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 September 2015 at 10:30am

Members

Chairman - * Cllr M Brookes

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

* Member Present

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

The Chairman welcomed Mr D Gowing to the meeting.

802   APOLOGIES FOR ABSENCE

Apologies were received from Mr J G Fowler.

803   MINUTES OF THE AUDIT & RISK COMMITTEE MEETING

Minutes of the last meeting held on the 10th April 2015, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record with the following amendment;

Minute No 728

Paragraph 2, first line – The Chief Executive informed the Committee the Operations Manager, had stated that Copes recommended this policy remain the same and an additional policy be created, a "Near Miss Policy" to identify any trends.

804   MATTERS ARISING

(a)   Risk Management Strategy - Minute No 724

Mr V Barker asked if the BSIDB Staff had been trained to operate the Environment Agency (EA) Black Sluice Pumps.

The Chief Executive stated that he has again approached the EA with the offer to cover 50% of the costs to train two members of the BSIDB staff to work alongside the EA staff in operating the Black Sluice Pumping Station. Unfortunately they have not taken up the offer.

804 Cont.....

(b)   Near Miss Reporting Policy - Minute No 728

The Finance Manager referred to the Committees discussions at the last meeting that a new separate policy be put in place to identify trends in "Near Miss" situations which can be identified and resolved.

Mr R Leggott asked if the workforce are made aware of the necessity to complete reports and understand the Boards policies. In response the Chief Executive stated that all Boards policies are included in the Induction of new staff. All Staff attend training days twice yearly in which all updated polices are discussed and the requirement to complete reports.

The Committee RESOLVED to recommend that the Near Miss Reporting policy should be approved at the next Board meeting.

(c)   Cyber Security - Minute No 731

The Finance Manager stated that information on the rating system is now encrypted.

An external hard drive network attached storage system (NAS) is due to be fitted for the backup data to be stored offsite. Data is sent to the NAS to make it more secure on an encrypted external connection. This will mean that there will no longer be a need to transport backup tapes.

Mr V Barker asked if in a worst case scenario how access would be obtained to the backup files. The Finance Manager answered that the Chief Executive and the Boards IT provider have the relevant passwords.

805   TO RECEIVE A REPORT ON INSURANCE RENEWAL - Agenda Item 4

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

806   TO RECEIVE THE ANNUAL RETURN INCLUDING EXTERNAL AUDITORS OPINION - Agenda Item 5

The Finance Manager presented the completed Annual Return which had been approved at the Executive Committee Meeting held on the 15th June 2015. The External Auditors Grant Thornton have issued a clean report with no recommendations.

The Chairman stated that this is excellent work and a great achievement for the Board.

807   TO RECEIVE INTERNAL AUDIT REPORT FOR 2014/15 - Agenda Item 6(a)

Mr D Gowing presented to the Committee the Internal Auditors Audit Report with a 'substantial assurance' for the third year. Mr D Gowings' final conclusion was that he is very happy with all the controls and having proved that the system worked after a cyber attack with files backed up and systems up and running very quickly. He had no management recommendations and stated that the Black Sluice IDB is the only Board with Substantial Assurance.

The Chairman congratulated everyone involved in all the good work which has gone into attaining this level of assurance.

808   TO RECEIVE AUDIT STRATEGY AND PLAN FOR 2015/16 - Agenda Item 6(b)

Mr Gowing stated that the strategy is the same as last year, with the allocation enough to cover the work required to audit best practice.

This year the areas he will be concentrating on are;

(i)   Rating security and data security backup.
(ii)   Grants

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

The Chairman minuted that matters had been discussed with the Internal Auditor to the satisfaction of the Committee members.

The Chief Executive and Finance Manager returned to the meeting.

809   TO REVIEW THE EMPLOYEES CODE OF CONDUCT - Agenda Item 7(a)

The Finance Manager presented the updated Employees Code of Conduct Policy.

The Committee RESOLVED to recommend that the Employees Code of Conduct Policy should be approved at the next Board meeting.

810   TO RECEIVE FRAUD AND CORRUPTION POLICY - Agenda Item 7(b)

The Finance Manager presented the Fraud and Corruption Policy - highlighted in red are recommended amendments.

A question was asked regarding a corruption scenario of change of BACS details on company headed paper, the Finance Manager stated that if the Board receives notification of change of BACS details then the company would be contacted using previously obtained details, to confirm this before any changes are made if we were at all suspicious.

The Committee RESOLVED to recommend that the Fraud and Corruption Policy should be approved at the next Board Meeting.

811 TO RECEIVE MEMBERS CODE OF CONDUCT POLICY - Agenda Item 7(c)

The Finance Manager presented the amendments to the Members Code of Conduct Policy the Committee made the following amendment;

Note 4
1a(i) & (ii) there should be a gap between anybody it should be any body
2d - the same as above

The Committee RESOLVED with the above amendment to recommend that the policy be approved at the next Board Meeting.

812 TO RECEIVE THE WHISTLE BLOWING CONFIDENTIAL REPORTING CODE - Agenda Item 7(d)

The Finance Manager stated that this policy has been reviewed and no amendments were recommended.

The Committee RESOLVED to recommend that the Whistle Blowing Confidential Report Code should be approved at the next Board Meeting.

813 TO RECEIVE THE OFFICERS CAR LOAN POLICY - Agenda Item 7(e)

The Finance Manager stated that this policy has been reviewed and updated amendments were recommended.

The Committee RESOLVED to recommend that the Officers Car Loan Policy be approved at the next Board Meeting.

814 TO REVIEW THE BOARD'S CATALOGUE OF POLICIES - Agenda Item 8

The Finance Manager recommended that the Financial Regulations and Procurement Policy be moved forward for review in April 2016. The External Auditor last year had reported that these polices be reviewed annually. The Committee discussed whether it would be a worthwhile task to review yearly or 3 yearly.

The Chairman asked Mr D Gowing what would be his view and he stated that 3 yearly would be a comfortable timescale, obviously if there were changes in law or for any other reason these policies could be reviewed at the next available meeting.

The Committee then agreed that the 9 metre Bye Law, Publication Scheme and Data Protection Policies could be moved forward to the April 2016 meeting. All AGREED.

815 TO REVIEW THE RISK REGISTER - Agenda Item 9

The Committee reviewed the Risk Register.

The Committee discussed the risk regarding item ref: 8.5 - Risk of Cyber Attack. The Finance Manager stated that any risk score 4 or above is reviewed.

The Committee reviewed this item at the previous Audit & Risk meeting on the 10th April 2015 and requested a quotation for an insurance policy to cover the risk which was quoted at over £3.5k and therefore was rejected by the Executive Committee.   The Finance Manager displayed the risk matrix on screen.

The Committee agreed that Cyber Attack would always be a risk and therefore should be reviewed.   They agreed to recommend that the potential impact be MEDIUM reducing the Risk Level from 6 to 4.

8.5   Risk of Cyber Attack

Consequence:	All computers and information inaccessible
	Risk of Data Protection Breach
	Security of Information (Keylogger)
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
Further Work	Staff Training
	Unified Threat Management system installed and subscription maintained

Potential Impact of Risk	Potential likelihood of Risk	Risk Level	Action
HIGH	**MEDIUM**	6	**Continue above activities**

The Committee recommended the above amendment be included in the Risk Management Strategy Policy and be approved at the next Board Meeting.

There being no further business the meeting ended at 12:15.