

Sue Squire
Braunton Marsh Drainage Board
Haxlea
2 Threeways
Bratton Fleming
Barnstaple
Devon
EX31 4TG

20 July 2022

Dear Sue,

Further to my Internal Audit of the Board in respect of the 2022 Annual Return, I am submitting my report and observations to the Board. As you will notice from the attached Internal Audit Report it was unfortunately necessary to issue a negative response in respect of Control Objective G, M and N

Control Objective G

“Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied..”

Reason for the negative response Control Objective G

It is a general requirement that all employers, including local Boards, must register for PAYE. It is also a requirement of HMRC that Parish Clerks may not be treated as self-employed and that any Boardlors Allowances are paid under PAYE. Any Board must therefore ensure that it has in place a PAYE scheme, and that regular PAYE returns are made to HMRC, and any PAYE and National Insurance due paid over as required.

Employees terms and conditions, including rates of pay, should also be property documented and subject to formal Board review and approval.

From the records provided it was not possible to verify that the Board has operated in compliance with relevant regulations and law.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Board should consider what response it may give in respect of Assertion 1 and 3 of the Annual Governance Statement.

Control Objective M

“The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)”

Reason for the negative response Control Objective M

Regulation 14 of The Accounts and Audit Regulations (2015) sets out the requirements in respect of The Period for the Exercise of Public Rights

As you are aware, it was not possible during the internal audit to verify that the Board had properly discharged its obligations as set out in the Regulations. It was noted that the Boards website, on which the Notice must be published, does not appear to have been regularly updated.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Board will also have to return a negative response in respect of Assertion 4 of the Annual Governance Statement.

Control Objective N

“The authority has complied with the publication requirements for 2020/21 AGAR”

Reason for the negative response Control Objective N

Regulation 15 of the Accounts and Audit Regulations (2015) sets out the publication requirements in respect of the AGAR.

As you are aware, it was not possible during the internal audit to verify that the Board had discharged its obligation under the Regulations. As with the Notice for the Exercise of Public Rights, the required documents relating to the AGAR have not been posted on the Boards website.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Board will also have to return a negative response in respect of Assertion 3 of the Annual Governance Statement.

It is highly likely that this issue will be subject to further query by the External Auditor and it would be helpful in that regard if the Board were to properly Minute a discussion of a review of this issue and to include an explanatory letter when submitting the Annual Return.

In addition to the Negative Responses on the Internal Audit Report we have also responded 'Not Covered' in respect of the Control Objectives F, H, K, L and O and we are required to explain why we have done this.

- We have responded 'Not Covered' in response to Objective F as we understand that the Board does not maintain a Petty Cash.
- We have responded 'Not Covered' in response to Objective H as we understand that the Board does not own any assets.
- We have responded 'Not Covered' in response to Objective K is that it is not applicable to your Board as you did not certify yourself as exempt from External Audit.
- We have responded 'Not Covered' in response to Objective L is that it is not applicable to your Board as your 'annual turnover' exceeds £25,000.
- We have responded 'Not Covered' in response to Objective O as we understand that the Board does not act as Sole Managing Trustee.

In addition to this letter and the statutory Internal Audit Report I have also submitted our Internal Audit Observations and Summary to you by email. I would be grateful if you could bring all of these to the Board's attention in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director