

# **BLACK SLUICE**

## **INTERNAL DRAINAGE BOARD**



# **Audit & Risk Committee Meeting**

**Monday, 10<sup>th</sup> May 2021 at 10am**

**Virtual Meeting**



# Black Sluice Internal Drainage Board

Station Road  
Swineshead  
Boston  
Lincolnshire  
PE20 3PW

01205 821440

[www.blacksluiceidb.gov.uk](http://www.blacksluiceidb.gov.uk)

[mailbox@blacksluiceidb.gov.uk](mailto:mailbox@blacksluiceidb.gov.uk)

Our Ref: IW/DPW/B10\_1

Your Ref:

Date: 30<sup>th</sup> April 2021

## **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 remotely on Monday, 10<sup>th</sup> May 2021 at 10am at which your attendance is requested.

Due to COVID-19, this meeting will be held remotely in accordance with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Chief Executive

## **A G E N D A**

1. Recording the meeting.
2. Apologies for absence.
3. Declarations of interest.
4. To receive and, if correct, sign the Minutes of the Audit & Risk Committee Meeting held on the 14<sup>th</sup> October 2020 **(pages 1 - 7)**
5. Matters arising.
6. A presentation from the Internal Auditor, Mr C Harris, and to receive the following:
  - (a) Internal Audit Report 2020/21 **(pages 8 - 15)**
  - (b) Audit Programme 2021/22 **(pages 16 & 17)**
7. To review the following Board policies:
  - (a) Policy No. 01: Risk Management Strategy **(pages 18 - 39)**
  - (b) Policy No. 03: Financial Regulations **(pages 40 - 44)**
8. To review the Period 11 Board's Management Accounts **(pages 45 - 49)**
9. To receive the Risk Register **(page 50)**
10. To review the Board's Catalogue of Policies **(page 51)**
11. Any other business.

# **BLACK SLUICE INTERNAL DRAINAGE BOARD**

## **MINUTES**

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

held remotely on  
14<sup>th</sup> October 2020 at 2pm

### **Members**

Chairman - \* Mr M Brookes

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

\* Member Present

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

#### 1654 **APOLOGIES FOR ABSENCE - Agenda Item 1**

Apologies for absence were received from Cllr R Austin.

#### 1655 **DECLARATIONS OF INTEREST - Agenda Item 2**

No declarations of interest were received.

#### 1656 **MINUTES OF THE LAST MEETING - Agenda Item 3**

Minutes of the last meeting held on 13<sup>th</sup> May 2020, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record with the following amendment:

- Minute 1600(a) – 1.2 Risk of Loss of Electrical Supply – Within paragraph two of this section should read ‘...which have enough for brief interruption’ rather than ‘...which have enough or brief introduction’.

#### 1657 **CONFIDENTIAL MINUTES OF THE LAST MEETING - Agenda Item 4**

Confidential Minutes of the last meeting held on 13<sup>th</sup> May 2020, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

#### 1658 **MATTERS ARISING - Agenda Item 5**

##### **(a) POLICY No. 01: RISK MANAGEMENT STRATEGY - Minute 1600(a)**

The Chairman referred to Section 3 – Skills and Expertise, noting that it was agreed at the last meeting that the officers would look into the qualification used by the EA for operating vehicles on bank tops.

The Chief Executive gave an update on this, explaining that three members of the workforce were sent, at a cost of approximately £240 each. The attendees have noted that the course was informative and interesting, it being especially useful that they were able to complete the training using their own vehicles, allowing them to find out the capabilities of them. It was added that the Operations Manager feels it could be beneficial for more of the workforce to attend this course, but at the moment, the three attendees are assessing the benefits of the course before sending more employees.

Mr V Barker noted that he has spoken to one of the attendees and was surprised that they were not told to wind down electric windows in case of not being able to get them open in the event of entering water. The Chief Executive noted that he will pass the comment on to the course provider.

**(b) POLICY No.1: RISK MANAGEMENT STRATEGY - Minute 1600(a)**

The Chairman referred to Appendix C, Risk of being unable to prevent flooding to property or land, noting that it was agreed at the last meeting that the Chief Executive would contact the EA and re-emphasise the need for the operational manual.

The Chief Executive gave an update on this, explaining that he has had various meetings with Norman Robinson and EA Managers, at the last meeting held on 28<sup>th</sup> September 2020 (the last meeting of the South Forty Foot Steering Group which are 'handing over the baton' to the South Lincs Water Partnership) Norman Robinson, the Area Director for Lincs, was extremely embarrassed to be informed that we have still not yet received anything from his team. He has therefore taken it onboard himself to get this operation manual produced and circulated. Once the Chief Executive has received it, it will then be relayed to the Board and relevant committees.

**(c) POLICY No. 13: EMERGENCY RESPONSE PLAN - Minute 1600(d)**

The Chairman referred to the section regarding the Operation of Pumping Stations, noting that it was agreed at the last meeting that the Chief Executive would look into the level of the banks and land in relation to the pump at Dowsby Lode.

The Chief Executive gave an update on this, explaining that works are currently being undertaken at Dowsby Lode and the banks. The raised banks have not yet been levelled as a badger sett has been discovered and so discussion is currently taking place with the EA in relation to relocating the sett. The Chief Executive noted that they don't believe the land levels will change dramatically and so if there is a change needed to be made to the schedule within the emergency plan then it will be changed accordingly. The survey will not be conducted until all of the works are completed.

Mr V Barker thanked the Chief Executive for this, next making reference to the section headed 'Emergency Response Section – Summary'. He questioned if there was anything further to report in regard to the EA pump at the end of the Bourne Eau?

The Chief Executive explained that there is now a 'bigger picture' in relation to this, informing the committee that the Lincolnshire Wildlife Trust have made a bid for the Green Recovery Project Fund which has passed the first stage of this process. The application is to purchase 50ha of land around the Bourne Eau pond that is owned by the Board, with the idea of turning it into a nature reserve and water polishing wetland taking water from the Bourne Eau before it could enter the River Glen. The water would then be lifted back into the Glen or, in negotiation with the Board, ran back into The Weir Dyke before being lifted into the South Forty Foot Drain. Therefore, nothing has moved forward regarding the pumping station until there is more certainty around the potential reduction in water.

**(d) IDENTIFY HEALTH & SAFETY REQUIREMENTS - Minute 1602**

The Chairman made reference to employees climbing over the fence at Gosberton Pumping Station to use the welfare facilities.

The Chief Executive gave an update on this, explaining that all the materials have been purchased and received to put in a pedestrian gate. The Pumping Station Maintenance Person will be constructing this in the next 4 – 6 weeks.

**1659 RECEIVE A REPORT ON INSURANCE ARRANGEMENTS - Agenda Item 6**

The Finance Manager introduced this item, noting that there are no changes to the cover for this renewal. At one point, it was looking like there was going to be a 55% increase on the commercial combined renewal, even though the rates were agreed as a group IDB policy on 31 March 2020, these rates have now been reinstated.

The figures highlighted in yellow in the agenda are estimate figures, with the idea being that the Finance Manager would be able to give an update with the actual figures. The Finance Manager presented on screen the updated renewal figures, noting that the low claims rebate is still highlighted as, at today, this figure is still being awaited, but it is expected to be within region of the estimate. The Finance Manager added that the reason for the increase in the commercial combined renewal is because the business interruption cover was increased from £100,000 to £500,000 last year.

The Chairman added that an overall premium increase of 1% is excellent.

All AGREED to accept these insurance arrangements.

**1660 RECEIVE THE ANNUAL RETURN INCLUDING EXTERNAL AUDITORS OPINION FOR 2019/20 - Agenda Item 7**

The Finance Manager reminded the committee that they have already received the Annual Return, the only new part to this is the external auditors report, on page 22 of the agenda.

The Chairman noted the good achievement, with no matters for concern being picked up by the external auditors. The Chairman thanked the officers and the team for their hard work, congratulating them on this achievement.

All AGREED to receive the Annual Return including External Auditors Opinion for 2019/20.

1661 TO REVIEW THE FOLLOWING BOARD'S POLICIES - Agenda Item 8

The Finance Manager explained that these are policies that have been identified for review and any changes have been made in red and any additional notes made in green.

(a) POLICY No. 15: EMPLOYEES CODE OF CONDUCT

The committee were informed that there are no proposed changes to this policy and there were no questions or comments from the committee.

The Committee RESOLVED to recommend that the Employees Code of Conduct (No. 15) be approved at the next Board meeting.

(b) POLICY No. 16: FRAUD & CORRUPTION

The committee were informed that the only proposed change to this policy is around the definition of fraud. The Finance Manager explained that it did previously state that fraud was not a criminal offence, however, this changed with the Fraud Act 2006.

The Committee RESOLVED to recommend that the Fraud & Corruption Policy (No. 16) be approved at the next Board meeting.

(c) POLICY No. 20: OFFICERS CAR LOAN

The committee were informed that there are no proposed changes to this policy.

Mr V Barker made reference to section 2 of the policy and the interest being paid at 1% above the Bank of England Base Rate. He noted the uncertain times ahead, with predictions being of minus base rates, suggesting that it should be outlined in the policy that it be a minimum of 1%.

All AGREED to the following addition; 'Simple interest shall be paid *at a minimum of 1% or 1% above the Bank of England Base Rate, whichever is the greatest* when the loan is taken out, and be fixed for the term of the loan.'

The Committee RESOLVED to recommend that the Officers Car Loan Policy (No. 20) be approved with the above amendment at the next Board meeting.

(d) POLICY No. 42: NEAR MISS REPORTING

The committee were informed that the only proposed changes are in relation to the responsibilities of the managers.

The Chief Executive highlighted that the workforce receive toolbox talks where they are encouraged to report near misses in a no-blame culture. These near misses need to be reported so that they can be acted upon and the risk reduced to a level as low as reasonably possible.

The Chief Executive explained that according to the reports, there are very few near misses. However, with the number of workforce and industry that they work in, it does seem surprising that there are very few near miss incidents.

Therefore, emphasis has been given to try and encourage employees to report near miss incidents and remove any reluctance to record them.

Mr V Barker noted that he has watched some of the twigas in operation and some of the positions they have ended up in, especially in wet conditions, he would think they would be classed as a near miss. The Chief Executive noted that if any members witness anything they believe should be reported as a near miss, please inform the Operations Team.

The Chairman acknowledged the importance of near misses being reported so that there is opportunity to do something about it and ensure it doesn't result in something worse. The Chairman also noted that, quite often, near misses aren't reported because they were doing something in a way they shouldn't be.

The Chief Executive noted that it needs reporting for the safeguarding of the employees and the toolbox talks will continue.

Mr R Leggott added that different individuals have different perceptions of what a near miss is and so hopefully through education the variation of what constitutes a near miss can be reduced.

Mr W Ash noted that also, often, near misses are due to operator error and so they are then not going to want to highlight it to management.

The Chief Executive added that there are also very few reported accidents and so it may just be that there are no near misses to report.

The Committee RESOLVED to recommend that the Near Miss Reporting Policy (No. 42) be approved at the next Board meeting.

**(e) POLICY No. 47: BUSINESS CONTINUITY PLAN – COVID-19**

The committee were informed that this was presented to the Executive committee in September and, at the time of printing the agenda, there were no proposed changes. However, the Finance Manager noted that following the Prime Minister's announcement on 12<sup>th</sup> October 2020 regarding the three-tier system, it may be useful to include that.

It was clarified that the changes are made by the Chief Executive as and when necessary and it is then retrospectively reviewed by the Executive committee and Board.

Mr R Leggott made reference to the COVID-19 Secure section, noting that it currently states that ten people can be in the Boardroom, questioning whether this requires reducing to six? The Finance Manager explained that there is an exemption for business', meaning that more than 6 people can meet, provided that they are able to social distance. Ten people is the maximum number of people that could fit in the Boardroom socially distanced. However, the decision has been taken that future meetings should be held remotely due to the increasing infection levels.

The Committee RESOLVED to recommend that the Business Continuity Plan - COVID-19 (No. 47) be retrospectively approved at the next Board meeting with the addition of the newly announced tier system.



1662 TO RECEIVE A NEW POLICY ON CROP LOSS COMPENSATION (POLICY No. 46)  
- Agenda Item 9

The Chief Executive explained that this a new policy, however, the information within the policy is already in place, it just wasn't formally set out in a policy format, so the figures and procedure have already been approved by the Board.

The Finance Manager noted that a change needs to be made to the Land Loss Calculator; the 'Average *Rentable Value*' should be the '*Annual Rateable value*'.

The Chairman clarified that they are locally agreed rates, questioning how they compare to other local Board's rates? The Chief Executive responded that Welland & Deepings IDB and Witham 4<sup>th</sup> IDB do not pay any compensation for their annual summer maintenance works. The Chief Executive added that the Board pay around £10,000 - £15,000 per year in crop and land loss compensation, which the Board may feel could be used better for something else i.e. capital schemes etc.

The Chairman confirmed that at this committee meeting, all the committee are doing are agreeing to the policy outlining what is already in practice. Any changes to the procedure or rates need to be discussed at the Board.

Mr V Barker made two points, the first being that sometimes the land is let by the ratepayer. The second being in reference to bulbs, explaining that they can be in for c3 years and already be in before the decision is made for the drain maintenance to take place. He added that the value would be greater than for cereals and rape and so didn't believe that the value was appropriate for bulbs.

The Finance Manager responded to Mr V Barkers first point, explaining that any crop loss payment will be paid to the occupier as per the drainage rate system. Any land loss payment will be paid to the owner.

The Chairman confirmed that the values will need to be discussed by the Board.

Mr N Scott added that it is a clear policy, but it would be beneficial to have a section on how the procedure works. For example, whether the ratepayer needs to make a claim for the payment and what this involves or whether it is automatically paid. All AGREED this would be a beneficial addition.

The Committee RESOLVED to recommend that the Crop Loss Compensation Policy (No. 46) be approved at the next Board meeting with the addition of a new section explaining how the process works.

1663 RECEIVE THE CATALOGUE OF BOARD POLICIES WITH RECOMMENDED  
APPROVAL DATES - Agenda Item 10

The Finance Manager explained that the catalogue is based on the maximum review time and so for the April 2021 meeting some may be pulled forward.

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

1664 TO REVIEW THE RISK REGISTER - Agenda Item 11

The Chairman presented the Risk Register, highlighting the risk score of 6 associated with the risk of fluvial flooding from failure or overtopping of defences. This being such a high risk due to still waiting for the operation manual from the EA, once this is received, this risk can be re-assessed.

Mr R Leggott questioned whether this risk score is being relayed to the EA in the discussions about the urgency of the operations manual? The Chief Executive responded that this has been highlighted to Norman Robinson, who was rather shocked and so is actioning it himself.

The committee AGREED that the Risk Register be accepted.

1665 ANY OTHER BUSINESS - Agenda Item 12

There was no additional business.

There being no further business the meeting closed at 14:55.



Internal Audit

**FINAL**

## Black Sluice Internal Drainage Board

Assurance Review of Annual Governance and Accountability Return

**2020/21**

February 2021

## Executive Summary

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit covers all areas required by the Annual Governance and Accountability Return (AGAR) and includes where appropriate the key risks for a drainage board.

### SCOPE

The aim of the audit was to undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.

### KEY STRATEGIC FINDINGS

- Black Sluice Internal Drainage Board has good systems in place and the governance, risk and control framework is working well.
- Black Sluice Internal Drainage Board use the Opera suite of software to manage their accounts which supports accurate accounting and good record keeping.

### GOOD PRACTICE IDENTIFIED

- Governance, Risk and Control are all well managed by the Black Sluice Internal Drainage Board
- The Black Sluice Web site is easy to navigate, well populated with useful key information and kept up to date.

### ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations have been made.							

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 Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

### Other Findings

- The previous recommendation regarding strengthening the Boards treatment of Health and Safety matters has been fully implemented.
- All the Boards policies and procedures are on their website. These are all appropriate and adequate for a drainage board. The website itself is easy to navigate and the policies and procedures are the latest version and are all up to date.
- Due to circumstances the Chief Executive is currently unavailable and the Finance Manager is acting up as Chief Executive and Finance Manager. Potentially this situation, if it continues, could undermine the control framework, although appropriate action has been taken to deal with this unexpected situation.
- The financial systems operated by the Board are all well established and good evidence was provided to demonstrate that the provisions contained within Financial Regulations are being followed.




**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b> There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	<b>Financial Constraint</b> The process operates within the agreed financial budget for the year.	In place	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

 The Board has in place sound processes for the management of its finances and appropriate and adequate reserves are held. Management accounts are routinely reported to the Board along with future years forecasting which assists with the rate setting and keeping any increases in proportion to need.



## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the 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.

### Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

- The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

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

### Release of Report

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

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	3 <sup>rd</sup> December 2020	3 <sup>rd</sup> December 2020
<b>Draft Report:</b>	4 <sup>th</sup> February 2021	4 <sup>th</sup> February 2021
<b>Final Report:</b>	5 <sup>th</sup> February 2021	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Black Sluice IDB		
<b>Review:</b>	Annual Governance and Accountability Return		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Chris Harris
<b>Outline scope (per Annual Plan):</b>	To undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.		
<b>Detailed scope will consider:</b>	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>			
<b>Planned Start Date:</b>	25/01/2021	<b>Exit Meeting Date:</b>	1 February 2021
		<b>Exit Meeting to be held with:</b>	Daniel Withnall

### SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

# **BLACK SLUICE INTERNAL DRAINAGE BOARD**

## **AUDIT & RISK COMMITTEE - 10 MAY 2021**

### **AGENDA ITEM 06(b)**

#### **IDB'S REMOTE AUDITING AUDIT PROGRAMME - 2021/22 INTERNAL AUDIT ARRANGEMENTS**

At this time (April 2021) I am unable to consider an alternative to a remote internal audit for the 2021/22 financial year. In any event even if we have some degree of "normality" which may come about by being vaccinated it is still very likely that part of the audit may still be undertaken remotely. I will keep clients informed as time moves on as to how the audit will be undertaken in 2021/22. For now the list below provides the audit programme of work for 2021/22 as at this time I am not expecting to vary the areas to be covered that are required for me to sign off the AGAR statement for internal audit.

#### **Strategic 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 any 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 where held
- 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.

Chris Harris  
Internal Auditor

# **Black Sluice Internal Drainage Board**

## **Risk Management Strategy**

## **Risk Management Policy**

## **Risk Analysis**

Updated	10 May 2021
Board Approved	
Due for Review	Annually

# **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 Boards overall risk management strategy, and will report directly to the Board.

2.5 The Board's Chief Executive will be responsible for the Boards overall Health and Safety policy and will report to the Board.

2.6 It is envisaged that the development of a risk management strategy will encourage ownership of risk and will allow for easier monitoring and reporting on remedial actions / controls.

## **3. Skills and Expertise**

3.1 Having established roles and responsibilities for risk management, the Board must ensure that it has the skills and expertise necessary. It will achieve this by providing Risk Management Training for Employees and Board Members, where appropriate providing awareness courses that address the individual needs of both the manual workforce and office staff.

3.2 Training will focus on best practice in risk management, and awareness will also focus on specific risks in areas such as the following:

- Partnership working
- Project management
- Operation of Board vehicles and equipment
- Manual labour tasks e.g. Health and Safety issues

## **4. Embedding Risk Management**

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

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



## **5. Risks and the Decision Making Process**

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

## **6. Supporting Innovation and Improvement**

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

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

## RISK ASSESSMENT MATRIX

Likelihood of occurrence ↑ HIGH  MEDIUM  LOW ↓	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 <= 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 flooding from failure or overtopping of defences

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

How risk is managed: Board works with lead local flood authority, Environment Agency and the Wash Frontage Group.

Future Work: Lobbying of government representative

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

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

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

How risk is managed: Board works with lead local flood authority Pumping Stations Additional Resilience Partnership working with EA including PSCA Agreement with EA to switch off selected pumps if levels reach 2.7m ODN at Black Hole Drove PS

Future Work: Waiting for the EA Management Plan to be published on the operation of the sluice and nav lock at Black Sluice Pumping Station.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
<b>HIGH</b>	<b>MEDIUM</b>	<b>6</b>

(c) 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
HIGH	LOW	3

(d) Flooding from Sewers or riparian watercourses

From Chris Harris: Flooding from sewers or riparian watercourses - I thought could be high 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.

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
MEDIUM	LOW	2

**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, Main server and Phone System

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
HIGH	LOW	3

### 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
HIGH	LOW	3

### 1.4 Risk of Board Watercourses being Unable to Convey Water

Consequence: High water levels and possible flooding from over topping  
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
MEDIUM	LOW	2

### 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 plant & vehicles  
Injury to staff

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

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
MEDIUM	LOW	2



**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 plant & 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  
 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 Third Parties damage to Board maintained assets**

Risk: Damage to Board Maintained Assets  
 Damage to Board Owned Assets

Consequence: Assets not performing as they are designed to.

How risk is managed: Managed Assets – Board Byelaws  
 Owned Assets - Insurance

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

**1.8 Risk of Loss of Senior Staff**

From Chris Harris: Loss of Senior Staff – perhaps should have a higher likelihood score.

High Very likely to happen Matrix score 3

Consequence: Inability to operate efficiently

How risk is managed: Should staff from the Emergency response Team not be available during a prolonged event cover should be implemented as per the emergency response plan  
 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>

### 1.9 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  
Significant unexpected costs to respond to incidents or extended periods of wet weather.

How risk is managed: Ten year budget to ensure adequate funding  
The Board maintains reserves at a level sufficient to respond to incidents and extended periods of wet weather.

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

### 1.10 Reduction in Staff Performance

Consequence: Reduced standards of maintenance

How risk is managed: Ongoing continuous supervision, advice, training, line management motivation and appraisal.  
Management systems

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

### 1.11 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
MEDIUM	LOW	2

**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
LOW	LOW	1

**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
LOW	LOW	1

**3.2 Insufficient Resources (Staff and Equipment)**

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
MEDIUM	LOW	2

### 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/business interruption (£100k over a 12 Months period)  
Remote Backups to HBP servers kept for 365 days

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
HIGH	LOW	3

## 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
MEDIUM	LOW	2

### 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
HIGH	LOW	3

## 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
LOW	LOW	1

### 5.2 Risk of Loss of Money invested in Building Societies & Banks & Managed Funds

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 an individual organisation as per the Investment Policy  
Maximum of £500,000 invested in a managed fund.  
The Executive Committee of the Board reviews the investments on a regular basis

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
MEDIUM	LOW	2

### 5.3 Risk of Fraud by Senior Officers

From Chris Harris: Fraud by senior officers – I felt the impact risk could be high.

- *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.

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
LOW	LOW	1

#### 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
MEDIUM	LOW	2

#### 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
LOW	MEDIUM	2

### 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
LOW	LOW	1

#### 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
MEDIUM	LOW	2

## **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
LOW	LOW	1

### **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
LOW	LOW	1

## **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  
Work ongoing to upgrade the Telemetry Systems including the ability for remote operation.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
MEDIUM	LOW	2

## 8.2 Risk of Loss of Telephone Communications

Consequence: Inability to communicate decisions

How risk is managed: All staff have mobile telephones  
 14 VOIP phones (6 with power supplies to be able to be used anywhere with an internet connection)  
 2 Analog lines on site  
 UPS (Battery Backup) on Communications Cabinet  
 4G Assure on **both** Broadband lines if landlines fail

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
LOW	LOW	1

## 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  
 4G Assure on **both** Broadband lines if landlines fail  
 Mobile Wifi Broadband contract maintained

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
MEDIUM	LOW	2

## 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
HIGH	LOW	3



## 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 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  
Remote Backups to HBP servers kept for 365 days  
Introduction of Electronic Information and Communication Systems Policy (was part of the 'White Book' previously) Adopted by Board in June 2017

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: 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  
Remote Backups to HBP servers kept for 365 days

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: 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  
Remote Backups to HBP servers kept for 365 days

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	30 <sup>th</sup> May 2018

#### 1. INTRODUCTION

- 1.1 The **Accounts and Audit Regulations 2015** 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 as required by the **Local Government Act 1972, Section 151**.
- 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, **using the best information available**. 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, **by faster payment**, processed by the second and last Friday in each period.
- 4.4 **Direct Debit payment may be set up for regular monthly payments, either fixed or variable**
- 4.5 The Finance Manager shall prepare a monthly schedule of payments that have been made.
- 4.6 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.

8.5 Variations to the salary of the Chief Executive or Finance Manager shall be authorised by the Chairman of the Board.

8.6 Any discretionary payments to employee's over the Overtime limit will be authorised by the Chairman of the Board.

## **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 **that assures them that the Board has a sound system of internal control which;**
- 11.2.1 Facilitates the effective exercise of its function and the achievement of its aims and objectives**
- 11.2.2 Ensures that the financial and operation management of the authority is effective and**
- 11.2.3 Includes effective arrangements for the management of risk.**
- 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

## Project Summary

### 2020/21

Period 11 - February 2021

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	418	785	(367)	2,140,255	2,146,198	(5,943)	2,126,673	13,582	2,094,425	45,830
Interest & Grants	847	1,304	(457)	133,129	17,324	115,805	133,404	(275)	402,781	(269,651)
Development Fund	0	0	0	0	0	0	0	0	0	0
Other Income	600	950	(350)	31,831	20,416	11,415	31,647	184	20,062	11,769
Rechargeable Income	4,602	7	4,595	275,965	311,781	(35,816)	300,410	(24,445)	401,960	(125,995)
Solar Panel Income	602	807	(205)	16,706	16,790	(84)	15,978	728	15,963	743
<b>Total Income</b>	<b>7,070</b>	<b>3,853</b>	<b>3,217</b>	<b>2,597,886</b>	<b>2,512,509</b>	<b>85,377</b>	<b>2,608,112</b>	<b>(10,226)</b>	<b>2,935,191</b>	<b>(337,305)</b>
Schemes	51,321	0	(51,321)	196,039	489,000	292,961	275,154	79,115	268,669	72,630
Pumping Station Schemes	6,391	0	(6,391)	170,597	145,000	(25,597)	154,938	(15,659)	68,620	(101,977)
Pumping Station Maintenance	29,668	37,897	(45,020)	306,868	330,569	(225,238)	431,359	(124,448)	262,872	82,890
Electricity	53,250			248,938					375,825	0
Drain Maintenance	24,818	101,007	76,189	777,296	734,685	(42,611)	786,295	8,999	654,478	(122,818)
Environmental Schemes	421	2,319	1,898	9,545	7,078	(2,467)	13,025	3,480	5,203	(4,343)
Administration & Establishment	47,517	40,911	(6,606)	512,238	478,777	(33,461)	502,289	(9,949)	492,781	(19,456)
EA Precept	0	0	0	276,552	276,552	0	276,552	0	276,552	0
Rechargeable Expenditure	68	0	4,534	247,344	280,603	33,259	275,965	28,621	391,026	17,687
Solar Panel Expenses	0	0	0	2,327	2,483	156	2,564	237	2,538	211
<b>Total Expenditure</b>	<b>213,453</b>	<b>182,134</b>	<b>(26,717)</b>	<b>2,747,745</b>	<b>2,744,747</b>	<b>(2,998)</b>	<b>2,718,141</b>	<b>(29,604)</b>	<b>2,798,564</b>	<b>(75,176)</b>
<b>Surplus / (Deficit)</b>	<b>(206,383)</b>	<b>(178,281)</b>	<b>(28,102)</b>	<b>(149,859)</b>	<b>(232,238)</b>	<b>82,379</b>	<b>(110,029)</b>	<b>(39,830)</b>	<b>136,627</b>	<b>(286,486)</b>
<b>Movement on reserves</b>										
Plant Reserve	(13,608)	0	13,608	(324,276)	0	324,276	(324,276)	0	(240,498)	83,778
Pump Engineer Oncost	295	0	(295)	13,644	0	(13,644)	20,317	6,673	(2,080)	(15,724)
Wages oncost Reserve	9,834	0	(9,834)	(60,844)	0	60,844	(66,135)	(5,291)	(27,714)	33,130
Grants Manager	0	0	0	0	0	0	0	0	24,812	24,812
<b>Surplus / (Deficit)</b>	<b>(202,904)</b>	<b>(178,281)</b>	<b>(31,582)</b>	<b>221,617</b>	<b>(232,238)</b>	<b>(289,098)</b>	<b>260,066</b>	<b>(41,213)</b>	<b>382,106</b>	<b>(412,483)</b>



# Black Sluice Internal Drainage Board Drainage Rates & Special Levies

2020/21

Period 11 - February 2021

## Drainage Rates & Special Levies Due

### Drainage Rates

Annual Drainage Rates - Land and/or buildings	1,073,939.99	
Land/Property - Value Decreased	(8,234.17)	
Land/Property - Value Increased	3,191.32	
New Assessment	1,948.84	
Write Offs & Irrecoverables	(134.55)	
Adjustments required for Special Levy		
Summons Collection Costs	150.00	
<b>Balance</b>	1,070,861.43	49.95%

### Special Levies

Boston Borough Council	813,156.42	
South Holland District Council	131,037.08	
North Kesteven District Council	69,496.10	
South Kesteven District Council	59,220.12	
	1,072,909.72	50.05%

<b>Total Due</b>	<b>2,143,771.15</b>	<b>100.00%</b>
------------------	---------------------	----------------

## Drainage Rates & Special Levies Collected

B/F Arrears/(Allowances)	149.37	
Payments Posted	1,058,488.75	
Returned Amount		99.67%
Paid Refund	(539.30)	
Bourne North Fen Trust Contribution	9,244.68	
Special Levies Received	1,072,909.72	100.00%
<b>Total Received</b>	<b>2,140,253.22</b>	

## Drainage Rates & Special Levies Debtors

Special Levy Outstanding	0.00	0.00%
Drainage Rates Outstanding	3,517.93	0.33%
	<b>3,517.93</b>	

<b>2,143,771.15</b>
---------------------

# Black Sluice Internal Drainage Board

## Income & Expenditure Summary

### 2020/21

Period 11 - February 2021

	This Year	Last Year	Variance
Drainage Rates	1,067,345	1,054,833	12,513
Special Levies	1,072,910	1,039,592	33,317
Recoverable	275,965	401,960	(125,995)
Misc Income	165,634	424,412	(258,778)
Solar Panel Income	16,706	15,963	743
	2,598,560	2,936,760	(338,200)
Employment Costs	1,106,182	1,093,363	(12,820)
Property	301,016	423,372	122,356
General Expenses	212,529	162,752	(49,776)
Materials / Stock	44,418	42,302	(2,116)
Motor & Plant	330,466	266,108	(64,358)
Miscellaneous	382,332	566,758	184,425
Recharges	(609,382)	(575,898)	33,484
Plant	609,382	575,898	(33,484)
<b>Total Expenditure</b>	2,376,943	2,554,654	177,712
<b>Net Surplus / (Deficit)</b>	<b>221,617</b>	<b>382,106</b>	<b>(160,489)</b>

# Black Sluice Internal Drainage Board

## Balance Sheet at Period End

### 2020/21

Period 11 - February 2021

	<u>This Year</u>		<u>Last Year</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	1,011,648		1,144,657	
<b>Fixed Assets</b>		<u>5,742,352</u>		<u>5,875,361</u>
Stock	41,220		32,086	
Debtors Control	25,663		65,120	
VAT	64,503		144,727	
Car Loans	10,964		17,200	
Prepayments	54,291		46,239	
Drawings Bank Account	(5,505)		214	
Call Bank Account	310,000		310,000	
Petty Cash	388		321	
Highland Water	0		0	
Work in Progress	(457,234)		(66,713)	
Nat West Government Procurement (	(1,542)		0	
Brewin Dolphin Investment	480,841		486,438	
Natwest Reserve Account	1,144,698		631,783	
<b>Total Current Assets</b>		<u>1,668,289</u>		<u>1,667,416</u>
Trade Creditors	238		1,314	
PAYE & NI Control Account	(26,372)		(17,829)	
Superannuation Contrl Account	(18,017)		(12,692)	
Accruals	(170,063)		(108,901)	
<b>Total Liabilities</b>		<u>(214,215)</u>		<u>(138,109)</u>
Pension Liability		(2,744,000)		(3,655,000)
		<u><u>4,452,426</u></u>		<u><u>3,749,669</u></u>
Capital Reserve	5,561,654		5,454,315	
Pension Reserve	(2,744,000)		(3,655,000)	
Brewin Dolphin Revaluation	(19,159)		(13,562)	
<b>Total Capital</b>		<u>2,798,495</u>		<u>1,785,753</u>
Revenue Reserve	1,220,944		1,242,026	
Development Reserve	218,865		200,907	
Plant Reserve	19,408		168,755	
Wages Oncost Reserve	(26,902)		(29,878)	
General Resere	221,617		382,106	
<b>Total Reserves</b>		<u>1,653,931</u>		<u>1,963,916</u>
		<u><u>4,452,426</u></u> 0		<u><u>3,749,669</u></u>
<b><u>Cash &amp; Bank Balances</u></b>				
Drawings Account		(5,505)		
Call Account		8,485	310,000	
Natwest Reserve Account @ 0.01%		1,144,698		
Petty Cash		388		
Chargecard		(1,542)		
Monmouthshire BS @ 0.40%		301,515	30 Day Notice	
		<u><u>1,448,040</u></u>		

# Black Sluice Internal Drainage Board Investment Summary 2020/21 Period 11 - February 2021

PORTFOLIO P1684056 VALUATION DATE 08 Mar 2021

28/02/2020 - 28/02/2021

## Portfolio Overview

PERFORMANCE FROM 28/02/2020 - 28/02/2021  
**3.91%**

TOTAL VALUE  
**480,841.44 GBP**

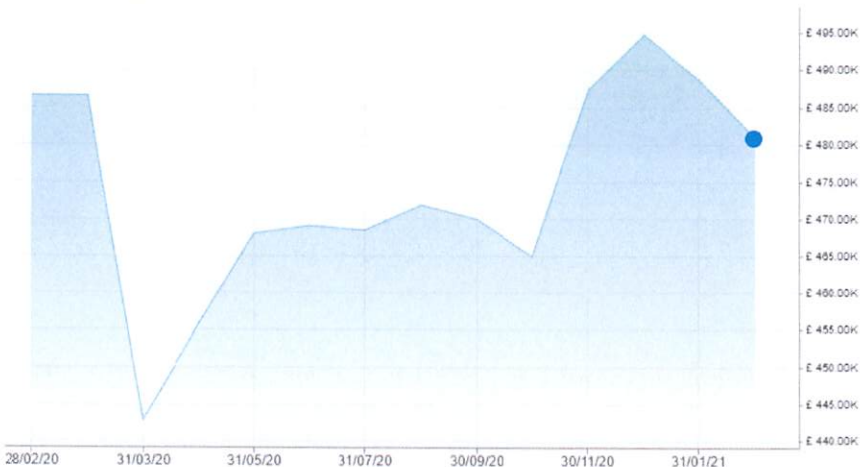
ESTIMATED ANNUAL INCOME  
**14,621.42 GBP**

## Performance

CHART  
Portfolio Value

PORTFOLIO VALUE

DATE: 28 Feb 2021 PORTFOLIO VALUE: 480,841.44 GBP PERIODIC PERFORMANCE: -1.43%  
CUMULATIVE PERFORMANCE: 3.91%



## Portfolio Summary

BOOK COST  
471,130.95 GBP

OVERALL GAIN OR LOSS  
2.06%

ESTIMATED ANNUAL INCOME  
14,621.42 GBP

ESTIMATED YIELD %  
3.04%

**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 (a) Coastal flooding from failure or overtopping of defences	High	Low	3		
	1.1	(b) Fluvial flooding from failure or overtopping of defences	High	Medium	6		
	1.1	(c) Flooding from failure of IDB pumping stations or excess rainfall	High	Low	3		
	1.1	(d) Flooding from sewers or riparian watercourses	Medium	Low	2		
	1.2	Loss of Electrical Supply	High	Low	3		
	1.3	Pumps failing to operate	High	Low	3		Maintenance
	1.4	Board Watercourses being unable to convey water	Medium	Low	2		Maintenance
	1.5	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	Third Parties damage to Board maintained assets	Medium	Low	2		
	1.8	Loss of senior staff	Medium	Low	2		
	1.9	Insufficient finance to carry out works	Medium	Low	2		
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 (Staff and Equipment)	Medium	Low	2		Review
	3.3	Critical Incident loss of office	High	Low	3	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, banks and managed funds	Medium	Low	2	None	
	5.3	Fraud by senior officers	Low	Low	1	None	
	5.4	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	Collecting insufficient 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	Medium	Low	2		
	8.4	Network Failure	High	Low	3		
	8.5	Breach in Cyber Security	Medium	Low	2		
	8.6	Network Security Breach	Medium	Low	2		
	8.7	Virus being introduced to 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

	A&R Committee Review	Reviewed									To be reviewed								
		Apr 17	Sep 17	Apr 18	Sep 18	Apr 19	Sep 19	Apr 20	Sep 20	Apr 21	Sep 21	Apr 22	Sep 22	Apr 23	Sep 23	Apr 24	Sep 24	Apr 25	Sep 25
Management Accounts	3 years	✓		✓						✓					✓				
Annual Accounts	3 years		✓		✓						✓						✓		
A Policy Statement Water Level & Flood Risk Management	5 years			✓										✓					
B BSIDB Byelaws	5 years			✓										✓					
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	3 years				✓		✓						✓					✓	
7 Black Sluice IDB H&S Booklet																			
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	Annual																		
12 Standing Orders		No review required							✓	✓	No review required								
13 Emergency Flood Response Plan	5 years				✓			✓			✓						✓		
14 Complaints Procedure	5 years						✓									✓			
15 Employees Code of Conduct	5 years								✓									✓	
16 Fraud and Corruption	5 years								✓									✓	
17 Members Code of Conduct	5 years	✓										✓							
18 Whistle 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	5 years			✓									✓						
26 H&S Young Persons Safety at Work policy	5 years					✓									✓				
27 Control of Ragwort	5 years				✓									✓					
28 Land Drains discharging into Board Maintained Watercourses	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	✓										✓							
44 Development Control Charges and Fees Policy	5 years				✓	✓										✓			
45 Mobile Phones & Devices	5 years					✓										✓			
46 Crop Loss Compensation	5 years								✓									✓	
47 COVID-19 Business Continuity Plan	N/A								✓									✓	