

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

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

held at the offices of the Board on
10th December 2014 at 2pm

Members

Chairman - * Cllr M Brookes

* Mr W Ash	* Mr V A Barker
* Mr J G Fowler	* Mr R Leggott
* Cllr B Russell	Cllr R Singleton-McGuire

* Member Present

In attendance: Mr I Warsap (Chief Executive)
Mr D Withnall (Finance Manager)

The Chairman welcomed David Gowing (Internal Auditor) to the meeting. It was also noted that Cllr R Singleton-McGuire had not received the agenda papers and consequently he did not attend.

649 APOLOGIES FOR ABSENCE

There were no apologies.

650 MINUTES OF THE AUDIT & RISK COMMITTEE MEETING

Minutes of the last meeting held on the 9th April 2014, copies of which had been circulated, were considered and it was RESOLVED that the Minutes should be signed as a true record.

651 MATTERS ARISING

(a) Business Interruption Insurance Cover - Minute No 522(a)

The Finance Manager confirmed that the Board's insurers NFU stated that relocation expenses for the tenants of the Board owned bungalow is covered up to 20% of the declared value insured.

(b) Presentation on the New Board Website including Data Transparency - Minute No 524

The Finance Manager stated that a Data Transparency page has been added with all of the required information or index links to information.

651 (b) Cont.....

Mr Fowler asked how many freedom of information requests have been received. The Finance Manager responded that two requests detailed below which had been dealt with satisfactorily;

- (i) Information relating to Lone Worker Policy, from a service provider, regarding selling products.
- (ii) Information relating to Wyberton flooding.

652 TO REVIEW THE AUDIT & RISK COMMITTEES' TERMS OF REFERENCE - Agenda Item 4

The Finance Manager stated that he had reviewed the Committee's terms of reference and highlighted the following recommendations;

(a) Financial Reporting

The Committee AGREED to review a financial report as part of the agenda for one meeting and then the management accounts for the second meeting.

(b) External Audit

Previously the Board had an onsite External Audit, now with an annual return and an income lower than £6.5m, the Board has a light touch external audit and they no longer attend onsite.

The Finance Manager recommended that as the Internal Auditor attends one meeting annually that the Committee discuss their remit without the management present. The Committee AGREED to the recommendation.

(c) Review Timescale

The Committee AGREED to review the Terms of Reference at least every 5 years.

653 TO RECEIVE A VERBAL REPORT ON THE REVIEW OF PUMPING STATION VALUATIONS - Agenda Item 5

The Chief Executive outlined the appointment of Jackson Civil Engineers Ltd to review pumping station valuations. Due to unforeseen personal issues the lead manager has been unable to complete his report in time for this meeting.

The Chief Executive recommended that he review the report upon completion. The proposal of four types of pumping station replacement guidelines using modern day techniques, including externally secured pumps which would reduce future build costs. Also modern day pumps are smaller in size than the 1960 pumps currently in situ.

A question regarding vandalism was raised; the Chief Executive responded that fortunately we have incurred very little.

653 Cont.....

Cllr Russell stated that in circumstances where damage was less than a third the insurance companies would reinstate in situ rather than demolish.

The Committee discussed and agreed that the report, depending on when it is received, be put on the Board's agenda rather than delay review for the next Audit & Risk Committee meeting.

654 TO RECEIVE THE ANNUAL RETURN INCLUDING EXTERNAL AUDITORS REPORT - Agenda Item 6

The Finance Manager presented the completed Annual Return with a Clean report by Grant Thornton.

The Finance Manager raised the following comments to the Committee as items the external auditors wished to draw to the attention of the Board but did not affect their opinion.

- (a) Expenditure decisions to include a check as to whether all payments made are legal and within the powers of the Drainage Board.

The Committee agreed to update wording in the Financial Regulations Policy to cover the Boards financial integrity.

- (b) Procurement & Financial Regulations Policies frequency of review. The Committee will be reviewing this at Agenda Item 9.

655 TO RECEIVE REPORTS FROM THE INTERNAL AUDITOR - Agenda Item 7

- (a) Internal Audit Follow Up Report 2013/14

Mr Gowing presented his follow up report stating that all agreed recommendations have been completed and confirmed there is a good level of drainage rate collection. The Boards website complies with data transparency and the Black Sluice IDB is the first to completely comply.

The European Union has raised some issues regarding overtime and annual bonus payments. Mr Gowing confirmed that the Black Sluice IDB is already paying an uplift and therefore it is not a concern.

The Chief Executive is required to authorise a schedule of salary and wages rates at the start of each financial year.

- (b) Audit Strategy and Plan for 2014/15

Mr Gowing stated that he has slightly reduced the number of planned audit review days this year in recognition of the fact that the Board has achieved a level of substantial assurance.

655 (b) Cont.....

The Committee agreed to meet with the Internal Auditor without the management present. The Chief Executive and Finance Manager left the meeting at this point.

The Chairman minuted that the following items were discussed to the satisfaction of the Committee Members;

- (i) Data security backup, Mr Gowing as part of his Internal Audit will be looking into this area.
- (ii) Senior Officers back up, the Committee concluded that cover by other IDBs would be sufficient.
- (iii) Mr Gowing would be producing a report for Lincolnshire Clerks as guidelines regarding "declaration of interest" and "data transparency".

The Chief Executive and Finance Manager returned to the meeting.

656 TO REVIEW THE FINANCIAL REGULATIONS - Agenda Item 8(a)

The Finance Manager presented to the Committee the amendments in red;

- (i) 3.1 add "before 15th"
- (ii) 3.2 now a ten year projection
- (iii) 5.2 final sentence to read "Payments may also be taken by debit or credit card, by phone or on the Board's website or paid directly into the Board's bank account by the Debtor."
- (iv) 5.7 grammar add "the safe"
- (v) 7.1 clarify "weekly stock list" and "stock items"
- (vi) 9.3 the FSA has replaced the sentence "The Board only places deposits with financial institutions which are regulated by the Financial Conduct Authority."

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

657 TO REVIEW THE PROCUREMENT POLICY - Agenda Item 8(b)

The Finance Manager presented to the Committee the amendments in red;

Item 4(d) Items below £500, the following sentence added:

"It is accepted that small incidental purchases will be purchased from the most appropriate local supplier and this is to be noted on the carbon copies of the order".

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

658 TO REVIEW THE DELEGATION OF AUTHORITY POLICY - Agenda Item 8(c)

The Finance Manager stated that a number of Committees referred to the Delegation of Authority in their terms of reference but this did not follow through to this policy. The Finance Manager recommended that all Committees should review their terms of reference following the 2015 Election.

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

The Committee further discussed encouraging prospective members by inviting them to meetings as an observer. A reference could be published on the agenda that any public participation is as an observer.

The Committee further discussed having a public forum at the start of the meeting to enable comments to be made by a member of the public after advance notification of the issue which is due to be raised.

The Finance Manager will review and report to the Committee in April 2015.

659 TO REVIEW THE DRAFT SMOKING POLICY - Agenda Item 8(d)

The Finance Manager presented a draft new policy regarding smoking, it complies with all legislation.

The Chairman responded that smoking is referred to in the Litter Act 1983 in which the employer has to take reasonable steps from littering from smoking.

The Committee also discussed that Contractors to the Board are to be made aware of the smoking policy and that the Workforce are reminded of the policy regarding smoking in Board's vehicles.

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

660 TO REVIEW THE FIRE MANAGEMENT PLAN - Agenda Item 8(e)

The Chief Executive presented a new Fire Management Plan. The Committee reviewed the policy and advised the following items were raised;

- 2.9 - training for employees, a refresher training day for staff and frequent visitors will be programmed.
- In addition a note to be added for suitability of which extinguisher can be used on what type of fire.
- 2.4 - reorganisation the procedure to First action to be to remove yourself to a safe location then raise the alarm
- 2.4 - fire extinguishers are to assist you to evacuate the building
- 2.6 - check each group as they arrive and responses
- 2.7 - pre determined checklist

Mr Fowler suggested a summary safety list or priorities anagram, laminated on an A4 that employees, contractors etc could remember.

660 Cont.....

The Committee recommended that once the plan has been reviewed that it be checked by the Fire Service.

The Chief Executive will review the plan and resubmit it at the next Audit & Risk meeting.

661 TO REVIEW THE POLICY REGARDING MANUAL HANDLING - Agenda Item 8(f)

The Chief Executive stated these policies have been provided and reviewed by the Health and Safety Consultants - Copes.

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

662 TO REVIEW THE POLICY REGARDING STRESS - Agenda Item 8(g)

The Chief Executive stated these policies have been provided and reviewed by the Health and Safety Consultants - Copes.

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

663 TO REVIEW THE POLICY REGARDING VIBRATION - Agenda Item 8(h)

The Chief Executive stated these policies have been provided and reviewed by the Health and Safety Consultants - Copes.

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

664 TO REVIEW THE WEARING OF SEAT BELTS IN BOARDS' VEHICLES POLICY - Agenda Item 8(i)

The Chief Executive stated these policies have been provided and reviewed by the Health and Safety Consultants - Copes.

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

665 TO REVIEW THE RECHARGEABLE COMMERCIAL WORKS POLICY - Agenda Item 8(j)

The Finance Manager presented to the Committee the amendments in red;

- (i) Under Policy, fourth paragraph spelling "recovery"
- (ii) Under Policy, sixth paragraph and additional sentence; "Any order over £40,000 must be referred to the Board or Committee of the Board before being accepted."

665 Cont.....

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

666 TO REVIEW THE COMPLAINTS PROCEDURE - Agenda Item 8(k)

The Finance Manager presented to the Committee the amendments in red;

- (i) No 3 - first sentence "We will acknowledge your complaint within 5 working days in writing or by phone to confirm that we have understood your concerns correctly."
- (ii) Under Local Government Ombudsman grammar "investigating"

The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

667 TO RECEIVE THE CATALOGUE OF BOARD POLICIES WITH RECOMMENDED REVIEW DATES - Agenda Item 9

The Committee reviewed the recommended review dates and AGREED.

668 TO REVIEW THE RISK REGISTER - Agenda Item 10

The Committee reviewed the Risk Register and AGREED to the removal of 7.3 as Carlton Road has now been sold.

Mr V Barker asked if the solar panels be added to the Risk Management Policy incorporating risk of damage and control measures for the solar panels at Swineshead Pumping Station and the Office.

669 ANY OTHER BUSINESS - Agenda Item 11

Mr J Fowler congratulated the team on all their work to gain Substantial Assurance.

There being no further business the meeting closed at 16:00.

