWLB Interest and Admin Charge	19,973	18,004
	<u>69,871</u>	<u>87,071</u>
<b>13 Ratepayers Due</b>		
Bal B/F	3,312	8,271
Agricultural Rates and Levies Issued	798,293	827,898
Adjustments made during year	-3,155	-2,735
Agricultural Rates and Levies Paid	-790,179	-812,273
BalC/F	<u>8,271</u>	<u>21,161</u>
<b>14 Public Works Loan - Great Barford</b>		
Bal B/F	448,924	406,103
Interest and Admin Charges Due	19,973	18,004
Interest and Admin Charges Paid	-19,973	-18,004
Principal Repayments	-42,821	-44,790
BalC/F	<u>406,103</u>	<u>361,313</u>
Amount payable in less than 12 months	44,790	46,849
Amount payable in years 2 - 5	200,724	209,955
Amount payable in over 5 years	160,589	104,509
<p>The original £500,000 PWLB loan was taken out in two phases of £250,000 each. Interest on the 1st £250,00 is fixed at 4.3% the 2nd £250,00 at 4.8% with both being repaid by two half yearly annuity payments over 10 years</p>		
<b>15 Capital Development Account</b>		
<b>Elstow Brook</b>		
Bal B/F	444,873	435,595
Development Income	13,230	14,098
Investment Interest	24,468	16,771
Less Capital Expenditure	-43,476	-102,231
Less Maintenance Expenditure	-3,500	-3,000
Bal C/F	<u>435,595</u>	<u>361,233</u>
<b>Great Barford</b>		
BalB/F	0	0
EA Highland Water Contribution	26,799	460

	2007/2008 £	2008/2009 £
Less Capital Expenditure	-139,319	-2,461
Revenue Contribution	112,520	2,001
Bal C/F	0	0
<b>Wilstead Improvements</b>		
Bal B/F	24,445	26,303
Investment Interest	1,344	1,013
Development Income	514	189
Bal C/F	26,303	27,505
<b>Renhold Brook</b>		
Bal B/F	23,310	24,592
Investment Interest	1,282	947
Bal C/F	24,592	25,539
<b>Potton</b>		
Bal B/F	16,821	17,746
Investment Interest	925	683
Bal C/F	17,746	18,429
<b>Goldington</b>		
Bal B/F	13,568	14,314
Investment Interest	746	551
Bal C/F	14,314	14,865
<b>Roxton</b>		
Bal B/F	3,537	3,732
Investment Interest	195	144
Bal C/F	3,732	3,876
<b>H en low</b>		
Bal B/F	23,584	24,881
Investment Interest	1,297	958
Bal C/F	24,881	25,839
<b>Flitwick Moor</b>		
Bal B/F	0	7,932
Investment Interest	0	305
Defra Grant in Aid	15,674	19,563
Less Capital Expenditure	-7,742	-31,456
Revenue Contribution	0	3,656
Bal C/F	7,932	0
<b>River Flit and Clophill</b>		
Bal B/F	454	479
Investment Interest	25	18

	2007/2008	2008/2009
	£	£
BalC/F	479	497
<b>Biggleswade</b>		
Bal B/F	1,580	1,667
Investment Interest	87	64
BalC/F	1,667	1,731
<b>Barton-le-Clay</b>		
BalB/F	30,702	31,891
Investment Interest	1,689	1,228
Less Maintenance Expenditure	-500	-500
BalC/F	31,891	32,619
<b>Stotfold - Wheatley Homes</b>		
Bal B/F	7,132	7,274
Investment Interest	392	280
Less Maintenance Expenditure	-250	-500
Bal C/F	7,274	7,054
<b>Biggleswade East</b>		
Bal B/F	43,898	45,812
Investment Interest	2,414	1,764
Less Maintenance Expenditure	-500	-1,000
BalC/F	45,812	46,576
<b>Marston Moretaine</b>		
Bal B/F	8,359	8,819
Investment Interest	460	340
Less Maintenance Expenditure	0	
BalC/F	8,819	9,159
<b>Fallow Fields Sandy</b>		
Bal B/F	27,721	28,746
Investment Interest	1,525	1,107
Less Maintenance Expenditure	-500	-500
Bal C/F	28,746	29,353
<b>Pix Brook/Standalone Farm Flood Gates</b>		
Bal B/F	35,175	35,591
Investment Interest	1,935	1,370
Less Capital/Maintenance Expenditure	-1,519	-3,927
Revenue Contribution		
Bal C/F	35,591	33,034
<b>Marston Vale Defra IUD Pilot Study</b>		
BalB/F	0	0

	2007/2008	2008/2009
	£	£
Development Income	20,000	7,000
Less Capital Expenditure	-20,000	-6,865
Contribution to Revenue Fund		-135
BalC/F	0	0
<b>Ampthill</b>		
BalB/F	0	0
Development Income	0	4,029
Bal C/F	0	4,029
<b>Harrowden Brook</b>		
BalB/F	0	0
Development Income	0	5,378
Bal C/F	0	5,378
<b>Minor Works</b>		
Bal B/F	7,503	12,924
Investment Interest	427	497
Development Income	5,557	0
Less Capital Expenditure	-563	-2,143
BalC/F	12,924	11,278
<b>Totals</b>	<b>728,298</b>	<b>657,994</b>
<b>Fixed Assets</b>		
<b>Group Fixed Assets (60%)</b>		
BalB/F	116,445	128,363
Disposals	-6,600	-4,200
Additions	52,271	52,676
Revaluations	1,800	9,000
Depreciation	-35,553	-37,216
Bal C/F	128,363	148,623
<b>Board Fixed Assets</b>		
Bal B/F	48,333	46,333
Disposals	0	0
Additions	0	0
Depreciation	-2,000	-2,000
Bal C/F	46,333	44,333

	2007/2008	2008/2009
	£	£
<b>Board Fixed Assets - Standalone Farm Flood Gates</b>		
In 2007 the Board took ownership of this asset from Anglian Water at no cost. Historic cost is not known and there is no readily available market value for the asset. It has an insurance value of £150,000, but if it was to be destroyed the Board are unlikely to replace the gates as alternative flood management arrangements would be sought.		
<b>Total Fixed Assets</b>	<u><u>174,696</u></u>	<u><u>192,956</u></u>
<b>17 Labour Operations Account</b>		
Group Labour Operations Income	-377,011	371,699
Group Labour Operations Expenditure	333,973	-353,415
Nett Surplus/Deficit for Year	<u><u>-43,038</u></u>	<u><u>18,284</u></u>
2007/2008 Boards Contribution based on usage of 57.01%	<u><u>-24,532</u></u>	
2008/2009 Boards Contribution based on usage of 58.09%		<u><u>10,621</u></u>
<b>18 Pension Fund Contribution</b>		
The Group pays an employer's contribution of 17.3% of the superannuable employees' reckonable pay into the Bedfordshire County Council Pension fund, with Beds and River Ivel Paying 60% of this contribution		
<b>FRS 17 Net Pension Costs</b>		
<b>Net Cost of Services</b>		
Current Service Costs as per FRS1 7	80,000	66,000
Past Service Costs and Settlements	-	23,000
	<u>80,000</u>	<u>89,000</u>
<b>Net Operating Expenditure</b>		
Interest Costs	166,000	186,000
Expected Return on Assets	-137,000	-130,000
<b>Total Net Pension Costs</b>	<u><u>109,000</u></u>	<u><u>145,000</u></u>
<b>60% Net Charge to Income and Expenditure Account</b>	<u><u>65,400</u></u>	<u><u>87,000</u></u>
Amount already Accounted for in I & E	40,975	46,400
FRS17 Net Amount shown in I & E	24,425	40,600

	2007/2008	2008/2009
	£	£
<b>Reconciliation of Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	<b>3,092,000</b>	<b>2,691,000</b>
Current service cost	80,000	66,000
Interest cost	166,000	186,000
Contributions by members	23,000	29,000
Actuarial losses / (gains)	-515,000	-218,000
Past service costs / (gains)	-	23,000
Losses / (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences	-	-
Estimated unfunded benefits paid	-3,000	-2,000
Estimated benefits paid	<u>-152,000</u>	<u>-120,000</u>
<b>Closing Defined Benefit Obligation</b>	<b>2,691,000</b>	<b>2,655,000</b>

#### Reconciliation of Fair Value of Employer Assets

<b>Opening Fair Value of Employer Assets</b>	<b>2,022,000</b>	<b>1,946,000</b>
Expected return on assets	137,000	130,000
Contributions by members	23,000	29,000
Contributions by the employer	68,000	78,000
Contributions in respect of unfunded benefits	3,000	2,000
Actuarial gains / (losses)	-152,000	-505,000
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences	-	-
Unfunded benefits paid	-3,000	-2,000
Benefits paid	<u>-152,000</u>	<u>-120,000</u>
<b>Closing Fair Value of Employer Assets</b>	<b>1,946,000</b>	<b>1,558,000</b>

#### Pension Fund Assets and Liability

Estimated Employer Assets (A)	<u>1,946,000</u>	<u>1,558,000</u>
Present Value of Scheme Liabilities	-2,655,000	-2,621,000
Present Value of Unfunded Liabilities	-36,000	-34,000
Total Value of Liabilities (B)	<u>-2,691,000</u>	<u>-2,655,000</u>
<b>Net Pension Liability</b>	<b><u>-745,000</u></b>	<b><u>-1,097,000</u></b>
Beds and Ivel 60% Pension Reserve	<u>-447,000</u>	<u>-658,200</u>

## 19 Remuneration of Employees

This table indicates the number of employees whose remuneration was greater than £50,000.

	2007/2008	2008/2009
<b>Remuneration Band</b>	<b>Number of Employees</b>	
<b>£</b>		
50,000 - 59,999	2	1
60,000 - 69,999	0	1
70,000 - 79,999	0	0
Total Employees	<u>2</u>	<u>2</u>

## 20 Related Party Transactions

The Board is part of the Bedford Group of Drainage Boards and has related party transactions with:

**Buckingham and River Ouzel IDB**

**Alconbury and Ellington IDB**

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# Independent auditor's report to Members of Bedfordshire and River Ivel Internal Drainage Board

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## Opinion on the financial statements

I have audited the accounting statements and related notes of Bedfordshire and River Ivel Internal Drainage Board for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Movement on Reserves, the Statement of Total Recognised Gains and Losses and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Bedfordshire and River Ivel Internal Drainage Board in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

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## Respective responsibilities of Board and auditor

The Board's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Accounts and Audit Regulations 2003, as amended, are set out in Governance and Accountability in Internal Drainage Boards in England: A Practitioner's Guide 2006, revised by the Association of Drainage Authorities in November 2007.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Board accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Accounts and Audit Regulations 2003, as amended, the financial position of the Board and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Governance and Accountability in Internal Drainage Boards in England: A guide for Practitioners 2006' published by the Association of Drainage Authorities. I report if it does not comply with proper practices specified by the Association of Drainage Authorities or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

I read other information published with the Board accounting statements, and consider whether it is consistent with the audited Board accounting statements. This other information comprises the content of the Annual Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the Board accounting statements. My responsibilities do not extend to any other information.

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### **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Board accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Board in the preparation of the Board accounting statements and related notes, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the Board accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the Board accounting statements and related notes.

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### **Opinion**

In my opinion, the Board financial statements give a true and fair view, in accordance with relevant legal and regulatory requirements, of the financial position of the Board as at 31 March 2009 and its income and expenditure for the year then ended.

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### **Other matter**

I have reviewed the Board's description of the processes undertaken for reviewing the effectiveness of the system of internal control as set out in the Annual Governance Statement. The statement is inconsistent with my knowledge as in my view the Board did not operate an effective internal audit of the Board's accounting records and control systems because the work undertaken by the internal auditor did not cover adequately controls within the material financial systems.

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## **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Board's Responsibilities**

The Board is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

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### **Auditor's Responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Board for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Board has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Board's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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### **Qualified conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice. In so doing, I identified the following:

- the work of internal audit did not cover adequately the controls within material financial systems;
- the level of scrutiny of internal audit's work by members of the Board was not clear from our review of the Board's minutes;
- the Annual Governance Statement had been prepared without reference to sufficient supporting evidence for the assertions made;
- there was a lack of formal review of the Annual Governance Statement by members of the Board, and
- a lack of whistleblowing arrangements.

Having regard to the criteria for other local government bodies specified by the Audit Commission and published in January 2009, and the supporting guidance, I am satisfied that, in all significant respects, Bedfordshire and River Ivel Internal Drainage Board made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009 except that it was not managing its risks and maintaining a sound system of internal control.

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## Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Debbie Hanson

District Auditor  
Audit Commission  
Regus House  
1010 Cambourne Business Park  
Cambourne  
Cambs CB23 6DP

9 July 2010