

# **BLACK SLUICE**

## **INTERNAL DRAINAGE BOARD**



# **Audit & Risk Committee Meeting**

**Wednesday, 25<sup>th</sup> April 2018 at 2pm**

**Station Road, Swineshead, Lincolnshire PE20 3PW**



# Black Sluice Internal Drainage Board

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Our Ref: IW/DPW/B10\_1

Your Ref:

Date: 18<sup>th</sup> April 2018

## **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, 25<sup>th</sup> April 2018 at 2pm at which your attendance is requested.

Chief Executive

# 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  
26<sup>th</sup> April 2017 at 2pm

### Members

Chairman - \* Cllr M Brookes

* Mr W Ash	* Mr V A Barker
Cllr R Austin	Mr R Leggott
* Cllr B Russell	Mr N J Scott

\* Member Present

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

#### 1100 APOLOGIES FOR ABSENCE - Agenda Item 1

Apologies for absence were received from Mr R Leggott. Cllr R Austin and Mr N Scott were non attendees.

#### 1101 DECLARATION OF INTEREST - Agenda Item 2

There were no declarations of interest.

#### 1102 MINUTES OF THE AUDIT & RISK COMMITTEE MEETING - Agenda Item 3

Minutes of the last meeting held on the 28<sup>th</sup> September 2016, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

##### (a) Cyber Training – Minute 1017(a)

Mr V Barker asked if the Cyber Training has been arranged for Board Members. The Finance Manager responded that a report is in the agenda for this committee meeting.

There were no matters arising.

#### 1103 TO RECEIVE THE ANNUAL INTERNAL AUDIT REPORT - Agenda Item 5

The Chairman introduced Mr D Gowing and asked him to present his Internal Audit Report.

Mr Gowing stated that this will be his last audit report for the Board and unfortunately, in his opinion, this year it is "adequate insurance" but he would expect next year it will go back to "substantial assurance".

There are two specific problems which are being dealt with and next year the government issues will have gone away and it will be back to substantial again.

He stated that overall, the pure financial systems are really good. There is nothing wrong with them; it is just a couple of governance issues, which place the audit on the cusp between adequate and substantial. The main findings, basically, were very good financial records and transactions which are very easy to go through and all of the year end working papers, everything is there and all balances fine.

Mr Gowing stated he had also checked the Bourne Fen Trust Account, which works well.

He explained that the two minor problems are that there is no Anti Bribery Policy. It was thought to be covered by other policies but it's not. There is an ADA model policy for anti bribery and it has been introduced in today's agenda.

Mr Gowings' other concern is over the one off 0.4% pay award last year which was recommended through the ADA Pay & Conditions Committee and most IDBs prepared a report because it is an additional discretionary payment to report to the Board for approval – Mr Gowing stated he could not find this happening at Black Sluice whereas all the other IDBs that paid the discretionary payment, of which there were four. The remaining IDBs said no as it broke the government pay cap, they were not going to pay it.

The IDBs who paid last year, the majority of them are now saying they will not be paying it this year because it was a one off last year and again it breaks the government pay cap. He accepted that the Treasury has said in their letter that they do not control salaries which is true because the salaries are determined by local government pay bodies but they all have to pay in regard to the pay cap. Mr Gowing agrees that it is the Black Sluice Boards decision. If IDBs believe that salaries are underpaid or need to be increased, then there is a mechanism of job evaluation and he believes this has been recommended by the ADA Pay & Conditions Committee report therefore this would be a way to address it.

Mr Gowing believes that regarding the whistleblowing incident this went further than it should have done. There was information discussed at Executive and Board meetings that should not have been discussed as everything has to be kept confidential, which is the purpose of whistleblowing. He had written to the whistleblowers with the outcomes and there were a number of recommendations made which are being implemented ie the new phones.

Mr Gowing then summarised the management action plan;

- a new anti-bribery policy
- the Board will be looking at the 0.4% Discretionary Payment
- an updated Whistle Blowing policy

Mr Gowing added that other IDBs produce a report to the Executive and Board without recommendations and it will be up to the Board what they want to do, this is the way around any potential conflict of interest because of course the person who writes the report it may be affected by it.

The Chairman stated there was no officer recommendation to pay the 0.4% last year it was done on the recommendation of the Chairman of the Board.

The Finance Manager stated that the recommendation comes from Lincolnshire ADA Pay & Conditions Committee it does not come internally within the Board and the Board members discuss it on the Lincolnshire ADA Pay & Conditions Minutes. The Finance Manager stated he is the secretary on this Committee, he has written the report, which has gone to Lincolnshire ADA and Lincolnshire ADA action any recommendations.

The Chairman added that the Board Chairman is on also on this Committee.

The Finance Manager added that the Chairman of the Board has the delegation of authority to set salary rates.

Mr Gowing then suggested that maybe a governance awareness training session for members and staff. It is not essential but it might be a good idea to go into actual governance, what it is actually about and why one or two of these things happen and ways to improve it in the future.

The Chairman clarified, what Mr Gowing stated, that the 0.4% one off payment we need a report to the Board going forward saying if we are going to make that award this year. Mr Gowing responded just to cover yourselves that is what other IDBs are actually doing.

The Chief Executive asked if it was suggested in the minutes that ADA branch meeting; Mr Gowing responded to cover yourselves properly I would actually say in a report.

The Finance Manager added all it would say is Lincolnshire ADA branch has recommended that and copy and paste from the minutes.

The Chairman stated the recommendation needs to come through as a report with no recommendation on it.

The Finance Manager stated we will do a report to the Executive Committee who have delegated authority.

The Chairman stated regarding the whistleblowing he believed everything was done with the best of intentions and it was about transparency because we were getting feedback that they had not seen any report or anything in any of the Board Minutes that anything had been done about the issues that had been raised.

Mr Gowing stated that is probably where it went wrong, they should not have said anything really because he had written to them detailing the recommendations and what was going to happen and that should have been the end of it, this was sufficient, because it is kept privately between the whistleblowing and the person investigating.

Cllr Russell asked Mr Gowing if he would inform the Board; Mr Gowing responded that if there was something that the Board had to be made to be aware of then yes the person investigating would do that, the investigating person would inform the Board.

Mr Barker believed the issue surrounding the mobile phones on how they were being used which the management executive need to know of the problem.

He added that after the last Board meeting he went downstairs to look at the message board in the workshop as he was given to understand that the whistleblowing policy should have been there and he had checked the white book and it was not there either. The fact that some of our employees do choose to go on the internet and look at what we are saying is good but it cannot be good enough for not having the policies there for them to read. He was disappointed.

The Chairman asked will it be in the future; the Finance Manager responded that no – no one has instructed us to do that he believes all the policies are very public and very available. The workmen are briefed on the policies at their biannual briefings.

Mr Ash asked if they were all on the website; the Finance Manager responded yes except the emergency plan, which is confidential, and the Boards insurance arrangements.

Cllr Russell stated that he has known situations in the past of a bullying/sexual harassment. A decision on that matter was resolved but the investigator did not know that this had happened previously because it had been investigated by a different person. Therefore, if we do not give some detail report to the management how do we insure continuity, how do we make sure the investigator assessing the problem has all the available facts?

Mr Gowing responded normally, it is the same investigator dealing with each case if it is a whistleblowing the outcomes are reported to either the Chief Executive or Chairman of the Board; Cllr Russell responded but this is not necessarily going to be the case.

Mr Gowing stated he has a file on this whistleblowing case; the Chairman asked Mr Gowing as this is his last meeting what happens to those files; Mr Gowing responded he assumes the new internal auditor will contact him; The Chairman agreed that this should happen.

The Chief Executive believed the controlling factor is the whistleblowing investigating officers and in the revised policy at a later agenda item we have introduced a third individual it is now the Chief Executive, Internal Auditor and the Chairman

Cllr Russell stated that his concern is that there should be continuing passage of knowledge.

Mr Barker stated he is not happy with the answer I have been given on the availability of the whistleblowing policy for the employees if it's not on the message board if it's not in the white book and if they don't go on the internet how are they are going to know about it.

The Chairman asked could we put a list of the policies on the notice board and then if they want the detail of that policy it can be found on the website or ask for a copy and then you would be getting the latest version of the policy.

The Finance Manager stated there is a ring binder with all the latest policies in but he is unaware of where it is situated. The Chief Executive added that a list of policies can be placed on the notice board with the proviso that they can contact line managers should they want further details.

The Chief Executive responded to Mr Barker's question that the Finance Manager took Mr Barker down to the workshop and he genuinely believed that the policies were there, but perhaps they are in one of the files in the Operations Managers office.

The Chairman thanked Mr Gowing for his Internal Audit Report and his dealings with the Board over the years. With particular thanks from this Committee.

Mr Gowing concluded that this Board has a very good set up and very good committees which works really well it's a shame that some of the other IDBs don't have it.

1104 TO RECEIVE A REPORT ON ADA POLICIES IN COMPARISON TO THE BOARDS  
- Agenda Item 6

The Finance Manager presented the report on ADA policies, he stated following Mr Gowing identifying the anti bribery and whistleblowing policy were not in line with the ADA policies, the officers undertook to compare all of the Boards policies word by word, to the ADA ones and this report covers those that the officers felt needed immediate attention which have been brought to this meeting hence why there is a few more to review.

(a) New Anti-Bribery Policy

The Finance Manager presented the first new policy anti bribery, which is a carbon copy of the ADA policy and he believes there is no reason to amend it.

The Chairman asked Members if they were happy to recommend adoption of this policy to the board all AGREED.

The Committee RESOLVED to recommend that the Anti Bribery Policy should be approved at the next Board meeting.

(b) New Electronic Information and Communication Systems Policy

The Finance Manager stated that this new policy is because the white book has been reviewed legally and all the electronic stuff has been taken out of the white book because it was not relating to terms and conditions of employment law and therefore it should be a policy. He presented this as a new policy, which has been written for this purpose.

The Committee RESOLVED to recommend that the Electronic Information and Communication Systems Policy should be approved at the next Board meeting.

1105 TO REVIEW THE FOLLOWING BOARD POLICIES - Agenda Item 7

(a) Members Code of Conduct

The Finance Manager stated he had compared the Board to the ADA template and there were some quite considerable differences, items at no 3 were present at the annex which has now been moved into the document, the red section on page 36, has been added.

After reading through this, we actually do this but it is not written down and a lot of it is common sense down on paper therefore in section 5 and 6 it was a case of adding the bits that were missing and he believed there were no reasons not to include it – he presented this to the Committee for review and it will go to the Board meeting in June.

There are some slight amendments to the form that is signed by the members. It asks for you to declare that you have read the members code of conduct policy, the Finance Manager suggested that with the next members election due in November 2018 he did not think Members should be required to renew their forms until then, if the Committee agree. Members AGREED.

Mr Gowing stated that another IDB's external auditor was very interested in this form which did not have this declaration on which nearly lead to their audit being qualified, they had to reduce them.

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

(b) Risk Management Strategy

The Finance Manager presented an updated policy highlighting using the colour terminology, if the Committee do not like it it can be removed. The idea was the red/amber/green analysis by giving it a colour band it gives it more meaning, it is customary to consider any risk with a score of 4 or above. He presented the following reports:

(i) Risk Analysis 1.5 & 1.6 Operating Boards Machinery

This report relates to the operating of Boards machinery, maintaining watercourses and the risk. The Chief Executive stated the main outcome which partly came out of the whistleblowing was adequate training or certification for the workmen using the new Twiga machines. The Board has currently three which are going to be continued to be run. The Board has instigated, with the suppliers of said machinery for the whole of the UK, the Llantra accreditation training being implemented next week for four employees. It is not national recognised or a national certificate but it's a certificate of competence and the Officers are very interested to talk to the workmen once they have received this on how it increases their level of competence. Clearly increased competence comes by experience and you can only get experience by operating the machinery.

The Chief Executive stated that the training for the four selected operatives is a full day and it is not just about which button do you press, it is about appreciation of your surroundings and how close you can or cannot operate next to an open watercourse. It is a learning day and is as much about the environment as it is about the machine.

Mr Barker raised concern over the operators operating the Twiga machines. Operators should have agricultural experience used to going around fields and are well qualified perhaps have a HGV. It should not be operated by someone just because they have a car licence as this does not necessary mean that they will be experienced enough to be working alongside drain sides.



Mr Barker clarified it is all about the experience and the Board might have to pay them more but you should employ a workforce to do that job who are experienced.

The Chief Executive stated that part of the course is appreciating the danger they are surrounded by whilst working drain side. It is not just how to operate the Twiga it is the appreciation of the risk. The Officers have spoken to Irelands Spearhead and if they don't believe that an operative is suitable the officers will discuss further training with that operative in order to manage that risk. The Chief Executive believes the Board has set the way for every Twiga driver in the Country for which there are approximately 30 and he is sure that in a couple of years all operatives will have this certification.

The Chairman wanted to clarify by asking is it a degree of assessment of the operative, and what type of assessment.

The Chief Executive responded that there is no test as such but there is an assessment of the operative and his capabilities with regard to the operation in a safe manner of that machine.

Cllr Russell asked if it was a written assessment; the Chief Executive responded yes it is a qualified assessment by the qualified instructor.

The Chief Executive added that unfortunately we couldn't pay our operatives anymore. The ADA Pay and Conditions Committee are reviewing the pay structure and there may be some light at the end of the tunnel but today we cannot pay additional sums.

The Chairman asked Members if they had any further comments and stated that the Committee had reviewed the risk score of 4 and outlined what is to be done to mitigate that as much as possible.

Mr Gowing added it overcomes and implements one of the recommendations.

(ii) Risk analysis 8.5 Cyber Security Report

The Finance Manager stated this item score has been a 4 since 2015, he presented a very detailed report. He reminded the Committee of the network problem in March 2015.

### **Cyber Security Risks**

The four main types of risk:

- Data breach
- Viruses
- Hacking
- Employee error

These are all system related which we have to protect the server with the most up to date systems. The employee error is the most likely way that the server will have some type of network breach.

The Finance Manager believes as a Board, compared to other IDBs, and as an organisation, compared to other organisations, commercially or otherwise the Board do a great deal more than most to protect the Boards systems and ratepayer's information by doing everything that is listed in the report. The future options have three main strands. The first one being, which has been offered to us by HBP systems our IT consultants, a new system called Intercept X which instead of looking for known viruses on a big list it looks at how these systems are acting and behaviours rather than searching a long list of some kind of virus or trojan horse. It also has the functionality if it does identify that files are being encrypted it will sort the problem out and stop it from happening any further but also it will roll back to where the point started to make all the system good again.

Whereas before we pulled all the plugs, shut down the system and waited for HBP to arrive the next day and put it right, this will do that in the space of half an hour. This is the idea of it and you do not lose any work. By doing it the old way you have to go back to the last back up tape so by doing this you do not lose any work.

It came out, as we were looking at this in the autumn last year the future preventions this would be another layer of our security. It does not replace anything we have already got, it would go on the Sophos system the Board already have. We would have to change our antivirus from a local system to a cloud base system, our cloud base system has the disadvantage of slowing the system down very slightly but you also have the most up to date definitions whether working in the office or dialling in.

Mr V Barker asked was it correct that the server was being hacked over a 100 times a day; the Finance Manager confirmed yes, a bot is a computer trying to get a port into the system, once in it will do the damage or alert somebody that they have gained access.

#### **4.1 Intercept X, Sandstorm & advance anti virus**

The last section is a sandstorm system which is an advanced persistent threat and zero day malware defence solution. This recognises applications and programmes that come into the system disguised as a zip file, pdf, PowerPoint which unravels itself and becomes an encryption programme with encryption key. These programmes are not illegal and our back up system will have an encryption programme just like this but if you do not know the password, you cannot do anything with it so it encrypts all the data and you need the password, so the way they get the password is by asking for a ransom. The sandstorm system identifies these and sends them to a sandbox, which is a base where the bomb is placed, and then if there is something in there you do want, and you know where it is from, then you can then go and grab it back out.

If it is not, it will stay in there and will be dealt with and destroyed and never get onto the server. It happens in the cloud rather than on the server. The unfortunate thing about it is that the whole thing, for 3 years, is £7,074. It will replace the current Sophos antivirus so they will give a credit for the Sophos antivirus. Broken down to years it is £2,358 per year, we will get back the £590 per year from the current antivirus which equates to a cost of £1,770.

## 4.2 Insurance

One thing we have looked at with the NFU Insurance was the cybercrime insurance policy to insure against this risk. Obviously we reported from the last meeting and that is all come about and this; the two options being the cyber policy of £1,830 with the additional crime policy for £1,512. The understanding is that the Board has to do everything it can to make sure that everything is protected. The Finance Manager stated it is a lot of money. The Officers are looking at options to protect the Board in the first place, if the Board insures and the insurance company say we did not do that when you could have done then the insurance is not worth anything.

The Chairman clarified you might as well do it and save yourself the insurance premium.

Cllr Russell stated this is an ever moving feet. His concern is that the fact of these systems seems fantastic at the moment and in 6 months' time doing the best we can with the current data.

Cllr Russell then asked do you get one or the other, the Finance Manager clarified that you get all three cloud based antivirus, the intercept x and the sandstorm which goes with our current UTM, unified threat management system. This is three different levels of protection. Cllr Russell stated he would rather go with the protection even though it costs more.

The Finance Manager stated there is the option of doing it and insuring as well for the future risks, the Finance Manager is working on the presumption that the Committee has rejected it in the past and the Board is doing absolutely everything to protect the server and we have proven that actually with even what we have now we could be back up and running and only lose half a day's work.

Cllr Russell stated that although it would be inconvenient it would not cause lasting damage.

Cllr Russell asked is our off site storage up to date? The Finance Manager responded it is a tape which he takes off site these are two weekly back up. Cllr Russell asked if this is enough; the Finance Manager responded that it has been suggested that we have a monthly back up as well so at the end of each month we do a backup and keep it in a fire safe somewhere just in case a virus hides and is working for a full two week period.

The Chairman asked how long does it take to do the monthly back up; the Finance Manager responded its takes minutes, he then asked would it need to be twelve months, six months?

Mr V Barker suggested perhaps yearly because of the Boards accounts.

The Finance Manager stated that the tapes are perhaps around £40/£50 therefore for a years' worth of 12 tapes it would be £500/£600. It is a lot of assurance for £600.

The Chief Executive asked the implementation of these future options if we purchased and implanted it do they offer any benefit to any of our other insurance covers ie reduction of risk; the Finance Manager responded no nothing, it is just the Board doing its due diligence.

### **4.3 Staff Training**

The Finance Manager then concluded with item 4.3 the staff training which had been previously discussed. The Lincolnshire Chamber of Commerce are not allowed to operate with local authorities, the Finance Manager will look further at other colleges or HBP. HBP because of who they are specialising in IT, at £1,300 per day which seems a lot but if they are going to come here with their expertise and with a structured training programme they are probably the best people if they can get it to our level.

Cllr Russell asked how many could they train on one day, they could do two half day sessions and cover everyone.

The Finance Manager concluded that the item 4.1 would cover the first three risks, the data breach, viruses and hacking and then the training would cover the employee risk. Even though as much as we offer training even the most savvy computer user is always going to be at risk.

Cllr Russell proposed that the Committee agree to the upgrade in the systems – go with the recommendations 4.1, 4.3 and implement monthly backups on a twelve monthly cycle. The Committee AGREED.

The Finance Manager clarified that this can be implemented from this Committee, and reported to the Board as part of the risk register from a delegation of authority point of view to get it done sooner rather than later.

### **(c) Delegation of Authority**

The Finance Manager stated that some alterations have come from the ADA template documents. The split of duties between the Chairman and the Chief Executive, with the Board having full Delegation of Authority which includes all the Committees and the Officers. There is a lot of detail and common sense which was within that document which was not included, and because this Board runs as it does with the duties of the Chief Executive effectively split with the Finance Manager he has tried to pick out which comes under each person. The Chairman's responsibilities were based on what was mainly there to start with.

The Finance Manager asked if this Committee are happy to proceed.

The Committee RESOLVED to recommend that the Delegation of Authority Policy should be approved at the next Board meeting.

(d) Whistleblowing Confidential Reporting Code Policy

The Finance Manager presented the changes in paragraph two adding "Board Members" – explaining if a Board Member makes a decision or takes an action that they do not want to raise with anyone within the Board they need to go to the Chief Executive, internal Auditor or the Board Chairman. That is where it covers this and they were not covered by the Whistleblower policy, plus how to raise a concern "the Board Chairman" has been added in line with the ADA Policies and the Board Chairman is happy to proceed with this amendment.

Under Section 11 "the Responsible Officer"

Mr Gowing then made reference to the discussion at the Board meeting that it is not necessary to discuss stating under section 6 it states confidentiality and about the person investigating reporting in section 10 to the Board. Mr Gowing added that a report should be - this is what happened, these were the outcomes.

The Finance Manager asked if you do not discuss how do you draw on the lessons learnt?

Mr Gowing responded he would have reported there were 3 issues investigated and stated 1 was no problem, 2<sup>nd</sup> and 3<sup>rd</sup> one was due to phones and the other due to safety and use of machines and these were the recommendations made which have been implemented.

The Finance Manager stated that the Executive Committee instructed the Chief Executive to find training to alleviate one of the concerns and instructed the Finance Manager to look at the lone worker policy and how we were going to take that forward. The new phones have an android app on a smart phone, which is available to view in the Finance Managers office.

The Finance Manager explained that without the Executive instructing us to do those things, how do we get those learning points out. How does the Executive know what the problems are to be able to instruct the Officers – Mr Gowing responded because the Executive were briefed on the issues and recommendations.

The Finance Manager asked to clarify what Mr Gowing was saying that we should not discuss it at Committee meeting, are we supposed to discuss it behind closed doors; Mr Gowing responded you don't discuss the detail and who said what.

The Finance Manager stated he does not have authority to carry out on his own back and neither does the Chief Executive the phones could be a £22,000 contract. It has to be driven by the Executive Committee.

Mr Gowing stated his recommendation was to review it.

The Finance Manager added that we have to discuss what has been reviewed and what we need to do to put it right.

The Chief Executive asked was that recommendation passed to the Chairman of the Executive Committee; Mr Gowing responded yes and to the Chief Executive.

Mr Gowing stated you do not need the detail behind the matter, what was found and the recommendations are needed.

The Finance Manager asked where is this paragraph – he has not had this paragraph he has had a verbal report from Mr Gowing and a verbal report from the Chairman – he has not had a paragraph saying this is the recommendations.

The Chairman then asked presumably the Chairman of the Executive Committee did; Mr Gowing responded no he did it verbally.

The Finance Manager queried without discussing it how do we get to the point where we know what needs to be done; Mr Gowing responded the information was not put down in writing it was done verbally, perhaps it should have been in writing.

The Finance Manager stated the mistake we then made verbally taking it to the Executive we have gone more than Mr Gowing wanted.

The Chairman added that the danger is to pass on verbally then when it transferred onto someone else verbally, it can get changed so we probably need to have it in writing from the investigator.

Mr Gowing stated in the policy it says maintain a record of the concerns raised and the outcomes but in a form that is not affecting someone's confidentiality.

Mr Gowing admitted he had done this verbally and for an improvement that should have been done in writing.

Clr Russell agreed that in section 11 the words "in writing" after report should be added. All AGREED.

The Finance Manager stated that we should inform ADA that the template needs to be changed. The Chairman concluded that there is a danger in interpretation in passing the message when it is passed verbally so he felt that to overcome this problem would be a report in writing.

The Committee RESOLVED to recommend that the Whistleblowing Confidential Reporting Code Policy should be approved at the next Board meeting.

(e) Commercial Works Policy

The Chief Executive presented this policy on page 88, which has been reviewed with no changes.

The Committee RESOLVED to recommend that the Commercial Works Policy should be approved at the next Board meeting.

(f) Rechargeable Public Sector Cooperation Agreement Policy

The Chief Executive presented this policy on page 89, which has been reviewed with no changes.

The Committee RESOLVED to recommend that the Rechargeable Public Sector Cooperation Agreement Policy should be approved at the next Board meeting.

1106 TO REVIEW THE PERIOD 11 BOARDS MANAGEMENT ACCOUNTS - Agenda Item 8

The Finance Manager pointed out that these management accounts are not in the agenda for the actual figures these are in here to show the Committee what is and can be produced. The Board review the management accounts three times a year and each period/monthly set is sent to the Executive Committee. He stated that this is an opportunity for this Committee to review the format and ask Members if anything needs to be looked at in more detail or anything which is not covered. He invited questions.

Mr Barker pointed out that there are exceptional expenses on SFFD maintenance and asked whether this should be a separate item?

The Finance Manager suggested perhaps a breakdown of budget v actuals on a monthly basis.

The Chief Executive responded that this information is there but obviously on a substantial contract over a particular value that can be included. He asked if the Committee wanted to determine a figure, a contract value, whereby figures can be presented, can we leave that decision to the Finance Manager as to what's exceptional.

The Finance Manager stated that the public sector cooperation agreement run at about £90,000 but they are due to increase this year for the Environment Agency. They are broken down into individual jobs over 50 sites. If we have some level of value on schemes whereby they would be broken down reports, he presented a slide showing a spreadsheet for schemes report for management use. The information is there and this could be something, which could be adapted into more detail

The Chief Executive stated that this is one site, which is £1.5 million. In the commercial works policy, we have put a figure of "anything over £40,000" would be referred to the Committee and then the Board which would be a single scheme.

Cllr Russell reminded Members that it is a highly visible site and it can distort the figures.

The Chairman asked Members at what point should a scheme be reported in this format.

Mr Ash suggested a figure of £100,000.

The Finance Manager stated he could break down the SFFD Scheme and put the detail and the cost / budget and difference. He could do a separate report, which will be quite detailed and probably broken down into bushing, cutting pumping etc

The Chairman asked members if they agree with a figure of £40,000 and this can be reviewed if it is not enough or too high. All AGREED.

The Chief Executive suggested as an idea, for example, a regular contract, hand roding for the District Council is £33,000 per year, the Calders & Grandidge contract was £89,000. If the value is set at c£40,000 it would bring up the one off schemes, if the Committee still have questions on contracts which are below the c£40,000 value it can be reviewed down.

The Finance Manager suggested to the Chairman that perhaps the Internal Auditor would want to look at the SFFD Scheme as it is over 50% of the Boards annual income. Due to the SFFD scheme scale it would be something for the Internal Auditor to have a special look at. The scheme is undertaken under the Public Sector Cooperation Agreement. There is no requirement for the Board to engage an external auditor to look at it but the Finance Manager believes anything over £1 million, ie if it was a Grant in Aid funded project it would have to be externally audited but because we are performing this scheme as a contractor there is no requirement. Therefore, if the Internal Auditor reviewed it, it would be a good idea

The Chief Executive reminded the Committee the Environment Agency can request all our financial expenditure details to be reviewed.

Mr Gowing added that the EA used to have a large internal audit section that looked at schemes.

#### 1107 TO REVIEW THE RISK REGISTER - Agenda Item 9

The Finance Manager stated that the colour coded matches in with the policy and the register had had additional columns for potential risk and likelihood, he believes it helped highlighted the items with high risk with low likelihood and just gave the spreadsheet more meaning.

The Chief Executive made reference to the item 1.5 with the Llantra training, could this be reviewed and offer a reducing in the score.

#### 1108 TO REVIEW THE BOARD'S CATALOGUE OF POLICIES - Agenda Item 10

The Chairman introduced the next item. This Committee has maintained and reviewed all policies as the Committee has got on top of these policies by spreading them out. The Finance Manager stated that the Lone Worker will move to the September 2017 meeting, the annual accounts will be presented also, he will review what is on the long term review list and see what can be brought forward. He then asked if any of the Members wanted a particular policy for review. This Committee can then look at what can be brought forward.

Mr Barker explained that he had attended a few of the Boston Barrier public enquiry meetings and he was rather dismayed that in a severe event extra tide locking at grand sluice would also affect us at Black Sluice if we had tide locking and did not have the ability to discharge by gravity which is our principle discharge it is going to affect our flood risk and he doesn't know the way forward.

The Finance Manager asked what policy this should go under, and suggested it should be a risk and be added to the risk management strategy policy and risk register.

The Chief Executive clarified that occurrence is tide locked and if we had a fluvial event how do we discharge today? Mr Barker responded pumps and gravity. The Chief Executive responded not gravity when tide locked. Mr Barker replied we only have two pumps, the Chief Executive responded we would have to request the EA turn on the pumps which would be the only relief method. It would depend on what type of fluvial event it is. We have a scenario there are only two pumps, we would like more but we hope two pumps would be running.



The Finance Manager directed the Members to page 52 – item 1.1 regarding the coastal or fluvial flooding – potential would be high, Mr Barker added that from his observations at these meetings there is an increased risk likelihood because of the inability to discharge water from Grand Sluice which would then affect the inability to discharge water by gravity, the Toms Report which refers to the ability to discharge water.

The Chief Executive wanted to clarify that Mr Barker is discussing the river Witham and Grand Sluice not the SFFD. Mr Barker was unable to get to this meeting.

The Finance Manager directed members to the matrix on page 48, the potential impact is high and it reaches all that criteria and he believed is most unlikely to happen. Cllr Russell agreed that he would not want that to move from low to medium.

The Chief Executive added that he agreed with Mr Barker's statement that it is ever increasing but it will be a long time before it gets from low to medium.

The Chairman asked members if they were happy with the risk score for Item 1.1 and agreed no further action at this point of time.

There being no further business the meeting ended at 15:46.

**+AUDIT PLANNING MEMORANDUM**

<b>Client:</b>	Black Sluice Internal Drainage Board		
<b>Review:</b>	Annual Internal Audit of the IDB		
<b>Approved:</b>	Annual Audit for 2017/18		
<b>Scope of Review</b>			
The audit review will cover the following key areas:			
<ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Accounting Records</li> <li>• Expenditure</li> <li>• Budget</li> <li>• Income</li> <li>• Petty Cash</li> <li>• Payroll</li> <li>• Assets</li> <li>• Bank</li> <li>• Accounting Systems</li> </ul>			
<b>Additional Areas to be Covered (as requested by the client)</b>			
None			
<b>Additional time required:</b>	None	<b>Approved by:</b>	N/A
<b>Name of Auditor(s):</b>	Chris Harris – Audit Director		
<b>Audit Lead</b>	Chris Harris – Audit Director		
<b>Planned Start Date:</b>	16 January 2018	<b>Fieldwork Completion Date:</b>	17 January 2018
<b>Client Contacts:</b>	Daniel Withnall		
<b>Meetings required with:</b>	Daniel Withnall Ian Warsap		
<b>Documents required in advance of the review:</b>	Previous internal audit report for 2016/17, if not previously provided Standing Orders, Financial Regulations, Contract letting procedures Risk Register(s) Board Agenda and Minutes for 2017/18 Committee Agenda and Minutes for 2017/18 Asset Register		
<b>Exit Meeting / Post Audit Meeting</b>			
<b>To Be Held With:</b>	Daniel Withnall	<b>Date:</b>	17 January 2018
<b>Reporting Arrangements:</b>			
<b>Draft &amp; Final Report to:</b>	Daniel Withnall Ian Warsap		
<b>Copies to:</b>			
<b>Date APM issued:</b>	21 December 2017		

**BLACK SLUICE INTERNAL DRAINAGE BOARD**

**AUDIT & RISK COMMITTEE – 25<sup>TH</sup> APRIL 2018**

**AGENDA ITEM No 5(b)**

**INTERNAL DRAINAGE BOARD – AUDIT PROGRAMME 2017/18**

Follow up of all and any recommendations from previous audit work.

**Directed Risks**

Governance

- 1) Review Constitution, Standing Orders, Financial Regulations, Award of contracts and other procedures
- 2) Review Board agendas and minutes for the year
- 3) Review Committee agendas and minutes for the year

Risk Management

- 1) Review risk management policy and procedures
- 2) Review risk register
- 3) Review process and procedures for how risk is managed on a day by day basis
- 4) Review key objectives for the IDB and the risks associated with achieving these objectives
- 5) Review the controls in place to mitigate these risks and see how effective they are

**Operational Risks**

Accounting Records

- 1) Review the accounting records for the IDB
- 2) Are these up to date and in balance

Expenditure

- 1) Review accounts payable (creditors)
- 2) Test a sample of payments made to verify they have been correctly paid. Check if possible the receipt of the goods. Check accuracy, procedures (purchase order system) and approval process – was this in accordance with Financial Regulations.
- 3) Check treatment of VAT

Budget

- 1) Review the budgetary arrangements.
- 2) Review the precept of rates
- 3) Review how the budget is monitored
- 4) Review reserves and the policy for these

### Income

- 1) Review accounts receivable (debtors)
- 2) Review debt collection procedures
- 3) Review any write off arrangements
- 4) Review recording and banking of income
- 5) Test a sample of payments received to verify they have been correctly dealt with. Check accuracy and procedures – was this in accordance with Financial Regulations
- 6) Check treatment of VAT

### Petty Cash

- 1) Check the Petty Cash arrangements
- 2) Verify Petty cash is in balance, test a sample of transactions for relevance and accuracy and that a valid receipt is present.
- 3) Check treatment of VAT

### Payroll

- 1) Review the payroll system
- 2) Test a sample of employees for accuracy of pay and treatment of variations including Tax and NI
- 3) Verify PAYE and NI requirements have been met

### Asset Register

- 1) Verify the asset register is complete and up to date
- 2) Verify where possible the asset and investment exists

### Bank

- 1) Verify and confirm bank reconciliations have been regularly undertaken
- 2) Confirm end of year bank reconciliation

### Accounting Statements

- 1) Verify accounting statements have been undertaken and reconciled to the cash book
- 2) Review and verify the audit trail of sums feeding into the accounting statements



**Black Sluice Internal Drainage Board**

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**Assurance Review of the Governance, Risk and Control Arrangements**

**2017/18**

## Executive Summary

### OVERALL ASSURANCE ASSESSMENT



### OVERALL CONCLUSION

- Overall the Black Sluice Internal Drainage Board has good systems in place and the governance, risk and control arrangements are working well.**
- All matters arising from the previous internal audit report in 2017/18 have been satisfactorily resolved.
  - Some minor changes to Financial Regulations are recommended to further improve the control framework.

### RATIONALE AND SCOPE

The audit review covered the following key areas as described in the Practitioners Guide for Smaller Authorities:

- Governance
- Risk Management
- Accounting Records
- Expenditure
- Budget
- Income
- Petty Cash
- Payroll
- Assets
- Bank
- Accounting Systems

### ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	3

## Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	It was noted in Financial Regulation 5.5 that the level of drainage rates collected, although shown within the management accounts, may not have identified the actual level collected at the time of the Board meeting. It is therefore suggested that the Ledger Summary of the drainage accounts (with some explanatory narrative) be reported to each Board meeting. This would then identify the total rates due, the sum collected to date, writes offs etc as well as the sum still to be collected. This would then provide the Board with meaningful drainage rate collection data at each of its meetings.	To comply with Financial Regulation 5.5, a report on the level of drainage rates collected be included on the agenda for each Board meeting.	3	The Management Accounts will be amended from the new financial year to show more detail in the collection of drainage rates.	01/04/18	Finance Manager

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT**

Control issue on which action should be taken at the earliest opportunity.

**3**

**ROUTINE**

Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	The majority of income is the penny rate and the levy on local authorities. A number of transactions, particularly those relating to staff (sale of PC to Chief Executive), were reviewed and found to be in order including the treatment of VAT. As good governance, it would be appropriate to have a procedure for disposing of surplus equipment to staff to avoid any adverse criticism in this regard.	A procedure for disposing of surplus equipment to staff be developed and included within Financial Regulations.	3	The Financial Regulations will be presented to the Audit & Risk Committee on 25/04/17 with this amendment proposed.	25/04/17	Finance Manager

PRIORITY GRADINGS

**1** URGENT Fundamental control issue on which action should be taken immediately.

**2** IMPORTANT Control issue on which action should be taken at the earliest opportunity.

**3** ROUTINE Control issue on which action should be taken.



## Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
1	Directed	Financial Regulation 5.1 be expanded to include procedures for the collection of income.	<i>The Financial Regulations will be presented to the Audit &amp; Risk Committee on 25/04/17 with this amendment proposed.</i>
2	Compliance	A separate Credit Card policy and procedure be developed and included within Financial Regulations.	<i>The Financial Regulations will be presented to the Audit &amp; Risk Committee on 25/04/17 with this amendment proposed.</i>
3	Compliance	The policy for reserves be included within Financial Regulations.	<i>The Financial Regulations will be presented to the Audit &amp; Risk Committee on 25/04/17 with this amendment proposed.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures, rather than on a one-by-one basis

## Detailed Findings

### INTRODUCTION

1. This review was carried out in January 2018 as part of the planned internal audit work for 2017/18. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

### BACKGROUND

2. Black Sluice Internal Drainage Board requires an annual internal audit in accordance with Governance and Accountability for Smaller Authorities in England Practitioners Guide.

### MATERIALITY

3. The annual turnover for the Black Sluice Internal Drainage Board is some £2.4 million.

### KEY FINDINGS & ACTION POINTS

4. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

### SCOPE AND LIMITATIONS OF THE REVIEW

5. The audit review covered the following key areas as described in the Practitioners Guide for Smaller Authorities:

- Governance
- Risk Management
- Accounting Records
- Expenditure
- Budget
- Income
- Petty Cash
- Payroll
- Assets
- Bank
- Accounting Systems

**DISCLAIMER**

6. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

**RISK AREA ASSURANCE ASSESSMENTS**

7. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

**ACKNOWLEDGEMENT**

8. We would like to thank staff for their co-operation and assistance during the course of our work.

**RELEASE OF REPORT**

9. The table below sets out the history of this report.

Date draft report issued:	29 <sup>th</sup> January 2018
Date management responses received:	12 <sup>th</sup> February 2018
Date final report issued:	15 <sup>th</sup> February 2018

10. The following matters were identified in reviewing the Key Risk Control Objective:

**Directed Risk: Failure to direct the process through approved policy & procedures.**

10.1 From the previous Internal Audit completed in April 2017 four recommendations were made:

**Recommendation 1:** Agree and Introduce an Anti-Bribery Policy. The Anti-Bribery Policy was introduced and agreed by the Board at its meeting on 14<sup>th</sup> June 2017.

**Recommendation 2:** When the 2017/18 pay award is reported to Executive/Board ensure that the additional 0.4% is recorded as a one-off discretionary payment in addition to the 1% even though it was a one-off for 2016/17. It should also be reported that it breaches the Government public sector pay cap. To help ensure no conflict of interest criticism can be made there should be no officer recommendation in this report. This matter was resolved at the Board meeting on 14<sup>th</sup> June 2017.

**Recommendation 3:** Consider a governance awareness training session for Members and staff. This matter has been referred to the new Internal Auditor to consider. Based on the 2017/18 plan and data reviewed the new Internal Auditor is not of a view that training is required at this time.

**Recommendation 4:** Ensure the integrity of the Whistleblowing policy is maintained. A Whistleblowing Confidential Reporting Code Policy was adopted by the Board at its meeting on the 14<sup>th</sup> June 2017. In addition, the Board agreed that the Whistleblowing Policy integrity is being maintained.

10.2 The following Policies and Procedures were reviewed:

- Standing Orders;
- Financial Regulations; and
- Procurement Policy.

10.3 It was noted in Financial Regulations 5.1 that procedures for the collection of all income due were missing. The Finance Manager agreed to insert these into the next revision.

**Operational Effectiveness Matter: 1**

**Financial Regulation 5.1 be expanded to include procedures for the collection of income.**

10.4 It was noted in Financial Regulation 5.5 that the level of drainage rates collected although shown within the management accounts may not have identified the actual level collected at the time of the Board meeting. It is therefore suggested as an example that the Ledger Summary of the Drainage Accounts (as adapted and with some explanatory narrative) be reported to each Board meeting. This would then identify such matters as the total rates due; the sum collected to date; writes offs; etc as well as the sum still to be collected. This would then provide the Board with meaningful drainage rate collection data at each of its meetings.

**Recommendation: 1**

Priority: 3

**To comply with Financial Regulation 5.5, a report on the level of drainage rates collected be included on the agenda for each Board meeting.**

- 10.5 Board agendas and minutes for 2017 were reviewed. These were found to be comprehensive and clear with detailed minutes being taken. They represented a good example of what should be reported to the Board and their content demonstrated that financial procedures were in order and that good governance was apparent.
- 10.6 Committee agendas and minutes for 2017 were reviewed. These were found to be comprehensive and clear with detailed minutes being taken. They represented a good example of what should be reported to a Committee and their content demonstrated that financial procedures were in order and that good governance was apparent.
- 10.7 The Risk Management Policy and Strategy was reviewed. It was noted that this was last approved by the Board on 14<sup>th</sup> June 2017. The Policy and Strategy is reviewed annually by the Board.
- 10.8 The risk register is comprehensive and covers the main risks associated with a drainage board. The Risk Register is reviewed at every Board meeting.

**Compliance Risk: Failure to comply with approved policy and procedure leads to potential losses.**

**Accounting Records**

- 10.9 The Accounting Records for Black Sluice IDB were reviewed and found to be in order.  
**Accounts Payable (Creditors)**
- 10.10 A sense check was carried out on all creditor payments from 4<sup>th</sup> April 2017 to 20<sup>th</sup> December 2017. All payments looked reasonable and the payments related to the activities of a drainage board. Five creditor payments were selected for a more detailed review. These five creditor payments were in order and had been appropriately authorised.

- 10.11 From the sample of five creditor payments above these had been correctly paid and VAT had been correctly applied. All transactions had been properly approved in accordance with Financial Regulations.
- Purchase Orders**
- 10.12 The Purchase Ordering system was reviewed and it was confirmed that goods received had been confirmed and invoices had been matched back to the purchase order.
- Credit Cards**
- 10.13 Each member of the Management Team (3 people) at Black Sluice IDB hold a company credit card. Each card has an individual credit limit. The credit card statements are reconciled monthly and all transactions are posted to the appropriate accounts. While credit cards are referred to both in the Procurement Policy (Section 5) and in Financial Regulations (Section 9.6) there is no specific policy for the use of credit cards. It would be good practice to have a Credit Card Policy which would give guidance for the use of the cards to avoid any misunderstanding.

#### **Operational Effectiveness Matter: 2**

##### **A separate Credit Card policy and procedure be developed and included within Financial Regulations**

- 10.14 Credit Card transactions for November 2017 were reviewed. These were found to be in order with the monthly statement reconciled and all transactions posted to their correct accounts. VAT had also been correctly accounted for.
- Budgetary Control**
- 10.15 There is a good system of budgeting in place and for 2018/19 it was noted that the budget was showing a small deficit. The budget was also projecting a working balance of some £1 million after this deficit was taken into account.
- 10.16 Management Accounts are produced every month which show the actual income/spend against the budget and the variance. It also shows the year to date figures.
- Drainage Rates and Levies**
- 10.17 The drainage rate and levies were reviewed and found to be in order. It was noted the low level of drainage rate income that was still outstanding represented just 0.1% of the total income due from drainage rates i.e. some 99.9% of drainage rate income had been collected in 2017/18.
- Reserves**
- 10.18 Estimated reserves for 2018/19 were expected to be circa £1 million, however, the policy is for reserves to be a level around 20% of expenditure. It would be good practice to have within Financial Regulations a policy statement on reserves.

**Operational Effectiveness Matter: 3**

**The policy for reserves be included within Financial Regulations**

**Future Forecasting**

10.19 Future year's forecasting over a ten-year period shows the estimated reserves to be reducing year on year down to around 25% of expenditure by 2027/28. This is acceptable to avoid a potential budget deficit in 10 years' time.

**Accounts Receivable (Debtors)**

10.20 Miscellaneous accounts are issued as required to identify income due to the IDB. A collection procedure for this income should be stated within Financial Regulations in an expanded Section 5.1. (Operational Effectiveness Matter 1 refers).

10.21 Debt collection procedures for the Drainage Rate is clearly defined and flows from the date the invoices are sent out (usually April) with court action being instigated normally around September each year for non-payment.

10.22 Write offs are presented to the Board and will inevitably be for drainage rates that cannot be collected.

**Income**

10.23 The majority of income is received via a bank transfer. Cash is normally retained and used as petty cash. Cheques are banked at the local Post Office as and when received. The recording and banking of income was working well.

10.24 The majority of income comes from the penny rate and the levy on local authorities. A number of transactions particularly those relating to staff (sale of PC to Chief Executive) were reviewed and found to be in order including the treatment of VAT. As good governance it would be appropriate to have a procedure for disposing of surplus equipment to staff to avoid any adverse criticism in this regard.

**Recommendation: 2**

Priority: 3

**A procedure for disposing of surplus equipment to staff be developed and included within Financial Regulations.**

**Petty Cash**

10.25 Petty cash is maintained on a rolling basis with cash received added to the petty cash and cash payments made as required. The petty cash is reconciled monthly and signed off by the Finance Manager.

- 10.26 The petty cash was checked and verified to be correct. Receipts are given for cash received and receipts obtained for cash given out. VAT is accounted for as required.
- Payroll**
- 10.27 The payroll system is well established. A review of the December 2017 payroll identified discretionary payments to the management team. These were approved by the Chair of the Board and were in accordance with the "White Book".
- 10.28 A sample of five employees was checked and it was confirmed that their pay data was in order.
- 10.29 Monthly payments in accordance with HMRC requirements are made. Receipts via the HMRC Gateway were confirmed.
- Asset Register:**
- 10.30 The Asset Register is current as at the 31 March 2017. The register is comprehensive and includes all IDB assets e.g. Land, Buildings, Plant, Equipment and Pumping Stations.
- Bank reconciliations**
- 10.31 These have been regularly undertaken. November 2017 bank reconciliations were examined and confirmed to be in order.
- Financial statements**
- 10.32 These are undertaken and these reconcile to the cash book.
- 10.33 Data feeding into the accounting statements was confirmed to be correct.

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# **Black Sluice Internal Drainage Board**

## **Risk Management Strategy**

## **Risk Management Policy**

## **Risk Analysis**

Updated	<b>25<sup>th</sup> April 2018</b>
Board Approved	
Due for Review	

## **Contents**

1. Purpose, Aims & Objectives
2. Accountabilities, Roles & Reporting Lines
3. Skills & Expertise
4. Embedding Risk Management
5. Risk and the Decision Making Processes
6. Supporting Innovation & Improvement

## **Appendices**

- 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 Risk Management Strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives. See attached Risk Management Policy Statement, Appendix A.
- 1.2 The Boards 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 following 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 Board's overall risk management strategy, and will report directly to the Board.

2.5 The Board's Chief Executive will be responsible for the Board's 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**

<b>High</b>	Very likely to happen	Matrix score 3
<b>Medium</b>	Likely to happen infrequently and difficult to predict	Matrix score 2
<b>Low</b>	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”

<b>Tolerate</b>	Score $\leq 2$	Accept the risk
<b>Treat</b>	Score 3 to 5	If possible take cost effective in-house actions to reduce the risk.
<b>Transfer</b>	Score 6 to 8	Let someone else take the risk (eg by Insurance or passing responsibility for the risk to a contractor).
<b>Terminate</b>	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 Board's 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 proposal to carry out future capital and maintenance works on the current Environment Agency pumping stations and main rivers within the catchment will introduce increased risks to the Board.

The Board's existing risk management plans and policies will be applied to the works programmes with a special emphasis on Policy No. 41, Public Sector Co-Operation Agreement Policy "The signed agreement must be returned and orders provided prior to the commencement of any works".

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 **(Will the likelihood increase with the decommissioning of BSPS?  $3 \times 2 = 6$ )**

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

How risk is managed: Board works with lead local flood authority  
Pumping Stations Additional Resilience

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>HIGH</b>	<b>LOW</b>	<b>3</b>

- (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 Substantial additional flows

How risk is managed: Board works with lead local flood authority  
PTO gear boxes and generator connections.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>HIGH</b>	<b>LOW</b>	<b>3</b>

(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 lead local flood authority

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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 and Main server

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>HIGH</b>	<b>LOW</b>	<b>3</b>

**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 is **continuously programmed**  
Continued investment planned for pumping stations

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>HIGH</b>	<b>LOW</b>	<b>3</b>

#### 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
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

#### 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 (**Lantra training adopted, reduced Likelihood? 2 x 1 = 2?**)  
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
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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  
 Hitting overhead/underground electrical services  
 Machines falling into watercourses  
 Damage to Third parties  
 Damage to vehicles

Consequence: Injury to staff  
 Loss of income  
 Extra work for staff

How risk is managed: The Board has adequate insurance  
 The Board train staff to undertake works safely (Lantra training adopted, reduced Likelihood?  $2 \times 1 = 2$ )  
 Risk assessments are carried out

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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  
 Formalised arrangements to share staff from other drainage boards

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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: Ten year budget to ensure adequate funding

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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  
Terms of Employment regularly reviewed to remain competitive

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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  
Working within the restraints of the Board's Biodiversity Action Plan  
Environmental clean-up liability Insurance (£1m)

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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
<b>LOW</b>	<b>LOW</b>	<b>1</b>

**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
<b>LOW</b>	<b>LOW</b>	<b>1</b>

**3.2 Insufficient Resources**

Consequence: Inability to provide adequate response

How risk is managed: Shared resources with neighbouring Boards  
Use local farmer/landowner resources  
Review resources available

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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 for Additional Cost of Working (£100k / 12 Months)  
Daily and Monthly backups off site

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>3</b>

**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  
**Employers Liability Insurance (£15m)**  
**Personal Accident Insurance (£60k & £100pw)**

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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, monitor legislation and to check Health & Safety risk assessments  
 Board Health & Safety policy is developed under their guidance  
 Regular training of all staff  
**Insurance for Manslaughter Costs and Safety Legislation costs (£1m each)**

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>HIGH</b>	<b>LOW</b>	<b>3</b>



**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  
**Insurance (£500 out of safe overnight to £5,000 during business hours)**  
 A maximum of £500 petty cash is held

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>LOW</b>	<b>LOW</b>	<b>1</b>

**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 FCA Register  
 A maximum of £300,000 is invested in each organisation as per the Investment Policy  
 The Executive Committee of the Board reviews the investments on a regular basis

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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 purchase ledger transactions are reviewed by the Board  
 The Board has adequate insurance

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>LOW</b>	<b>LOW</b>	<b>1</b>

#### 5.4 Risk of Inadequacy of Internal Checks

Consequence: Risk of incorrect payments being made

How risk is managed: All items resulting in payments being made by the Board are checked before being processed

All Payments made through the Board's Bank Accounts are authorised by two authorised signatories as per the Financial Regulations

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

#### 5.5 Fraudulent use of Credit Cards

Consequence: Loss of money

How risk is managed: The Board has insurance up to £1,000 per card (Card limits £5k, £5k & £2,500)  
Card expenditure is reconciled monthly and certified by both CEO & FM

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>LOW</b>	<b>MEDIUM</b>	<b>2</b>

### 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: Insurance (**£3m Legal Liability Cover**)  
Qualified and experienced staff advise the Board

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>LOW</b>	<b>LOW</b>	<b>1</b>

**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 (£1m Employment Practices Cover)  
 Advice from consultants and solicitors and the industry  
 Finance Manager has regular training in employment law

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

**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 Manager  
 Comprehensive Annual Budgets and ten year estimates produced

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>LOW</b>	<b>LOW</b>	<b>1</b>

**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
<b>LOW</b>	<b>LOW</b>	<b>1</b>

## 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  
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

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

### 8.2 Risk of Loss of Telephone Communications

- Consequence: Inability to communicate decisions
- How risk is managed: All staff have mobile telephones  
16 VOIP & 3 Analog lines on site  
UPS (Battery Backup) on Communications Cabinet

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>LOW</b>	<b>LOW</b>	<b>1</b>

### 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 Fibre Broadband internet lines into office  
Mobile Wifi Broadband contract maintained

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

#### 8.4 Risk of Network Failure

Consequence: All computers and information inaccessible

How risk is managed: Proactive IT Maintenance Contract with external consultants  
**including disaster recovery**  
 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
<b>HIGH</b>	<b>LOW</b>	<b>3</b>

#### 8.5 Risk of Breach in Cyber Security

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  
 Staff Training (**All staff have now completed classroom and online training provided by our IT consultants and Sophos as a minimum**)  
 Unified Threat Management system installed and subscription maintained  
 All information taken off site digitally is encrypted and password protected  
**Offsite backups taken daily on a 2 week rotation and monthly on an annual basis**

Further Work: Introduction of Electronic Information and Communication Systems Policy (was part of the 'White Book' previously)

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

#### 8.6 Risk of Network Security Breach

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

How risk is managed: Unified Threat Management installed and subscription maintained  
 Review of Network Security by IT consultants carried out

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

### 8.7 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, desktop computers and laptops and managed centrally  
Hard Firewall installed to prevent unauthorised person introducing virus  
Emails filtered off site by Message Defence and Office 365 to reduce likelihood of malicious attachments

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

### 8.8 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 on a 2 week rotation and monthly on an annual rotation  
Insurance for Business interruption £100k for up to 12 months  
Computer systems are regularly reviewed by trained staff and external IT consultants  
Volume Shadow software copies back up every six hours  
Encrypted Back up tape is taken off site out of office hours

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

## 8.9 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 **on a 2 week rotation and monthly on an annual rotation**  
  Insurance for **Business interruption £100k for up to 12 months**  
  Volume Shadow software copies back up every six hours  
  Computer systems are regularly reviewed by trained staff and by external IT consultants  
  Encrypted Back up tape is taken off site out of office hours

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>MEDIUM</b>	<b>LOW</b>	<b>2</b>

# Black Sluice Internal Drainage Board

## Policy No: 3

### Financial Regulations Policy

Review Dates:

Original Issue	16 <sup>th</sup> January 2013
Board Approved	

#### 1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2011 and the financial provisions of the Land Drainage Act 1991, place a responsibility on Drainage Boards to ensure that the financial management of Boards is adequate and effective.
- 1.2 Financial Regulations set out the framework of the rules for the proper financial administration of the Board and the responsibility of those charged with carrying out duties with financial implications.

#### 2. RESPONSIBILITY FOR FINANCIAL CONTROL

- 2.1 **The Finance Manager is appointed by the Board as the Responsible Financial Officer.**
- 2.2 The Finance Manager shall be responsible to the Board for overall financial control of the Board's financial affairs and the continuous provision of financial management information.
- 2.3 The Finance Manager shall be responsible for maintaining the integrity of the accounting, financial administration and financial control systems of the Board.

#### 3. ANNUAL ESTIMATES AND BUDGETS

- 3.1 The Chief Executive and the Finance Manager shall, each financial year, prepare estimates of income and expenditure for the ensuing financial year. Such estimates will be presented to the Executive Committee in January to allow recommendations to be put to the Board before 15th February on the level of the penny rate and council special levies.
- 3.2 The Chief Executive and the Finance Manager shall also each year produce a ten year projection to estimate levels of balances, so that the penny rate can be set at appropriate levels.
- 3.3 The Board meeting in February will set and seal the Rate for the ensuing financial year.
- 3.4 The Board shall be kept informed by the Finance Manager of the overall financial position of the Boards finances through monthly management accounts, quarterly forecasts and other reports as necessary.



## 4. PAYMENTS OF ACCOUNTS / ORDERS

- 4.1 All requests for goods and services shall be issued on official order forms authorised as set down in the procurement policy.
- 4.2 All invoices, claims and accounts shall be authorised by the Finance Manager before payment ensuring that the payment is legal and within the power of the drainage board.
- 4.3 Payments will be made twice each month processed by the second and last Friday in each period.
- 4.4 The Finance Manager shall prepare a monthly schedule of payments that have been made.
- 4.5 All Schedules of payments are to be reported to the next available Board meeting.

## 5. INCOME

- 5.1 Procedures for the collection of all income due to the Board shall be under the control of the Finance Manager.
  - a) Invoices are to be raised promptly
  - b) Statements to be sent on a monthly basis following the month the invoice was sent. (Copy invoices also to be sent if deemed required)
  - c) Any debtors outstanding over three months are to be reported to the Executive Committee.
- 5.2 Payment received on behalf of the Board by cheque will be paid into the Board's bank account on a regular basis and at least within a week. Payments received in cash may be transferred to the petty cash float if required otherwise paid into the Board's bank account without delay. Payments may also be taken by debit or credit card, in person, by phone or on the Board's website or paid directly into the Board's bank account by the Debtor.
- 5.3 All payments received by which ever method shall be recorded in the collection and deposit book.
- 5.4 The Finance Manager shall have responsibility to ensure that all monies received are correctly recorded in the Board's accounting records and the correct amount of VAT is added to income accounts where applicable.
- 5.5 The Finance Manager shall keep the Board regularly informed on the level of drainage rates collected by inclusion of a report in the monthly reports sent to the Executive Committee and at each board meeting.
- 5.6 An official receipt showing date of receipt, amount received, type of remittance and reason for payment will be issued for all cash payments and for cheque payments on request.
- 5.7 Keys to the safe and cash boxes shall only be available to designated officers. Any lost keys must be immediately reported to the Chief Executive and Finance Manager.

## **6. INSURANCE**

- 6.1 The Finance Manager, in consultation with responsible Officers initiates all appropriate insurance cover and negotiates all claims in consultation with relevant Officers.
- 6.2 All Policies and covers are to be reviewed on an annual basis.
- 6.3 The Finance Manager shall inform the Insurer in a manner and at intervals requested by the Insurer, of all asset changes and cover required.
- 6.4 Officers shall promptly notify the Finance Manager of any loss, liability or damage or any event likely to lead to a claim on any Board policy.

## **7. STOCK AND ASSETS**

- 7.1 The Finance Manager shall receive a weekly stock list from the Operations Manager detailing issues, receipts and balances of stock items.
- 7.2 The Finance Manager will arrange a physical stock take at least twice a year with one coinciding with the financial year end on the 31<sup>st</sup> March.
- 7.3 The Operations Manager shall ensure proper and safe custody of all stock.
- 7.4 The Finance Manager shall keep an asset register. This shall record all assets above £5,000 in value. The Finance Manager will carry out at least an annual physical check of assets.
- 7.5 **Obsolete Equipment will, on the agreement of the Finance Manager and Chief Executive, be offered to the primary user at the best trade in rate achievable plus one pound and then to other staff via sealed bid. If not purchased by staff then, if appropriate and suitable, it can be traded in or sold by any other means for the benefit of the Board.**

## **8. PAYMENT TO EMPLOYEES**

- 8.1 The Finance Manager shall keep a record of all employees to show details of the appointment, grade and payments in respect of each employee of the Board.
- 8.2 The Finance Manager shall be responsible for the payment of all, salaries, wages and other emoluments to all employees.
- 8.3 The Finance Manager shall be responsible for keeping and maintaining all records for the proper administration of PAYE, NI and Superannuation.
- 8.4 All authorised officers shall notify the Chief Executive and Finance Manager immediately of all matters affecting payments including resignations, suspensions, absences from duty and changes in remuneration.

## **9. TREASURY MANAGEMENT / BANKING ARRANGEMENTS**

- 9.1 The Finance Manager shall include in the monthly management accounts details on all investments which will be distributed to the Executive Committee.
- 9.2 The Board has a limit of funds that may be deposited, in a fixed term investment, with any institution which is £300,000.
- 9.3 The Board only places deposits with financial institutions which are regulated by the Financial Conduct Authority.
- 9.4 Bank transactions and instructions must be authorised by two approved officers.
- 9.5 In relation to 9.4 above, the approved officers are: Chief Executive, Finance Manager, Finance Supervisor and Operations Manager.
- 9.6 The Chief Executive and Finance Manager may hold a Business Chargecard, with a monthly limit of £5,000 for payment of expenses and Internet orders. The Operations Manager may hold a business Chargecard, with a monthly limit of £2,500. Statements are to be certified by the Finance Manager every month. Chief Executive to certify the Finance Manager's statement. **It is the bearers responsibility to ensure the cards are kept safe and only used in accordance with the board's Procurement Policy. Under no circumstances are the cards to be used to withdraw cash.**
- 9.7 Small payments may be made by Petty cash under the control of the Finance Supervisor. All petty cash claims are to be recorded on a voucher supported by a receipt and authorised by the Finance Manager or Chief Executive. The maximum amount of petty cash that may be held is £500. The Finance Manager is to certify the analysis every month.
- 9.8 Bank accounts must be in the name of Black Sluice IDB.

## **10. RESERVES**

- 10.1 **General Reserve - When producing budgets and estimates the long term aim of the Board is;**
  - a) **to continue to reduce the board's general reserves, with the target of 20% of annual expenditure**
  - b) **to achieve a balanced budget in the long term reporting period.**

## **11. AUDIT AND ACCOUNTS**

- 11.1 The Finance Manager shall arrange for an internal audit of the accounting, financial management and other operations of the Board. This will be undertaken by a suitably qualified and experienced internal auditor and be undertaken in accordance with the Governance & Accountability for Smaller Authorities in England code of audit practice.
- 11.2 The internal auditor shall produce an annual report to the Executive Committee and the Audit & Risk Committee.

- 11.3 Any qualified or adverse Internal or External audit reports or opinions will be reported to the next available Board meeting.
- 11.4 The Annual Financial Statements shall be approved by the Board before the 30<sup>th</sup> June each year.

## **12. IRREGULARITIES / FRAUD**

- 12.1 In any case where irregularity is suspected in connection with financial or accounting transactions, it shall be the duty of the Finance Manager to inform the Chief Executive, Chairman of the Board, and the Board's Auditor without delay.

# Black Sluice Internal Drainage Board

## Policy No: 4

### Procurement Policy

Review Dates:

Original Issue	14 <sup>th</sup> January 2010
Board Approved	

## 1 INTRODUCTION

The Board approve an annual budget in February for all expenditure by the Board. Items of expenditure are discussed and approved by the Executive Committee, the Works Committees and the Board.

There has been a culture of the Board approving major items of expenditure which brings with it value for money.

## 2 THE PROCUREMENT PROCESS

Whatever the cost of an item or service that the Board purchases the following process is followed through to payment of that item:-

- 2.1 A Board order form must always be completed for any purchase made by the Board, except for purchases made using the internet or for items purchased by the Woldmarsh Group.
- 2.2 The following people are authorised to be issued with order books:
  - (a) Chief Executive
  - (b) Finance Manager
  - (c) Operations Manager
  - (d) Works & Engineering Manager
  - (e) Pump Engineer
  - (f) Assistant Pump Engineer
  - (g) Finance Supervisor
  - (h) Works Supervisor
  - (i) Fitter
  - (j) Unimog Driver
- 2.3 The order form should be filled out at the time of order and signed by the person who is organising the order and countersigned as required.
- 2.4 The management team is the Chief Executive, Finance Manager and Operations Manager.
- 2.5 The order is given to the supplier with, where possible, the agreed price of the item or service.

- 2.6 The green copy of the order form is given to the Finance Assistant. If additional quotations for the goods have been obtained then these should be noted on this copy.
- 2.7 When a delivery note is obtained this should be given to the Finance Assistant.
- 2.8 When the Finance Assistant receives an invoice for the goods they are to attach the order and the delivery note to this.
- 2.9 The invoice is approved by the Finance Manager before payment is made.
- 2.10 A report is made to every Board Meeting of the invoices paid by the Board.

### **3 BASIS OF PROCUREMENT POLICY**

- 3.1 The policy sets out guidelines for procurement for four bands of expenditure:-
  - Greater than £10,000
  - Between £2,000 and £10,000
  - Between £500 and £2,000
  - Below £500
- 3.2 The Policy for Delegation of Authority gives the following authorities:
  - (a) Executive Committee to approve any item of expenditure up to a value of £25,000.
  - (b) The Chief Executive or Finance Manager to approve expenditure up to a value of £10,000 which is included in annual estimates and regular budgeted expenditure (eg electricity) in excess of £10,000.

### **4 PROCUREMENT POLICY**

#### **4.1 Items with a value greater than £10,000**

These items will typically be:

- Large items of plant
- Machinery and electrical equipment for pumping stations
- Substantial repair contracts
- Large contracts
- Insurance policies
- Large amounts of pipes, steel piles and other materials for stock

These items will be included in the annual budgeted expenditure and through this method the expenditure will be approved by the Board. In most cases three quotations will be obtained or the proposed purchase will be approved by the Board.

In the case of specialised equipment or in an emergency where it is not possible to obtain alternative quotations the Chairman or the Vice Chairman of the Board shall authorise the purchase.

#### **4.2 Items between £2,000 and £10,000**

These items will typically be:

- Items of new plant
  - Large repairs to plant
  - Repairs to equipment at pumping stations
  - Purchase of pipes, steel sheet piles and other construction equipment for stock.
  - Items of office equipment
  - Consultancy services
  - Contracts for maintenance works
  - Monthly payments to electricity companies.
- (a) Quotations will be obtained for items of new plant, office equipment, consultancy services and contracts for maintenance works. These will be approved by the Executive Committee before procurement, unless these have been approved within the annual budgets when the Finance Manager or Chief Executive will approve the expenditure.
- (b) Repairs of plant and pumping station equipment need to be progressed without delay and will normally be carried out by contractors or suppliers who regularly carry out work for the Board. The Finance Manager or Chief Executive shall approve this expenditure and this will be reported to the Executive Committee as part of the monthly Accounts Analysis sent to members by Email.
- (c) Regular purchases of equipment and materials for stock will be approved by the Finance Manager or Chief Executive. The Operations Manager or Operations Supervisor will where possible obtain three quotations and the best value will be chosen.
- (d) Some monthly utility payments, particularly electricity bills, will be included in this category. These payments will be approved by the Finance Manager and Chief Executive. Best value for money is achieved by using a broker to negotiate annual, 2 year or 3 year contracts with the electricity supply companies.

#### **4.3 Items between £500 and £2,000**

These items will typically be:

- Purchase of small items of plant
  - Hire of plant and machinery
  - Repairs to plant and machinery
  - Purchase of spare parts for machinery
  - Material for construction materials.
  - Computers and office equipment
- (a) The Finance Supervisor, Operations Supervisor, Fitter/Pump Engineers Assistant and Unimog Driver shall, where possible obtain three quotations and obtain the authorisation from a member of the management team before signing an order for this level of procurement.

- (b) The Pump Engineer shall after obtaining three quotations, where possible, have the authorisation to sign an order for this level of procurement when associated with pumping station equipment.

#### 4.4 Items below £500

These items or services are typically spare parts for machinery, office materials and other similar goods.

If possible, value for money will be achieved by obtaining at least one other quotation or by comparing the price with previous purchases of similar goods or services. It is accepted that small incidental purchases will be purchased from the most appropriate local supplier and this is to be noted on the carbon copies of the order.

### 5 ITEMS PURCHASED BY CREDIT CARD

- 5.1 Credit cards have been issued to the Chief Executive, Finance Manager and Operations Manager for use in purchasing goods and services for the Board.
- 5.2 Payments made by credit card will be reviewed by the management team on a receipt of the card statements. Receipts for all payments are to be reconciled to the statements and no one officer should review their own expenditure.
- 5.3 These purchases will be subject to the same guidelines as normal purchases, whenever possible.

### 6 ITEMS PURCHASED BY WOLDMARSH GROUP

- 6.1 The Board has become a member of the Woldmarsh Buying Group which works on behalf of its members to procure goods and services at preferential prices.
- 6.2 If goods or services are required a member of staff, authorised in para 2.2 above to be issued an order book, will contact Woldmarsh who will procure the items on behalf of the Board within the authorised limits for the individual. An official Board order form will be completed as above to include the agreed prices and the analysis for the accounts.
- 6.3 As soon as Woldmarsh have completed an order to the suppliers a confirmation of the order is sent to the Operations Manager, Finance Manager and Chief Executive Officer for review and oversight.
- 6.4 Woldmarsh submit an invoice for payment once per month for all of the goods and services purchased for the Board.

### 7 SUMMARY

- 7.1 The above policy is not exhaustive and is written as a guide to the appropriate level of authorisation for the level of procurement required.
- 7.2 Members of staff should always liaise with members of the management team to ensure that procurement of materials and services give satisfactory value for money.
- 7.3 Staff should look for every opportunity to make bulk purchases with other authorities to achieve additional value for money.



# Black Sluice Internal Drainage Board

## Policy No: 23

### Display Screen Equipment Policy

Review Dates:

Original Issue	9 <sup>th</sup> April 2014
Board Approved	

## 1 INTRODUCTION

- 1.1 The Health and Safety (Display Screen Equipment) Regulations 1992 apply to workers who use DSE daily, for an hour or more at a time. We describe these workers as 'DSE users'. The regulations don't apply to workers who use DSE infrequently or only use it for a short time.
- 1.2 Incorrect use of DSE or poorly designed workstations or work environments can lead to pain in necks, shoulders, backs, arms, wrists and hands as well as fatigue and eye strain. The causes may not always be obvious.
- 1.3 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.

## 2 MANAGER RESPONSIBILITIES

- 2.1 You must ensure that for all users, for which you have responsibility, a Health and Safety Executive DSE workstation assessment is carried out and a record kept in the 'Display Screen Equipment' section of the Health and Safety files. In practice this means that there will be a completed HSE workstation assessment form for each DSE user.
- 2.2 DSE Workstation Assessments should be carried out in conjunction with the user so as to provide training.
- 2.3 You must progress reasonable requests from users for any items identified as a result of carrying out the DSE workstation assessment and, which will significantly reduce any ill effects associated with DSE work.
- 2.4 DSE users should have an eye and eyesight test every two years and you must arrange for this to be undertaken and the costs of the eye and eyesight test reimbursed.
- 2.5 The Board will contribute a maximum contribution of £200 in any 2 year period to those prescribed normal corrective appliances to undertake DSE work.

## 3 DSE USER RESPONSIBILITIES

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

# Black Sluice Internal Drainage Board

## Policy No: 25

### Lone Worker Policy

Review Dates:

Original Issue	9 <sup>th</sup> April 2014
Board Approved	

#### 1 INTRODUCTION

- 1.1 Working alone is not in itself against the law and it will often be safe to do so. However, the law requires employers to consider carefully, and then deal with, any health and safety risks for people working alone.
- 1.2 Employers are responsible for the health, safety and welfare at work of all their workers. They also have responsibility for the health and safety of any contractors or self-employed people doing work for them.
- 1.3 These responsibilities cannot be transferred to any other person, including those people who work alone.
- 1.4 Workers have responsibilities to take reasonable care of themselves and other people affected by their work activities and to co-operate with their employers in meeting their legal obligations.

#### 2 REGULATIONS

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.

### **3 BOARD PROVIDED WORKER DEVICES**

- 3.1 Any employee lone working will be issued with a mobile telephone that has the Peoplesafe Lone Worker Application (App) installed.
- 3.2 On commencement of work for the day the telephone is to be switched on, GPS location set to on with GPS Trail and the Man Down Function turned on in the Peoplesafe App.
- 3.3 On commencement of lone working Amber Alert is to be turned on in the Peoplesafe App and a time the lone working is expected to be completed logged with the monitoring station.
- 3.4 On completion of lone working the Amber Alert is to be completed.
- 3.5 If the Amber Alert is not completed the monitoring station will escalate as follows;
  - a) Try to contact the employee to check on their welfare
  - b) If unable to contact escalate the Amber alert to a Red Alert
- 3.6 If a Red Alert is activated by
  - a) "Man Down" situation activated by the phones sensors and not cancelled
  - b) A panic alarm activated by pressing the power button 5 times
  - c) An escalated Amber alert as per Para 3.5

The monitoring station will try to contact the employee to establish their welfare. If this should be unsuccessful they may activate the phones microphone to try and establish the situation to take appropriate further actions. In all cases the monitoring station will escalate to the Board's Officers in the following order;

- a) Works Supervisor
- b) Works & Engineering Manager
- c) Operations Manager
- d) Chief Executive
- e) Finance Manager

# Black Sluice Internal Drainage Board

## Policy No: 32

### Data Protection Policy

### NEW FOR GDPR IN DRAFT

Review Dates:

Original Issue	16 <sup>th</sup> January 2013
Board Approved	

## 1 INTRODUCTION

- 1.1 The General Data Protection Regulation (GDPR) comes into effect on 25<sup>th</sup> May 2018. Many of the GDPR's main concepts and principles are much the same as those in the current Data Protection Act (DPA), so as we are complying properly with the current law then most of our approach to compliance will remain valid under the GDPR and can be the starting point to build from. However, there are new elements and significant enhancements, so we will have to do some things for the first time and some things differently.
- 1.2 The GDPR applies to controllers and processors and applies to personal data, meaning any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier, and sensitive personal data.
- 1.3 Sensitive personal data is personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation. The only category that applies to Black Sluice IDB is in relation to the collection of Trade Union subscriptions and data relating to health from sick notes and occupational health.

## 2 LAWFUL BASIS FOR PROCESSING

- 2.1 The requirement to have a lawful basis in order to process personal data is not new. It replaces and mirrors the previous requirement to satisfy one of the 'conditions for processing' under the Data Protection Act 1998. However, the GDPR places more emphasis on being accountable for and transparent about the Board's lawful basis for processing.
- 2.2 The six lawful bases for processing are broadly similar to the old conditions for processing, although there are some differences. The Board now needs to review our existing processing, identify the most appropriate lawful basis, and

check that it applies. In many cases it is likely to be the same as your existing condition for processing.

- 2.3 The biggest change is for public authorities, such as the Board, who now need to consider the new 'public task' basis first for most of their processing, and have more limited scope to rely on consent or legitimate interests.
- 2.4 We can choose a new lawful basis if you find that your old condition for processing is no longer appropriate under the GDPR, or decide that a different basis is more appropriate. Once the GDPR is in effect, it will be much harder to swap between lawful bases if the Board finds that our original basis was invalid. The Board will be in breach of the GDPR if we do not clearly identify the appropriate lawful basis (or bases, if more than one applies) from the start.
- 2.5 The GDPR brings in new accountability and transparency requirements. The Board should therefore make sure it clearly documents the lawful basis so that it can demonstrate its compliance in line with Articles 5(2) and 24.
- 2.6 The Board must now inform people upfront about the lawful basis for processing their personal data. The Board needs therefore, to communicate this information to individuals by 25 May 2018, and ensure that you include it in all future privacy notices.
- 2.7 The lawful bases for processing are set out in Article 6 of the GDPR. At least one of these must apply whenever you process personal data:
  - (a) **Consent:** the individual has given clear consent for the Board to process their personal data for a specific purpose.
  - (b) **Contract:** the processing is necessary for a contract the Board has have with the individual, or because they have asked the Board to take specific steps before entering into a contract.
  - (c) **Legal obligation:** the processing is necessary for the Board to comply with the law (not including contractual obligations).
  - (d) **Vital interests:** the processing is necessary to protect someone's life.
  - (e) **Public task:** the processing is necessary for the Board to perform a task in the public interest or for your official functions, and the task or function has a clear basis in law.
  - (f) **Legitimate interests:** the processing is necessary for the Boards legitimate interests or the legitimate interests of a third party unless there is a good reason to protect the individual's personal data which overrides those legitimate interests. (This cannot apply if you are a public authority processing data to perform your official tasks.)

A register of data types held and the lawful basis to process this data is shown at Appendix 1.

### 3 INDIVIDUAL RIGHTS

3.1 The GDPR provides the following rights for individuals:

(a) **The right to be informed**

Individuals have the right to be informed about the collection and use of their personal data. This is a key transparency requirement under the GDPR. The board achieves this by publishing the Privacy Notice at appendix 2.

(b) **The right of access**

Individuals have the right to access their personal data and supplementary information. The right of access allows individuals to be aware of and verify the lawfulness of the processing.

(c) **The right to rectification**

The GDPR includes a right for individuals to have inaccurate personal data rectified, or completed if it is incomplete. An individual can make a request for rectification verbally or in writing.

(d) **The right to erasure**

The GDPR introduces a right for individuals to have personal data erased. The right to erasure is also known as 'the right to be forgotten'. Individuals can make a request for erasure verbally or in writing. The right is not absolute and only applies in certain circumstances. For example, it does not apply for the performance of a task carried out in the public interest or in the exercise of official authority.

(e) **The right to restrict processing**

Individuals have the right to request the restriction or suppression of their personal data. This is not an absolute right and only applies in certain circumstances. When processing is restricted, we are permitted to store the personal data, but not use it. An individual can make a request for restriction verbally or in writing.

(f) **The right to data portability**

The right to data portability allows individuals to obtain and reuse their personal data for their own purposes across different services. It allows them to move, copy or transfer personal data easily from one IT environment to another in a safe and secure way, without hindrance to usability.

(g) **The right to object**

Individuals have the right to object to processing based on legitimate interests or the performance of a task in the public interest/exercise of official authority (including profiling), direct marketing (including profiling) and processing for purposes of scientific/historical research and statistics. Details of how to object are included in our Privacy Notice at appendix 2.

(h) **Rights in relation to automated decision making and profiling.**

The GDPR has provisions on: automated individual decision-making (making a decision solely by automated means without any human involvement); and profiling (automated processing of personal data to evaluate certain things about an individual). Profiling can be part of an

automated decision-making process. The GDPR applies to all automated individual decision-making and profiling.

## **4 ACCOUNTABILITY AND GOVERNANCE**

4.1 The GDPR includes provisions that promote accountability and governance. These complement the GDPR's transparency requirements. While the principles of accountability and transparency have previously been implicit requirements of data protection law, the GDPR's emphasis elevates their significance. We are expected to put into place comprehensive but proportionate governance measures. Good practice tools that the ICO has championed for a long time such as privacy impact assessments and privacy by design are now legally required in certain circumstances. Ultimately, these measures should minimise the risk of breaches and uphold the protection of personal data. Practically, this is likely to mean more policies and procedures for organisations, although many organisations will already have good governance measures in place.

### **4.2 Documentation**

The GDPR contains explicit provisions about documenting the Board's processing activities. We must maintain records on several things such as processing purposes, data sharing and retention. A register can be found at appendix 1.

The Board may be required to make the records available to the ICO on request. Records must be kept in writing. Records must be kept up to date and reflect our current processing activities.

### **4.3 Data protection by design and default**

Under the GDPR, the board has a general obligation to implement technical and organisational measures to show that the Board has considered and integrated data protection into the Boards processing activities. Privacy by design has always been an implicit requirement of data protection that the ICO has consistently championed.

### **4.4 Data protection impact assessments**

A data protection impact assessment (DPIA) is a process to help the Board identify and minimise the data protection risks of a project. The Board must do a DPIA for certain listed types of processing, or any other processing that is likely to result in a high risk to individuals' interests.

It is also good practice to do a DPIA for any other major project which requires the processing of personal data. To assess the level of risk, the Board must consider both the likelihood and the severity of any impact on individuals. High risk could result from either a high probability of some harm, or a lower possibility of serious harm.

This is not likely to apply to the Board but should be borne in mind.

#### 4.5 **Data protection officers**

The GDPR introduces a duty for the Board to appoint a data protection officer (DPO) as we are a public authority. DPOs assist to monitor internal compliance, inform and advise on data protection obligations, provide advice regarding Data Protection Impact Assessments (DPIAs) and act as a contact point for data subjects and the supervisory authority.

The DPO must be independent, an expert in data protection, adequately resourced, and report to the highest management level. A DPO can be an existing employee or externally appointed.

Daniel Withnall MCGI MInstLM FMAAT, Finance Manager and Responsible Financial Officer, is appointed as the Board's Data Protection Officer.

#### 4.6 **Security**

The GDPR requires personal data to be processed in a manner that ensures its security. This includes protection against unauthorised or unlawful processing and against accidental loss, destruction or damage. It requires that appropriate technical or organisational measures are used.

#### 4.7 **Personal data breaches**

The GDPR introduces a duty on all organisations to report certain types of personal data breach to the relevant supervisory authority. The Board must do this within 72 hours of becoming aware of the breach, where feasible. If the breach is likely to result in a high risk of adversely affecting individuals' rights and freedoms, the board must also inform those individuals without undue delay.

The Board should ensure it has robust breach detection, investigation and internal reporting procedures in place. This will facilitate decision-making about whether or not you need to notify the relevant supervisory authority and the affected individuals. The Board must also keep a record of any personal data breaches, regardless of whether you are required to notify.

#### 4.8 **Children**

It is not envisaged that the personal details of children will be processed and the DPO should be consulted if this becomes a requirement.



## 5 DATA PROTECTION PRINCIPLES

- 5.1 Black Sluice Internal Drainage Board fully endorses the eight data protection principles, adhering to them at all times.

These principles are:

- (a) Personal data shall be processed fairly and lawfully and, in particular, shall not be processed unless specific conditions are met.
- (b) Personal data shall be obtained only for one or more specified and lawful purposes and shall not be further processed in any way incompatible with that purpose or those purposes.
- (c) Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.
- (d) Personal data shall be accurate and where necessary, kept up to date.
- (e) Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.
- (f) Personal data shall be processed in accordance with the rights of data subjects under GDPR.
- (g) Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.
- (h) Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedom of data subjects in relation to the processing of personal data.

### 5.2 **Black Sluice Internal Drainage Board's commitment to the Data Protection Principles**

Black Sluice Internal Drainage Board will do the following to comply with the principles:

- (a) Observe fully the conditions regarding the fair collection and use of information.
- (b) Meet its legal obligations to specify the purposes for which information is used.
- (c) Collect and process appropriate information and only to the extent that it is required to fulfil operational needs or to comply with any legal requirements.
- (d) Ensure the quality of information used.
- (e) Ensure that information held is erased at the appropriate time.
- (f) Ensure that the rights of individuals about whom we hold information can be exercised fully under GDPR.
- (g) Take appropriate technical and organisational security measures to safeguard personal information.
- (h) Ensure that personal information is not transferred abroad without suitable safeguards.

**5.3 Black Sluice Internal Drainage Board adheres to its commitment to Data Protection by:**

- (a) Allocation of specific responsibility for data protection to at least one person **known as the Data Protection Officer.**
- (b) Ensure that employees handling personal information are supervised appropriately.
- (c) Requests for access to an individual's own personal information are dealt with in a timely and courteous manner.
- (d) Record any incidents of breach in data protection policy **and keep a register.**
- (e) Undertake regular review of management of personal information and update when necessary.

**5.4 Access to personal information**

For information about how to request subject access to personal information please contact: [mailbox@blacksluiceidb.gov.uk](mailto:mailbox@blacksluiceidb.gov.uk)

Name and contact details		Data Protection Officer (if applicable)	
<b>Name</b>	Black Sluice Internal Drainage Board	<b>Name</b>	Daniel Withnall
<b>Address</b>	Station Road, Swineshead, Boston, Lincolnshire, PE20 3PW	<b>Address</b>	Black Sluice IDB, Station Road, Swineshead, Boston, Lincolnshire, PE20 3PW
<b>Email</b>	mailbox@blacksluiceidb.gov.uk	<b>Email</b>	Daniel.Withnall@Blacksluiceidb.gov.uk
<b>Telephone</b>	01205 821440	<b>Telephone</b>	01205 821440

Article 6(1)(a) - Consent	Article 9(2)(a) - Consent
Article 6(1)(b) - Contract	Article 9(2)(b) - employment
Article 6(1)(c) - legal obligation	
Article 6(1)(d) - Vital Interests	
Article 6(1)(e) - Public Task	
Article 6(1)(f) - Legitimate Interests	

Article 30 Record of Processing Activities

Business function	Purpose of processing	Name and contact details of joint controller (if applicable)	Categories of individuals	Categories of personal data	Categories of recipients	General description of technical and organisational security measures (if possible)	Article 6 lawful basis for processing personal data	Article 9 basis for processing special category data
Rating	Rating Records	N/A	Ratepayers	Contact details	Public (Electoral Register)		Article 6(1)(e) - Public Task	
Planning & Consenting	Planning Consultation	Boston Borough Council	Public	Contact Details	District/Borough Council	Encrypted storage and transfer	Article 6(1)(e) - Public Task	
Planning & Consenting	Planning Consultation	South Holland District Council	Public	Contact Details	District/Borough Council	Encrypted storage	Article 6(1)(e) - Public Task	
Planning & Consenting	Planning Consultation	North Kesteven District Council	Public	Contact Details	District/Borough Council	Encrypted storage	Article 6(1)(e) - Public Task	
Planning & Consenting	Planning Consultation	South Kesteven District Council	Public	Contact Details	District/Borough Council	Encrypted storage	Article 6(1)(e) - Public Task	
Planning & Consenting	Planning Consultation	Lincolnshire County Council	Public	Contact Details	County Council	Encrypted storage	Article 6(1)(e) - Public Task	
Planning & Consenting	Consent Application	N/A	Applicant	Contact Details	N/A	Encrypted storage	Article 6(1)(e) - Public Task	
Planning & Consenting	Consent Application in extended Area	Lincolnshire County Council	Applicant	Contact Details	N/A	Encrypted storage	Article 6(1)(e) - Public Task	
Finance	Payroll	N/A	Employees	Contact details	HMRC	Encrypted storage and transfer	Article 6(1)(c) - legal obligation	
Finance	Payroll	N/A	Employees	Bank details	HMRC	Encrypted storage and transfer	Article 6(1)(c) - legal obligation	
Finance	Payroll	N/A	Employees	Pension details	HMRC	Encrypted storage and transfer	Article 6(1)(c) - legal obligation	
Finance	Payroll	N/A	Employees	Tax details	HMRC	Encrypted storage and transfer	Article 6(1)(c) - legal obligation	
Finance	Sales	N/A	Customers	Contact details	N/A	Encrypted storage	Article 6(1)(b) - contract	
Finance	Purchase	N/A	Suppliers	Contact details	N/A	Encrypted storage	Article 6(1)(b) - contract	
Finance	Purchase	N/A	Suppliers	Bank details	N/A	Encrypted storage	Article 6(1)(b) - contract	
Human Resources	Personnel file	N/A	Employees	Contact details	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	
Human Resources	Personnel file	N/A	Employees	Pay details	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	
Human Resources	Personnel file	N/A	Employees	Annual leave details	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	
Human Resources	Personnel file	N/A	Employees	Sick leave details	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	Article 9(2)(b) - employment
Human Resources	Personnel file	N/A	Employees	Performance details	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	
Human Resources	Personnel file	N/A	Employees	Driver Declarations	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	Article 9(2)(b) - employment
Human Resources	Personnel file	N/A	Employees	Occupational Health	N/A	Encrypted storage, access controls	Article 6(1)(b) - contract	Article 9(2)(b) - employment
Admin	Board Functions	N/A	Board Members	Contact Details	N/A	Encrypted storage	Article 6(1)(e) - Public Task	
Admin	Board Functions	N/A	Co-Opted Board Members	Contact Details	N/A	Encrypted storage	Article 6(1)(e) - Public Task	

	<h1>Black Sluice Internal Drainage Board</h1>	Station Road Swineshead Boston Lincolnshire PE20 3PW
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<a href="http://www.blacksluiceidb.gov.uk">www.blacksluiceidb.gov.uk</a>		

## **PRIVACY NOTICE**

At Black Sluice Internal Drainage Board, we're committed to protecting and respecting your privacy.

This Notice explains when and why we collect personal information about people, how we use it, the conditions under which we may disclose it to others and how we keep it secure.

We may change this Notice from time to time so please check occasionally to ensure that you're happy with any changes.

If you have any questions regarding this Notice and our privacy practices you can contact us using the details above.

### **Who are we?**

The Black Sluice Internal Drainage Board is an authority set up to control water levels and reduce the risk of flooding within the Board's area. It operates 34 pumping stations and maintains 500 miles of watercourses within its area and has a policy of undertaking this work with regard to protecting and enhancing the environmental features in these watercourses.

Public Bodies dealing with drainage matters have a long history which stretches back to 1252, but most IDBs today were established by National Government following the passing of the Land Drainage Act 1930. The activities and responsibilities of the Boards are controlled by this and subsequent Land Drainage Acts, and other subordinate legislation.

### **How do we collect information from you?**

In most cases information will be collected from you directly but the board may, from time to time, use powers included in law to require information of others. The legal basis for obtaining this information will be assured and we will tell you how we obtained your personal information.

### **What type of information is collected from you?**

The personal information we collect might include your name, contact details and details of any land you either own or occupy. If you make a payment to us using a card your card information is not held by us, it is collected by, or transmitted directly to in case of a phone payment, our third party payment processors, who specialise in the secure online capture and processing of credit/debit card transactions. Cards details are never recorded or stored by Black Sluice IDB.

## How is your information used?

We may use your information to:

- (a) Carryout Drainage Board Functions as per the Land Drainage Act 1991.
- (b) Process applications in relation to the Board's Byelaws.
- (c) Process applications on behalf of Lincolnshire County Council, the lead local flood authority, under Section 23 of the Land Drainage Act 1991.
- (d) Carry out our obligations arising from any contracts entered into by you and us.
- (e) Process a job application.

We review our retention periods for personal information on a regular basis. We are legally required to hold some types of information to fulfil our statutory obligations. We will hold your personal information on our systems for as long as is necessary for the relevant activity, or as long as is set out in any relevant contract you hold with us.

## Who has access to your information?

We will not sell, rent or share your information with third parties for marketing purposes.

**Third Party Service Providers working on our behalf:** We may pass your information to our third party service providers, agents subcontractors and other associated organisations for the purposes of completing tasks and providing services to you on our behalf. However, when we use third party service providers, we disclose only the personal information that is necessary to deliver the service and we have a contract in place that requires them to keep your information secure and not to use it for their own direct marketing purposes. Please be reassured that we will not release your information to third parties for them to use for their own direct marketing purposes, unless we are required to do so by law, for example, by a court order or for the purposes of prevention of fraud or other crime.

When you are using our secure online payment pages, your payment is processed by a third party payment processor, who specialises in the secure online capture and processing of credit/debit card transactions. If you have any questions regarding secure transactions, please contact us.

## How you can access and update your information

The accuracy of your information is important to us. If you change email address, or any of the other information we hold is inaccurate or out of date, please contact us using the details above.

## Security precautions in place to protect the loss, misuse or alteration of your information

When you give us personal information, we take steps to ensure that it's treated securely. Any sensitive information is encrypted and protected.

Non-sensitive details (your email address etc.) transmitted normally over the Internet, can never be guaranteed to be 100% secure. As a result, while we strive to protect your personal information, we cannot guarantee the security of any information you transmit to us, and you do so at your own risk. Once we receive your information, we make our best effort to ensure its security on our systems.

## Review of this Notice

We keep this Notice under regular review. This Notice was last updated in April 2018.

# Black Sluice Internal Drainage Board

## Project Summary

### 2017/18

Period 11 - February 2018

Description	Period Current Year			Year To Date			Last Year			
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Variance	Actual YTD	Variance to Current Year
Rates & Levies	9,775	693	9,082	2,073,528	2,052,063	21,465	2,071,293	2,235	2,050,099	23,429
Interest & Grants	200	475	(275)	1,045	6,242	(5,197)	670	375	126,641	(125,596)
Development Fund	975	0	975	84,805	0	84,805	0	84,805	0	84,805
Other Income	1,400	228	1,172	15,458	14,975	483	14,530	928	17,221	(1,763)
Rechargeable Profit	14,870	0	(14,870)	29,771	0	29,771	0	29,771	68,240	(38,469)
Solar Panel Income	(219)	683	(902)	14,617	14,209	408	14,923	(306)	14,511	106
<b>Total Income</b>	<b>27,000</b>	<b>2,079</b>	<b>(4,819)</b>	<b>2,219,224</b>	<b>2,087,489</b>	<b>131,735</b>	<b>2,101,416</b>	<b>117,808</b>	<b>2,276,711</b>	<b>(57,487)</b>
Schemes	0	18,000	18,000	118,905	127,000	8,095	53,048	(65,857)	111,145	(7,760)
Pumping Station Schemes	0	0	0	84,223	83,000	(1,223)	80,230	(3,993)	63,000	(21,223)
Pumping Station Maintenance	18,948	39,893	(13,132)	225,715	322,002	23,619	311,263	12,880	176,904	(21,872)
Electricity	34,077			72,669					99,607	0
Drain Maintenance	57,226	38,390	(18,836)	586,135	675,891	89,756	644,326	58,191	687,278	101,143
Environmental Schemes	615	3,895	3,281	8,462	13,098	4,636	13,544	5,082	12,943	4,481
Administration & Establishment	40,639	36,597	(4,042)	438,921	444,751	5,830	439,487	566	426,864	(12,057)
EA Precept	0	0	0	276,552	276,552	0	276,552	0	276,552	0
Solar Panel Expenses	0	0	0	1,067	2,268	1,201	2,833	1,766	(1,018)	(2,084)
<b>Total Expenditure</b>	<b>151,505</b>	<b>136,775</b>	<b>(14,730)</b>	<b>1,812,647</b>	<b>1,944,562</b>	<b>131,915</b>	<b>1,821,283</b>	<b>8,636</b>	<b>1,853,276</b>	<b>40,629</b>
<b>Surplus / (Deficit)</b>	<b>(124,505)</b>	<b>(134,696)</b>	<b>10,191</b>	<b>406,577</b>	<b>142,927</b>	<b>263,650</b>	<b>280,133</b>	<b>126,444</b>	<b>423,435</b>	<b>(16,858)</b>

Movement on reserves	
Plant Reserve	7,354
Wages oncost Reserve	1,951
<b>Surplus / (Deficit)</b>	<b>(133,809)</b>

(125,120)	146,854	271,974	0	125,120	(1,626)
1,813	0	(1,813)	0	(1,813)	(8,689)
<b>(133,809)</b>	<b>(127,431)</b>	<b>26,761</b>	<b>280,133</b>	<b>3,136</b>	<b>(6,544)</b>

# Black Sluice Internal Drainage Board Drainage Rates & Special Levies

2017/18

Period 11 - February 2018

## Drainage Rates & Special Levies Due

### Drainage Rates

Annual Drainage Rates - Land and/or buildings	1,056,623.10	
Land/Property - Value Decreased	(21,571.31)	
Land/Property - Value Increased	20,547.09	
New Assessment	1,024.22	
Write Offs & Irrecoverables	(1,208.29)	
Summons Collection Costs	325.00	
Credit Due	(1.64)	
Costs Due	25.00	

<b>Balance</b>	1,055,763.17	50.91%
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### Special Levies

Boston Borough Council	773,179.60	
South Holland District Council	126,086.96	
North Kesteven District Council	60,514.40	
South Kesteven District Council	58,113.22	
	1,017,894.18	49.09%

<b>Total Due</b>	<b>2,073,657.35</b>	<b>100.00%</b>
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## Drainage Rates & Special Levies Collected

B/F Arrears/(Allowances)	1,578.42	
Payments Posted	1,044,806.49	99.99%
Bourne North Fen Trust Contribution	9,248.64	
Special Levies Received	1,017,894.18	100.00%

<b>Total Received</b>	<b>2,073,527.73</b>	
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## Drainage Rates & Special Levies Debtors

Special Levy Outstanding	0.00	0.00%
Drainage Rates Outstanding	129.62	0.01%
	129.62	

	<b>2,073,657.35</b>	
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**Black Sluice Internal Drainage Board  
South Forty Foot Scheme Summary  
2017/18  
Period 11 - February 2018**

Account	Account Description	2016 11	2016 12	2017 1	2017 2	2017 3	2017 4	2017 5	2017 6	2017 7	2017 8	2017 9	2017 10	2017 11	Total To date
1001	Basic Pay			318	561			560							561
3008	H&S														878
3010	Hire Plant		73,441	(3,906)	46,430	810	2,731	9,749				500			129,785
3011	Misc					28	885	(800)							113
3012	Small Tools		13,000	(13,000)	6	150									156
3013	Insurance				449		(39)								409
3015	Hire LL		304	(304)	577			607							1,184
3018	Computer Costs		3,295												3,295
4001	Materials	5,047	9,976	80		14,200	570	273							30,146
4002	Concrete				80	80									160
4004	Timber		330	140	45	934	168								1,615
4101	Pipes				184	232									396
4104	Kidds		273				65								338
4105	Stock		3,047			(1,536)	152								1,663
5004	Plant Parts		283				86								370
5005	Plant Oils & Lubricants		22	1											24
5006	Plant Fuel	443	6,587	4,129	1,325	385	901			530					14,300
6001	Contractors		79,320	15,650	1,784	142,680	71,416			132,121	10,098				453,049
6002	Consultants							2,050							2,050
6005	Leg & Prof							5,000							6,000
7001	Labour	7,804	2,966	47,380	(61,950)	246,111	(86,439)	41,875	(137,121)	(65,629)		1,000		127,700	120,836
7060	Workshop		915	195	120										1,230
9013	Forklift			54	180	18	36								288
9047	Small Plant	220			901										1,121
9057	Chief TI LL		611	226	187	193	264	99							1,579
9058	Chief TI Dump		24		64	152	396								636
9080	Unimog (AJ58VDN)	150	4,365	2,910	1,785	1,485	2,415	495				360			13,985
9082	JCB JS130		713	1,755	75	45	60								2,648
9088	JCB JS160		383					653							1,035
9093	Vauxhall Vivaro (LN12 YPY)		86	99	19		77								280
9094	JCB Teleporter (YN12 DXD)		925	375	575	125	275								2,275
9095	Vauxhall Movano Tipper (UN12 GUH)	189	145	251	274	179	99								1,136
9096	JCB 145HD		2,610	1,988	2,265	600									7,463
9097	JCB JS-130 (YS14 WBO)					1,770	788								2,558
9100	Nissan Navarra Visa - FX15 TUA						38								38
9101	Nissan Navarra Visa - FX15 TUH						1,088								1,148
9102	Nissan Navarra Acenta-FY15 RBU		60												44
9103	Twiga SPV2 (WA15 LFG)	1,125	653	248			1,125								3,150
9104	2015 Twiga		293												293
9105	Hitachi		794	92	104	1,426	1,852								4,267
9106	Vibrating Pile Hammer		480	160		480									1,120
9108	Aebi TT211					455	420								875
9110	Kubota F3090 Ride on Mower						15								15
		<b>14,978</b>	<b>205,942</b>	<b>58,840</b>	<b>(4,000)</b>	<b>411,000</b>	<b>0</b>	<b>55,000</b>	<b>(55,000)</b>					<b>127,700</b>	<b>814,460</b>
8005	Recoverable	(73,500)	(147,420)	(58,840)	4,000	(411,000)	(55,000)			55,000				(198,920)	(885,680)

**Current Board Exposure -£71,220.46**

**Outstanding Costs**

Royal Smals	
Lagoon 1 Rent 1 Year	£8,000
Lagoon 2 Rent 5 Years	£21,500
Lagoon 3 Rent 5 Years	£22,100
Level Lagoon 2 & 3	£10,000
Spread & Level vegetation	£15,000
BSIDB Resources	£8,000
Field testing Lagoon 2 & 3	£1,500
Crop losses	£500
Land Agent Fees	£4,000
5% Recovery	£45,153

<b>TOTAL EXPENDITURE EXPECTED</b>	<b>£ 948,213</b>
<b>MONIES RECEIVED FROM EA</b>	<b>£ 885,680</b>
<b>FURTHER FUNDING REQUIRED FROM EA</b>	<b>£ 62,533</b>



# Black Sluice Internal Drainage Board

## Income & Expenditure Summary

### 2017/18

Period 11 - February 2018

	2017/18	2016/17	Variance
Drainage Rates	1,055,634	1,051,045	4,588
Special Levies	1,017,894	999,053	18,841
Recoverable	777,849	202,112	575,737
Misc Income	102,984	184,947	(81,964)
Solar Panel Income	14,617	14,511	106
	2,968,977	2,451,668	517,309
Employment Costs	1,010,229	959,576	(50,653)
Property	110,184	145,862	35,678
General Expenses	234,008	158,448	(75,560)
Materials / Stock	26,834	41,935	15,101
Motor & Plant	155,120	137,489	(17,631)
Miscellaneous	861,927	414,790	(447,137)
Recharges	(346,265)	(372,493)	(26,228)
Plant	387,055	369,907	(17,148)
<b>Total Expenditure</b>	2,439,093	1,855,515	(583,578)
<b>Net Surplus / (Deficit)</b>	529,884	596,154	(66,270)

**Black Sluice Internal Drainage Board**  
**Balance Sheet at Period End**  
**2017/18**  
**Period 11 - February 2018**

	<u>2017/18</u>		<u>2016/17</u>	
	£	£	£	£
Operational Land & Buildings Cost	739,350		739,350	
Pumping Stations Cost	3,861,354		3,861,354	
Non-operational Property Cost	130,000		130,000	
Vehicles, Plant & Machinery Cost	877,147		804,415	
<b>Fixed Assets</b>		5,607,851		5,535,119
Stock	33,455		23,933	
Debtors Cont	175,721		95,883	
VAT	(15,830)		56,966	
Grants Debtor	(16,199)		(3,498)	
Car Loans	33,441		14,080	
Prepayments	34,162		31,284	
Draw Acc	(3,004)		(14,111)	
Call Acc	310,000		610,000	
Petty Cash	325		501	
Rechargeable Work in Progress	13,450		7,747	
Natwest Government Procurement C	(909)		(873)	
Reserve Account	1,028,195		658,999	
<b>Total Current Assets</b>		1,592,808		1,480,912
Trade Creditors	(1,174)		(19,179)	
PAYE & NI Control Account	(17,869)		(17,169)	
Superannuation Contrl Account	(12,199)		(14,548)	
Union Subs Control Account	(101)		(99)	
AVC Control Account	0		0	
Accruals	(200,207)		(24,000)	
Suspense	(0)		0	
<b>Total Liabilities</b>		(231,551)		(74,995)
Pension Liability		(3,343,000)		(2,973,000)
		<b>3,626,108</b>		<b>3,968,036</b>
Capital Outlay	5,450,044		5,216,031	
Pension Reserve	(3,343,000)		(2,973,000)	
<b>Total Capital</b>		2,107,044		2,243,031
General Reserve	910,190		880,038	
Development Reserve	131,590		91,845	
Plant Reserve	(87,474)		148,322	
Wage On-Cost Reserve	34,874		8,647	
Surplus/Deficit in Period	529,884		596,154	
<b>Total Reserves</b>		1,519,065		1,725,005
		<b>3,626,108</b>	0	<b>3,968,036</b>
<b><u>Cash &amp; Bank Balances</u></b>				
Drawings Account		(3,004)		
Call Account		10,000	310,000	
Natwest Reserve Account @ 0.01%		1,028,195		
Petty Cash		325		
Chargcard		(909)		
Monmouthshire BS @ 0.15%		300,000	30 Day Notice	
		<b>1,334,607</b>		

**BLACK SLUICE INTERNAL DRAINAGE BOARD  
RISK REGISTER**

Objectives	Ref	Risk	Potential Impact of Risk	Potential Likelihood of Risk	Risk Score	Gaps in control	Action Plan
To provide and maintain standards of sound needs based sustainable flood protection.	1.1	Being unable to prevent flooding to property or land	High	Low	3		
	1.2	Loss of Electricity Supply	High	Low	3		
	1.3	Pumps failing to operate	High	Low	3		Maintenance
	1.4	Watercourses being unable to convey water	Medium	Low	2		Maintenance
	1.5	In operating machinery to maintain watercourses	Medium	Low	2		Training
	1.6	Claims from third parties for damage to property or injury	Medium	Low	2		
	1.7	Loss of senior staff	Medium	Low	2		
	1.8	Insufficient finance to carry out works	Medium	Low	2		
	1.9	Reduction in staff performance	Medium	Low	2		
	1.10	Insufficient staff resources	Medium	Low	2		Review
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	Medium	Low	2		BAP
	2.2	Non delivery of objectives	Low	Low	1		BAP
To provide a 24 hour/365 day emergency response for the community	3.1	Emergency Plan inadequate or not up to date	Low	Low	1		Review
	3.2	Insufficient resources	Medium	Low	2		Review
	3.3	Critical Incident loss of office	Medium	Low	2	None	
To provide a safe and fulfilling working environment for staff.	4.1	Injury to staff and subsequent claims and losses	Medium	Low	2		Training
	4.2	Not complying with Health and Safety legislation	High	Low	3		Consultant
To maintain financial records that are correct and comply with all recommended accounting practice.	5.1	Loss of cash	Low	Low	1	None	
	5.2	Loss of money invested in building societies and banks	Medium	Low	2	None	
	5.3	Fraud by senior officers	Low	Low	1	None	
	5.4	Risk of Inadequacy of Internal Checks	Medium	Low	2		
	5.5	Fraudulent use of credit cards	Low	Medium	2		
To ensure that all actions taken by the Board comply with all current UK and EU legislation	6.1	Board members in making decisions	Low	Low	1		
	6.2	Not complying with all employment regulations and laws	Medium	Low	2		
A cost efficient IDB that provides a Value for Money service.	7.1	Not collecting sufficient income to fund expenditure	Low	Low	1		Accounts
	7.2	IDB abolished or taken over	Low	Low	1		
Information Technology and Communications	8.1	Loss of telemetry	Medium	Low	2		Maintenance
	8.2	Loss of telephone Communications	Low	Low	1		
	8.3	Loss of Internet Connection	Low	Low	1		
	8.4	Network Failure	Medium	Low	2		
	8.5	Cyber Attack	High	Low	3		
	8.6	Network Security Breach	Medium	Low	2		
	8.7	Virus on Network	Medium	Low	2		
	8.8	Loss of accounting records	Medium	Low	2	None	
	8.9	Loss of rating records	Medium	Low	2	None	

# CATALOGUE OF BOARD POLICIES

		Reviewed on												To be reviewed						
		Jan 12	Sep 12	Jan 13	Oct 13	Apr 14	Dec 14	Apr 15	Sep 15	Apr 16	Sep 16	Apr 17	Sep 17	Apr 18	Sep 18	Apr 19	Sep 19	Apr 20	Sep 20	
Management Accounts																				
Annual Accounts																				
1 Risk Management Strategy	Annual																			
2 Risk Register	Annual																			
3 Financial Regulations	3 years																			
4 Procurement Policy	5 years																			
5 Investment Strategy	5 years																			
6 Insurance Arrangements	Annual																			
7 Black Sluice IDB H&S Booklet	Annual																			
8 Relaxation of Board Byelaw No 10 (the 9m byelaw)	5 years																			
9 Structures Replacement	Annual																			
10 Delegation of Authority	5 years																			
11 Biodiversity Action Plan	5 years																			
12 Standing Orders																				
13 Emergency Flood Response Plan (updated 27 April 16)	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 Blowing Confidential Reporting Code	5 years																			
19 Anti Bribery	5 years																			
20 Officers Car Loan	5 years																			
21 H&S Control & Management of Asbestos	5 years																			
22 H&S Control of Noise at Work	5 years																			
23 H&S Policy for Display Screen Equipment	5 years																			
24 H&S First Aid and Accident Recording	5 years																			
25 Lone Worker	Annual																			
26 H&S Young Persons Safety at Work policy	5 years																			
27 Control of Ragwort	5 years																			
28 Land Drains discharging into Board Maintained Watercourse	5 years																			
29 Control of Rabbits, Rats & other Rodents	5 years																			
30 Pension Discretion LPF 2014	5 years																			
31 Publication Scheme	5 years																			
32 Data Protection	5 years																			
33 Smoking Policy	5 years																			
34 Gift and Hospitality	5 years																			
35 Fire Management Plan	5 years																			
36 H&S Manual Handling Operations	5 years																			
37 H&S Managing Stress in the Workplace	5 years																			
38 H&S Vibration at Work policy	5 years																			
39 H&S Wearing of seat belts in Boards vehicles	5 years																			
40 Commercial Works	5 years																			
41 Public Sector Co-operation Agreement	5 years																			
42 Near Miss Reporting	5 years																			
43 Electronic Information and Communication Systems	5 years																			