

# **BLACK SLUICE**

## **INTERNAL DRAINAGE BOARD**



## **Audit & Risk Committee Meeting**

**Tuesday 25<sup>th</sup> October 2022 at 2pm**

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



# Black Sluice Internal Drainage Board

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Our Ref: IW/JB/B10\_1

Your Ref:

Date: 18<sup>th</sup> October 2022

## **To the Chairperson 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 Tuesday, 25<sup>th</sup> October 2022 at 2pm at which your attendance is requested.

Chief Executive

## AGENDA

1. Recording the meeting.
2. Apologies for absence.
3. Declarations of interest.
4. To review the Audit & Risk Committee Terms of Reference (**pages 1 & 2**)
5. To receive and, if correct, sign the Minutes of the Audit & Risk Committee Meeting held on the 12<sup>th</sup> April 2022 (**pages 3 - 14**)
6. **CONFIDENTIAL** - To receive and, if correct, sign the Minutes of the Audit & Risk Committee Meeting held on the 12<sup>th</sup> April 2022 (**page 15**)
7. To receive the notes relating to the insurance renewal for 30 September 2022 from the informal meeting held on the 14<sup>th</sup> September 2022 (**pages 16 & 17**)
  - (a) **CONFIDENTIAL** - Original information relating to the insurance renewal included within the agenda for the adjourned meeting of 14<sup>th</sup> September 2022 (**pages 18 - 21**)
8. Matters arising.
9. To receive the Annual Return including External Auditors Opinion for 2021/22 (**pages 22 - 27**)
10. To review the following:
  - (a) Policy No. 04: Procurement Policy (**pages 28 - 36**)
    - (i) The Black Sluice Catchment Modelling Study (**page 37**)
  - (b) Policy No. 30: Local Government Pension Scheme Discretions Statement Scheme Employers (**pages 38 - 44**)
  - (c) Policy No. 48: Substance and Alcohol Misuse (draft new policy) (**pages 45 - 48**)
11. To receive the Catalogue of Board Policies with recommended approval dates (**page 49**)
12. To review the Risk Register (**page 50**)
13. Any Other Business.

BLACK SLUICE INTERNAL DRAINAGE BOARD

AUDIT & RISK COMMITTEE - 25 OCTOBER 2022

AGENDA ITEM 04

TERMS OF REFERENCE: AUDIT & RISK COMMITTEE

APPROVED BY THE BOARD:

1. GENERAL

The Black Sluice IDB shall have an Audit & Risk Committee.

The Committee shall have seven members who will be appointed by the Board.

The Membership shall include:

- Two elected members from Northern Works Committee.
- Two elected members from Southern Works Committee.
- Two appointed Members
- One additional Member

The Chairperson shall be appointed by the Committee at the triennial general meeting.

2. MEETINGS OF THE COMMITTEE

The Committee shall meet at least once each year and a quorum shall be three members. No one other than the Committee members, **members of the public and Board Officers** shall be entitled to attend Committee Meetings, but any other persons shall attend meetings **as a guest** if invited by the Committee.

The external auditors may request a meeting if they consider that one is necessary.

3. POWERS OF THE COMMITTEE

The Committee is authorised:

- To investigate any activity within its responsibilities;
- To seek any information that it requires from any Officer or employee of the Board and all employees are directed to cooperate with any request made by the Committee;
- To obtain outside legal or independent professional advice, and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.



#### 4. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the Committee shall be:

##### Financial Reporting

- (a) To review, and challenge where necessary, the actions and judgements of Officers in relation to the Boards financial statements and related formal statements.
- (b) To review the format of the financial report and management accounts, every three years.
- (c) To consider other relevant topics, as proposed by the Board.

##### Internal Control and Risk Management

- (d) To review the arrangements for the Boards employees to raise concerns, in confidence, about possible wrong doings in financial reporting or other matters;
- (e) To keep under review, the effectiveness of the Board's internal controls and risk management systems;
- (f) To review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

##### Internal Audit

- (g) To review Internal audit programme of works and ensure effective liaison with external auditors.
- (h) The Internal Auditor attends one meeting annually that the Committee discuss their remit without the management present.

##### External Audit

- (i) To oversee the relationship with the external auditors;
- (j) To review the findings of the audit including the management letter and managements response to the auditor's findings and recommendations.

##### Reporting

Minutes of meetings of the Committee shall be presented to the next meeting of the Board.

The Committee shall review its terms of reference after every triennial general meeting and its own effectiveness and recommend any necessary changes to the Board.

# **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  
12<sup>th</sup> April 2022 at 2pm

### **Members**

Chairperson - \* Mr M Brookes

* Mr W Ash	* Mr V Barker
* Mr M Leggott	* Mr J Fowler
Cllr R Austin	* Cllr S Walsh

\* Member Present

In attendance: Mr D Withnall (Finance Manager)  
Mr C Harris (Internal Auditor)

The Chairperson welcomed the Internal Auditor, Mr C Harris, to the meeting. The Chairperson also welcomed two new committee members, Mr M Leggott, and Mr J Fowler.

#### 1957 Recording the Meeting - Agenda Item 1

Members were informed that the meeting would be recorded.

#### 1958 Apologies for absence - Agenda Item 2

Apologies for absence were received from the Chief Executive, Mr I Warsap.

#### 1959 Declarations of Interest - Agenda Item 3

No declarations of interest were received.

#### 1960 Minutes of the last meeting - Agenda Item 4

Minutes of the last meeting held on 12<sup>th</sup> October 2021, 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 1869(c) – Spelling error of 'Manager' in the first sentence.

#### 1961 Matters arising - Agenda Item 5

##### (a) Policy (B) – Land Drainage Byelaws – Minute 1869(b)

The Finance Manager informed the committee that the byelaws have now been signed by the Minister and adopted by the Board.

**(b) CONFIDENTIAL - Update on the Chief Executive – Risk Register – Minute 1871**

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

**(c) Insurance arrangements - Minute 1872**

The Finance Manager reported to the committee that he met with two representatives from the NFU Spalding Branch yesterday, with a view to working with them over the summer, as new business.

The Finance Manager also referred to 'The Risk Factor', a company used by the Witham & Humber Boards, with whom they have a group agreement, which has been set up so that the Board could be a part of this agreement.

The Finance Manager explained his intention to get quotes from Towergate (existing), NFU and The Risk Factor both including and excluding pumping stations, for the renewal on 30 September.

The Finance Manager raised that the next Audit & Risk committee meeting isn't until 25<sup>th</sup> October, which will be too late for the insurance renewal, and the Executive Committee meeting is currently due to be held on 13<sup>th</sup> September, which could be too early to review the insurance renewal.

The Chairperson suggested that the Executive Committee meeting be pushed back a week, and the Audit & Risk Committee meet on the morning of the same day so that their input can be relayed to the Executive Committee for their review of the insurance arrangements. The committee felt this was a logical idea.

Mr W Ash joined the meeting, apologising for being late.

All AGREED to consult with the Chairperson of the Board, to amend the meeting date of the Executive Committee in September to Tuesday 20<sup>th</sup> September (afternoon meeting), with lunch provided, and have an additional meeting of the Audit & Risk Committee on the morning (11am) of the 20<sup>th</sup> September (to review insurance arrangements only).

Mr J Fowler noted the importance of relaying to the insurance companies the definitive date the quotes will be required for. The Finance Manager agreed and confirmed they will all be clearly made aware of when the quotes need to be provided by.

**1962 Review of the Terms of Reference – Agenda Item 6**

It was highlighted that the only changes are to the term of 'Chairman' to 'Chairperson' and to the frequency of the review of the format of the financial report and management accounts, as agreed previously by the committee, to be reviewed every three years as opposed to annually.

It was felt that clarification was needed within the Terms of Reference, to clarify that it is only the format of the financial report and management accounts that are reviewed by the committee, as opposed to the data.

All AGREED that 4(b) should be 'To *review the format of* the financial reports and management accounts, every three years'.

The Committee RESOLVED to recommend that the Audit & Risk Committee Terms of Reference be approved at the next Board meeting, with the proposed amendment as shown above.

1963 Presentation from the Internal Auditor - Agenda Item 7

(a) Internal Audit Report 2021/22

The Chairman welcomed the Internal Auditor to report to the committee.

The Internal Auditor informed the committee that he has undertaken the internal audit for 2021/22 and expressed his thanks to the Finance Manager, Finance Supervisor and anybody else involved in arrangements for the audit, noting that it was a virtual audit again this year.

The Internal Auditor was pleased to inform the committee that the Board has achieved 'substantial assurance' again this year, with no recommendations, giving credit to the Finance Manager and team.

The Internal Auditor turned the committee's attention to the 'Operational Effectiveness Matter (OEM) Action Plan' on page 16 of the agenda, noting that he has raised an observation across all IDB's this year around reserves and the potential to increase them, in light of rising costs as a result of climate change and increases in insurance, fuel, salary etc. meaning overall expenditure will rise, also noting the importance that this is reflected in the rate increase, adding that a small increase now could save a much larger increase in the future. The Internal Auditor thought it prudent that the Board have already considered and agreed to increase the reserve. A mistake was noted in the Internal Auditor's report in the OEM Action Plan, within the management plan, the Board meeting date referred to should be 2021, as opposed to 2022.

Mr M Leggott questioned what the average level of reserves across the IDBs are? The Internal Auditor responded that most follow the ADA benchmark and are at 20% of expenditure.

The Finance Manager added that the ADA Practitioners Guide advises between 3 and 12 months of annual expenditure. The Finance Manager further noted that this Board look at other forms of income, as opposed to cutting expenditure. Just taking into consideration the rates and special levy income, would be about £2 million, however, with the extra income streams through public sector cooperation agreement work and grant work, it is expected to report between £3.1 - £3.2 million this year and so the Board look to keep generating additional income.

Conversation turned to the move towards electric vehicles and consideration around charging points, Mr V Barker of the opinion that multiple points should be put in when they are.

The Internal Auditor noted that the report will be sent to the external auditor and so the report is completed to ensure they can see that everything under the Annual Governance and Accountability Return (AGAR) has been covered.

The committee expressed their thanks and congratulations to the Finance Manager and whole team for the successful outcome of the audit.

(b) Audit Programme 2022/23

The Internal Auditor explained that the organisation has invested heavily in IT and homeworking facilities for the continuation of virtual audits going forward, which will reduce travelling and associated emissions. However, the Internal Auditor noted that he will continue to attend meetings in-person.

The Internal Auditor continued that the audit programme doesn't change year on year, it is based on the Annual Governance and Accountability Return (AGAR). The Internal Auditor noted that if anybody on the Board wants anything specific looking at then this can be completed.

The Officers of the Board left the meeting in order for the committee to speak with the Internal Auditor alone, after which, the Officers returned.

The Chairperson noted that conversation digressed to the potential of having electronic agendas, as opposed to physical paper. It was noted that this has been considered before, and that some members of the Board do have electronic agendas only. It being noted that the financial cost to produce the agenda is negligible, it is more about the environmental cost. Further discussion was held around technology and software that allows the individual to write notes on the electronic copy. The Finance Manager further noting that the Board has recently invested in a book scanner that produces scans that are OCR readable, which will be used to scan in all the minute books so that searches can be done online for specific topics. Mr J Fowler noted that he prefers a paper copy, as did some other members of the committee. It was concluded that it perhaps should be members choice but will be brought to the attention of the Board as matters arising through these minutes.

Thanks were expressed to the Internal Auditor for his help to the Board and for his attendance today.

1964 To review the following Board's policies - Agenda Item 8

The Finance Manager explained that these are polices that have been identified for review and any changes have been made in red, points to note highlighted in yellow and any additional notes made in green.

(a) Policy No.1: Risk Management Strategy

Risk Assessment Matrix

The Finance Manager noted that the risk assessment matrix was written in 2010 and so suggested the committee review it. The committee considered the financial classification of each impact.

At first, the committee felt that figures should be increased, considering inflation, with high impact increasing from over £100,000 to over £250,000 (based on being approximately 50% of the reserves), medium impact increasing from over £25,000 to over £50,000 and low impact being up to £50,000 (based on being the amount the Executive Committee can authorise).



The committee were of the opinion that it should be monetary figures as opposed to stating a percentage of the reserves.

The Internal Auditor noted that with the current matrix, there is a 'gap' which would result in some figures not fitting into any category as low impact is currently 'up to £10,000' and medium impact 'over £25,000', meaning that between £10,001 and £24,999 doesn't fit in any specific category. Also adding that other IDBs have a 4x4 or 5x5 matrix opposed to the 3x3 the Board has but is not saying the Board need to change the matrix.

Mr W Ash raised concern about the initial proposed increases to the figures, of the opinion that £50,000 would be more than a low impact. The Chairperson understood and acknowledged this concern.

The Finance Manager noted that he can look at developing a larger matrix if that is what the committee wanted?

Mr J Fowler felt consideration needed to be given as to whether it would be worthwhile, noting that the matrix is a guide, suggesting that he believes the 3x3 matrix is sufficient. Cllr S Walsh added that the 3x3 matrix will help drive conversations around the risks and potentially prompt a more thorough review of the risks than what a larger matrix might.

Further discussion took place, with Mr V Barker noting that the Executive Committee will already be addressing and looking at detail at anything with large sums of money.

The committee started to see the impacts as 'bands' and all AGREED on the following:

- Low impact: up to £20,000
- Medium impact: between £20,000 and £100,000
- High impact: over £100,000

The Finance Manager reminded the committee that anything with a risk score of 9 is terminated and anything with a risk score between 6 – 8 is insured or the risk reviewed with a view to mitigating the risk.

#### Risk Management Policy Document - Appendix B

The Finance Manager drew the committee's attention to the paragraph highlighted as proposed to be removed, this was included prior to public sector cooperation agreement works and so the Finance Manager believed it wasn't a perceived risk anymore and therefore didn't believe it was required.

#### Risk 1.1(b) – Fluvial flooding from failure or overtopping of defences

The Chairperson proposed that agenda item 8(i) also be addressed at this point as it ties in with risk 1.1(b).

The Finance Manager reminded the committee that the Board has been waiting for the documentation from the Environment Agency (EA) for the operation of the Black Sluice Complex in emergency situations for years. The Finance Manager guided the committee to the documentation received last week, included at item 08(i) of the agenda.

The Chairperson believed that it covered what was required to be included in the Board's Emergency Response Plan (ERP), which would enable the committee to reduce the risk score.

The Finance Manager added that it is a summary of the EA'S operations manual, which is very extensive. The Board only require the procedure for how the EA will operate to keep the water level down, which the Finance Manager believed the document achieves.

Mr V Barker referred to abstraction licences being taken at Black Sluice, of the opinion that it is very difficult to read the board there, suggesting that abstraction licences be taken where the board can be more easily read.

The Chairperson noted that he is conscious how long it has taken to receive this document and didn't want to end up in a situation of 'ping pong' backwards and forwards for minor amendments, of the opinion that the document either needs to be accepted or rejected, noting that if there are minor things to be tweaked then there can be open dialogue about that between the Board and the EA.

Mr V Barker noted that he will take up his matter with them himself when they come to do his abstraction.

Mr M Leggott felt that document should be accepted as it is, questioning the extent of the telemetry on the South Forty Foot Drain (SFFD)? The Finance Manager explained that the EA have three levels on the SFFD at Swaton, Donington Bridge and Dowsby Fen. The Board have around 25 different levels and so have a lot more data than the EA, enabling more precise monitoring. Mr M Leggott questioned if we share this data with the EA and, if not, if we should be doing? The Finance Manager noted that the EA would not want to receive the data, as they work in such a way that they wait until the level at Donington Bridge hits a certain point to trigger the action.

Mr V Barker noted that if water is ever taken from the Witham into the Board's system, then the Board should have the last say. The Chairman felt this was outside of this document.

All AGREED to accept the document from the EA, to be included as an appendix to the Emergency Response Plan.

Mr M Leggott felt the Board's thanks should be expressed to Abigail Jackson at the EA for producing the documentation.

The Chairperson now turned to the committee's attention to the current risk score of 1.1(b), now that the document has been received and accepted.

The Chairperson suggested that the potential likelihood of risk could be reduced to low, which would therefore give a risk score of 3. All AGREED.

The Finance Manager added that the note in 'future work' will now be moved into the section about how the risk is managed, with a note that the document is an appendix in the Emergency Response Plan.

Mr M Leggott made further reference to the condition of the banks of the Witham, the EA are currently conducting a survey of the state of those banks, noting that if there were to be a breach it would have a catastrophic impact on the Board's system. The Finance Manager suggested it be noted within the future work, to engage with the Lower Witham Flood Resilience Project.

1.1(c) – Flooding from failure of IDB pumping stations or excess rainfall

The Finance Manager noted the added paragraph which highlights the Board's comprehensive programme of maintenance works to pumping stations.

1.1(d) – Flooding from sewers or riparian watercourses

The Finance Manager noted the added paragraph which highlights the Board's responsibility for the overall drainage and flood risk within the Board's area, even from riparian watercourses, and within the Board's extended catchment.

1.3 – Risk of pumps failing to operate

The Finance Manager noted the added paragraph which highlights the Board's decision not to insure the pumping station buildings or plant, but that it will be reviewed this year.

1.6 – Risk of claims from third parties for damage to property or injury

Mr M Leggott noted that Witham 4<sup>th</sup> IDB carry out all their risk assessments electronically and are instantly reported back to the office. Mr M Leggott noted that this could help this Board tighten up risk assessment practice and encouraged the Board to engage with Witham 4<sup>th</sup> about this system, noting that they also got funding towards it.

The Finance Manager noted that he feels health and safety procedures need looking in more detail at, of the opinion that it could be done better. The Board do have consultants, but the Finance Manager being of the opinion that responsibility should be taken more in-house.

The Chairperson suggested that this is something the Internal Auditor could look at in the next audit? The Internal Auditor noted he will include it in his programme for all the IDBs.

1.8 - Loss of senior staff

The Finance Manager suggested that the potential likelihood will need to stay as 'high' until the circumstances surrounding the Chief Executive are concluded. The Finance Manager highlighted the additional paragraph outlining additional contingency work.

1.9 – Insufficient finance to carry out works

The Finance Manager noted the added paragraph which highlights the ongoing liaison with the precept paying councils, noting how beneficial it has been, especially this year in their activeness in lobbying central government regarding red diesel.

The Chairperson noted that it is good practice and that the open dialogue works both ways and helps the council plan.

It was noted that it should really be split out and separately identified, instead of within council tax, as it would make IDBs accountable and those councils without an IDB are at an advantage as they don't have the burden of paying the precept.

Mr J Fowler questioned if there is any preparation work that can be done to access the Bellwin scheme? The Finance Manager responded that the IDBs don't have access to Bellwin funds, the council of the relevant area claims all the funds and then the IDB passes on their cost to the council.

### 2.1 – Risk of prosecution for not adhering to environmental legislation

The Finance Manager explained that, for the purposes of the natural flood management Environment Agency (EA) scheme, environmental impairment liability insurance has been taken out at the request and instruction of the EA, who are also paying for it. The Finance Manager noted that he has included some additional information about the insurance, which will be taken out of the strategy. The insurance is for £1million cover with £10,000 excess costing a premium of £7,704.

The Finance Manager noted that he and the Chairperson have reviewed what the policy covers and feel that the majority of it is covered within other policies the Board already hold (Environmental clean-up liability insurance or the public liability insurance).

The Chairperson echoed this, adding that the only reason the Board has the policy is because the EA insisted on it for the natural flood management works. At the point of renewal in November, it is thought that the EA will pay for the policy for another year because the works will still be ongoing, but following that, questioning whether the Board should continue paying for this insurance when the majority is already covered by other policies?

The Finance Manager noted that it was the view of the Chief Executive to ask the committee whether it would be best practice to continue with the policy? The Finance Manager questioned if it provides any extra protection for the money.

Mr M Leggott felt to allow the EA to continue paying for it as they require it, but not to continue with the Board funding it once it is no longer required by or funded by the EA. He suggested having a document prepared ready to show third parties that these aspects are already covered through the Board's other policies.

The Chairperson questioned whether it would be worthwhile to ask the insurance companies when renewing in September how much it would be? The Finance Manager noted that he can include it as an annex to the insurance report in September.

Mr W Ash noted that if the EA are paying for that insurance, can the Board remove the elements from its policies that will be covered within the EA's policy? The Finance Manager didn't think there would be much to gain doing that.

All AGREED to continue with the Environmental Impairment Liability Insurance whilst the EA are covering the cost of it and enquiries be made about the cost of the policy to be included within the review of the insurance arrangements in September.

### 3.2 Insufficient Resources (Staff and Equipment)

The Finance Manager noted the suggestion of the addition of not being able to recruit sufficient workforce, adding that there are currently three vacancies, one of which has been advertised extensively for a few months.

The further suggestion for how this risk is managed being to review remuneration considering local circumstances. Mr W Ash noted that if the salary is increased to attract new applicants, then the same has to be done for current employees.

Mr M Leggott questioned if there is a remuneration / staff committee? The Finance Manager responded that the Executive Committee review on an individual employee basis and the ADA Lincolnshire Pay & Conditions Committee determines the annual pay award. Mr M Leggott highlighted the high inflation rates and the importance of not lagging behind.

All AGREED to include the suggested addition about the risk of being unable to recruit sufficient workforce and managing this through remuneration reviews.

### 3.3 Risk of Critical Incident Loss of Office

The Finance Manager noted that, as a result of COVID-19, the team have had extensive practice at working from home procedures and are now well equipped for that.

Mr W Ash questioned whether any employees have continued to work from home or do a mixture? The Finance Manager noted that employees are encouraged not to work from home, being of the opinion that so much more can be achieved when working together in the office, but the option of working from home is there if necessary.

### 6.2 Risk of not complying with all employment regulations and laws

The Finance Manager reminded the committee that the HR Administrator is undertaking her CIPD Level 5 in People Management currently, emphasising the additional resource within the Board that will be able to advise.

Mr V Barker noted that the workforce has been working in drains nearby and asked them why they were not wearing a life jacket and it was dismissed, questioning what the policy is for working near deep water? Mr V Barker also referenced that he saw an incident whereby one of the members of the workforce fell full length very close to the weedscreen. The Chairperson responded that a near miss report should have been completed for that. The Finance Manager noted that he will address this.

### 7.1 Risk of collecting insufficient income to fund expenditure

The Finance Manager noted that it was suggested at the last meeting to include the increase in the general reserves target from 20% to 30% as a point of how the risk is managed.

### 8.5 Risk of breach in cyber security

The Finance Manager noted the threat from Russia on networks, adding that they are not even looking for money, they are simply encrypting and deleting data.

The Finance Manager continued that HBP found a system called 'Duo' where multi-factor authentication would be required to access the network. The Finance Manager was waiting for the 1<sup>st</sup> April to place the order for this system (£364 per annum), and it is no longer available. An alternative system has been sourced; however, it is nearly £1,000 per annum. The Finance Manager noted that it is about considering whether that £1,000 is worth spending to protect the Board's network. It will also, in the long term, help with the updating of computers and when the server is due to updated it will mean the option of a virtual server using the cloud will be viable as opposed to a physical server.



The Internal Auditor added that he knows of many organisations that have been hacked and the cost and disruption of it is catastrophic, therefore suggesting that this system sounds like a prudent action.

The Finance Manager noted that during lockdown the Board moved from physical tape backups to cloud backups, however, as precaution, taking physical tape backups has been resumed, on a monthly basis, in addition to the cloud backups.

All AGREED to recommend that this system be purchased and implemented.

The Finance Manager added that the replacement network switches that were quoted to cost £8,000, are now only going to cost £3,000 as a suitable alternative has been found.

The Committee RESOLVED to recommend that the Risk Management Strategy (No. 01) be approved at the next Board meeting, with the agreed amendments.

**(b) Policy No. 3: Financial Regulations**

The Finance Manager noted that this was reviewed and approved by the Board only last November, but as per the Internal Auditor's recommendation, it is suggested that the increase in general reserves to 30% is reflected within this policy.

The Committee RESOLVED to recommend that the Financial Regulations (No. 03) be approved at the next Board meeting.

**(c) Policy No. 10: Delegation of Authority**

The Finance Manager informed the committee that it was approved by the Board on 8<sup>th</sup> February for the expenditure allowance of the Executive Committee to be increased to £50,000 and so this has been reflected within this policy.

Within the delegation of authority for the Chairperson of the Board, reflects the addition of the approval of discretionary payments to employees over the overtime limit, a duty approved by the Board on 23 November 2021.

The Finance Manager also noted the additional duties of the Finance Manager, reminding the committee that he became the Board's Data Protection Officer in 2018 when GDPR was introduced.

The Committee RESOLVED to recommend that the Delegation of Authority (No. 10) be approved at the next Board meeting.

**(d) Policy No. 17: Members Code of Conduct**

The Finance Manager noted his proposed amendment to include all of the nine protected characteristics in paragraph 7 of the 'Key Principles of Public Life'.

The Finance Manager next referred to the two paragraphs highlighted in yellow, around procedures when a member has an interest in a matter, noting that the two paragraphs give conflicting instructions; they are to achieve the same thing, but different instructions.

Cllr S Walsh noted that South Holland District Council use the second of the two paragraphs, in which the Chairperson can decide the member's participation in discussion and votes, which allows for comment before exclusion.

The Finance Manager added that, from his point of view, it doesn't matter which of the paragraphs is used, as long as it is only one.

The Chairperson felt it a personal responsibility to declare an interest, questioning if the Chairperson should be able to override this and allow the individual to discuss and vote.

Cllr S Walsh noted that he has experienced where a Chairperson has allowed an individual with an interest to stay for discussion it is for their expertise and knowledge.

The Finance Manager added that if it is a financial interest there should be no interaction or voting and if it is a non-financial interest, does the committee want to consider there will be no participation in discussion or determination unless invited to by the Chairperson?

It was suggested that the first of the two paragraphs (Part 2 – paragraph 3 of Personal Interests) be amended to the following:

'You must remove yourself from the discussion or determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, it shall be treated as set out in the Board's Standing Orders, Order of Debate: Members must declare where they have an interest in a matter to be discussed, the Chairman then deciding what if any part the member can take in any ensuing discussion and whether the member can vote.' All AGREED.

It was suggested that the second of the two paragraphs (Part 2 – Effect of prejudicial interests on participation of debate) remain as it is. All AGREED.

The Committee RESOLVED to recommend that the Members Code of Conduct (No. 17) be approved at the next Board meeting.

Mr M Leggott noted that he joined the Board in November, and this is the first time he has seen the Members Code of Conduct, suggesting that this should have been given to him and perhaps an induction.

The Finance Manager noted that there would usually be an induction for new members following the election but didn't this time because of COVID-19 practices. The Finance Manager noted that an induction will be scheduled, perhaps for the end of May / beginning of June, once the councils have re-appointed their members.

(e) Policy No. 18: Whistle Blowing Confidential Reporting Code

The Finance Manager noted that the only proposed changes are from 'Chairman' to 'Chairperson' and updating contact details.

The Committee RESOLVED to recommend that the Whistle Blowing Confidential Reporting Code (No. 18) be approved at the next Board meeting.

(f) Policy No. 19: Anti Bribery

The Finance Manager noted the only proposed change to terminology from 'company' to 'Board'.

The Committee RESOLVED to recommend that the anti-bribery policy (No. 18) be approved at the next Board meeting.

(g) Policy No. 43: Electronic Information and Communication Systems

The Finance Manager noted the addition of the dual authentication system, removal of any references to fax machines and the removal of reference to the Board's standardised disclaimer, it not being used within the Board. The section about monitoring of the policy is also proposed to be removed as it is within the header of the policy and the catalogue of Board's policies.

The Committee RESOLVED to recommend that the electronic information and communications systems (No. 43) be approved at the next Board meeting.

(h) Policy No. 47: COVID-19 Business Continuity Plan

The Finance Manager explained to the committee that it is proposed to withdraw the policy, which can be reinstated by the Chief Executive in any form as required.

The Committee RESOLVED to recommend that the COVID-19 Business Continuity Plan (No. 47) be withdrawn.

(i) Documentation provided by the Environment Agency outlining the operation of the Black Sluice Complex (for inclusion within the Emergency Response Plan)

This matter was covered within agenda item 08(a) – minute 1963(a). It being agreed to accept the document from the EA, to be included as an appendix to the Emergency Response Plan.

1965 To review the Risk Register - Agenda Item 9

It was noted that the Risk Register has been reviewed through the Risk Management Strategy and will be amended according to the changes made today.

The committee AGREED that the Risk Register be accepted.

1966 To receive the catalogue of Board Policies with recommended approval dates - Agenda Item 10

The Finance Manager noted the only change to this is a reduction in the frequency of review of policy no. 30, pensions discretion. The Local Government Pension Scheme want the pension discretion policy to reviewed more frequently than every 5 years, with them suggesting annually. The Finance Manager noted that he believes this is too frequent and so has proposed a review every 3 years. All AGREED.

It was noted that the review dates for this policy are incorrect within the catalogue, which will be amended.

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

1967 Any other business - Agenda Item 11

There being no additional business, the Chairperson thanked the Internal Auditor and Committee Members for their input and attendance.

There being no further business the meeting closed at 16:07.

## **BLACK SLUICE INTERNAL DRAINAGE BOARD**

Notes of an informal, non-public meeting to discuss the Insurance renewal

held at the offices of the Board on  
14<sup>th</sup> September 2022 at 1pm

### **In attendance:**

Mr K C Casswell (Chairperson of the Board, virtual attendance), Mr P Holmes (Vice-chairperson of the Board), Mr M Brookes (Chairperson of the Audit & Risk Committee) and Mr D Withnall (Finance Manager).

### **1. Insurance Renewal**

The quotations for the insurance renewal, received from Towergate and NFU, and recommendations from these made by the Finance Manager had previously been circulated to members of the Audit & Risk Committee and Executive Committee who were invited to provide comment and opinion.

The feedback from members is in support of the Finance Manager's recommendations:

- Insure with NFU
- Fully insure pumping stations

The Finance Manager noted that a third quotation has been received this morning from The Risk Factor, which as well as being received late, is also more money.

The Chairperson felt it would be wrong not to fully insure, given the manageable NFU quote. Mr M Brookes agreed, noting that even if the extra money is difficult to source, it is a small amount extra for a lot of extra cover. Mr P Holmes also agreed, adding that even though it was agreed to increase the reserve to 30%, that is over a ten year period and so the reserves won't be increased by that amount for another ten years, also of the opinion that the Board should continue with this increase due to the rise in energy costs.

It was noted that the self-assurance was done in an appropriate way, with the support of the Internal Auditor, but that it would be much more comfortable to be fully insured.

Mr P Holmes added that he has spoken with Mr M Rollinson and Mr J Fowler who are in agreement to fully insure with the NFU.

**Recommendation** – To fully insure with NFU (option 3, quoted at £80,428.98).

Discussion took place around how long to insure with the NFU for, the Finance Manager noting the current benefit of 8.5% discount due to the Board already holding NFU membership. Going forward, this 8.5% discount will increase by 1% each year up until a 5-year period. The Finance Manager suggested that it would be beneficial to renew with NFU for five years. This was supported, noting that there is more to gain than lose, and that the Board could leave mid-term if needed as there is no formal agreement.

**Recommendation** – To insure with NFU for a five-year period.

The Finance Manager referred to the group accident insurance the Board currently hold as a separate policy, which the NFU put within the combined policy. The Board has this insurance as it was believed that it insured Board Members when out on Works Inspections. In actual fact, Board Members are covered for inspection tours through the Board's Employer's Liability Insurance (all ages). The NFU group accident insurance only covers up to the age of 75 and for Board employees, the cover level for death is £60,000 and £100 per week. When this is compared against Death in Service from the pension and recognising that the Board pay 6 months full sick pay and 6 months half sick pay, the Finance Manager cannot see the benefit in continuing with the group accident insurance.

**Recommendation** – Remove group accident insurance (with the Finance Manager double checking that all Board Members are insured without it).

The Finance Manager next referred to the ride on lawn mower and that the NFU have suggested that it needs to be itemised separately due to it working within a metre of the road.

**Recommendation** – Ride on lawn mower to be covered separately for road traffic.



# Annual Governance and Accountability Return 2021/22 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
  - The Annual Internal Audit Report **must** be completed by the authority's internal auditor.
  - Sections 1 and 2 **must** be completed and approved by the authority.
  - Section 3 is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2022
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2021/22

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.



## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2022 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



RECEIVED

05 MAY 2022

## Annual Internal Audit Report 2021/22

Black Sluice Internal Drainage Board

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During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

01/02/2022

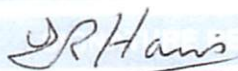
02/02/2022

10/02/2022

Name of person who carried out the internal audit

Christopher R Harris

Signature of person who carried out the internal audit



Date

28/04/2022

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



## Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

Black Sluice Internal Drainage Board

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓	

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

14/06/2022

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

KCC SIGNATURE REQUIRED

Clerk

D. Withnall SIGNATURE REQUIRED

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## Section 2 – Accounting Statements 2021/22 for

### Black Sluice Internal Drainage Board

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	860,154	1,102,456	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies	2,143,773	2,204,498	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	781,920	1,186,557	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	1,130,416	1,220,088	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	1,552,975	1,768,279	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	1,102,456	1,505,144	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	1,980,406	1,836,774	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>	
9. Total fixed assets plus long term investments and assets	6,374,824	6,259,897	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

*D. Withnall* REQUIRED

Date 25/04/2022

I confirm that these Accounting Statements were approved by this authority on this date:

14/06/22

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

*KCC* SIGNATURE REQUIRED



### Section 3 – External Auditor Report and Certificate 2021/22

In respect of **BLACK SLUICE INTERNAL DRAINAGE BOARD – DB0010**

#### 1 Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with Proper Practices which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

#### 2 External auditor report 2021/22

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

None.

#### 3 External auditor certificate 2021/22

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

Date

03/08/2022

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

# Black Sluice Internal Drainage Board

## Policy No: 4

### Procurement Policy

Review Dates:

A&R Reviewed	25 October 2022
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 Manager
  - (e) Pump Engineer
  - (f) Works Supervisor
  - (g) Fitter
  - (h) Unimog Driver
  - (i) Admin Office (under supervision of Finance Supervisor)
- 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, Operations Manager and Works 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 £40,000.
- (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 (e.g. 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
- (a) These items will be included in the annual budgeted expenditure and through this method the expenditure will be approved by the Board.
- (b) Three quotations should be obtained and the lowest bona fide quotation should be accepted, should less than three quotations be obtained or other than the lowest is to be accepted, then the matter should be referred to the Executive Committee, by email in the first instance and later confirmed in a meeting of the committee.
- (c) In the case of an emergency where it is not possible to obtain alternative quotations the Chairperson or the Vice Chairperson 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, materials and services agreed in a scheme of work or for maintenance operations will be approved by the Operations Manager or Works Manager, within the constraints of the budgets set and agreed by the Board/Executive Committee. Where possible, three quotations are to be obtained 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) Where possible three quotations are to be obtained and authorisation to issue the order is to be sought from a member of the management team before signing an order for this level of procurement within the constraints of the budgets set and agreed by the Board/Executive Committee.
- (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 within the constraints of the budgets set and agreed by the Board/Executive Committee.

#### **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, analysis of this invoice is to be reported to the Board at each meeting.

### **7 SCAPE ACCESS AGREEMENT FOR THE PUBLIC SECTOR**

- 7.1 The Board has signed up to a Scape Access Agreement. The Agreement sets out the rules which govern how the authority may use the framework and details the responsibilities undertaken by Scape and the authority. Full details of an Access Agreement can be found at Appendix 1 (Scape Access Agreement for the Public Sector Compliance and Guidance Note).

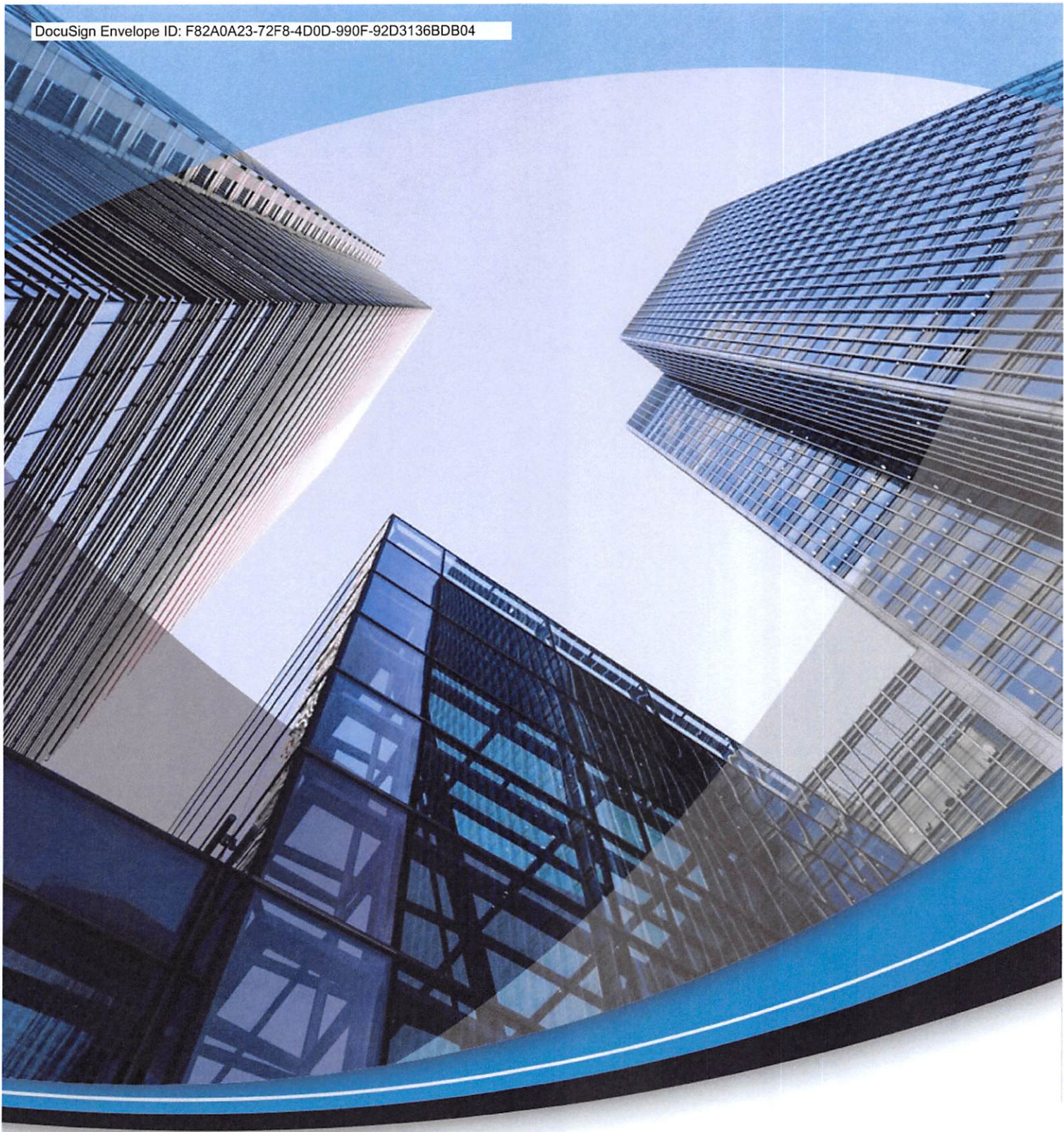
## **8 SUMMARY**

- 8.1 The above policy is not exhaustive and is written as a guide to the appropriate level of authorisation for the level of procurement required.
- 8.2 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.
- 8.3 Staff should look for every opportunity to make bulk purchases with other authorities to achieve additional value for money.
- 8.4 Consideration is always to be given in relation to maintaining expenditure within budgets. If budgets have been, or are likely to be, exceeded for a particular scheme or general maintenance then the authorisation of the Chief Executive Officer or the Finance Manager is to be sought before the order is placed.

## **9 ADDENDUM**

From 12 May 2021, all duties and responsibilities included in this policy of the Chief Executive Officer are delegated to the Operations Manager until further notice.





# ACCESS AGREEMENT

FOR THE PUBLIC SECTOR

COMPLIANCE AND GUIDANCE NOTE





## INTRODUCTION

Public sector bodies (such as local authorities, central government departments, NHS trusts, schools and other educational establishments which are majority public funded) must comply with public procurement rules when they enter into contracts for supplies, works or services. The overall rules post Brexit for England, Wales and Northern Ireland are currently set out in the Public Contracts Regulations 2015; in Scotland, the Public Contracts (Scotland) Regulations 2015.

The rules mean that to discharge their transparency obligations, public sector bodies (contracting authorities) must advertise on the UK Government's "Find a Tender Service" (FTS) when they want to contract with a provider for works, goods or services and the value of that contract is above a specified value. There are strict procedures with which contracting authorities must comply when choosing a provider.

However, the rules do allow for a contracting authority to go through a procurement process to choose one or more providers to provide supplies, works or services on a framework. In other words, the procurement process is not to choose a provider for a specific project: It is to choose providers with the required levels of experience, quality and financial standards and who provide the best value (in terms of how they meet the specifications that will be required for projects under the framework and price).

When the contracting authority needs a provider for a specific project of a type covered by the framework, it can choose a provider on that framework for the project without having to carry out a full procurement process. It can call off the works/services required under the Framework Agreement.

The rules also provide that a contracting authority can act as a central purchasing body by entering into Framework Agreements which can be used by other contracting authorities.

Scape has procured and entered into a number of Framework Agreements. Contracting authorities are able, in principle, to use Scape's Framework Agreements to call off works/services from the framework providers.

Each Framework Agreement (which is entered into by Scape and the framework provider) sets out the rules for operating the relevant framework, as between Scape and the framework provider.

The framework provider enters into an individual project agreement with each contracting authority which wants to engage that provider to carry out works/services on a specific project. There is a "model" format of the delivery agreement set out in each Framework Agreement.



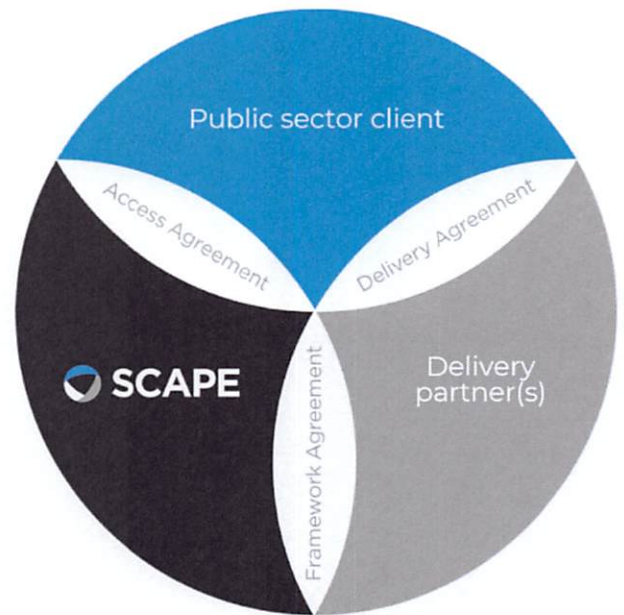
## WHAT IS AN ACCESS AGREEMENT?

An Access Agreement is entered into by Scape and each contracting authority wanting to use a Scape framework. The Agreement sets out the rules which govern how the authority may use the framework and details the responsibilities undertaken by Scape and the authority.

## WHAT DOES THE ACCESS AGREEMENT INVOLVE?

In summary, the Access Agreement sets out:

- 🕒 The procedure the client must use if it wants to call off services under a Framework Agreement;
- 🕒 What information Scape will provide to the client;
- 🕒 The reporting information the client must provide to Scape if it calls off services under a Framework Agreement;
- 🕒 How the Scape fee charged to the framework provider works;
- 🕒 Warranties from each party;
- 🕒 Limits on each party's liability;
- 🕒 Confidentiality obligations;
- 🕒 The term of the Access Agreement and how it can be terminated by either party;
- 🕒 Various standard provisions (e.g. the governing law of the agreement, the way in which the parties communicate with each other).



## WHY DO YOU NEED TO SIGN AN ACCESS AGREEMENT?

Once signed, the Access Agreement enables access to any of Scape's frameworks and you will receive detailed information about the frameworks and how to use them. The Access Agreement only needs to be signed once on behalf of an organisation and it carries no cost.

There is no commitment or obligation to use Scape's Frameworks once an Access Agreement has been signed. Signing an Access Agreement does not prohibit you from procuring a contract through any other route.

## WHAT HAPPENS NEXT?

A representative from Scape, or the delivery partner (framework provider) you have selected, will contact you to discuss your requirements. They will provide you with information regarding the framework and processes, Project Request Form, Project Order Form and Delivery Agreement, together with supporting information about the NEC contracts, which are incorporated into Delivery Agreements.

## FREQUENTLY ASKED QUESTIONS

### WHO DELIVERS SCAPE FRAMEWORKS?

Frameworks are available in all areas of England, Scotland, Wales and Northern Ireland. They are all delivered by our delivery partner(s) who are experts in their field and have been awarded their Framework Agreement following a competitive tender. Our delivery partner(s) form strong regional teams to focus on local delivery from within the community.

Learn more about our frameworks: [www.scape.co.uk/for-the-public-sector](http://www.scape.co.uk/for-the-public-sector)

### WHO DO WE WORK FOR?

Frameworks are available to every kind of public body. If you are a local authority, school, academy, college, university, blue light service, NHS organisation, armed force or substantially funded by the public purse, you can benefit with Scape.

### WHY USE SCAPE?

For over a decade, we have developed and managed highly successful frameworks. By bringing together the strongest delivery teams, Scape achieves measurable time, cost, quality and community benefits on every project. We have shaped an environment of collaboration and innovation, directly supporting our clients' need to achieve the highest possible standards.

A handwritten signature in black ink, appearing to read "Mark Robinson".

**Mark Robinson**  
**Chief executive**

Scape and Scape Scotland

**Tel:** 0115 958 3200

**Email:** [enquiries@scape.co.uk](mailto:enquiries@scape.co.uk)

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Scape Group Limited (trading as Scape) is a Local Authority owned company, whose shareholders are Derby City, Derbyshire County, Gateshead, Nottingham City, Nottinghamshire County and Warwickshire County Councils. Registered in England: 05660357.

**Registered in England:** Reg No. 05660357 as address above

**Vat Registration No.** 877 9484 43

**BLACK SLUICE INTERNAL DRAINAGE BOARD**  
**AUDIT & RISK COMMITTEE - 25 OCTOBER 2022**

**AGENDA ITEM 10(a)(i)**

**The Black Sluice Catchment Modelling Study**

Introduced within the papers of the last Joint Works Committee on 4<sup>th</sup> October, this scheme has been commissioned to establish a better understanding of opportunities for investment for the Board in their assets to support the FCERM GIA programme.

The original application having since been reviewed has now been approved for £385,000.

The desire is to look for system efficiencies where possible. Currently there is only a small portion, 7 existing and 5 currently being completed, of the Board's 34 catchments that have been modelled, this currently presents a piecemeal approach where each catchment is looked at in isolation.

It is the intention to look at the catchments in a more strategic way looking at how things could be improved in the future.

The pumping stations within the catchments are reaching the end of their design life and many require substantial investment to continue operating.

The Board would like to review and survey the asset base to consider if the existing pumping stations are the right size and in the right location and if the number of pumping stations can be rationalised.

Consideration also needs to be given to the location of the South Lincolnshire Reservoir and the Lower Witham Resilience projects both of which could potentially impact on the Black Sluice Catchment.

This project aims to feed into these two projects providing UpToDate accurate information to ensure the best decisions are reached for all involved.

The scheme is being proposed through a SCAPE framework procurement agreement with an initial meeting with Stantec in September who are a SCAPE framework provider.



# Black Sluice Internal Drainage Board

## Policy No: 30

### Local Government Pension Scheme Discretions

### Statement

### Scheme Employers

Review Dates:

Reviewed	Audit & Risk Committee 25 October 2022
Board Approved	

## INTRODUCTION

Under *Regulation 60 (statements of policy about exercise of discretionary functions) of the LGPS Regulations 2013 and paragraph 2(2) of Schedule 2 of the LGPS Transitional Regulations 2014*, employers are required to make and publish policy statements on how they will exercise **five specific mandatory discretions**.

~~Following the implementation of the LGPS Amendment Regulations 2018 two further mandatory discretions have been introduced under regulations 24(a), 30(a), 30(c), 30(e) and 30(f).~~

In addition there are **two further discretions** relevant to employers, which relate to members who left before 1 April 2014. These are under *Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008* (in respect of leavers between 1 April 2008 and 31 March 2014) and under *Regulation 106 of the LGPS Regulation 1997* (in respect of leavers between 1 April 1998 and 31 March 2008).

Any policy statements made must not limit, or 'fetter' how an employer uses any of the discretions afforded by the scheme.

The use of any discretion is likely to lead to immediate and potentially continuing increased pension costs for the employer, which could be considerable.

The employer is required to keep its statement under review and make such revisions as are appropriate following a change in its policy. Following any changes in its policy the employer must publish the revised policy and send a copy to the administering authority within one month of the date the policy is revised.

In formulating and revising the policy statements outlined below, the employer must have regard to the extent to which the exercise of its discretionary powers could lead to a serious loss of confidence in the public service.

The discretions listed below are those that require a written policy, however employers have further discretions under the regulations that they may wish to formulate a written policy on.

## FURTHER GUIDANCE FROM THE LOCAL GOVERNMENT PENSION SCHEME SECRETARIAT

When formulating any policies Scheme Employers should also take into account information provided by the LGPC Secretariat which can be found [here](#):

### SCHEME EMPLOYER DISCRETIONS

#### Specific discretions under the LGPS Regulations 2013 and the LGPS Transitional Regulations 2013.

Details of the **five discretions** available are as follows:

#### 1. Shared cost Additional Pension Contributions (**SCAPC**) - Regulation 16 (2)(e) and 16 (4)(d)

*Note: these specific provisions of Regulation 16 allow an active member who is paying into the main scheme to enter into an arrangement to pay additional contributions, either by regular contributions (Regulation 16(2)(e)) or by a lump sum payment (Regulation 16(4)(d)). This may be funded in whole or in part by **the employer**.*

*Note: Where an active member pays Additional Pension Contributions by regular or lump sum contribution to purchase extra annual pension, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a SCAPC*

**The employer** does not consider contributions towards additional pension contributions to be an essential part of its employment strategy. However, **the employer** will consider applications made under these specific provisions having regard to **the employer's** general policy from time to time, on the employee pay strategy and the particular circumstances surrounding each case.

It is likely that decisions will be made on the merits of each case having particular regard to factors such as:

- **the employer's** ability to meet the cost of granting such a request; and/or
- the member's personal circumstances.

#### 2. Awarding Additional Pension - Regulation 31

*Note: ~~this Regulation 31 allows employers~~ An employer can choose to grant additional pension up to the maximum allowed by the scheme rules provided that the member is active **or** is within 6 months of leaving **for reasons of** redundancy **or** business efficiency **or** whose employment was terminated by mutual consent on grounds of business efficiency.*

*Employers may wish to use this Regulation as an aid to recruitment, an aid to retention or to compensate or reward an employee who is retiring.*

*Employers should also consider provisions of this Regulation, in particular Regulation 31(4), if they decide to exercise their power under **Section 1 (general power of competence) of the Localism Act 2011.***



**The employer** will consider applications made under this *Regulation* having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to the following:

- the member's personal circumstances;
- the interests of **the employer**;
- the additional contributions due to the Fund by **the employer** in respect of the exercise of this discretion;
- any potential benefits or savings to **the employer** arising from the exercise of this discretion;
- other options that are, from time to time, available under **the employer's** severance arrangements;
- the funding position of **the employer** within the Fund;
- the ability of **the employer** to meet the cost of granting such an award.

### 3. Flexible Retirement - Regulation 30(6)

*Note: ~~this provision in the Regulation allows the employer to consent for a member~~ An employer can decide whether to permit a member who has attained the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and Fund membership provided that:*

- *there has been a reduction in hours, or*
- *a reduction in grade.*

*~~Employers can choose to waive any reductions that apply under Regulation 30(8).~~*

*An employer may agree to waive in whole or in part any actuarial reductions that would be required (see below: Regulation 30(8)).*

**The employer** will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- the operating requirements of the employing department
- **the employer's** ability to meet the cost of granting such a request
- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place **from** time to time can be made
- the member's personal circumstances.
- whether to permit the member to choose to draw all, part or none of the pension benefits they have built up after 1 April 2008.

### 4. Waiving actuarial reductions - Regulation 30(8)

*Note: ~~the employer may waive the actuarial reductions applied to a members benefits, unless 85 year rule protections exist employers can waive:~~*

*Note: An employer may agree to waive in whole or in part the actuarial reductions that would be required:*

- *all of the reductions in respect of pre 1 April 2014 benefits but only on compassionate grounds (paragraph 2 of Schedule 2 of the LGPS Transitional Regulations 2014);*



- *all or some of the actuarial reduction in respect of post 1 April 2014 on any grounds.*

*Where 85 year rule protections exists and the member has full or tapered protection the employer can waive all of the reductions but only on compassionate grounds for the service up to the date the 85 year rule protection ends (31 March 2016 (full) or 31 March .2020 (tapered)).*

**The employer**, will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- **the employer's** ability to meet the cost of granting such a request
- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made
- the member's personal circumstances

Applications for the payment of unreduced benefits for service before 1 April 2014 on the grounds of compassion will be granted if:

- in **the employer's** sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and
- **the employer** can meet the cost of granting such a request.

#### **5. Switching on the 85 rule – Schedule 2 - 1(1)(c) of the LGPS Transitional Regulations 2014**

*~~Note: The employer can decide to “switch on” the 85 year rule to allow members to receive benefits either unreduced or with a smaller reduction to their 85 year rule date. The employer will be responsible for meeting any strain costs relating to benefits being paid before age 60. If the employer does not “switch on” the 85 year rule the member’s benefits will be reduced to age 60 or the date they meet the 85 year rule if later.~~*

*Note: An employer can decide whether to “switch on” the 85 year rule to allow members who have protections under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60 to receive benefits either unreduced or with a smaller reduction to their 85 year rule date. The employer will be responsible for meeting any strain costs relating to benefits being paid before age 60. If the employer does not “switch on” the 85 year rule the member’s benefits will be reduced to age 60 or the date they meet the 85 year rule if later.*

**The employer**, will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- **the employer's** ability to meet the cost of granting such a request;
- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made;
- the member's personal circumstances.



## Further discretions under the LGPS Regulations 1997 and the LGPS Benefits Regulations 2007

There are also two other discretions for employers but these relate specifically to members who left before 1 April 2014.

Whilst the LGPS Regulations 2013 repeals the LGPS Regulations 1997 and the LGPS Benefits Regulations 2007 (in so far as they had not already been repealed), Regulation 3(1) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 allows for the LGPS Regulations 1997 and the LGPS Benefits Regulations 2007 to still have effect in so far as they relate to certain member benefits before 1 April 2014. As such, the other discretions still available for certain members only, are as follows:

### **1. Early Payment of Deferred Pensions for members who left before 1<sup>st</sup> April 2014 – Regulation 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30(2) and 30(5) of the LGPS Benefits Regulations 2007 & Regulation 31(2) and Regulation 31(5) of the LGPS Regulations 1997**

*Note: This Regulation allows employers to allow members who left the scheme before 1 April 2014 and who are over the age of 55 to take their benefits early. Under Regulation 30(5) employers can waive any reduction to benefits paid under that Regulation on compassionate grounds. Additionally under Regulation 2 (1(2)) employers may elect to 'switch on' the 85 year rule where a member has taken voluntarily early payment of deferred benefits from age 55.*

*Note: From 14 May 2018, all deferred members may voluntarily elect for early payment of their deferred benefits prior to their Normal Retirement Date. An employer can decide on compassionate grounds whether to waive any actuarial reduction to benefits paid before age 65. An employer can decide whether to 'switch on' the 85 year rule where a member has taken voluntarily early payment of deferred benefits from age 55.*

**The employer**, will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- **the employer's** ability to meet the cost of granting such a request
- the member's personal circumstances

Applications for the payment of unreduced benefits on the grounds of compassion will be granted if:

- in **the employer's** sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and
- **the employer** can meet the cost of granting such a request.

**N.B.** Deferred members who left the Scheme before 1 April 2008 can still make application for the early payment of their deferred benefits after age 50 under LGPS rules. However, under HMRC rules such payments would be classed as 'un-authorized' and would be subject to a punitive tax charge.



**2. Early Payment of Deferred Pensions for members who left before 1<sup>st</sup> April 2014 and have ceased to be entitled to a tier 3 ill benefit - Regulation 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30A(3) and 30A(5) of the LGPS Benefits Regulations 2007.**

~~These regulations allow employers to permit members who have ceased to be entitled to a tier 3 ill health benefit and who are over the age of 55 to take their benefits early. Under sub-paragraph 5 of Regulation 30A employers can waive any reduction to benefits paid under that Regulation on compassionate grounds. Alternatively under Regulation 2 (1(2)), employers may elect to 'switch on' the 85 year rule where voluntary early payment of suspended tier 3 ill health pension is taken.~~

~~An employer can decide whether to grant early payment to members who have ceased to be entitled to a tier 3 ill health benefit and who are over the age of 55. An employer may on compassionate grounds agree to waive any actuarial reduction to an employer can decide whether to 'switch on' the 85 year rule where voluntary early payment of suspended tier 3 ill health pension is taken.~~

**The employer**, will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- the employer's ability to meet the cost of granting such a request
- the member's personal circumstances

Applications for the payment of unreduced benefits on the grounds of compassion will be granted if:

- in **the employer's** sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and
- **the employer** can meet the cost of granting such a request.

**Recommended (non-mandatory) LGPS 2013 & 2014 discretions**

There is no requirement to have a written policy in respect of non-mandatory discretions. However, we would also recommend you consider a written policy on the following so that both members and the Fund are clear on the employer's policy.

**1. Extending the 12-month time limit for transfer of pension rights – Regulation 100 (6) LGPS Regulations 2013**

*Note: An employer can decide to extend the 12-month time limit to permit a member to transfer their previous pension rights from another scheme, if an election had not been made within 12 months of joining the LGPS.*

**The employer**, will only consider applications made under this Regulation in the most exceptional circumstances and if:

- evidence indicates that the Fund had not informed the member about the transfer within the 12 month time limit, or
- verifiable evidence indicates that the member made an election to transfer within 12 months of joining the LGPS, but the election form was not received by the Fund.



**2. Extending the time limit for a member to elect for a Shared Cost Additional Pension Contributions (SCAPCs) – Regulation 16 (16) LGPS Regulations 2013**

*Note: An employer can decide to extend the 30 day deadline for a member to purchase additional pension by SCAPCs upon return from a period of unpaid absence (other than because of illness or injury, relevant child-related leave or reserve forces leave).*

**The employer** will exercise its discretion to allow late payment, and decide each case on its individual merits.

**3. Determining and reviewing an employee's contribution band – Regulation 9 and Regulation 10 LGPS Regulations 2013**

*Note: An employer must decide how to allocate the pension contribution band for a new employee, and review at each subsequent April.*

**The employer** will determine and review the rate of employee contributions in accordance with Regulation 9 and Regulation 10 of the LGPS Regulations 2013.

**4. Whether to include a regular lump sum payment when calculating Assumed Pensionable Pay – Regulation 21 (4)(a)(iv), Regulation 21 (4)(b)(iv), and Regulation 21 (5)**

*Note: An employer can when calculating Assumed Pensionable Pay decide to include the amount of any regular lump sum payment received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.*

**The employer will** not include any regular lump sum payment received by the member in the 12 months preceding the date the absence began or the ill health retirement occurred.

**5. Shared Cost Additional Voluntary Contributions Arrangement (SCAVC) – Regulation 17 (1) and TP 15 (2A) and A 25(3) and definition of SCAVC in R Sch1**

*Note: An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution through a SCAVC arrangement.*

**The employer will not** exercise its discretion to contribute towards a SCAVC arrangement.

# Black Sluice Internal Drainage Board

## Policy No: 48

### Substance and Alcohol Misuse

Review Dates:

Reviewed	
Board Approved	

#### **1. INTRODUCTION**

The Board is committed to providing a safe, healthy, and productive working environment for all employees, contractors, and visitors involved in its operation.

This policy sets out the Board's aims in reducing and managing alcohol and drug problems in the workplace. The consumption of alcohol and drugs has implications for health and safety at work since these substances impair co-ordination, judgement and decision making.

This policy will apply equally to all employees of the Board.

#### **2. POLICY AIMS & OBJECTIVES**

Aim - To clearly state the Board's position on alcohol and drugs within the workplace.

Objectives -

- To ensure the Board complies with appropriate legislation
- To minimise the risks associated with alcohol and drugs in the workplace
- To have clear rules regarding alcohol and drugs in the workplace
- To encourage the early identification of employees who may be experiencing alcohol or drug problems
- To provide support for employees experiencing alcohol and drug problems
- To provide training and support to line managers to ensure they are equipped to support employees experiencing problems

#### **3. DEFINITIONS**

'Alcohol misuse is when you drink in a way that's harmful, or when you're dependent on alcohol' (NHS, 2022).

'Substance abuse, also known as drug abuse, is a patterned use of a drug in which the user consumes the substance in amounts or with methods which are harmful to themselves or others, and is a form of substance related disorder' (NHS, 2022).

'Addiction is defined as not having control over doing, taking or using something to the point where it could be harmful to you' (NHS, 2022).

For the purpose of this policy:

'Alcohol problem' will be defined as: any drinking, either intermittent or continual which interferes with a person's health and/or social functioning and/or work capability or conduct.

'Drug problem' will be defined as: The use of illegal drugs, the deliberate use of prescribed or over the counter drugs (when not for a medical condition) and the use of solvents, either intermittent or continual which interferes with a person's health and/or social functioning and/or work capability or conduct.

'Drugs' will be defined as: Any drug, whether illegal, prescribed or over the counter or solvents such as glue, butane, etc. In the case of prescribed and over the counter drugs, their possession and use by the employee is acknowledged as legitimate (when used for a medical reason).

#### **4. RELEVANT LEGISLATION**

- Health and Safety at Work Act 1974
- Management of Health and Safety at Work Regulations 1999
- Misuse of Drugs Act 1971
- Road Traffic Act 1988
- Common Law Duty of Care
- Psychoactive Substances Act 2016
- Human Rights Act 1998
- Equality Act 2010
- Data Protection Act 2018 (and EU General Data Protection Regulation 'GDPR')

#### **5. EXPECTATIONS**

- In some cases, the legitimate use of prescribed drugs can affect a person's ability to do their job. In such instances employees should inform their Line Manager.
- It is not acceptable to be under the influence of alcohol or drugs (except for prescribed or over-the-counter drugs being used for a medical reason) at work or consume alcohol or drugs during hours of work - this includes paid and unpaid breaks.
- Strict confidentiality will be maintained when dealing with individuals under this policy.

#### **6. IDENTIFICATION OF A PROBLEM**

Alcohol and drug problems may become apparent through various means, for example the following (particularly in combination):

- Persistent short-term absence
- Unauthorised absence
- Poor time keeping
- Reduced work performance
- Poor working relationships
- Deterioration in appearance



However, it must be remembered that these factors can have a number of other causes.

## **7. SUPPORT**

- Employees with an alcohol or drugs problem are encouraged to disclose this at the earliest opportunity to ensure support and help with treatment.

Those who admit to having a problem with alcohol or drugs will be fully supported as follows:

- The Line Manager will help the employee to recognise the problem. This will be through, in the first instance, encouraging them to seek help through their own General Practitioner. Under these circumstances and with the employee's consent, a referral may be made to other agencies for specialist advice and support.
- Time off may be allowed (normally unpaid) for employees to obtain treatment or attend support groups.
- Support during a period of treatment. This may include a period of sick leave or approved other leave, restricted duties, or temporary transfer to other work (if this is feasible).
- Ongoing wellbeing conversations between the Line Manager and employee in order to continue supporting the employee during any treatment plans or any assistance they are accessing. As part of such discussions, consideration will be given to whether the employee is fit to continue attending work and if not then the normal attendance procedures and support should be followed.

## **8. WORK PERFORMANCE AND CONDUCT MATTERS**

This policy is primarily concerned with ongoing alcohol and drugs problems, which are classed as capability issues, i.e., where the problem impacts on the person's ability to do their job and will be dealt with under the capability procedures as outlined in the ADA Lincolnshire Branch Wages & Salaries and Conditions of Service Handbook.

One-off cases where the rules of this policy are breached, such as someone reporting for work clearly under the influence of alcohol or drugs or suffering from the effects of alcohol will be classed as a conduct issue and will be dealt with under the disciplinary procedures as outlined in the ADA Lincolnshire Branch Wages & Salaries and Conditions of Service Handbook.

## **9. TESTING**

Drug and alcohol testing may be carried out on employees carrying out jobs in which impairment due to drugs or alcohol could have disastrous effects for the individual, colleagues, members of the public and the environment, e.g., drivers and mechanics operating workshop machinery. The Board will limit testing to employees that need to be tested.

Consent from employees is required for testing. Employees can't be made to take a test but, if they refuse when the Board has good grounds for testing, they may face disciplinary action.

Testing must be carried out properly to ensure samples cannot be contaminated or tampered with, and that testing procedures and analysis are accurate.

Testing will be random, and employees will not be singled out for testing unless this is justified by the nature of their job.

*(Employers who carry out unnecessary tests could be open to legal challenge, particularly under the Human Rights Act 1998, which includes the right to respect for private and family life and home. The employer needs to demonstrate that testing for drugs and/or alcohol is necessary to combat risk and is limited to those employees that need to be tested to deal with a specific risk. The employer must obtain informed consent from an employee before carrying out a drug test. Usually this is when they have a full contractual health and safety policy, which should be in the contract or staff handbook.)*

## **10. SOURCES OF EXTENRAL SUPPORT**

- NHS (alcohol misuse) <https://www.nhs.uk/conditions/alcohol-misuse/>
- Drink Aware [Drinkaware Home | Drinkaware](#)
- Alcoholics Anonymous <https://www.alcoholics-anonymous.org.uk/>
- NHS (drug misuse) <https://www.nhs.uk/Live-well/addiction-support/drug-addiction-getting-help/>
- Talk to Frank <https://www.talktofrank.com/get-help/find-support-near-you>
- We are with you <https://www.wearewithyou.org.uk/>
- Narcotics Anonymous <https://ukna.org/>

## CATALOGUE OF BOARD POLICIES

		A&R Committee Review										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	Apr 26	Sep 26
	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	To be reviewed at every Board and A&R meeting																		
3	Financial Regulations	3 years			✓					✓					✓						
4	Procurement Policy	3 years			✓		✓				✓		✓				✓				
5	Investment Strategy	5 years						✓											✓		
6	Insurance Arrangements	3 years			✓		✓				✓	✓						✓			
7	Black Stiuice IDB H&S Booklet		Not reviewed by Audit & Risk Committee																		
8	Relaxation of Board Byelaw No 10 (the 9m byelaw)	5 years					✓				✓										✓
9	Structures Replacement	Annual	To be reviewed annually by Culverts & Bridges Committee																		
10	Delegation of Authority	3 years	✓									✓						✓			
11	Biodiversity Action Plan	Annual	To be reviewed annually by Environment Committee																		
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	3 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				✓									✓						
47	COVID-19 Business Continuity Plan	N/A						✓													
48	Substance and Alcohol Misuse	5 years											✓								

New policy Sep 2022



**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	Low	3		
	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	High	6		
	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.	1.10	Reduction in staff performance	Medium	Low	2		
	1.11	Insufficient staff resources	Medium	Low	2		Review
To provide a 24 hour/365 day emergency response for the community	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 safe and fulfilling working environment for staff.	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 maintain financial records that are correct and comply with all recommended accounting practice.	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 ensure that all actions taken by the Board comply with all current UK and EU legislation	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	Medium	Low	2	None	
	5.4	Inadequacy of Internal Checks	Medium	Low	2		
	5.5	Fraudulent use of credit cards	Low	Medium	2		
A cost efficient IDB that provides a Value for Money service.	6.1	Board Members in making decisions	Low	Low	1		
	6.2	Not complying with all employment regulations and laws	Medium	Low	2		
Information Technology and Communications	7.1	Collecting insufficient income to fund expenditure	Low	Low	1		Accounts
	7.2	IDB abolished or taken over	Low	Low	1		
	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		