

FAO: The Members of Ramsey Internal
Drainage Board

Our ref DB0079
SAAA ref SB06925

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Dear Members

Ramsey Internal Drainage Board

Public Interest Report: Failure to submit an Annual Governance & Accountability Return (AGAR) for the year ending 31 March 2021

As appointed auditors, we have a duty to consider whether to issue a public interest report when a matter comes to our attention which we believe the authority should consider or about which the public should be made aware.

This letter constitutes a public interest report under Schedule 7 of the Local Audit and Accountability Act 2014 (the Act) about the authority's failure to prepare an AGAR for the year ended 31 March 2021, as required by the Accounts and Audit Regulations 2015 and associated guidance¹.

The authority is responsible for the use of funds raised by local taxation and should properly account for how it has used and protected those funds. Ramsey Internal Drainage Board is required by law to prepare an AGAR:

- summarising its financial position; and
- giving assurances that it has adequate governance arrangements to protect public funds.

Ramsey Internal Drainage Board has failed to submit its AGAR and supporting documentation by the agreed submission deadline for each of the last 5 years. On 27 November 2020 the authority was issued a statutory recommendation for non-response in respect of the year ended 31 March 2020. The authority subsequently corresponded with us (as external auditor) about the submission of documents over the following months. Documents were promised multiple times; however, nothing was received until the AGAR and supporting documents were finally submitted on 6 April 2021.

¹ Proper practices are set out in *Governance and Accountability for Smaller Authorities in England*, which is approved by the Joint Panel on Accountability and Governance (JPAG) and published jointly by the Society of Local Council Clerks (SLCC), the National Association of Local Councils (NALC), and the Association of Drainage Authorities (ADA).

The issue of a statutory recommendation for the year ended 31 March 2020 renders the authority ineligible to claim exemption from a limited assurance review for the year ended 31 March 2021, regardless of whether it meets all other criteria.

The authority has again been chased to submit its documents for the year ending 31 March 2021; however, at the time of writing, no documents have been submitted to us. As a result, Ramsey Internal Drainage Board has failed in its statutory duties to account to its taxpayers for the use and safeguarding of their money. The authority's continued poor reporting performance is, in our view, a significant issue that should be brought to the attention of the public.

In the absence of a submitted AGAR, the issue of this public interest report is our next step towards certifying completion and bringing to an end our responsibilities as auditor for the year ended 31 March 2021. We have taken this decision reluctantly, as once completion is certified, public rights (such as the rights to inspect the accounting records and associated documents and to ask questions or make objections to the auditor) can no longer be exercised.

The Act requires the authority to consider this public interest report at a public meeting within one month of the date of this letter. The requirements of Schedule 7 are attached, and the authority should ensure that it complies with all requirements regarding publicity of the report, consideration at a meeting and publicity of decisions taken at that meeting.

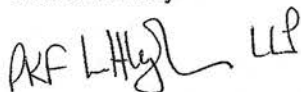
Unless an approved AGAR is received, it is our intention to certify completion and bring our responsibilities to an end in 42 days from the date of this letter, when we will issue our final invoice. This letter gives rise to an additional standard fee based on the authority's expenditure banding payable by Ramsey Internal Drainage Board on conclusion of the review process, for the additional work involved in repeatedly chasing for the required documentation and the production of this report.

If an approved AGAR and associated documentation are received before we have certified completion, we will carry out a limited assurance review of the AGAR which will incur a further standard fee based on the authority's expenditure band.

Ramsey Internal Drainage Board should also note that, as a result of receiving this public interest report, it will not be eligible to certify itself as exempt from limited assurance review in 2021/22 (if it would otherwise be eligible), as it will have failed one of the qualifying requirements set out in Regulation 9(3) of The Local Audit (Smaller Authorities) Regulations 2015.

We have a duty to send a copy of this report to the Secretary of State and the power to send a copy to anybody we think appropriate.

Yours faithfully



PKF Littlejohn LLP

cc Clerk - Ramsey Internal Drainage Board, Secretary of State, National Audit Office, Smaller Authorities' Audit Appointments Ltd, Monitoring Officer of local authority (local councils only)