

# **BLACK SLUICE INTERNAL DRAINAGE BOARD**

## **MINUTES**

of the proceedings of a meeting of the Audit & Risk Committee

held remotely on  
10<sup>th</sup> May 2021 at 10am

### **Members**

Chairman - \* Mr M Brookes

* Mr W Ash	* Mr V Barker
* Mr R Leggott	* Mr N Scott
* Cllr R Austin	* Cllr S Walsh

\* Member Present

In attendance: Mr D Withnall (Acting Chief Executive)  
Mr C Harris (Internal Auditor)

The Acting Chief Executive explained that there were temporary amendments made to the Standing Orders last year to allow remote meetings to take place due to COVID-19, which had an expiry of 7<sup>th</sup> May 2021. There has now been a permanent replacement paragraph added, as displayed on screen, to allow for remote meetings to continue, which will be presented at the next meeting of the Board for approval, but are required to be presented at the beginning of any meeting prior to that due to the temporary version having expired. All APPROVED.

The Chairman welcomed the Internal Auditor, Mr C Harris, to the meeting.

#### 1769 RECORDING THE MEETING - Agenda Item 1

Members were informed that the meeting would be recorded.

#### 1770 APOLOGIES FOR ABSENCE - Agenda Item 2

There were no apologies for absence.

#### 1771 DECLARATIONS OF INTEREST - Agenda Item 3

No declarations of interest were received.

#### 1772 MINUTES OF THE LAST MEETING - Agenda Item 4

Minutes of the last meeting held on 14<sup>th</sup> October 2020, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

1773 MATTERS ARISING - Agenda Item 5

(a) POLICY No. 01: RISK MANAGEMENT STRATEGY – Minute 1658(a)

Mr V Barker questioned if there was anything further to report in relation to the qualification used by the EA for operating vehicles on bank tops.

The Acting Chief Executive confirmed that three members of the workforce undertook some training, it is being assessed whether it would be of benefit for the remaining members of the workforce to attend. It being further confirmed that there is no formal qualification, it is an internal course used by the EA.

(b) POLICY No. 13: EMERGENCY RESPONSE PLAN – Minute 1658(c)

Mr W Ash referred to the Green Recovery Project Fund bid at Bourne North Fen, noting that he has been informed by the landowner that this is no longer going ahead.

The Acting Chief Executive confirmed that the bid was unsuccessful, however, Anglian Water and Lincolnshire Wildlife Trust are keen to look at other funding streams available, it being seen as an environmental offset against some of the SLWP work that will be carried out.

(c) POLICY No. 46: CROP LOSS COMPENSATION – Minute 1662

It was confirmed that the additional paragraph was added and then approved by the Board.

1774 PRESENTATION FROM THE INTERNAL AUDITOR - Agenda Item 6

(a) INTERNAL AUDIT REPORT 2020/21

Mr C Harris, the Internal Auditor, presented the Internal Audit Report 2020/21, noting that there is a new form of reporting.

The Internal Auditor highlighted the Executive Summary to the committee, showing that there are no recommendations or issues arising from the audit, this not being entirely surprising after the number of years the Board has worked with the Internal Auditor to get to this achievement. The Internal Auditor explained he is pleased to inform the committee that the Board has achieved Substantial Assurance.

The Internal Auditor next drew the committee's attention to the 'Findings' section of the report; highlighting the positive findings documented in the report relating to Health & Safety, the up to date website and the financial systems in place. The Internal Auditor also highlighted the finding related to the current circumstance of the Chief Executive Officer and the potential impact this could have on governance and the control framework.

The Chairman thanked the Acting Chief Executive and team for their achievement of Substantial Assurance. Also thanking the Internal Auditor for working with the Board to aid this achievement.

The Internal Auditor further thanked the Acting Chief Executive for supporting a virtual audit, as a result of COVID-19 restrictions.

(b) AUDIT PROGRAMME 2021/22

The Internal Auditor presented the Audit Programme 2021/22, noting that the core audit programme doesn't change greatly, further noting that it is not known yet whether it will be a physical or remote audit depending on the COVID-19 restrictions of the time.

The Internal Auditor noted that he has previously carried out extra work in relation to a particular topic, e.g., Health & Safety and Assets, adding that he has not yet decided on any areas to review in greater detail.

The Internal Auditor added that he is happy to take any suggestions from the committee, at any time, for review. It will not increase the fee of the audit, which has been reduced this year.

1775 TO REVIEW THE FOLLOWING BOARD'S POLICIES - Agenda Item 7

The Acting Chief Executive explained that these are policies that have been identified for review and any changes have been made in red, points to note highlighted in yellow and any additional notes made in green.

(a) POLICY No. 01: RISK MANAGEMENT STRATEGY

The Acting Chief Executive presented the Risk Management Strategy, explaining that the policy is split into three parts; the strategy, policy and analysis. There are no proposed changes to the strategy or policy sections and the analysis is reviewed annually, with proposed changes as below.

1.1(a) Coastal flooding from failure of overtopping of defences

The Acting Chief Executive referenced the future work of lobbying of government representatives, explaining that this is ongoing, with contact having been made with Matt Warman MP and John Hayes MP over the last 12 months. There are also plans to hold a meeting with the leader of SKDC and the area MP to promote what IDBs are about and the importance of their work.

1.1(b) Fluvial flooding from failure or overtopping of defences

The Acting Chief Executive referred to the future work of waiting for the EA Management Plan for the operation of the Sluice and Nav Lock at Black Sluice Pumping Station (Boston) to be published.

The Acting Chief Executive explained that they have been informed that there is a guide that EA employees use in relation to operation of the Black Sluice Pumping Station (Boston), however this has still not been shared with the Board, it therefore being proposed not to change the risk because the EA guidance is still outstanding.

The Chairman expressed his concern about the length of time it is taking for the EA to produce / share this documentation.

The Acting Chief Executive noted that the Board Chairman and Chief Executive have held a meeting with Norman Robinson of the EA, with most of the actions arising from this meeting completed.

Another meeting was due to be held with Norman Robinson, but unfortunately, he has been transferred to another area on an EA investigation, it is hoped he will return in the near future, and the meeting can then be rescheduled.

Cllr R Austin also noted his concern about the lack of clear documented guidance, further noting his concern that the Nav Lock doors don't appear to open as wide as they could.

The Acting Chief Executive confirmed that during the rainfall event earlier in the year, there were some temporary stops in place to prevent the doors opening too wide and damaging themselves. There has since been a counterweight system put in place which should allow them to open wider without causing any damage.

The Chairman questioned what else can be done to get the documentation from the EA?

The Acting Chief Executive responded that the next steps would be to go national. The Acting Chief Executive noted that Norman Robinson wasn't aware the Board were awaiting the guide until it was raised by the Board Chairman and Chief Executive, feeling it would be beneficial to give him the opportunity to respond, once he returns to his work in this area.

The Chairman felt that Norman Robinson (EA) should be given a timeline to respond, suggesting that the Board meeting on the 30 June 2021 would give him seven weeks.

Mr R Leggott suggested that it be brought to the attention of the local MP now; noting that it is about keeping constituents safe.

Cllr R Austin suggested that a letter be written to Norman Robinson (EA) outlining to him that if he doesn't respond within the given timeline, until the Board meeting on 30 June 2021, then the Board will take it to a national level and to the local MPs.

Mr V Barker agreed with Mr R Leggott that the local MPs should be involved now, as it has already been outstanding for two years.

Mr W Ash highlighted the importance of working with the EA and giving Norman Robinson (EA) a chance to respond before involving the MPs. He therefore agreed with Cllr R Austin's approach of writing a letter of intent to Norman Robinson (EA). If they don't respond in the timeline given, then it can be taken further.

Cllr S Walsh agreed that a letter of intent should be sent to Norman Robinson (EA) before taking further action and involving the local MPs.

Mr N Scott also agreed that a letter of intent should be sent to Norman Robinson (EA) before taking further action. He also suggested that a phone call be made to Norman Robinson (EA) to inform him of the letter he will receive.

All AGREED that a letter of intent be written to Norman Robinson (EA) outlining to him that if he doesn't respond within the given timeline, until the Board meeting on 30 June 2021, then the Board will take the matter to a national level and to the local MPs.

### 1.1(d) Flooding from Sewers or riparian watercourses

The Acting Chief Executive highlighted that the Internal Auditor has suggested that it could be 'high impact'.

The Acting Chief Executive referenced the definition of 'high impact', included within the agenda, the main part of it being the major financial loss (over £100,000), major service disruption (+5 days) and adverse publicity in national press. Further explaining to the committee that the risk would not be to the Board and the cost would not be associated to the Board.

Mr V Barker noted that he wasn't sure if the following relates to this risk or risk 1.4 (Risk of Board Watercourses being unable to convey water). He continued by referring to an incident at Horbling, just before Christmas 2020, where it flooded due to the Board's workforce lowering the flood bank.

The Acting Chief Executive responded that the operations team have reviewed this situation and the levels, attended site at the time, and there was no water on the land.

Mr V Barker disagreed, contesting that flooding occurred.

The Acting Chief Executive noted that there were no signs of flooding, but even if it did, there was no damage, financial loss or disruption to service. The Acting Chief Executive added that he believed it is one of the areas taken on from the EA, now making it a Board Maintained watercourse, hence why the bank profile was changed.

The Chairman asked that this incident at Horbling be sorted outside of the meeting, referring back to the Internal Auditor's suggestion of this risk being 'high impact'.

Cllr S Walsh believed that the Internal Auditor has raised it for a reason.

The Internal Auditor noted that he raised it as many organisations, across various sectors, can lose sight of the potential consequences of something occurring, also noting that he is not an expert in drainage and so he brought it to attention for reflection and discussion by the committee.

Mr N Scott noted that the catchwater drain at Ewerby on his farm, flooded seven times over winter, with the impact to them in regard to damage, financial etc, being low. Mr N Scott noted that there may be a scenario where the impact could be high, but that the majority of the time, he doesn't think the impact would be high.

All AGREED that the potential impact in relation to Risk 1.1(d) stay as 'medium'.

### 1.8 Risk of Loss of Senior Staff

The Acting Chief Executive highlighted that the Internal Auditor has suggested that the likeliness could be higher, in light of the current situation regarding the Chief Executive Officer.

The Acting Chief Executive confirmed that by increasing the likeliness to 'high' will give an overall risk level of 6, meaning it will be highlighted in red as something that will be considered at every meeting.

The Internal Auditor added that the Risk Register should be dynamic and change with the situation.

ALL AGREED that the potential likelihood of risk in relation to Risk 1.8 should be increased to 'high'.

### 5.3 Risk of Fraud by Senior Officers

The Acting Chief Executive highlighted that the Internal Auditor has suggested that the impact could be 'high'.

The Acting Chief Executive noted that with the control measures in place, collusion would be required for this to occur.

The Internal Auditor acknowledged the Acting Chief Executives point, but that the control measures in place keep the likelihood of it occurring as 'low', but if it did occur, then the impact could still be 'high'.

Mr W Ash felt that the impact of the risk should be increased to 'medium'.

Mr R Leggott further added that the impact of the risk should be increased to 'medium'.

The Acting Chief Executive confirmed the definition of 'medium' impact.

Cllr S Walsh also highlighted that the risk or reputational damage need to be considered, agreeing that the potential impact needs to be increased.

All AGREED that the potential impact of risk in relation to Risk 5.3 be increased to 'medium'.

The Internal Auditor noted he supports this decision, it being brought to attention for the committee to reflect on and discuss.

### 8.2 Risk of Telephone Communications

The Acting Chief Executive noted that previously there was only 4G assurance on one broadband line, whereas this is now in place on both broadband lines, giving extra resilience.

### 8.3 Risk of Loss of Internet Connections

The Acting Chief Executive noted that previously there was only 4G assurance on one broadband line, whereas this is now in place on both broadband lines, giving extra resilience.

### 8.5 Risk of Breach in Cyber Security

The Acting Chief Executive noted that the introduction of the Electronic Information and Communication Systems Policy has been referenced in this for completeness.

The Committee RESOLVED to recommend that the Risk Management Strategy (No. 01) be approved at the next Board meeting.

(b) POLICY No. 03: FINANCIAL REGULATIONS

The Acting Chief Executive presented the Financial Regulations, explaining that the policy has been updated in line with new regulations and for clarity and detail on current procedures.

Mr V Barker referred to point 8.5 regarding variations to the salary of the Chief Executive and Finance Manager being authorised by the Chairman of the Board, explaining that he feels it should be authorised by more than just the Chairman.

Cllr S Walsh agreed, feeling that it should be wider and therefore more transparent, therefore avoiding any situation of potential collusion or pressure put on the Chairman to agree.

Mr W Ash agreed, noting it will protect the Chairman.

The Acting Chief Executive noted that the Executive Committee have delegated authority to set and negotiate officer's salary and so therefore suggested it be approved by the Executive Committee also.

All AGREED that the Executive Committee be added as authorisation, in addition to the Chairman of the Board, in relation to variations of the salary of the Chief Executive and Finance Manager (8.5).

The Committee RESOLVED to recommend that the Financial Regulations (No. 03) be approved at the next Board meeting.

1776 REVIEW THE BOARD'S MANAGEMENT ACCOUNTS - Agenda Item 8

The Acting Chief Executive explained that the Management Accounts are not included for the figures but are instead included for the format and information they provide. The only major change being that the investment summary is now included.

Mr N Scott referred to the investment summary, noting that it isn't doing particularly well, also highlighting he felt it would be beneficial for more information about it to be included. The Acting Chief Executive noted that this won't have done so well because of the risk level profile (risk level 3). Mr N Scott and the Acting Chief Executive to have further discussion following the meeting about possible information to include from Brewin Dolphin regarding the investment.

The Committee RESOLVED to recommend that the format of the Board's Management Accounts be approved at the next Board meeting.

1777 TO REVIEW THE RISK REGISTER - Agenda Item 9

The Acting Chief Executive confirmed that the required changes will be made, following the review of the Risk Management Strategy at this meeting.

The committee AGREED that the Risk Register be accepted.

1778 RECEIVE THE CATALOGUE OF BOARD POLICIES WITH RECOMMENDED APPROVAL DATES - Agenda Item 10

The Acting Chief Executive explained that the catalogue of Board's policies allows the committee to keep a track of when each policy was last reviewed and when each policy is next due for review.

The Committee AGREED that the Catalogue of Board Policies be adopted.

1779 ANY OTHER BUSINESS - Agenda Item 11

(a) CONFIDENTIAL - CHIEF EXECUTIVE OFFICER

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

The Chairman thanked the Internal Auditor and Committee Members for their input and attendance.

There being no further business the meeting closed at 11:37.