

BLACK SLUICE

INTERNAL DRAINAGE BOARD



Audit & Risk Committee Meeting

Wednesday 9th April 2014 at 2:00pm

Station Road, Swineshead, Lincolnshire. PE20 3PW

BLACK SLUICE INTERNAL DRAINAGE BOARD

I M Warsap
Chief Executive

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Our Ref: IMW/DPW/B10_1

Date: 28th March 2014

To the Chairman and Members of the Audit & Risk Committee

Notice is hereby given that a Meeting of the Audit & Risk Committee will be held at the Offices of the Board on Wednesday, 9th April 2014 at 2:00pm at which your attendance is requested.



Chief Executive

AGENDA

1. Apologies for absence.
2. To receive and if correct sign the Minutes of the Audit & Risk Committee Meeting held on the 22nd October 2013 (pages 1 - 8).
3. Matters arising.
4. To receive the Draft Internal Audit report 2013/14 including Management Response (pages 9 - 14).
5. To receive a Presentation on the new Board Website including Data transparency.
6. To review the Pension Discretion Policies (page 15):
 - (a) Local Government Pension Scheme prior to 1 April 2008 (pages 16 - 21).
 - (b) Discretionary Compensation on Early Termination of Employment (pages 22 - 25).
 - (c) Post 2014 (to follow)
7. To receive Rechargeable Policies for:
 - (a) Commercial Works (page 26).
 - (b) Public Sector Works (page 27).
8. To receive the Lone Worker Policy (page 28).
9. To review the following Board policies:
 - (a) Emergency Flood Response Plan (pages 29 - 76).
 - (b) Debit & Credit Card Policy (page 77 & 78).
 - (c) Display Screen Policy (page 79).
 - (d) Risk Management Strategy and Risk Register (page 80 - 101).
10. To receive the Register of Board Policies with recommend approval dates for review (page 102).
11. Any other business.

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
22nd October 2013 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)
Mr P Ingleby (NFU)

The Chairman thanked everyone present for re-arranging the meeting following his illness last week.

434 APOLOGIES FOR ABSENCE

Apologies were received from David Gowing, Internal Auditor.

435 MINUTES OF THE AUDIT & RISK COMMITTEE MEETING

Minutes of the last meeting held on the 16th January 2013, copies of which had been circulated, were considered and it was RESOLVED that the Minutes should be signed as a true record.

436 MATTERS ARISING

(a) Debit & Credit Card Policy - Minute No 322(c)

The Finance Manager reported that the review of the Debit and Credit Card policy has been delayed due to Worldpay introducing a £19.95 monthly charge. Therefore he is in the process of cost comparisons between other providers. The Committee AGREED that the Executive Committee review this policy and then present to the Board meeting in February 2014.

(b) Caldicot & Wentlooge Public Interest Report - Minute No 323(b)

The Finance Manager presented a slide detailing sales invoices for the twelve months preceding this meeting.

436 (b) Cont.....

The Committee discussed at length rechargeable works, the Chief Executive explained there is a process in place to build the quotation price around labour, plant and materials with an additional 5% admin fee.

The Committee AGREED that the Chief Executive draft a Rechargeable Policy giving the format and practices to understand the process of quoting for rechargeable works.

(c) Chairman's Allowance - Minute No 332

The Finance Manager stated that the Minister has approved the Chairman's Allowance.

437 TO REVIEW THE BOARDS INSURANCE ARRANGEMENTS- Agenda
Item 4(a)

Mr P Ingleby thanked members of the Committee for the invitation to attend this meeting. He outlined the commercial insurance market highlighting the main issue for IDB's is the increase in premiums relating to the cease of Commercial policies being subsidised by Residential policies.

The Committee highlighted a number of mistakes in the schedules presented; Mr Ingleby stated that in the insurance document these had been amended. He stated that from April 2014 the main change will be each pumping station premises will be insured individually with its grid reference included.

(a) Property Insurance Cover

The Committee discussed the cover on 72 Carlton Road, the rebuild cost is insured on a like for like basis and as the property is not a listed building there is no requirement to do this. The option would be up to the Board to decide if they wanted to rebuild in modern materials or the site left clear.

Included in this cover is 'Hired In Plant' which is anything non motorised, motorised hired in plant would be placed on the motor policy.

(b) Business Interruption Cover

Mr Ingleby presented this cover to the Committee and highlighted a concern that the current cover is for only twelve months from the date of the event before it can be up and running again. The Committee discussed a scenario of a pumping station rebuild, and the Committee recommended that cover be increased to 18 months.

The Committee asked if the cost to re house the tenants of 54 Hesse Drive after an event were included within the policy. Mr Ingleby will check with the underwriters and report to the Finance Manager.

(c) Employers Liability & Public, Products Liability Cover

The Committee discussed the liability to the Board and the main point raised was regarding sub contractors public liability insurance that should be equal or greater to the Board's, otherwise the Board's insurers could be forced by a court to take over the claim with its higher cover.

The Chief Executive confirmed that a sub contractor completes a policy questionnaire before works commence and this is checked.

(d) Group Personal Accident Cover

Mr Ingleby outlined the cover and the Finance Manager stated that the Board pay full pay for the first six months and then half pay so the £100 per week would not cover this.

(e) Vehicle Insurance Cover

The Chief Executive stated that he would liaise with Mr Ingleby to amend the makes and models of the plant and vehicles and also review the named drivers with the Operations Manager.

The Committee reviewed the value level of the plant and made reference to the Manitou Forklift being valued at £1,000 which in the opinion of the Committee should be higher. The Chief Executive will review the valuation levels.

(f) Professional Indemnity

A member of the Committee questioned cover of this policy regarding advice that the Board gives ie design work, if advice given is relied upon and subsequently it fails would the Board be liable. If professional advice is given for a fee would the indemnity cover the Board, for how long and would there be a cut off. Mr Ingleby assured the Committee that the cover relates to the period when the advice was given and claims are not time restricted.

(g) Pumping Station Valuations

The Finance Manager stated that it would be expensive to value all 34 pumping stations using a surveyor. The Committee looked at the scenario of rebuilding a pumping station on the existing underground concrete works which are more substantial than the brick building. Mr Ingleby was concerned that the valuations were not adequate.

It was considered that in the future the pumps could be external which would negate the need for rebuild of the building. The Committee recommended that the Chief Executive contact other IDB's around the Country to see if any new build has been completed and ascertain a cost.

437 (g) Cont.....

A member of the Committee also suggested that a valuation of the three different sizes of pumping station ie average three pump, two pump and one pump then a total valuation could be worked out for all 34 pumping stations.

438 TO RECEIVE THE 2012/13 INTERNAL AUDITOR REPORT AND THE MANAGEMENT RESPONSES - Agenda Item 5

The Finance Manager presented Mr D Gowing's report to the Committee, stating that all recommendations have been implemented.

439 TO RECEIVE THE INTERNAL AUDITORS' AUDIT STRATEGY AND PLAN FOR 2013/14 - Agenda Item 6

The Finance Manager presented the Internal Auditors Strategy and Plan. He recommended additional work on data transparency linked with the Boards Website.

The Committee AGREED to recommend the additional work to be carried out by the Internal Auditor for 2013/14 and APPROVED the strategy and plan.

440 TO RECEIVE THE ANNUAL RETURN AND EXTERNAL AUDIT OPINION FOR YEAR ENDED 31st MARCH 2013 - Agenda Item 7

The Finance Manager stated that the Audit Report from Grant Thornton had been received and signed off without any qualification.

The Finance Manager presented a matter raised by Grant Thornton for the Boards attention. The Auditor stated that the Annual Return included fixed assets that have been depreciated. In 2008/09 the accounts were prepared to FRSSE accounting standards requiring the fixed assets to be included at a depreciated value. The Auditor refers to the ADA publication Governance and Accountability for IDB's – A Practitioners' Guide 2006 (para 3.83).

The Board Chairman has disputed this as it would mean a revaluation each year and has made recommendation for the Finance Manager to contact Grant Thornton.

The Committee AGREED that this should be clarified with Grant Thornton

441 TO REVIEW THE LETTER FROM ADA CHAIRMAN RE GOVERNANCE - Agenda Item 8

The Finance Manager presented a slide of the documents mentioned in the letter from Henry Cator showing the Board has the following comparable policies in place;

ADA Governance	Policy No	Black Sluice Comparative
Standing Orders	12	Standing Orders
Financial Regulations	3	Financial Regulations
Members Code of Conduct	17	Members Code of Conduct
Register of Members Interests		Members Declaration of Interest forms kept in Safe
Employees Code of Conduct	15	Employees Code of Conduct
Risk Management Strategy	1	Risk Management
Whistle Blowing Policy	18	Whistle Blowing
Schedule of matters reserved for the Board/Scheme of Delegation	10	Delegation of Authority
Publication Scheme	31	Publication Scheme
Employee Handbook/ Terms of Conditions of Service		Lincolnshire ADA Wages & Salaries (White Book) and Conditions of Service

The Finance Manager recommended the following which was accepted by the Committee;

ADA Governance	Black Sluice Comparative
Gifts & Hospitality Policy	New Policy
Duties of IDB Members & Officers	Officers Job Description Members Code of Conduct Delegation of Authority Policy
Division of Responsibilities between Chairman and General Manager	Delegation of Authority Policy
Corporate Bribery Act Policy	New Policy
Anti Fraud & Corruption Policy	New Policy

A member of the Committee referred to the Declaration of Interest where a member should or should not leave the meeting. The ADA Executive Committee are reviewing this and believe that the matter should be left with the Member Responsible.

442 TO REVIEW THE NEW PENSION DISCRETION POLICY - Agenda Item 9

The Finance Manager presented the new Pension Discretion Policy.

The Committee RESOLVED to recommend that the Pension Discretion Policy should be approved at the next Board Meeting.

443 TO REVIEW THE NEW GIFTS AND HOSPITALITY POLICY - Agenda Item 10

The Finance Manager presented the new Gifts and Hospitality Policy. The Committee reviewed the policy and RESOLVED to recommend that with the value of £25 included, as per other policies, the policy to be approved at the next Board Meeting.

444 TO CONSIDER ITEMS TO BE PUBLISHED ON BOARD'S WEBSITE - Agenda Item 11

The Finance Manager highlighted to the Committee the Code of Recommended Practice for Local Authorities on Data Transparency, which had been sent out for information by David Gowing.

The Finance Manager recommended that the Website which is being reviewed should include documents to be published in accordance with this guidance to support transparency and accountability of the Board.

Under the Freedom of Information Act 2000 all local authorities are to operate a publication scheme which sets out information that must be routinely published. The Finance Manager stated that the Board has had three requests from sales generated enquiries compared to other IDB's who receive a lot more. The Finance Manager recommended that as much information be uploaded to the Website as possible therefore negating enquires to the Board.

The Internal Auditor will review Data Transparency as part of his Audit Strategy for 2013/14. The documents covered by data protection for payments through the purchase ledger are Officers expenses, which David Gowing has recommended be paid in salaries. Senior employees' salaries are covered in the un-audited financial statements.

Items which would need to be published are all job descriptions, posts and grades, the Staff Organisation Chart, the Asset register of land the Board owns and Members allowances and travelling expenses.

A Member of the Committee raised a concern relating to the practice of Board Members travelling expenses being paid automatically into the Chairman's Fund – this practice may result in travelling expenses being paid twice if local authority representatives claim from their nominating authority.

The Committee RESOLVED to recommend to the Board that details of this practice be specifically included in New Member Induction Meetings and claim forms be signed annually with a statement to the effect that they agree the monies be paid into the Chairman's Account.

The Finance Manager recommended that he review a costing for redesign of the Board Website incorporating the notification of summer cutting and the function to pay drainage rates.

The Committee recommended the Finance Manager look into the costs of the Boards Website

445 TO REVIEW THE POLICY FOR THE CONTROL OF RAGWORT - Agenda Item 12(a)

The Chief Executive presented the Policy for the Control of Ragwort. The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

446 TO REVIEW THE TILE DRAINS DISCHARGING INTO BOARD DRAINS POLICY - Agenda Item 12(b)

The Chief Executive presented the Tile Drains Discharging into Board Drains Policy. The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

447 TO REVIEW THE CONTROL OF RABBITS, RATS AND OTHER RODENTS IN BOARDS WATERCOURSES POLICY - Agenda Item 12(c)

The Chief Executive presented the Control of Rabbits, Rats and other Rodents in Boards Watercourses Policy. The Committee reviewed the policy and RESOLVED to recommend that the policy be approved at the next Board Meeting.

448 TO REVIEW THE RISK REGISTER - Agenda Item 12(d)

The Chief Executive reviewed the risk register with scores over 3. The Committee were informed that there are currently two interested parties in the purchase of 72 Carlton Road.

449 TO REVIEW THE EMERGENCY FLOOD RESPONSE PLAN - Agenda Item 12(e)

The Finance Manager presented the Emergency Flood Response Plan. This document is a controlled document and asked members to return their copies at the end of the meeting.

The plan details a critical measurement for emergency response in metres whereas the Environment Agency gauge boards are detailed in feet.

The Committee raised some interesting points and suggested that pumping stations with generator connections be highlighted in the report with the stations power requirements.

450 TO RECEIVE THE REGISTER OF BOARD POLICIES WITH RECOMMENDED REVIEW DATES - Agenda Item 13

The Finance Manager presented the List of Polices, highlighting those which would be included in the next meeting.

A Committee Member queried a policy on Ice in Drains, the affect that ice has on weed screens and or pumping station machines.

The Committee asked that the Chief Executive prepare a policy for review at the next meeting.

451 ANY OTHER BUSINESS - Agenda Item 14

(a) Date of Next Meeting

The Committee discussed the number of meetings required in the year now that the policies were now in place. The Committee AGREED to the next meeting in April 2014.

(b) Italy Study Tour

A Member of the Committee queried the allocation of costs that had been reported at the June Board meeting. The final accounts were displayed on screen with a full explanation from the Finance Manager.

There being no further business the meeting closed at 17:05.

GOWING INTERNAL AUDIT SERVICES LTD

DRAFT

**ANNUAL INTERNAL
AUDIT REPORT**

**Black Sluice
Internal Drainage Board
May 2014**

INTERNAL AUDIT REPORT

1 EXECUTIVE SUMMARY

1.1 I have completed the 2013/14 internal audit of the Black Sluice Internal Drainage Board with regard to the ADA Practitioners guide.

1.2 The statutory basis for internal audit in local authorities in England (which includes Drainage boards) is a specific requirement in the Accounts and Audit regulations which requires that the organisation must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.

1.3 The internal audit service is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.

1.4 This audit included an implementation review of previous audit recommendations, review of any system changes, sample testing of 2013/14 transactions and provision of best practice advice gained through my audit of other IDBs.

1.5 The main findings were:-

- all agreed recommendations from my 2012/13 audit have been implemented.
- good rating records to support agricultural rates and special levy calculations
- accurate records and transactions and good budget monitoring.
- agreement to improve the web-site and introduce full compliance with the Data Transparency Act from April 2014.
- the system changes and increased segregation of duties as a result of the appointment of the finance assistant has improved financial control.
- there is still no pension discretion policy which is required under pension legislation but the Board is waiting on further information from the Lincolnshire Pension Fund. Most other main Boards have developed their own policy.
- it was difficult to check compliance with the procurement policy as from my sample check the appropriate quotes could not easily be located.

A detailed control test programme and results is available upon request.

1.7 Recommendations have been proposed, discussed and agreed with the Chief Executive. A management action plan is in Section 3.

- 1.8 A follow-up audit will be undertaken in October / November to ensure successful implementation of the recommendations.
- 1.9 It is my opinion that, in respect of the areas covered by this report I am pleased to be able to provide **substantial assurance** on the system of controls.
- 1.10 I would like to place on record my thanks for the co-operation and assistance given by all staff during this audit.

David Gowing
Gowing Internal Audit Services Ltd.
May 2014

EVALUATION CRITERIA

Substantial Assurance	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
Adequate Assurance	While there is a basically sound system, there are weaknesses that put a minority of the system objectives at risk and/or there is evidence that the level of non-compliance with some of the controls may put a minority of the system objectives at risk.
Limited Assurance	Weaknesses in the system of controls are such as to put most or all of the system objectives at risk and/or the level of non-compliance puts most or all of the system objectives at risk.
No Assurance	Control is poor, leaving the system open to significant error or abuse and/or significant non-compliance with basic controls.

2 FINDINGS

2.1 The annual return for boards with annual income or expenditure under £6.5million requires internal audit to provide certification on the following ten key control objectives. Any comment or issue on an objective is noted below otherwise the objective can be considered to be fully met:-

a) Appropriate books of account have been properly kept throughout the year.

b) Financial Regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.

c) The Board assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

d) The annual rating requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

e) Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

f) Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.

g) Salaries to employees and allowances to Board members were paid in accordance with Board approvals and PAYE and NI requirements were properly applied.

h) Asset and investment registers were complete and accurate and properly maintained.

i) Periodic and year-end bank reconciliations were properly carried out.

j) Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments /income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

3 MANAGEMENT ACTION PLAN

This action plan has been fully discussed and agreed with management.

The priority is based on the following;-

Critical

A control failure that is critical to the organisation's aims and objectives. This will require immediate action by management.

High

A significant control weakness which is a significant risk to the service or organisation and is likely to lead to material loss or significant public criticism. This will require immediate action by management.

Medium

A control that undermines the effectiveness of internal control and may lead to some loss or some public criticism but does not represent a significant risk to the organisation. This will require prompt action by management.

Low

This might be important to the service but does not represent a significant risk for the service or organisation. This will require action by management but not necessarily immediate.

Ref:	Recommendation	Priority	Management Comments	Responsibility for implementation and date
05.01.01	Staff to be reminded to comply fully with the procurement policy when seeking quotes and to note details on the office (green) copy of the official order. If this is not possible the reasons to be stated on the order and approved by the Chief Executive or Board.	M	Staff have been reminded of the requirements of the policy and in addition each duplicate (Green) copy of the order is being stamped to prompt for details of the quotes. To ensure this is being complied with the payment authorisation stamp is also now requiring details of how the policy has been met. Included in each order book is a summarised version of the procurement policy.	

BLACK SLUICE INTERNAL DRAINAGE BOARD

AUDIT AND RISK COMMITTEE – 9th APRIL 2014

AGENDA ITEM No 6

Pension Discretion Policies

1. The original policies were produced and reviewed by the Audit and Risk Committee at the previous meeting in September 2013 and recommended to the Board in November 2013. The Board felt that as these policies could have significant impact on the Board expert advice should be sought and the policies reviewed by the Audit and Risk Committee again.
2. After approaching the administrators of the Pension Scheme, Mouchel, the Chairman of this committee and the Finance Manager attended a meeting with Mouchel to discuss the finer details of the policies and the potential impact on the Board. They advised not closing off the discretions entirely but using terms such as “The Board does not expect to utilise this policy but each case can be considered on its own merits.”
3. There are effectively three sets of policies that need to be approved by the Board and they are based upon when an employee leaves the employment of the Board and they are;
 - a. Pre 31st March 2008
 - b. Between 1st April 2008 and 31st March 2014
 - c. Post 2014

In the case of a. and b. the employees have already left and therefore the policies cannot be changed. We are therefore tied into using the policies of Lincolnshire County Council which we have stated in the past we follow. These can be found at Annex A and B.

4. For the policies that are to be followed Post 2014 we have those which are already in place which the Board has until the end of April to review and then new policies that are required which need to be agreed before end June 2014. These can all be found at Annex C with the new policies marked.
5. A Statement of Policy regarding the exercise of discretions concerning injury, Allowances and Gratuities whilst not required, it is required for the Board to state they are not going to have a policy. The Board has Insurance to cover for these circumstances so a policy is not required.

Daniel Withnall
Finance Manager

**STATEMENT OF POLICY REGARDING THE EXERCISE OF DISCRETIONS FOR EMPLOYERS
WHO JOINED THE LOCAL GOVERNMENT PENSION SCHEME PRIOR TO 1 APRIL 2008**

Lincolnshire County Council

County Offices










Newland

Lincoln



LN1 1YL

Discretions from 1.4.08 in relation to post 31.3.08 active members (excluding councillor members) and post 31.3.08 leavers (excluding councillor members), being discretions under:

- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 [prefix L]








Importance	Discretion	Regulation	Employer Policy
 Mid	To whom to offer membership of the LGPS (designation bodies)	A4(3) & ASch2(Pt2) & A8(1)	Not applicable as the Council is a Scheduled Body.
 Mid	Whether to extend the 12 month options for aggregation of deferred benefits	A16(4)(b)(ii)	Requests to extend the 12 month time period will be dealt with on a case by case basis.
 Mid	Determine rate of employees' contributions	B3 & T9	SAP system automatically calculates each employees pensionable pay and on the 1 April each year assigns them to the appropriate pension contribution band.
 Mid	Specify in an employee's contract what other payments or benefits, other than those specified in B4(1)(a) are to be pensionable	B4(1)(b)	Schedule TC2 specifies in an individual's terms and conditions document any allowances which are payable.
 Mid	Whether to allow a late application by member to pay optional contributions for a period of unpaid child related leave, strike, or unpaid leave of absence beyond 30 days	A22(2)	Requests to extend the 30 day time period be considered on a case by case basis.
 High	Whether to augment membership of an active member (by up to 10 years)	B12	The decision to award additional membership will be considered on a case by case basis in exceptional circumstances.
 High	Whether to grant additional pension to a member (by up to £5,000 pa)	B13	The decision to award additional pension will be considered on a case by case basis in exceptional circumstances.
 Low	Agree method of paying augmented membership granted under B12 or additional pension granted under B13	A40 (2) & (4)	Expectation is that payments will be made within one month of date of benefits being paid. In exceptional cases, may consider an extension to this time period and will discuss with Pension Fund the consequences of this.
 Low	Whether to extend the one month period within which a lump sum payment by the employer under A40 (2) has to be made (to pay for any augmented membership granted under B12 or additional	A40(9)(b)	Expectation that any lump sum payments will be made within one month.



	pension granted under B13		
Low	Whether, how much, and in what circumstances to contribute to a shared cost AVC scheme	A25(3) & B15(3)	This discretion will not be adopted.
Mid	No right to return of contributions due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	A47(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
Low	Whether to extend six month period to lodge a stage one IDR appeal	A58(7)(b)	Expectation is that extensions will not be given for the six month period to lodge a Stage One IDR Appeal however this will be considered in exceptional circumstances.
Mid	Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	A72(1) & (6)	Dealt with on a case by case basis taking into account any financial implications.
Mid	Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited	A72(3)	Dealt with on a case by case basis taking into account any financial implications.
Mid	Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	A73(1) & (2)	Dealt with on a case by case basis taking into account any financial implications.
Mid	Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs/SCAVCs) where the obligation was incurred as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment	A74(2)	Dealt with on a case by case basis taking into account any financial implications.
Mid	Whether to recover from Fund any financial loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or amount of refund if less	A76(2) & (3)	Dealt with on a case by case basis taking into account any financial implications.
Mid	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	A83(8)	Requests to extend the 12 month period will be dealt with on a case by case basis taking into account any financial implications.

	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	B18(1)	Dealt in accordance with the Council's Flexible Retirement Policy.
	Whether to waive, in whole or in part, actuarial reduction on benefits paid due to flexible retirement	B18(3)	Dealt in accordance with the Council's Flexible Retirement Policy.
	Whether to grant application for early payment of benefits on or after age 55 and before age 60	B30(2)	Current employees – dealt with in accordance with the Council's Redundancy and Early Retirement Policy. Deferred members – dealt with on a case by case basis taking into account any financial implications.
	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early	B30(5)	Dealt with on a case by case basis taking into account any financial implications. Council's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship". In all cases, some form of independent corroboration will be required.
	Whether to grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60	B30A(3)	Dealt with on a case by case basis taking into account any financial implications.
	Whether to waive, on compassionate grounds, the actuarial reduction applied to reinstated tier 3 pension benefits paid early	B30A(5)	Dealt with on a case by case basis taking into account any financial implications. Council's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship". In all cases, some form of independent corroboration will be required.
	Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria	B31(4)	Dealt with on a case by case basis, taking into account medical advice from the Council's occupational health provider.
	Decide which ill health tier leaver falls into	B20	Dealt in accordance with the Council's guidance note on employer approval of permanent ill-health benefits under the LGPS



taking into account medical advice from the Council's occupational health provider.

Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to pre 1.4.08 scheme leavers

Importance	Discretion	Regulation	Employer Policy
	Grant application for early payment of benefits on or after age 50/55 and before age 60	31(2)	Dealt with on a case by case basis taking into account any financial implications.
	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early to a pre 1.4.08 leaver.	31(5)	Dealt with on a case by case basis taking into account any financial implications. Council's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship". In all cases, some form of independent corroboration will be required.
	Pre 1.4.08 optants out only to get benefits paid from NRD if employer agrees	31(7A)	Dealt with on a case by case basis.
	Decide, in the absence from a post 31.3.98 / pre 1.4.08 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	34(1)(b)	Dealt with on a case by case basis
	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 1.4.08 leavers)	88(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
	Forfeiture of pension rights on issue of Secretary of State's certificate (councillor and pre 1.4.08 leavers)	111(2) & (5)	Dealt with on a case by case basis taking into account any financial implications.
	Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre 1.4.08 leavers)	112(1)	Dealt with on a case by case basis taking into account any financial implications.

 Mid	Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (councillors and pre 1.4.08 leavers)	113(2)	Dealt with on a case by case basis taking into account any financial implications.
 Mid	Recovery from Fund of financial loss caused by employee, or amount of refund if less (councillors and pre 1.4.08 leavers)	115(2) & (3)	Dealt with on a case by case basis taking into account any financial implications.

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1.4.98 scheme leavers

Importance	Discretion	Regulation	Employer Policy
 Mid	Grant application from a pre 1.4.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds	D11(2)(c)	<p>Dealt with on a case by case basis with final decision taken by the Head of People Management.</p> <p>Council's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".</p> <p>In all cases, some form of independent corroboration will be required.</p>
 Low	Decide, in the absence from a pre 1.4.98 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	D10	Dealt with on a case by case basis.

I warrant that the above policies reflect the policy intention of [Authority/Organisation] as at [date].

Signed: 



Position: 

Official Seal/Company stamp:




**STATEMENT OF POLICY REGARDING THE EXERCISE OF DISCRETIONS CONCERNING
DISCRETIONARY COMPENSATION ON EARLY TERMINATION OF EMPLOYMENT**




Lincolnshire County Council
County Offices
Newland
Lincoln
LN1 1YL

Discretions under the Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Importance	Discretion	Regulation	Employer Policy
 High	To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.	5	Dealt in accordance with the Council's Redundancy and Early Retirements Policy.
 High	To award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	6	Dealt in accordance with the Council's Redundancy and Early Retirements Policy.

Discretions under the Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Importance	Discretion	Regulation	Description Considerations
 High	How to apportion any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner	21(4)	Dealt with on a case by case basis.
 High	How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible children	25(2)	Dealt with on a case by case basis.
 High	Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters	21(7)	The Council's approach is not to suspend/abate pension in circumstances of re-marriage, civil partnership or co-habitee where it applies to compensation added years.

	<p>into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid.</p>		
	<p>If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, now civil partnership or cohabitation.</p>	21(5)	Not applicable.
	<p>Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partners annual CAY payment, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or cohabitation lasts, should be disapplied ie whether the spouses' or civil partners' annual CAY payments should continue to be paid to both of them</p>	21(7)	The Council's approach is not to require one of the parties to forgo payment where both parties are in receipt of compensatory added years payments.
	<p>How to reduce the member's annual compensatory added years payment following the cessation of a period or re-employment in local government</p>	19	The Council will retain the policy of non-betterment in relation to an individual re-employed within Local Government and eligible to join the Local Government Pension Scheme.

I warrant that the above policies reflect the policy intention of [Authority/Organisation] as at [date].

Signed:.....P Moore.....

Position:.....Director of Resources & Community Safety.....

Official Seal/Company stamp:

**STATEMENT OF POLICY REGARDING THE EXERCISE OF DISCRETIONS WITHIN THE
LOCAL GOVERNMENT PENSION SCHEME**

Black Sluice Internal Drainage Board

Station Road

Swineshead

Boston

Lincolnshire

PE20 3PW

Please complete this pro forma and return a copy to:

Mouchel Pensions Unit

Mill House

Brayford Wharf North

Lincoln








LN1 1YT










Or e-mail










pensions_notifications@mouchel-lincoln.com






Discretions from 1.4.14 in relation to post 31.3.14 active members and post 31.3.14 leavers being discretions under:

- **The Local Government Pension Scheme Regulations 2013 [prefix R]**
- **The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]**
- **The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]**
- **The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]**
- **The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]**
- **The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]**

Importance	Discretion	Regulation	Employer Policy
	To whom to offer membership of the LGPS (designation bodies)	R3(1)(b) & RSch 2, part 2	All Employees who's engagement exceeds 3 months.
	Which employees to designate for membership (admission bodies)	R3(1)(c) & R4(2)(b)	All Employees who's engagement exceeds 3 months.
	Determine rate of employees' contributions	R9(1) & R9(3)	Rates are determined on estimated pay, taking into consideration the previous years pay, in March each year for the following financial year.
	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e) & R16(4)(d)	New discretion - This discretion will not be adopted.
	Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement entered into on or after 1.4.14	R17(1) & definition of SCAVC in RSch 1	New discretion - This discretion will not be adopted.
	Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement entered into before 1.4.14	TP15(1)(d) & A25(3)	This discretion will not be adopted.
	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 13.11.01)	TP15(1)(b) & L66(8) & former L66(9)(b)	New discretion - This discretion will not be adopted.







	No right to return of contributions if member left due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	R19(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	R20(1)(b)	The Lincolnshire ADA Wages and Salaries and conditions of service book (White Book) specifies any allowances which are payable.
	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	New discretion – All Lump Sum payments will be excluded when determining Assumed Pensionable Pay.
	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	R22(8)(b)	New discretion – The 12 month period can only be extended in exceptional circumstances and only to correct administrative errors.
	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	R22(7)(b)	New discretion – The 12 month period can only be extended in exceptional circumstances and only to correct administrative errors.
	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	Dealt with in accordance with the Board's Flexible Retirement Policy.
	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	Dealt with in accordance with the Board's Flexible Retirement Policy. (We need a Flexible Retirement Policy – Reduction in minimum 5 scale points or 2/5 reduction in hours?)
	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	R30(8)	Dealt with on a case by case basis taking into account any financial implications.
	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, paras 2(1) and 2(2)	Dealt with on a case by case basis taking into account any financial implications.








	<p>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits</p>	<p>TP3(1), TPSch 2, paras 2(1) and 2(2), B30(5) and B30A(5)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 pa)</p>	<p>R31</p>	<p>The decision to award additional pension will be considered on a case by case basis in exceptional circumstances.</p>
	<p>Whether to use a certificate produced by an IRMP (Independent Registered Medical Practitioner) under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme</p>	<p>TP12(6)</p>	<p>Dealt with on a case by case basis and still taking into account medical advice from the Board's occupational health provider.</p>
	<p>Determine whether a member is entitled to an ill health retirement pension, and what tier of benefit to be awarded.</p>	<p>R36</p>	<p>Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.</p>
	<p>Whether to recover any overpaid Tier 3 pension following commencement of gainful employment</p>	<p>R37(3)</p>	<p>Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.</p>
	<p>Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner</p>	<p>R38(3)</p>	<p>Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.</p>
	<p>Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health</p>	<p>R38(6)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to extend six month period to lodge a stage one IDR appeal</p>	<p>R74(4)</p>	<p>Expectation is that extensions will not be given for the six month period to lodge a Stage One IDR Appeal however this will be considered, by the stage 1 Adjudicator, in exceptional circumstances.</p>
	<p>Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)</p>	<p>R91(1) & (8)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>


	<p>Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see R95 below)</p>	<p>R91(4)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits</p>	<p>R92(1) & (2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or subject to R95 below, in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment</p>	<p>R93 (2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or member's surviving spouse or civil partner of any GMP entitlement.</p>	<p>R95</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS</p>	<p>R100(68)</p>	<p>Requests to extend the 12 month period will be dealt with on a case by case basis taking into account any financial implications.</p>

Discretions in relation to scheme members who ceased active membership on or after 1.4.08 and before 1.4.14, being discretions under:








- **The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]**
- **The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 [prefix B]**
- **The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]**
- **The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]**
- **The Local Government Pension Scheme Regulations 2013 [prefix R]**
- **The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]**

Importance	Discretion	Regulation	Employer Policy
	Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 th September 2014.	B12	The decision to award additional membership will be considered on a case by case basis in exceptional circumstances.
	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership	Tsch1 & L66(8) & former L66(9)(b)	Requests to extend the 30 day time period be considered on a case by case basis.
	No right to return of contributions due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	A47(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
	Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	A72(1) & (6)	Dealt with on a case by case basis taking into account any financial implications.
	Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited	A72(3)	Dealt with on a case by case basis taking into account any financial implications.
	Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	A73(1) & (2)	Dealt with on a case by case basis taking into account any financial implications.

	<p>Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs/SCAVCs) where the obligation was incurred as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment</p>	<p>A74(2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to recover from Fund any financial loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or amount of refund if less</p>	<p>A76(2) & (3)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60</p>	<p>B30(2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30</p>	<p>B30(5)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p> <p>Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".</p> <p>In all cases, some form of independent corroboration will be required.</p>
	<p>Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60</p>	<p>B30A(3)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A</p>	<p>B30A(5)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p> <p>Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".</p> <p>In all cases, some form of independent corroboration will be required.</p>
	<p>Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria</p>	<p>B31(4)</p>	<p>Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.</p>

 Mid	Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment	B31(7)	Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.
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Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to scheme members who ceased active membership on or after 1.4.98 and before 1.4.08

Importance	Discretion	Regulation	Employer Policy
 High	Grant application from a post 31.3.98 / pre 1.4.08 leaver for early payment of benefits on or after age 50/55 and before age 60 (see Note below)	31(2)	Dealt with on a case by case basis taking into account any financial implications.
 High	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early to a post 31.3.98 / pre 1.4.08 leaver.	31(5)	Dealt with on a case by case basis taking into account any financial implications. Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship". In all cases, some form of independent corroboration will be required.
 High	Pre 1.4.08 optants out only to get benefits paid from NRD if employer agrees	31(7A)	Dealt with on a case by case basis.
 Low	Decide, in the absence from a post 31.3.98 / pre 1.4.08 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	34(1)(b)	Dealt with on a case by case basis.
 Mid	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 1.4.08 leavers)	88(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
 Mid	Forfeiture of pension rights on issue of Secretary of State's certificate (pre 1.4.08 leavers)	111(2) & (5)	Dealt with on a case by case basis taking into account any financial implications.
 Mid	Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre	112(1)	Dealt with on a case by case basis taking into account any financial implications.

	1.4.08 leavers)		
Mid	Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (pre 1.4.08 leavers)	113(2)	Dealt with on a case by case basis taking into account any financial implications.
Mid	Recovery from Fund of financial loss caused by employee, or amount of refund if less (pre 1.4.08 leavers)	115(2) & (3)	Dealt with on a case by case basis taking into account any financial implications.

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1.4.98 scheme leavers

Importance	Discretion	Regulation	Employer Policy
Mid	Grant application from a pre 1.4.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds (see Note below)	D11(2)(c)	Dealt with on a case by case basis with final decision taken by the Head of People Management. Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship". In all cases, some form of independent corroboration will be required.
Low	Decide, in the absence from a pre 1.4.98 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	D10	Dealt with on a case by case basis.

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.

I warrant that the above policies reflect the policy intention of Black Sluice Internal Drainage Board as at 25th June 2014.

Signed:.....

Position:.....

Official Seal/Company stamp:

Black Sluice Internal Drainage Board

Policy No: 40

Commercial Works Policy

Review Dates:

Original Issue	9 th April 2014
Board Approved	
Due for Review	

INTRODUCTION

Following a request the Board will offer quotations to complete relevant works within their normal scope of works on a commercial recharge basis.

Quotations will be offered using the following options:

1. Rechargeable day works
2. Schedule of rates
3. Fixed price/lump sum (all risk)

POLICY

A Commercial quotation will be prepared and presented for acceptance following a review of the current operational works programme. If there is scope for the commercial works to be completed without affecting the programme a quotation may be offered .

A quotation within the options above will be prepared using the current year's job costing rechargeable spreadsheets for labour, plant, stock and other cost items in line with the specific request. The job costing spreadsheet will have an annual review of labour and plant rates by the Finance Manager and a quarterly review of stock rates by the Operations Manager, other cost items will be included at market rates.

Where a fixed price/lump sum is requested the works will be assessed against a programme of events with the relevant resources identified and included, all event risks should be included. A second officer opinion will be sourced and the quotation and programme assessed with any adjustments agreed.

A 5% addition will apply to all quotations to assist in the overhead recover.

Commercial Works quotations will be forwarded to the clients in letter format for acceptance.

Any works with a value greater than £500 must not commence prior to the receipt of a pre-payment or an official order.

A unique rechargeable cost centre will be raised for each Commercial works.

Works will be invoiced to include for VAT within the month of completion for fixed price/lump sum works or the following month following the full evaluation of allocated costs for day works.

Black Sluice Internal Drainage Board

Policy No: 41

Public Sector Co-Operation Agreement Policy

Review Dates:

Original Issue	9 th April 2014
Board Approved	
Due for Review	

INTRODUCTION

Following a request the Board will investigate the opportunity of entering into a Public Sector Co-Operation Agreement (PSCA) with other Authorities. To complete relevant works within their normal scope of works on a commercial recharge basis.

PSCA will be agreed using the following options based around the flood risk management functions of the parties made pursuant to section 13 of the Flood and Water Management Act 2010.

1. Rechargeable day works
2. Schedule of rates
3. Fixed price/lump sum (all risk)

POLICY

A PSCA will be prepared and presented for acceptance following a review of the current operational works programme. If there is scope for the PSCA works to be completed without affecting the programme an agreement may be entered into.

Quotations within the options above will be prepared using the current year's job costing rechargeable spreadsheets for labour, plant, stock and other cost items in line with the specific request. The job costing spreadsheet will have an annual review of labour and plant rates by the Finance Manager and a quarterly review of stock rates by the Operations Manager, other cost items will be included at market rates.

Where a fixed price/lump sum is requested the works will be assessed against a programme of events with the relevant resources identified and included, all event risks should be included. A second officer opinion will be sourced and the quotation and programme assessed with any adjustments agreed.

A 5% addition will apply to all quotations to assist in the overhead recover.

PSCA will be forwarded to the clients in letter format for acceptance.

The signed agreement must be returned and orders provided prior to the commencement of any works.

A unique rechargeable cost centre will be raised for each PSCA.

Works will be invoiced to include for VAT at the end of every month following the full evaluation of

Black Sluice Internal Drainage Board

Policy No: 25

Lone Worker Policy

HEALTH AND SAFETY AT WORK ETC ACT 1974

MANAGEMENT OF HEALTH AND SAFETY AT WORK
REGULATIONS 1999

Review Dates:

Original Issue	9 th April 2014
Board Approved	
Due for Review	

INTRODUCTION

There is no legal requirement that prevents a person from working alone. There may be however, a number of hazards that must be considered and a risk assessment carried out before lone working is permitted.

REGULATIONS

The duties placed on employers and employees by the Health and Safety at Work etc Act 1974 and the Management of Health and Safety at Work Regulations 1999 are still applicable to lone workers. Employers have a requirement to identify the hazards presented by the work, the risks involved and the introduction of remedial measures to avoid or reduce the risk.

In accordance with the regulations mentioned above, Risk Assessments will be carried out by a competent person to identify the possible hazards before working alone, for example working below overhead cables, working adjacent to water, working with electricity, working in the open. The risk assessment will take into account foreseeable emergencies such as fire, equipment failure, ice, illness and accidents, as well as more job specific factors.

Persons will only be required to work alone if they are considered fit, healthy and competent to deal with the foreseeable risk and the precautions required for the job.

Management will maintain regular communication with the lone worker. In addition, the employee has the responsibility to keep in regular contact with their supervisor and to not take unnecessary risks in order to complete a job alone, this will be detailed within the risk assessment.

BLACK SLUICE INTERNAL DRAINAGE BOARD

AUDIT AND RISK COMMITTEE – 9th APRIL 2014

AGENDA ITEM No 9b

Debit and Credit Card Policy

1. The current Debit and Credit Card policy was developed to allow the Board to accept card payments and to differentiate between Debit cards and Credit cards due to the differences in costs being vast.
2. By introducing Paypal as our merchant service and the ability to pay on the website the take up of paying by card will increase. With PayPal we will have the same service as we currently have and additionally the ability to take payments on our Website.
3. The charges for the Debit cards and credit cards will be the same at 2% + 20p per transaction so this should increase the volume and maybe even the collection rates. We have processed 205 transactions in the current year to a value of £11,054.78 paying charges to Worldpay and Streamline of £559.81 (Average cost per transaction = £2.73). If we processed the same payments through PayPal using a Virtual Terminal the costs would have been £262.10 (Average cost per transaction = £1.28) saving the Board £297.71 in the year.
4. To enable the Board to accept payments on our new website we have signed up to PayPal Pro which costs £20 per month and this allows a fully customisable solution for our website which is still less than we are currently paying and should increase the take up of paying by card.
5. For information the bank costs associated with other forms of payment are detailed below:
 - a. Bank Giro Credit 74p per transaction
 - b. Cheques 30p per cheque banked
 - c. Cash 62p per £100 banked
6. I recommend that the £3 charge for accepting Credit Cards, as the current policy states, is withdrawn and the policy as a whole also withdrawn as it will no longer be required. A copy of the old policy is attached.

Daniel Withnall
Finance Manager

Black Sluice Internal Drainage Board

Debit/Credit Card Policy

1. INTRODUCTION

The new bank account at NatWest allows a facility to take payments by bank card or credit card.

2. COSTS INVOLVED

The cost of this facility to the Board is:

- Debit Card – 53p per transaction
- Credit Card 3.8% (£3.80 for a £100 payment)

There is a minimum charge of £10 per month

Payments by cheque cost the Board 25p per transaction.

Payments by Bank Giro Credit cost to Board 65p per transaction.

3. POLICY

The Rating Officer and the administration team are instructed to take the following extra payment from customers paying by card:-

- Debit Card – No charge
- Credit Card – standard charge of £3.00

S M Hemmings
Chief Executive

Revision A – 24th March 2010

Black Sluice Internal Drainage Board

Policy No: 23

Display Screen Equipment Policy

Review Dates:

Original Issue	9 th April 2014
Board Approved	
Due for Review	

INTRODUCTION

The use of display screen equipment (DSE) at work may result in ill effects which include the following:

- Upper limb pains and discomfort;
- Eye and eyesight effects;
- Fatigue and stress.

Personnel who habitually use display screen equipment, as a significant part of their normal work, are defined as 'users' under the Display Screen Equipment Regulations. The purpose of this policy, is to state who is responsible and what they must do in order to minimise any possible health and safety risks to users which are associated with display screen equipment work.

MANAGER RESPONSIBILITIES

1. You must ensure that for all users, for which you have responsibility, a DSE risk assessment is carried out and a record kept in the 'Display Screen Equipment' section of the Health and Safety Policy. In practice this means that there will be a completed risk assessment form for each workstation and this will identify whether the associated personnel are users or not. Risk Assessments should be carried out in conjunction with the user so as to provide training.
2. You must progress reasonable requests from users for any items identified as a result of carrying out the DSE risk assessment and, which will significantly reduce any ill effects associated with DSE work.
3. Where users request an eye and eyesight test, you must arrange for this to be undertaken and the costs of the eye and eyesight test reimbursed.
4. Those prescribed normal corrective appliances to undertake DSE work a contribution of £150 will be reimbursed. Special Corrective appliances only used for DSE work will be provided through the Board's appointed Optometrist.
5. You are responsible for maintaining a record of DSE users.

DSE User Responsibilities

1. You must co-operate with your manager and assist them in carrying out the DSE risk assessment detailed above.
2. You must notify your manager if you become aware of any ill effects associated with your DSE work so that the DSE risk assessment may be reviewed.

Authorised by:

Date:

Print Name:

Black Sluice Internal Drainage Board

Risk Management Strategy

Risk Management Policy

Risk Analysis

Updated	17 th January 2013
Board Approved	6 th February 2013
Due for Review	

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1. Purpose, Aims & Objectives
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- A – Risk Management Strategy Statement
- B – Risk Management Policy Document
- C – Risk Analysis
- D – Risk Register

Risk Management Strategy

1. Purpose, Aims and Objectives

1.1 The purpose of the Boards Corporate Risk Management Strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives. See attached Corporate Risk Management Policy Statement, Appendix A.

1.2 The Boards Corporate Risk Management Strategy has the following aims and objectives;

- Integration of Risk Management into the culture of the Board
- Raising awareness of the need for Risk Management by all those connected with the delivery of services (including partners)
- Enabling the Board to anticipate and respond to changing social, environmental and legislative conditions
- Minimisation of injury, damage, loss and inconvenience to staff, members of the public, service users, assets etc. arising from or connected with the delivery of the Board services
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice
- Minimisation of the cost of risk

1.3 To achieve these aims and objectives, the following strategy is proposed;

- Establish clear accountabilities, roles and reporting lines for all employees
- Acquire and develop the necessary skills and expertise
- Provide for risk assessment in all decision making processes of the Board
- Develop a resource allocation framework to allocate (target) resources for risk management
- Develop procedures and guidelines for use across the Board
- Develop arrangements to measure performance of Risk Management activities against the aims and objectives
- To make all partners and service providers aware of the Boards' expectations on risk, both generally as set out in its Risk Management Policy and where necessary in particular areas of the Boards' operations.

1.4 The Black Sluice Internal Drainage Board has adopted the Audit Commission definition of Risk:

'Risk is the threat that an event or action will adversely affect the organisation's ability to achieve its objectives and to successfully execute its strategies'.

2. Accountabilities, Roles and Reporting Lines

- 2.1 A framework has been implemented that has addressed the following issues:
- The different types of risk – Strategic and Operational
 - Where it should be managed
 - Roles and accountabilities for all staff.
 - The need to drive the policy throughout the Board
 - Prompt reporting of accidents, losses, changes etc.
- 2.2 In many cases, risk management follows existing service management arrangements.
- 2.3 Strategic risk is best managed by the Board.
- 2.4 The Board's Chief Executive will be responsible for the Boards overall risk management strategy, and will report directly to the Board.
- 2.5 The Board's Chief Executive will be responsible for the Boards overall Health and Safety policy and will report to the Board.
- 2.6 It is envisaged that the development of a risk management strategy will encourage ownership of risk and will allow for easier monitoring and reporting on remedial actions / controls.

3. Skills and Expertise

- 3.1 Having established roles and responsibilities for risk management, the Board must ensure that it has the skills and expertise necessary. It will achieve this by providing Risk Management Training for Employees and Board Members, where appropriate providing awareness courses that address the individual needs of both the manual workforce and office staff.
- 3.2 Training will focus on best practice in risk management, and awareness will also focus on specific risks in areas such as the following:
- Partnership working
 - Project management
 - Operation of Board vehicles and equipment
 - Manual labour tasks e.g. Health and Safety issues

4. Embedding Risk Management

Risk management is an important part of the service planning process. This will enable both strategic and operational risk, as well as the accumulation of risks from a number of areas to be properly considered. Over time the Board aims to be able to demonstrate that there is a fully embedded process.

This strategy and the information contained within the appendices provides a framework to be used by all levels of staff and Members in the implementation of risk management as an integral part of good management.

5. Risks and the Decision Making Process

- 5.1 Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions they should be advised of the risks associated with recommendations being made. The training described in the preceding section will enable this to happen.
- 5.2 The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.
- 5.3 There needs to be a balance struck between efficiency of the decision making process and the need to address risk. Risk assessment is seen to be particularly valuable in options appraisal. All significant decision reports to the Board (including new and amended policies and strategies) should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.
- 5.4 This process does not guarantee that decisions will always be right but it will demonstrate that the risks have been considered and the evidence will support this.

6. Supporting Innovation and Improvement

- 6.1 Managers have been made aware that there are a number of tools that can be used to help identify potential risks:
- Workshops.
 - Scenario planning.
 - Analysing past claims and other losses.
 - Analysing past corporate incidents/failures.
 - Health & safety inspections.
 - Induction training.
 - Performance Review & Development interviews.
 - Staff and customer feedback.
- 6.2 Having identified areas of potential risk, they must be analysed by:
- An assessment of impact.
 - An assessment of likelihood.

This is to be done by recording the results using the risk matrix below:

RISK ASSESSMENT MATRIX

↑ Likelihood of occurrence ↓	HIGH	Low Impact High Likelihood 3	Medium Impact High Likelihood 6	High Impact High Likelihood 9
	MEDIUM	Low Impact Medium Likelihood 2	Medium Impact Medium Likelihood 4	High Impact Medium Likelihood 6
	LOW	Low Impact Low Likelihood 1	Medium Impact Low Likelihood 2	High Impact Low Likelihood 3
		LOW	MEDIUM	HIGH
		← Impact on the Business →		

The high, medium and low categories for impact and likelihood are defined as follows:

IMPACT

- *High* – will have a catastrophic effect on the operation/service delivery. May result in major financial loss (over £100,000). Major service disruption (+ 5 days) or impact on the public. Death of an individual or several people. Complete failure of project or extreme delay (over 2 months). Many individual personal details compromised/revealed. Adverse publicity in national press.
- *Medium* – will have a noticeable effect on the operation/service delivery. May result in significant financial loss (over £25,000). Will cause a degree of disruption (2 – 5 days) or impact on the public. Severe injury to an individual or several people. Adverse effect on project/significant slippage. Some individual personal details compromised/revealed. Adverse publicity in local press.
- *Low* – where the consequences will not be severe and any associated losses and or financial implications will be low (up to £10,000). Negligible effect on service delivery (1 day). Minor injury or discomfort to an individual or several people. Isolated individual personal detail compromised/revealed. NB A number of low incidents may have a significant cumulative effect and require attention.

LIKELIHOOD

High	Very likely to happen	Matrix score 3
Medium	Likely to happen infrequently and difficult to predict	Matrix score 2
Low	Most unlikely to happen	Matrix score 1

7. **Risk Control**

7.1 Using the risk matrix produces a risk rating score that will enable risks to be prioritised using one or more of the “four T’s”

Tolerate	Score \leq 2	Accept the risk
Treat	Score 3 to 5	If possible take cost effective in-house actions to reduce the risk.
Transfer	Score 6 to 8	Let someone else take the risk (eg by Insurance or passing responsibility for the risk to a contractor).
Terminate	Score 9	Agree that the risk is too high and do not proceed with the project or activity.

7.2 Risk assessment and risk matrices provide a powerful and easy to use tool for the identification, assessment and control of business risk. It enables managers to consider the whole range of categories of risk affecting a business activity. The technique can assist in the prioritisation of risks and decisions on allocation of resources. Decisions can then be made concerning the adequacy of existing control measures and the need for further action. It can be directed at the business activity as a whole or on individual departments/sections/functions or indeed projects.

8. **Supporting Innovation and Improvement**

8.1 Risk Management will be incorporated into the business planning process for the Board with a risk assessment of all business aims being undertaken as part of the annual Estimates process.

8.2 The Board’s internal auditor will have a role in reviewing the effectiveness of control measures that have been put in place to ensure that risk management measures are working.

RISK MANAGEMENT STRATEGY STATEMENT

The Board believes that risk is a feature of all businesses. Some risks will always exist and can never be eliminated: they therefore need to be appropriately managed.

The Board recognises that it has a responsibility to manage hazards and risks and supports a structured and focused approach to managing them by approval each year of a Risk Management Strategy.

In this way the Board will improve its ability to achieve its strategic objectives and enhance the value of services it provides to the community.

The Boards Risk Management objectives are to:

- Embed risk management into the culture and operations of the Board
- Adopt a systematic approach to risk management as an integral part of service planning and performance management
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Ensure all employees have clear responsibility for both the ownership and cost of risk and the tools to effectively reduce / control it

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the organisation for risk management
- Incorporating risk management in the Boards decision making and operational management processes
- Reinforcing the importance of effective risk management through training
- Incorporating risk management considerations into Service / Business Planning, Project Management, Partnerships & Procurement Processes
- Monitoring risk management arrangements on a regular basis

The benefits of Risk Management include:

- Safer environment for all
- Improved public relations and reputation for the organisation
- Improved efficiency within the organisation
- Protect employees and others from harm
- Reduction in probability / size of uninsured or uninsurable losses
- Competitive Insurance Premiums (as insurers recognise the Board as being a “low risk”)
- Maximise efficient use of available resources.

RISK MANAGEMENT POLICY DOCUMENT

In all types of undertaking, there is the potential for events and consequences that may either be opportunities for benefit or threats to success. Internal Drainage Boards are no different and risk management is increasingly recognised as being central to their strategic management. It is a process whereby Internal Drainage Boards methodically address the risks associated with what they do and the services which they provide. The focus of good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences.

Risk management is not just about financial management; it is about achieving the objectives of the organisation to deliver high quality public services.

The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and, eventually, the level of the drainage rates.

Internal Drainage Boards need to keep under review and, if need be, strengthen their own corporate governance arrangements, thereby improving their stewardship of public funds and providing positive and continuing assurance to ratepayers. The Board already looks at risk as part of their day to day activities but there is now a need to look at, adapt, improve where necessary and document existing processes.

The importance of looking afresh at risk comes in the wake of a more demanding society, bold initiatives and more challenge when things go wrong. It also arises because of the significant changes taking place as a result of the Defra IDB Review and a letter received from Richard Benyon MP in 2012, further details can be found in the 2013/14 business plan. Internal Drainage Boards currently face pressures that potentially give rise to a range of new and complex risks and which suggest that risk management is more important now than at any other time.

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, the members should, at least once each year:

- a) take steps to identify and update key risks facing the Board;
- b) evaluate the potential consequences to the Board if an event identified as a risk takes place; and
- c) decide upon appropriate measures to avoid, reduce or control the risk or its consequences.

This Risk Management Policy document is designed to be a living document which will be continually updated when new risks are identified or when existing risks change.

The assessment of potential impact will be classified as high, medium or low. At the same time it will assess how likely a risk is to occur and this will enable the Board to decide which risks it should pay most attention to when considering what measures to take to manage the risks.

After identifying and evaluating risks the responsible officer will need to decide upon appropriate measures to take in order to avoid, reduce or control the risks or their consequence.

RISK ANALYSIS**1. TO PROVIDE AND MAINTAIN STANDARDS OF NEEDS BASED SUSTAINABLE FLOOD PROTECTION****1.1 Risk of Being Unable to Prevent Flooding to Property or land**

The Board's main objective is to provide satisfactory water level management within the Board's area.

Flooding could occur in the following ways:

- From failure of coastal defences which are maintained by EA
- From EA Watercourses
- From IDB watercourses
- From riparian watercourses
- From sewers maintained by other authorities
- From surface water

(a) Coastal or Fluvial flooding from failure or overtopping of defences

Consequence: Land and Properties could be subjected to flooding and IDB Pumping Stations could be required to deal with greatly additional flows.

How risk is managed: Board works with local flood authority.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

(b) Flooding from failure of IDB pumping stations or excess rainfall

Consequence: Land and Properties could be subjected to flooding and IDB Pumping Stations could be required to deal with greatly additional flows.

How risk is managed: Board works with local flood authority.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

(c) Flooding from Sewers or riparian watercourses

Consequence: Small areas of land and maybe some properties could be subjected to flooding.

How risk is managed: Board works with local flood authority

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.2 Risk of Loss of Electrical Supply

The Board relies on electrical power for all pumping stations. Loss of supply could be encountered for a number of reasons in the future.

Consequence: Pumping stations would fail to operate
Office and Depot would be unable to function
Telemetry system fails to operate

How risk is managed: Dual drive gearboxes installed at pumping stations to enable pumps to be operated by a tractor.

Large pumping stations have generator connections but the Board would have to hire in generators which may be in short supply.

UPS system fitted to telemetry computer.

Further Work Consider a UPS system for the main server.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

1.3 Risk of Pumps failing to operate

Consequence: High water levels and possible flooding.
Extra expenditure on pumping station maintenance

How risk is managed: Pumping engineer checks at regular intervals
Refurbishment of plant has been carried out
Continued investment planned for pumping stations over next five years.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

1.4 Risk of Watercourses being unable to convey water

Consequence: High water levels and possible flooding.
Extra expenditure on drain maintenance

How risk is managed: Asset conditions are shown on a database
 All watercourses are cleared of weed growth once each year.
 All watercourses are desilted on a regular basis.
 Board regularly check and clear out culverts.

Further work: Continue to review asset conditions in asset database.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.5 Risk of Operating machinery to maintain watercourses

The Board operates excavators and tractor mounted machines to remove weed growth and silt from watercourses. There are risks in operating this machinery.

Risk: Hitting overhead electrical services
 Hitting underground electrical services
 Machines falling into watercourse
 Parts of machine hitting people or other vehicles

Consequence: Damage to Third parties.
 Damage to vehicles
 Injury to staff

How risk is managed: Machinery is regularly serviced
 Machinery is checked twice each year by a qualified engineer
 Health and Safety Policy, reported annually to the Board
 Health and Safety Consultant employed
 All drivers are suitably trained
 All drivers are provided with the required safety equipment
 All machinery is insured by the Board

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.6 Risk of Claims from Third Parties for damage to property or injury

Risk The Board could cause damage to property or injury due to their actions

Consequence: Loss of income
 Extra work for staff

How risk is managed: The Board has adequate insurance.
 The Board train staff to undertake works safely.
 Risk assessments are carried out.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.7 Risk of Loss of Senior Staff

Consequence: Inability to operate efficiently
 How risk is managed: Hire in temporary staff from Agencies or other local Drainage Boards.

Further Work: Formalise arrangements to share staff from other drainage boards.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.8 Insufficient Finance to Carry Out Works

Consequence: Watercourses not maintained in satisfactory condition.
 Pumping Stations more at risk of failure.
 Increased risk of poor drainage and flooding.

How risk is managed: Five year budget to ensure adequate funding.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.9 Reduction in Staff Performance

Consequence: Reduced standards of maintenance.
 How risk is managed: Appraisal system.
 Management systems.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

1.10 Insufficient Staff Resources

Consequence: Reduced standards of maintenance.
 Reduced value for money.

How risk is managed: Review by senior management.
 Reports to Executive Committee.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

2. TO CONSERVE AND ENHANCE THE ENVIRONMENT WHEREVER PRACTICAL AND POSSIBLE TO ENSURE THERE IS NO NET LOSS OF BIODIVERSITY

2.1 Risk of Prosecution for not Adhering to Environmental Legislation

The Board have responsibilities to promote nature conservation and the environment

Consequence: Prosecution for damage to habitat
 Injury or death of fish, birds or mammals

How risk is managed: Board employs an environmental consultant for reports and advice
 Workforce are trained in environmental matters

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

2.2 Non Delivery of Objectives

Consequence: Biodiversity Action Plan not complied with.

How risk is managed: Projects included in capital plan.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	MEDIUM	2	Continue above activities

3. TO PROVIDE A 24 HOUR/365 DAY EMERGENCY RESPONSE FOR THE COMMUNITY

3.1 Emergency Plan Inadequate or not up to date

Consequence: Difficulties in emergency situation.
 How risk is managed: Regular review of plan.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue regular reviews

3.2 Insufficient Resources

Consequence: Inability to provide adequate response.
 How risk is managed: Shared resources with neighbouring Boards.
 Use local farmer's resources.
 Review sources available.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue to review resources

3.3 Risk of Critical Incident Loss of Office

Consequence: Risk of an incident preventing the use of anything at the offices.

How risk is managed: Insurance
 Look into establishing alternative arrangements
 Possibility of Witham Fourth Offices

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

4. TO PROVIDE A SAFE AND FULFILLING WORKING ENVIRONMENT FOR STAFF

4.1 Risk of Injury to Staff and Subsequent Claims and Losses

Consequence: Injury to staff.
Claims for losses
Senior staff liable under Corporate manslaughter Legislation

How risk is managed: Health and Safety Policy, reported annually to the Board
Health and Safety Consultant employed
Staff are trained for the duties that they are required to perform
Risk assessments are carried out for all activities.
The Board has suitable insurance cover against all risks.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

4.2 Risk of not complying with Health & Safety Legislation

If Health & Safety legislation is not complied with there is a risk of work being stopped and officers being prosecuted.

Consequence: Fines and serious delays in work programme.

How risk is managed: A health and safety consultant is employed to advise on policy and to check Health & Safety risk assessments.
Board Health & Safety policy is developed under their guidance.
Regular training of all staff.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

5. TO MAINTAIN FINANCIAL RECORDS THAT ARE CORRECT AND COMPLY WITH ALL RECOMMENDED ACCOUNTING PRACTICE

5.1 Risk of Loss of Cash

Very little cash collected at office

Consequence: Loss of income

How risk is managed: Money placed in safe and banked as soon as possible
The Board has adequate insurance

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue above activities

5.2 Risk of Loss of Money invested in Building Societies & Banks

Consequence: Loss of income

How risk is managed: Money is placed with known Building Societies and banks on the FSA Register.
Only £300,000 is invested in each organisation.
The Executive Committee of the Board reviews the investments on a regular basis.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

5.3 Risk of Fraud by Senior Officers

Consequence: Loss of money

How risk is managed: Two Officers always have to sign each mandate for a transaction.
All transactions are approved by the Board
The Board has adequate insurance.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue above activities

5.4 Risk of Critical Incident Loss of Office

Consequence: Risk of an incident preventing the use of anything at the offices.

How risk is managed: Insurance
Look into establishing alternative arrangements
Possibility of Witham Fourth Offices
Action Plan to be written before January 2013.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

5.5 Risk of Inadequacy of Internal Checks

Consequence: Risk of incorrect wages could be paid.
 How risk is managed: Person who is completing second bank authorisation also completes a sense check on the amount to be paid.
 Significant variations to be authorised by Chief Executive.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

6. TO ENSURE THAT ALL ACTIONS TAKEN BY THE BOARD COMPLY WITH ALL CURRENT UK AND EU LEGISLATION

6.1 Risks to Board Members

There are 21 Board Members who make decisions on the operation of the Board

Risk: Board Members make decisions that involve the Board in extra expense.

Consequence: Liability of Board Members

How risk is managed: The Board has adequate insurance.
 Qualified and experienced staff advise the Board

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue above activities

6.2 Risk of not complying with all Employment Regulations and Laws

There is a risk that the Board may not comply with all regulations and laws.

Consequence: Claims against the Board.

How risk is managed: Insurance
 Advice from consultants and solicitors and the industry
 Finance Officer has regular training in employment law

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

7. A COST EFFICIENT IDB THAT PROVIDES VALUE FOR MONEY SERVICE

7.1 Risk of Collecting insufficient Income to Fund Expenditure

Consequence: Inability to pay staff and creditors
Inability to maintain drains and pumping stations in a satisfactory condition

How risk is managed: Monthly finance reports sent to Members of Executive Committee
Reports to Board Meetings
Cash flow forecasting by Finance Officer

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue above activities

7.2 IDB abolished or taken over

Consequence: Loss of direction from local members.

How risk is managed: Association of Drainage Authorities lobbies on behalf of IDB's.
Regular dialogue with local MP's

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue above activities

7.3 Premises at 72 Carlton Road remain Unsold

Consequence: Low balances

How risk is managed: Produce five year plan with building unsold.
Review major items for expenditure.

		Risk Level	Action
LOW	MEDIUM	2	Monitor

8. INFORMATION TECHNOLOGY & COMMUNICATIONS

8.1 Risk of Loss of Telemetry

Consequence: If the telemetry fails then it will be more difficult to manage the pumping stations.

How risk is managed: Continual review of hardware and software
Back up computers
Pump Engineer's experience
Workmen already assigned to pumping stations can be sent to check on conditions
High Capacity UPS (Battery Backup) in place in case of power cut

Further Work: Continue to maintain trained staff to monitor telemetry.
UPS (Battery Backup) on Communications Cabinet to maintain remote access.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

8.2 Risk of Loss of Telephone Communications

Consequence: Inability to communicate decisions

How risk is managed: All staff have mobile telephones
The Board has an operational two way radio system
4 Digital & 3 Analog lines on site

Further Work: UPS (Battery Backup) on Communications Cabinet.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
LOW	LOW	1	Continue above activities

8.3 Risk of Loss of Internet Connections

Consequence: Unable to remotely connect to office and Telemetry resulting in Employee having to be on site in an event.
Unable to make bank payments
Unable to access information on internet

How risk is managed: Two Broadband internet lines into office
Satellite broadband added to increase resilience

Further Work: UPS (Battery Backup) on Communications Cabinet.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

8.4 Risk of Network Failure

Consequence: All computers and information inaccessible

How risk is managed: Proactive IT Maintenance Contract with external consultants
4 hour response for server or Network failure
Staff with limited training and remote support

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	LOW	3	Continue above activities

8.5 Risk of Network Security Breach

Consequence: Unauthorised access to the Network and information stored on the network

How risk is managed: Hard Firewall installed to prevent unauthorised access to network

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

8.6 Risk of Virus being introduced to Network

Consequence: Malicious damage to hardware and information by various types of virus

How risk is managed: Sophos Antivirus installed on all servers and desktop computers and managed centrally
Hard Firewall installed to prevent unauthorised person introducing virus
Emails filtered off site by Message defence to reduce likelihood of malicious attachments

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

8.7 Risk of Loss of Accounting Records

All of the Board's records are retained on the main server in the communications room

Consequence: Inability to pay staff
 Inability to pay creditors
 Difficulty in finalising accounts

How risk is managed: Records backed up each day
 Insurance for loss of business
 Computer systems are regularly reviewed by trained staff and external IT consultants.
 Volume Shadow software copies back up every six hours
 A system recovery drive has been installed in case of catastrophic failure of server or the network.
 Back up tape is taken off site out of office hours

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

8.8 Risk of Loss of Rating Records

All of the Board's records are retained on the main server in the communications room

Consequence: Inability to check who has paid rates
 Loss of income
 Loss of records of occupiers of land

How risk is managed: Records backed up each day
 Insurance for loss of business
 Volume Shadow software copies back up every six hours
 Computer systems are regularly reviewed by trained staff and by external IT consultants
 Back up tape is taken off site out of office hours

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
MEDIUM	LOW	2	Continue above activities

GLAC...ICE LIMITED LIABILITY BOARD
RISK REGISTER

Objectives	Ref	Risk	Risk Score	Gaps in control	Action Plan	Officer Responsible
To provide and maintain standards of sound needs based sustainable flood protection.	1.1	Being unable to prevent flooding to property or land	3			I Warsap
	1.2	Loss of Electricity Supply	3			I Warsap
	1.3	Pumps failing to operate	3		Maintenance	C Richards
	1.4	Watercourses being unable to convey water	2		Maintenance	I Warsap
	1.5	In operating machinery to maintain watercourses	2		Training	I Warsap
	1.6	Claims from third parties for damage to property or injury	2			I Warsap
	1.7	Loss of senior staff	2			I Warsap
	1.8	Insufficient finance to carry out works	2			D Withnall
	1.9	Reduction in staff performance	2			I Warsap
	1.10	Insufficient staff resources	2		Review	I Warsap
To conserve and enhance the environment wherever practical and possible to ensure there is no net loss of biodiversity.	2.1	Prosecution for not adhering to environmental legislation	2		BAP	I Warsap
	2.2	Non delivery of objectives	2		BAP	I Warsap
To provide a 24 hour/365 day emergency response for the community	3.1	Emergency Plan inadequate or not up to date	1		Review	I Warsap
	3.2	Insufficient resources	2		Review	I Warsap
To provide a safe and fulfilling working environment for staff.	3.3	Critical Incident loss of office	3	None		
	4.1	Injury to staff and subsequent claims and losses	2		Training	I Warsap
To maintain financial records that are correct and comply with all recommended accounting practice.	4.2	Not complying with Health and safety legislation	3		Consultant	I Warsap
	5.1	Loss of cash	1	None		D Withnall
	5.2	Loss of money invested in building societies and banks	2	None		D Withnall
	5.3	Fraud by senior officers	1	None		D Withnall
	5.4	Risk of inadequacy of Internal Checks	2			D Withnall
	6.1	Board members in making decisions	1			I Warsap
	6.2	Not complying with all employment regulations and laws	2			I Warsap
	7.1	Not collecting sufficient income to fund expenditure	1		Accounts	D Withnall
To ensure that all actions taken by the Board comply with all current U.K. and E.U. legislation	7.2	IDB abolished or taken over	1			I Warsap
	7.3	Premises at 72 Carlton Road not sold	2			I Warsap
	8.1	Loss of telemetry	2		Maintenance	C Richards
	8.2	Loss of telephone Communications	1			D Withnall
	8.3	Loss of Internet Connection	2			D Withnall
	8.4	Network Failure	3			D Withnall
	8.5	Network Security Breach	2			D Withnall
	8.6	Virus on Network	2			D Withnall
A cost efficient IDB that provides a Value for Money service.	8.7	Loss of accounting records	2	None		D Withnall
	8.8	Loss of rating records	2	None		D Withnall
Information Technology and Communications						



REGISTER AND REVIEW OF BOARD POLICIES

		Reviewed on					REVIEW	REVIEW
		Jan 2012	Sep 2012	Jan 2013	Oct 2013	Apr 14		
	Business Plan	✓						
1	Risk Management Strategy	✓	✓	✓		✓		annual
2	Risk Register	✓	✓	✓	✓	✓	✓	annual
3	Financial Regulations		✓	✓				5 years
4	Procurement Policy		✓	✓				5 years
5	Investment Strategy	✓						5 years
6	Insurance Arrangements			✓				annual
7	Health and Safety Policy							
8	9 metre Bye-Law	✓						5 years
9	Culverts & Bridges Replacement							5 years
10	Delegation of Authority			✓				5 years
11	Biodiversity Action Plan							annual
12	Standing Orders							
13	Emergency Flood Response Plan	✓				✓		5 years
14	Complaints Procedure	✓						5 years
15	Employees Code of Conduct		✓					5 years
16	Fraud and Corruption		✓	✓				5 years
17	Members Code of Conduct		✓					5 years
18	Whistle Blower		✓					5 years
19	Debit and Credit Card		✓	✓		✓		5 years
20	Officers Car Loan		✓					5 years
21	H&S Asbestos Management Plan							
22	H&S Noise at Work							
23	H&S Display Screen Equipment						✓	
24	H&S First Aid and Accident Recording							
25	Lone Worker						✓	
26	Young Person Health and Safety							
27	The Control of Ragwort				✓			5 years
28	Tile Drains discharging into Boards Watercourses			✓				5 years
29	Control of Rabbits, Rats & other Rodents			✓				5 years
30	Pension Discretion				✓		✓	5 years
31	Publication Scheme			✓				5 years
32	Data Protection			✓				5 years
33	No Smoking						✓	5 years
34	Gift and Hospitality Policy				✓			5 years
35	Fire Management Plan						✓	5 years
36	Manual Handling						✓	5 years
37	Stress						✓	5 years
38	Vibration						✓	5 years
39	Wearing of seat belts in vehicles						✓	5 years
40	Rechargeable Commercial Works						✓	5 years
41	Rechargeable Public Sector Works						✓	5 years

