

BLACK SLUICE

INTERNAL DRAINAGE BOARD



Audit & Risk Committee Meeting

Wednesday, 1st May 2019 at 2pm

Station Road, Swineshead, Lincolnshire PE20 3PW



Black Sluice Internal Drainage Board

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Our Ref: IW/DPW/B10_1

Your Ref:

Date: 24th April 2019

To the Chairman and Members of the Audit & Risk Committee

Notice is hereby given that a Meeting of the Audit & Risk Committee will be held at the Offices of the Board on Wednesday, 1st May 2019 at 2pm at which your attendance is requested.

Chief Executive

AGENDA

1. Apologies for absence.
2. Declarations of interest.
3. To receive and, if correct, sign the Minutes of the Audit & Risk Committee Meeting held on the 17th October 2018 **(pages 1 - 10)**
4. **CONFIDENTIAL** - To receive and, if correct, sign the Confidential Minutes of the Audit & Risk Committee Meeting held on the 17th October 2018 **(pages 11 & 12)**
5. Matters arising.
6. To review the Audit & Risk Committee's Terms of Reference **(pages 13 & 14)**
7. A presentation from the Internal Auditor, Mr C Harris, and to receive the following:
 - (a) Internal Audit Report 2018/19 **(pages 15 - 24)**
 - (b) Audit Programme 2019/20 **(pages 25 & 26)**
8. To review the following Board policies:
 - (a) Policy No. 01: Risk Management Strategy **(pages 27 - 50)**
 - (b) Policy No. 04: Procurement Policy **(pages 51 - 54)**
 - (c) Policy No. 08: Relaxation of Board Byelaw No. 10 **(pages 55 - 60)**
 - (d) Policy No. 26: H&S Young Persons Safety at Work **(pages 61 & 62)**
 - (e) Policy No. 30: Pension Discretion LPF 2014 **(pages 63 - 67)**
 - (f) Policy No. 40: Commercial Works **(page 68)**
 - (g) Policy No. 41: Public Sector Co-operation Agreement **(page 69)**
 - (h) Policy No. 44: Development Control Charges & Fees **(pages 70 - 75)**
 - (i) Policy No. 45: Mobile Phones and Devices **(page 76)**
9. To review the Period 11 Management Accounts **(pages 77 - 83)**
10. To receive the Risk Register **(page 84)**
11. To review the Board's Catalogue of Policies **(page 85)**
12. Any other business.

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

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

held at the offices` of the Board on
17th October 2018 at 2pm

Members

Chairman - * Cllr M Brookes

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

* Member Present

In attendance: Mr I Warsap (Chief Executive)
 Mr D Withnall (Finance Manager)
 Mr J Cooke (Insurance Advisor)

The Chairman welcomed Mr J Cooke to the meeting and thanked him for his attendance.

1330 APOLOGIES FOR ABSENCE - Agenda Item 1

There were no apologies.

1331 DECLARATIONS OF INTEREST - Agenda Item 2

There were no declarations of interest.

1332 MINUTES OF THE LAST MEETING - Agenda Item 3

Minutes of the last meeting held on 25th April 2018, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

Mr W Ash entered the meeting.

1333 CONFIDENTIAL MINUTES OF THE LAST MEETING - Agenda Item 4

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

1334 MATTERS ARISING - Agenda Item 5

(a) WOLDMARSH CONTRACT - Minute 1265(c)

Mr V Barker made reference to the Woldmarsh contract mentioned on page seventeen, stating that he is pleased with how efficient the Woldmarsh process is.

(b) BOARD'S RENTED PROPERTY - Minute 1269

Mr R Leggott made reference to the Board's rented property. It was clarified that the only time there would be an increase in risk would be a change in tenant, it has previously been agreed that if this were to happen the property would possibly be sold.

Mr N Scott felt that the Minutes were quite lengthy and suggested a more summarised approach.

1335 TO RECEIVE A REPORT ON INSURANCE ARRANGEMENTS - Agenda Item 6

The Chief Executive informed the Committee that this level of cover has already been purchased and so this Agenda Item is for the Committee to assess whether they feel the level of cover needs adjusting.

Mr J Cooke presented the report to the Committee and highlighted a feature that is new this year; a Low Claims Rebate, explaining that where there is a good claims experience this Rebate will be awarded. It was noted that it is similar to a 'no claims discount'. At current for Black Sluice IDB, all the property insurances are good, the only thing that could alter it would be a late notified liability claim. This will be paid in November 2018.

Mr J Cooke continued by explaining that the policies have to be adapted accordingly for different organisations and their various risks and requirements so that there are no 'loop holes'. This process was carried out for Black Sluice IDB three years ago, explaining that at the moment everything remains the same.

Mr J Cooke went through the insurance documents, giving the following information and explanations:

Commercial Combined Insurance – Material Damage

The Commercial Combined Insurance covers for material damage to the Board's buildings and constructions, highlighting the importance of keeping up to date with the values of the property and machines in order to get a reasonable sum back in the event of a claim. The sums insured on the buildings and contents of the pumping stations have increased again this year by 5%. The Chairman clarified that this is based on full reinstatement. The Finance Manager also clarified that the revaluations were completed with the new pump regulations in mind and so the new fish / eel friendly pumps have been allowed for. There is also a clause within the policy that states if there are new regulations in place that require replacement with something different then the altered replacement will be completed.

Mr R Leggott raised a query around the different theft covers - 'Full Theft' and 'Theft involving Forcible & Violent Entry or Exit'. Mr J Cooke explained that the 'Theft involving Forcible & Violent Entry or Exit' aspect is actually covered within 'Full Theft'. With 'Full Theft', Black Sluice IDB is additionally covered if, for example, something was stolen whilst the door was left open – with no forcible entry.

Commercial Combined Insurance – Business Interruption

Mr J Cooke highlighted that if a disaster were to happen to the Swineshead site or Pumping Stations then the policy would pay for items known as 'Increased Costs of Working'. Therefore, if an alternative office was required, i.e. a porta cabin, then the Increased Costs of Working would cover that.

Commercial Combined Insurance – Goods in Transit & Contractors Plant

With reference to stock, Mr J Cooke noted that it is also covered when it has left the Depot and is in transit to other sites. Mr V Barker raised the query of whether this covered machinery attachments out on site that are not physically attached to the machine? Mr J Cooke explained that this would be covered under the Motor Policy – whether the equipment is attached or detached. Mr J Cooke also noted the Contractors Plant policy on page 32, which covers all Contractor's equipment and any equipment hired by Black Sluice IDB.

Commercial Combined Insurance – Money

Mr J Cooke continued, focusing on the Money cover, explaining that this is designed to cover physical cash rather than bank assets.

Commercial Combined Insurance – Fidelity Guarantee

The Fidelity Guarantee has been developed to cover both dishonesty of Employees and Board members. Mr R Leggott made reference to an instance where at another Drainage Board a cheque had been altered significantly – asking whether Black Sluice IDB is covered for such instances? The Finance Manager felt that it would be covered by the bank on the basis of Illegal Practice and Fraud.

Mr V Barker made reference to an instance where the accountant of an organisation had altered cheques without the appropriate signatures. The bank did correct it, but refused to give facilities to trade with and caused bankruptcy. Mr J Cooke responded that if it was a third party alteration then it would come under a third party Crime Policy that was deemed not necessary for Black Sluice IDB. If it was altered by an Employee or Board Member, then it would be covered under the Fidelity Guarantee policy.

Mr N Scott asked for the difference between the Fidelity cover under the Commercial Combined Insurance as opposed to the Fidelity cover under Professional Indemnity Insurance? Mr J Cooke explained that under the Commercial Combined Insurance it is for losses of the IDB whereas under Professional Indemnity it is more of a liability policy, covering financial losses of third parties.

Commercial Combined Insurance – Employers Liability

Mr J Cooke continued with Employers liability, explaining that this policy is for injury to Employees, noting that IDBs don't seem to have claims as frequently as you see in other business sectors. The basis of the wage roles has been increased to reflect the IDB's current situation and the Limit of Indemnity has also been increased from the standard figure of £10,000,000 to £15,000,000.

Cllr B Russell raised the point around Contractors and Sub-Contractors, clarifying that Black Sluice IDB have a process in which Contractors are asked to provide evidence of Employer's Liability Insurance – asking if this policy is just to 'sit-upon' in case anything goes wrong as opposed to actually needing it?

Mr J Cooke explained that the main Contractors will be covered under the Public Liability Policy. If temporary labour is brought in, then this will also be covered, it being clarified that Black Sluice IDB hire temporary labour every year. Mr J Cooke also added that if something were to happen then it would be likely that the Contractors insurance would pay out, but if that wasn't enough or they went bankrupt then there is an indemnity for that within the policy.

Commercial Combined Insurance – Public & Products Liability

Mr J Cooke noted that the Public Liability figure was increased to £10,000,000 for the SFFD works last year. He also highlighted the contamination and pollution cover up to £1,000,000.

Group Personal Accident

The Group Personal Accident and Business Travel Policy has some cross over with the Employers Liability Policy to a certain extent, however, it excludes any instances that arise in an area where the Road Traffic Act (RTA) applies. The Group Personal Accident and Business Travel Policy will cover that area.

Mr J Cooke also clarified that it will be paid to the IDB because the Policy is in the IDB's name. It is then up to the IDB what they decide to do with that money – i.e. it may cover the cost of temporary labour to cover an Employee being off.

Further clarification was made around who the amount would be paid out to. If the Employee is making the claim, then it would be made to the Employee under the Employers Liability Policy. If it was the Employer making a claim under the Personal Accident Policy, then it would be paid to the Employer, i.e. the IDB, to then decide what to do with the funds.

Professional Indemnity Insurance

Mr J Cooke continued with the Professional Indemnity Insurance. Mr R Leggott voiced his concern around the Pollution Exclusion under Endorsements. It was identified that pollution and contamination is covered within the Public and Products Liability, as previously mentioned.

It was further explained that this policy covers for advisory work rather than actually creating the pollution. For example, providing advice on planning applications etc.

Cllr B Russel noted that there is a move for Local Authorities to involve IDBs in major planning developments. The Finance Manager stated that currently Black Sluice IDB are consulted on planning. Further discussion took place around whether the pollution arising from advice given aspect needed to be included, with the Chief Executive stating that the IDB don't give advice directly but instead confirm acceptance of the designer's proposals.

Mr V Barker raised the point of Triton Knoll conferring with the IDB with regards to their building work – clarifying that the IDB wouldn't be liable if it flooded? The Chief Executive stated that we have not recommended that they build there, they have brought a proposal and we have simply given them the factual information about it.

Mr N Scott raised the point of the Retroactive date (01.05.09) on the policy. Mr J Cooke explained that any claim made from that date onwards would be recorded within the policy that's in place at that time.

Board Members & Officers Liability Insurance

The Board Members and Officers Liability Insurance Policy protects Employees and Officers of the IDB against any action against them as an individual. For instance, if an Employee / Officer / Board Member was to commit a wrongful act then legal defence fees would be covered by this policy. There is also some Employment Practices Liability which is for if an Employee was to take action for compensation against the IDB for unfair or constructive dismissal for example. There is also an element of fraud cover within this policy.

Engineering Inspection & Insurance

Mr J Cooke directed the Committee to the Engineering Inspection and Insurance, explaining that the inspection side is to ensure legislation is complied with. Mr R Leggott identified 'Damage to Own Surrounding Property' cover. It was clarified that if somebody's else's property got damaged from an instance that occurred it would be covered by the Public Liability Policy.

Commercial Legal Protection Cover

Mr J Cooke referred to the Commercial Legal Protection Cover, explaining that it provides a variety of cover. He continued by explaining the difficulties with administrating it, highlighting that there are more exclusions than inclusions, but for the small cost of £112 it's there if required.

Motor Fleet Insurance

Mr J Cooke concluded with the Motor Insurance, confirming that it covers all the IDBs vehicles, machinery, attachments etc. It also covers third party working risks. This refers to when working on the roadside and the vehicle may be half on the road and half off. Therefore, half in the Road Traffic Act area and half not and so falls between the Motor Policy and Public Liability Policy. It has therefore been added as an extension to the Motor Policy.

Mr J Cooke invited any questions.

The Chairman brought the Committee's attention back to the Third Party Crime Cover that had been mentioned previously, asking whether the Committee felt that it is something that should be added?

Mr N Scott noted that it was deemed not necessary at the previous meeting on the basis of looking at the risk to the IDB, which is most likely going to be cyber theft from the bank as opposed to taking physical cash to the bank which rarely happens now.

Further discussion took place around the matter, with it being noted that it is about assessing the risks and whether sufficient preventative action can be taken in house. The Finance Manager added that this policy would concern offences that are reportable to the Police; in the ten years he has been at Black Sluice IDB he has never had to report anything.

The Finance Manager also noted that he would hope that the Board would be assured that the governance is in place and so actually the insurance is not required.

Mr W Ash asked what the cost would likely be? Last year it was £600.

The Chairman concluded that after consideration the Committee were of the opinion that a Third Party Full Crime Policy was not required as the risk to the IDB is not that great.

Cllr B Russell referred back to the 'no claims discount'. Mr J Cooke responded that they are currently looking into and putting further pressure on regarding this.

Mr R Leggott asked what the definition of 'carried out during the period of insurance' is? Mr J Cooke explained that it refers to which policy a claim is logged to. For instance, somebody may injure themselves but the claim may not arise until six months later. It would therefore be logged against the policy that was in place at the time of the incident (six months previous).

It was further clarified that the prices in the summary sheet includes Insurance Premium Tax, with Mr J Cooke voicing that he expects that this will rise up towards 20%.

Mr N Scott asked Mr J Cooke to include brokerage rates within the report in the future. He continued by asking if Credit Rating is considered? Mr J Cooke explained that nothing below B+ is used and that he is given a panel of insurers he can and can't use that is monitored continuously by a dedicated team.

Cllr B Russell made reference to the syndicates, which it was clarified that they are Lloyds and they are A rated.

Conversation reverted back to Credit Rating, the Chairman emphasising Mr N Scott's point that the IDB may want to pay a little bit more for a better rating, it being decided that Mr J Cooke will send through a Schedule of Credit Ratings so that the Committee can look at this. It was also noted that the client would be notified if there were concerns over the rating of an insurer. Mr W Ash questioned whether you could move providers if an insurers rating dropped half way through a period of insurance? It was clarified that, generally speaking, you wouldn't be able to 'move' as such but you would be able to purchase the insurance again.

The Chairman thanked Mr J Cooke for his time.

1336 TO RECEIVE THE ANNUAL RETURN INCLUDING EXTERNAL AUDITORS OPINION 2017/18 - Agenda Item 7

The Finance Manager stated that this has already been presented to the Executive Committee on the 12th September 2018. He apologised for his mistake, shown in Figure Box One on page 50, which was transposed.

1337 TO RECEIVE THE AUDIT PROGRAMME 2018/19 - Agenda Item 8

The Finance Manager explained that this is the work Chris Harris, the Internal Auditor, is planning to undertake over the twelve-month period, noting that he won't attend the IDB now until the final quarter of the year.

1338 TO REVIEW THE FOLLOWING BOARD'S POLICIES - Agenda Item 9

The Chief Executive explained that these are policies that have been identified for review and any changes have been made in red.

(a) POLICY No. 27: CONTROL OF RAGWORT

The Chief Executive stated that there are no proposed changes to this policy – so the only thing that will change will be the reviewed date.

The Committee RESOLVED to recommend that the Control of Ragwort Policy (No. 27) be approved at the next board meeting.

(b) POLICY No. 28: LAND DRAINS DISCHARGING INTO BOARD MAINTAINED WATERCOURSES

The Chief Executive presented this policy, again, stating that there are no proposed changes to this policy.

The Committee RESOLVED to recommend that the Policy for Land Drains Discharging into Board Maintained Watercourses (No. 28) be approved at the next board meeting.

(c) POLICY No. 29: CONTROL OF RABBITS, RATS AND OTHER RODENTS

The Chief Executive explained that the only changes to this policy are a change in position from the Operations Supervisor to Works Manager and an additional sentence to the last paragraph.

Mr W Ash asked about the situation around badgers? The Chief Executive responded that badgers are a protected species and so there are detailed guidelines for working around badgers that must be followed. The Chief Executive continued by explaining that the IDB has recently been reported to the Police by a member of the public for working near badgers. The Police attended the site and it was concluded that the IDB are abiding by the guidelines for badgers.

It was also noted that records are kept in regards to where the badgers are located and that the number of them is increasing. The Chief Executive highlighted the problems they can cause such as machines being tipped over when collapsing into badger setts. He also made reference to a new movement from the Environment Agency regarding some of their raised main river banks which entails enticing the badgers to relocate.

Mr N Scott clarified the two risks brought about by badgers – legislative and a Health & Safety risk. It was further clarified that there is not a Black Sluice IDB policy for badgers as the legislation around it is within the documents of Natural England.

The Committee RESOLVED to recommend that the Policy for the Control of Rabbits, Rats and Other Rodents (No. 29) be approved at the next board meeting.

(d) POLICY No. 31: PUBLICATION SCHEME

The Chief Executive presented the Publication Scheme, explaining that the only change is to the website address’.

The Committee RESOLVED to recommend that the Publication Scheme (No. 31) be approved at the next board meeting.

(e) POLICY No. 34: GIFTS AND HOSPITALITY

The Chief Executive explained that in a quick review of the Agenda with the Chairman prior to the meeting it was identified that an additional sentence was required. The updated document, with the additional sentence highlighted in red, was distributed to the Committee. The amended paragraph was as below:

‘Employees and members should treat with extreme caution any offer of a gift in excess of £25, favour or hospitality that is made to them personally. Any gift, favour, tokens of goodwill or hospitality in excess of £25 will be brought to the attention of the Chief Executive for further discussion and if approved registered in the Gifts & Hospitality Register held by the Chief Executive.

The person or organisation making the offer may be doing or seeking to do business with the

Board or may be applying to the Board for some decision to be taken in his favour or someone with whom he is connected.'

The Chief Executive continued that the old Gifts & Hospitality Register has no entries. Once this policy has been approved by the Board it will be issued to all staff so that they are all aware of the procedure.

The information that will be documented in the new Gifts & Hospitality Register is as follows; Registration Number, date, Officer's name, hospitality provider, hospitality type, estimated value, approval – yes/no and the Chief Executive's signature.

Cllr B Russell raised the critical point that the offer being made needs to be recorded whether accepted or not. Discussion took place around suitable wording to ensure this is incorporated. It was concluded that the beginning of the additional sentence should read 'Any *offer of a gift...*'. The phrase 'if approved' in the additional sentence should also be removed.

Mr R Leggott voiced his opinion that he would be happy for the £25 limit to be removed. The Committee felt that £25 was an acceptable figure – it then allows for items such as pens, calendars, diaries etc. without the need to record it.

Mr V Barker questioned whether trips, where attendees are entertained, such as the Holland Trip in June 2018, should be recorded? The Finance Manager responded that it is exempt in accordance with paragraph two – 'attending such functions or events as part of an official Board delegation'. However, it was also noted that there are no geographical limits to the policy.

The Committee RESOLVED to recommend that the Gifts and Hospitality Policy (No. 34) be approved at the next board meeting.

(f) CONFIDENTIAL POLICY No. 13: EMERGENCY FLOOD RESPONSE PLAN

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

1339 TO RECEIVE & REVIEW A PROPOSED DEVELOPMENT CONTROL CHARGES AND FEES POLICY - Agenda Item 10

The Chief Executive presented the new proposed policy. He explained that the IDB currently have development control charges and fees built into the byelaw consenting process. The IDB are starting to be questioned by some developers on how these figures are calculated and so it was felt a policy was required.

The Chief Executive continued by explaining that all of the information within this policy is actually already implemented through the consenting process. Therefore, there is no change being applied other than the information is now in a separate policy.

In the past, the IDB have followed the Water Management Alliance (WMA) guidelines. The Chief Executive further explained that between producing the document and this meeting, the WMA have reviewed their own guidelines. The 'Current Rate of Application per Impermeable Hectare' has been significantly changed.

A table was presented on screen showing the increase over the past eleven years in this rate. The rate originally proposed, as on the policy within the Agenda, is £77,800 per impermeable hectare. The new WMA adopted rate after review is now £117,131 per impermeable hectare which is a 51% increase. The Chief Executive highlighted that the IDB does state that our rate is subject to review and change at the Board's discretion.

The Chief Executive asked the Committee whether in light of the new WMA Figure of £117,131, who we usually follow, does the proposed figure of £77,800 need reviewing? He additionally noted that he is unsure why we follow the WMA guidelines, other than they probably spent more time working on developing their Planning and Byelaw Policy than other IDBs.

The Chairman questioned the reason behind such a significant increase? The Chief Executive explained that he has tried to find this out, and at current none of the WMA Officers have this reason.

The Committee felt that until the reasoning behind the increase is found out, it would be difficult to review the figure. It was felt that it should be left for the Board to consider. The Chief Executive will try and find the answer for the increase for the Board Meeting.

Mr N Scott questioned whether Black Sluice IDB want to use the rate as a disincentive – would the IDB prefer other methods of catching water used, i.e. soakaways? The Chief Executive responded that the IDB would prefer Greenfield Runoff Rate (below 1.4 litres per second per hectare). Mr V Barker voiced his concerns over methods such as SuDS when there is exceptional rainfall. The Chief Executive stated that the designs are tested and inspected and so, in theory, they shouldn't cause problems.

The Committee RESOLVED to recommend that the new Development Control Charges and Fees Policy (No. 44) be approved at the next Board Meeting following review of the Rate of Application per Impermeable Hectare.

1340 REVIEW OF THE ANNUAL ACCOUNTS - Agenda Item 11

The Chairman reminded the Committee that they are looking at the structure and format of the Annual Accounts rather than the figures.

The Chairman proposed that it is reviewed by this Committee every three years (in-line with elections) as opposed to every year. The Finance Manager proposed that the Management Accounts are reviewed three yearly also.

The Committee AGREED to review the format of the Annual Accounts and Management Accounts every election year, every three years, as opposed to annually.

1341 TO RECEIVE THE CATALOGUE OF BOARD POLICIES WITH RECOMMENDED APPROVAL DATES - Agenda Item 12

The Chief Executive stated that in addition to the already programmed policies he is going to bring two policies forward to the next Audit and Risk Meeting; Policy No. 41 Public Sector Cooperation Agreement (PSCA) and Policy No. 40 Commercial Works Policy. This is because the Environment Agency are sending out their new PSCA soon.

The Chief Executive also noted that there will be a new Policy (No.45) for Mobile Phones and Devices that will be presented at the next meeting, which is being issued to the Workforce next week.

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

1342 TO REVIEW THE RISK REGISTER - Agenda Item 13

The Chairman referred the Committee to any scores higher than four – the only one being 1.1. The Finance Manager suggested that in light of the uncertainty around the Black Sluice Pumping Station (Boston) it be left as it is until the next full strategy review, by which time the Environment Agency's Operations Plan will hopefully be available.

The Committee AGREED that the Risk Register is to remain the same until the next full strategy review.

1343 ANY OTHER BUSINESS - Agenda Item 14

(a) CALCULATING CONTRACT PRICES

Mr V Barker made reference to the way in which Contracts and prices are calculated and drawn up in light of a recent situation. The Chief Executive explained that this process is within Policy No. 40, Commercial Works, which is currently under review to be presented at the next meeting of the Audit and Risk Committee.

There being no further business the meeting closed at 16:06.

BLACK SLUICE INTERNAL DRAINAGE BOARD

AUDIT & RISK COMMITTEE - 01 MAY 2019

AGENDA ITEM 06

AUDIT & RISK COMMITTEE - TERMS OF REFERENCE

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

The Chairman shall be appointed by the **Committee** at the annual 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 shall be entitled to attend Committee Meetings, but any other persons shall attend meetings 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 a financial report as part of the agenda for one meeting and then the management accounts for the second meeting
- (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 tri-annual AGM** and its own effectiveness and recommend any necessary changes to the Board.



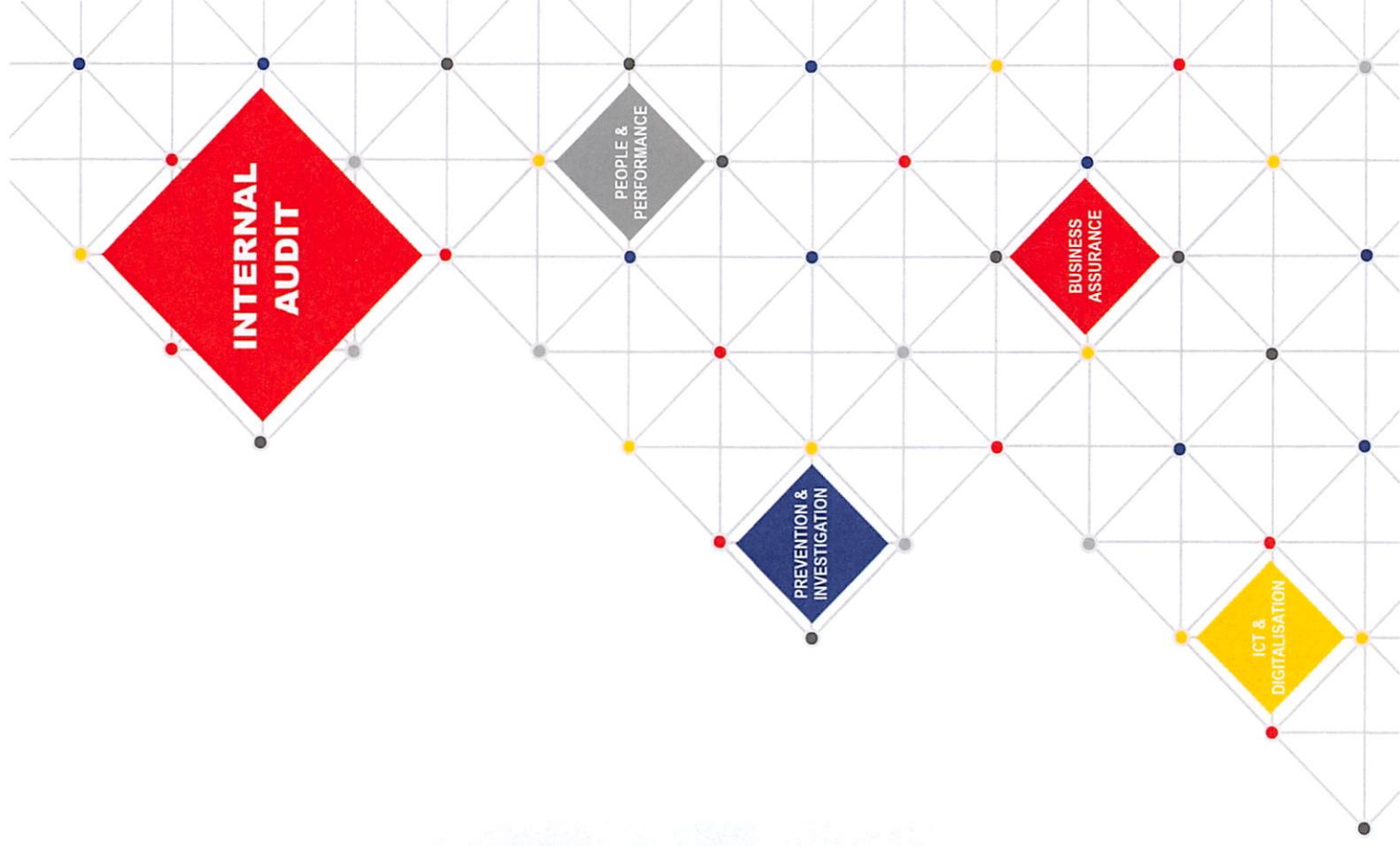
Black Sluice Internal Drainage Board

Assurance Review of Governance, Risk and Control

March 2019


FINAL

2018/19



Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

Overall the Black Sluice Internal Drainage Board has good systems in place and the governance, risk and control framework is working well.

- All matters arising from the previous internal audit report in 2017/18 have been satisfactorily resolved.
- The Procurement Policy needs to be revised to clarify situations when less than three quotations are received or the lowest quote is not accepted for goods and services that exceed £10,000.

SCOPE

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

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

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	0

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Section 4.1 of the Procurement Policy is a little vague in relation to accountability and governance. The wording of the policy should be updated to reflect that three quotations should be obtained and the lowest bona fide quotation should be accepted and that, should less than three quotations be obtained or other than the lowest is to be accepted, then the matter should be referred to the Board or to the Chairman or Vice-Chair to authorise the purchase.	Section 4.1 of the Procurement Policy be updated to clarify the procedure when either fewer than three quotations are received or other than the lowest quotation is to be accepted.	3	<i>The Audit and Risk committee will review the amended Procurement Policy on 01 May 2019.</i>	01/05/19	Finance Manager

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

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

Detailed Findings

Introduction

1. This review was carried out in March 2019 as part of the planned internal audit work for 2018/19. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

Background

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

Materiality

3. The annual turnover for the Black Sluice Internal Drainage Board is some £2.4 million. Black Sluice Internal Drainage Board requires an annual internal audit in accordance with Governance and Accountability for Smaller Authorities in England Practitioners Guide.

Key Findings & Action Points

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

Scope and Limitations of the Review

5. The audit review covered the following key areas as described in the Practitioners Guide for Smaller Authorities:
 - Governance;
 - Risk Management;
 - Accounting Records;
 - Expenditure;
 - Budget;
 - Income;
 - Petty Cash;
 - Payroll;
 - Assets;
 - Banks;
 - Accounting Systems.
6. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Internal Audit Plan.

Disclaimer

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

Risk Area Assurance Assessments

8. The definitions of the assurance assessments are:

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

Acknowledgement

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

Release of Report

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

Date draft report issued:	20 th March 2019
Date management responses received:	20 th March 2019
Date final report issued:	25 th March 2019

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

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

Previous Internal audit outcomes 2017/18

11.1 The last internal audit was concluded on 15th February 2018 and the following recommendations made:

Recommendation 1: *To comply with Financial Regulation 5.5, a report on the level of drainage rates collected be included on the agenda for each Board meeting.*

This is now occurring and a summary report on drainage rates goes initially to the Executive Team every month prior to the Board

Recommendation 2: *A procedure for disposing of surplus equipment to staff be developed and included within Financial Regulations.*

This has now been included within Financial Regulations at section 7.5.

Policy and Procedures

11.2 In the Procurement Policy, it was noted that Section 4.1 for items to be purchased with a value greater than £10,000 was a little vague in relation to accountability and governance. The reference to 'in most cases three quotations will be obtained or the proposed purchase will be approved by the Board' could be open to interpretation and does not provide for which quotation may be accepted. For instance, three quotations could be obtained and the highest one accepted which might not be what the Board Members would have expected or sanctioned in approving this policy and the original budgeted expenditure.

11.3 The wording of Section 4.1 of the Procurement Policy should be amended to reflect that 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 Board or to the Chair or Vice-Chair to authorise the purchase.

Recommendation: 1

Priority: 3

Section 4.1 of the Procurement Policy be updated to clarify the procedure when either fewer than three quotations are received or other than the lowest quotation is to be accepted.

Board and Committees

11.4 The Boards agenda and minutes were reviewed for two consecutive meetings of the Board and found to be in order. These were found to be comprehensive and clear with detailed minutes being taken. They represented a good example of what should be reported to the Board and their content demonstrated that financial procedures were in order and that good governance was apparent.

11.5 The agendas and minutes of the Executive and Northern Works Committees were reviewed and found to be in order. These were found to be comprehensive and clear with detailed minutes being taken. They represented a good example of what should be reported to a Committee and their content demonstrated that financial procedures were in order and that good governance was apparent.

Risk Management/Register

- 11.6 The Risk Management Strategy was last reviewed and approved by the Board at its meeting on 30th May 2018.
- 11.7 From the risk register, the risk of 'Pumps Failing to Operate' was selected to assess the effectiveness of the controls to mitigate the risk. It was confirmed that an appropriate maintenance and repair programme was in place and pumps would be subject to a maintenance programme based upon type and use of the pumps. In addition, should a pump fail when required, arrangements were in place with local farmers for them to use their tractors to drive the pumps. The Board also had acquired a Unimog (a four-wheel drive all-purpose vehicle – a cross between a tractor and a small lorry) which amongst its other functions was equipped to drive the pumps. The Unimog and its driver would test the functionality of this at the various pumps from time to time to make sure should the need arise that they were knowledgeable of the procedure involved. All testing and the maintenance and repair programme was recorded for future reference/programming.

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

Accounting System

- 11.8 "Opera" is the main accounting package for the IDB.
- 11.9 The accounting package is well established and works well for the Board providing management and Board members with up to date accounting information.

Accounts Payable

- 11.10 A sense check was carried out on all creditor payments from 4th April 2018 to 7th March 2019. All payments looked reasonable and the payments related to the activities of a drainage board. Five creditor payments were selected for a more detailed review.
- 11.11 One of the creditor payments reviewed flowed from an order to Dredge 10,700 cubic metres of the Extended Forty Foot Drain Channel. This invoice was for Demurrage costs due to a late completion of the project. The original award of contract was not to the lowest tenderer who had quoted on the basis of a longer period on site. This also ties in with Recommendation 1 above to amend the Procurement Policy.

Purchase Order

- 11.12 The Purchase Order system was reviewed and it was confirmed that where appropriate to use the Purchase Order system, goods received had been confirmed and invoices had been matched back to the purchase order.

Budgeting

- 11.13 There is a good system of budgeting in place and, for 2018/19, it was noted that both income and expenditure were favourable to budget and this was likely to give rise to a substantial underspend at year-end which would increase reserves. The reserves policy in Financial Regulations 10.1 (a) is "to continue to reduce the Board's general reserves, with the target of 20% of annual expenditure."
- 11.14 Management Accounts are produced every month which show the actual income/spend against the budget and the variance. It also shows the year-to-date figures. The management accounts are reviewed by the Management Team monthly and by the Executive Committee and Board at each meeting.

Rating

- 11.15 The drainage rate and levies were reviewed and found to be in order. It was noted the low level of drainage rate income that remains uncollected had increased slightly from 2017/18 which at less than 0.1% was always going to be challenging to maintain. For 2018/19 approximately 98.6% of drainage rates had been collected.

Reserves and Future Forecasting

- 11.16 Estimated reserves for 2018/19 are in excess of £1 million. The policy is for reserves to be at around 20% of expenditure. A reserves policy has now been included within Financial Regulations.
- 11.17 Future years' forecasting over a ten-year period is to reduce reserves year-on-year down to around 20% of expenditure by 2028/29. The unexpected surplus which will arise in 2018/19 will require a revision to the 10 year forecast to achieve the planned outcome for reserves held in 2028/29.

Accounts Receivable

- 11.18 Miscellaneous accounts are issued as required to identify income due to the IDB. A collection procedure for this income is now identified within Financial Regulations Section 5.
- 11.19 Debt collection procedures for the Drainage Rate is clearly defined and flows from the date the invoices are sent out (usually April) with court action being instigated normally around September each year for non-payment. Outstanding drainage rates were slightly higher for 2018/19 than the previous year. Action was being taken to progress two aged debtors, otherwise non-drainage rate debts were in order.

Write Offs

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

Income

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

Petty Cash

- 11.22 Petty cash is maintained on a rolling basis with cash received added to the petty cash and cash payments made as required. The petty cash is reconciled monthly and signed off by the Finance Manager.
- 11.23 The petty cash was checked and verified to be correct. Receipts are given for cash received and receipts obtained for cash given out. VAT is accounted for as required.

Payroll

- 11.24 The payroll system is well established.
- 11.25 A sample of four employees was checked and it was confirmed that their pay data was in order.
- 11.26 Monthly payments are made in accordance with HMRC requirements. Receipts via the HMRC Gateway were confirmed.

Asset Register

- 11.27 The Asset Register is current and up-to-date. The register is comprehensive and includes all IDB assets e.g. Land, Buildings, Plant, Equipment and Pumping Stations.

Bank Reconciliations

- 11.28 Bank reconciliations have been regularly undertaken. A check on recent reconciliations confirmed they were all in balance and reconciled.

Accounting Statements

- 11.29 Accounting Statements are undertaken and these reconcile to the cash book.
- 11.30 Data feeding into the Accounting Statements was confirmed to be correct.

BLACK SLUICE INTERNAL DRAINAGE BOARD

AUDIT & RISK COMMITTEE - 01 MAY 2019

AGENDA ITEM 07(b)

INTERNAL DRAINAGE BOARDS - AUDIT PROGRAMME - 2019/20 AUDITS

- 1) Follow up of all and any recommendations from previous audit work.
- 2) For payroll this year I would like to validate that staff have been appropriately appointed and are on the correct salaries. I would plan to select a random sample of staff/operatives and review their HR records which should identify appointment, salary, terms and conditions etc.
- 3) To continue the discussion on risk management to enable Boards to focus on what are truly important risks for them to manage.
- 4) To verify (if time permits) the actual existence of a sample of assets held. I have not done this yet and would like to select a sample of key assets and to physically inspect them.

As with previous years I will need to undertake sufficient work around governance, risk and controls to enable me to complete the AGAR. My audit for 2019/20 will therefore include sufficient audit testing and review to enable the small authorities return to be completed as detailed below.

Directed Risks

Governance

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

Risk Management

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

Operational Risks

Accounting Records

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

Expenditure

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

Budget

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

Income

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

Petty Cash

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

Payroll

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

Asset Register

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

Bank

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

Accounting Statements

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

In addition, my themes are:

- 1) To deep dive into staff to make sure they are paid in accordance with the approved policies
- 2) To continue discussions into risk management
- 3) To physically identify a select sample of assets to verify their existence and condition.

I am also keen as always to pick up on any matter that Ian or Daniel may want to be reviewed or any matter arising from a Board member.

Chris Harris
Audit Director
TIAA Ltd

Black Sluice Internal Drainage Board

Risk Management Strategy

Risk Management Policy

Risk Analysis

Updated	01 May 2019
Board Approved	
Due for Review	

Contents

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

Appendices

- A – Risk Management Strategy Statement
- B – Risk Management Policy Document
- C – Risk Analysis
- D – Risk Register

Risk Management Strategy

1. Purpose, Aims and Objectives

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

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

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

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

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

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

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

2. Accountabilities, Roles and Reporting Lines

2.1 A framework has been implemented that has addressed the following issues:

- The different types of risk – Strategic and Operational
- Where it should be managed
- Roles and accountabilities for all staff.
- The need to drive the policy throughout the Board
- Prompt reporting of accidents, losses, changes etc.

2.2 In many cases, risk management follows existing service management arrangements.

2.3 Strategic risk is best managed by the Board.

2.4 The Board's Chief Executive will be responsible for the Board's overall risk management strategy, and will report directly to the Board.

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

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

3. Skills and Expertise

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

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

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

4. Embedding Risk Management

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

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

5. Risks and the Decision Making Process

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

6. Supporting Innovation and Improvement

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

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

RISK ASSESSMENT MATRIX

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

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

IMPACT

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

LIKELIHOOD

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

7. Risk Control

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

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

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

8. Supporting Innovation and Improvement

- 8.1 Risk Management will be incorporated into the business planning process for the Board with a risk assessment of all business aims being undertaken as part of the annual Estimates process.
- 8.2 The Board’s internal auditor will have a role in reviewing the effectiveness of control measures that have been put in place to ensure that risk management measures are working.

RISK MANAGEMENT STRATEGY STATEMENT

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

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

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

The Boards Risk Management objectives are to:

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

These objectives will be achieved by:

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

The benefits of Risk Management include:

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

RISK MANAGEMENT POLICY DOCUMENT

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

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

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

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

The proposal to carry out future capital and maintenance works on the current Environment Agency pumping stations and main rivers within the catchment will introduce increased risks to the Board.

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

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

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

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

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

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

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

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

Flooding could occur in the following ways:

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

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

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

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

Further Work: The impact of this risk was increased in April 2018 following the decision being taken to de-commission the Black Sluice Pumping Station. It was agreed at this time that it would be reviewed when the Environment Agency issued there new operating procedures, at the time of writing this it has still not been issued and BSIDB have not been consulted at all.

In April and May 2018, following heavy rain, both the Sluice and Navigation lock were used to evacuate water and it was recognised that there was an improved recovery time although the cause of this improvement is not certain.

Potential Impact of Risk	Potential likelihood of Risk	Risk Level
HIGH	MEDIUM	6

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

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

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

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

(c) Flooding from Sewers or riparian watercourses

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

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

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

1.2 Risk of Loss of Electrical Supply

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

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

How risk is managed: Dual drive gearboxes installed at pumping stations to enable pumps to be operated by a tractor
Large pumping stations have generator connections but the Board would have to hire in generators which may be in short supply
UPS system fitted to telemetry computer and Main server

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

1.3 Risk of Pumps Failing to Operate

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

How risk is managed: Pumping Engineer checks at regular intervals
Refurbishment of plant is continuously programmed
Continued investment planned for pumping stations

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

1.4 Risk of Board Watercourses being Unable to Convey Water

Consequence: High water levels and possible flooding from over topping
Extra expenditure on drain maintenance

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

Further work: Continue to review asset conditions in asset database

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

1.5 Risk of Operating Machinery to Maintain Watercourses

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

Risk:	Hitting overhead electrical services Hitting underground electrical services Machines falling into watercourse Parts of machine hitting people or other vehicles
Consequence:	Damage to Third parties Damage to vehicles Injury to staff
How risk is managed:	Machinery is regularly serviced Machinery is checked twice each year by a qualified engineer Health and Safety Policy, reported annually to the Board Health and Safety Consultant employed All drivers are suitably trained All drivers are provided with the required safety equipment All machinery is insured by the Board

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

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

Risk:	The Board could cause damage to property or injury due to their actions Hitting overhead/underground electrical services Machines falling into watercourses Damage to Third parties Damage to vehicles
Consequence:	Injury to staff Loss of income Extra work for staff
How risk is managed:	The Board has adequate insurance The Board train staff to undertake works safely Risk assessments are carried out

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

1.7 Risk of Third Parties damage to Board maintained assets

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

Consequence: Assets not performing as they are designed to.

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

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

1.8 Risk of Loss of Senior Staff

Consequence: Inability to operate efficiently

How risk is managed: Hire in temporary staff from Agencies or other local Drainage Boards
 Formalised arrangements to share staff from other drainage boards

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

1.9 Insufficient Finance to Carry Out Works

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

How risk is managed: Ten year budget to ensure adequate funding

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

1.10 Reduction in Staff Performance

Consequence: Reduced standards of maintenance

How risk is managed: Appraisal system
Management systems

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

1.11 Insufficient Staff Resources

Consequence: Reduced standards of maintenance
Reduced value for money

How risk is managed: Review by senior management
Reports to Executive Committee
Terms of Employment regularly reviewed to remain competitive

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

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

2.1 Risk of Prosecution for not Adhering to Environmental Legislation

The Board have responsibilities to promote nature conservation and the environment

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

How risk is managed: Board employs an environmental consultant for reports and advice
Workforce are trained in environmental matters
Working within the restraints of the Board's Biodiversity Action Plan
Environmental clean-up liability Insurance (£1m)

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

2.2 Non Delivery of Objectives

Consequence: Biodiversity Action Plan not complied with

How risk is managed: Projects included in capital plan

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

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

3.1 Emergency Plan Inadequate or Not up to Date

Consequence: Difficulties in emergency situation

How risk is managed: Regular review of plan

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

3.2 Insufficient Resources (Staff and Equipment)

Consequence: Inability to provide adequate response

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

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

3.3 Risk of Critical Incident Loss of Office

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

How risk is managed: Insurance for additional cost of working/business interruption (£100k over a 12 Months period)
Daily and Monthly backup tapes off site

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

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

4.1 Risk of Injury to Staff and Subsequent Claims and Losses

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

How risk is managed: Health and Safety Policy, reported annually to the Board
 Health and Safety Consultant employed
 Staff are trained for the duties that they are required to perform
 Risk assessments are carried out for all activities
 Employers Liability Insurance (£15m)
 Personal Accident Insurance (£60k & £100pw)

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

4.2 Risk of not complying with Health & Safety Legislation

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

Consequence: Fines and serious delays in work programme

How risk is managed: A health and safety consultant is employed to advise on policy, monitor legislation and to check Health & Safety risk assessments
 Board Health & Safety policy is developed under their guidance
 Regular training of all staff
 Insurance for Manslaughter Costs and Safety Legislation costs (£1m each)

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

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

5.1 Risk of Loss of Cash

Very little cash collected at office

Consequence: Loss of income

How risk is managed: Money placed in safe and banked as soon as possible
Insurance (£500 out of safe overnight to £5,000 during business hours)
A maximum of £500 petty cash is held

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

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

Consequence: Loss of income

How risk is managed: Money is placed with known Building Societies and banks on the FCA Register
A maximum of £300,000 is invested in each organisation as per the Investment Policy
The Executive Committee of the Board reviews the investments on a regular basis

New Risk in relation to investment of £500,000 with Brewin Dolphin? Or add to this risk as investment?

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

5.3 Risk of Fraud by Senior Officers

Consequence: Loss of money

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

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

5.4 Risk of Inadequacy of Internal Checks

Consequence: Risk of incorrect payments being made

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

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

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

5.5 Fraudulent use of Credit Cards

Consequence: Loss of money

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

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

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

6.1 Risks to Board Members

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

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

Consequence: Liability of Board Members

How risk is managed: Insurance (£3m Legal Liability Cover)
Qualified and experienced staff advise the Board

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

6.2 Risk of not complying with all Employment Regulations and Laws

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

Consequence: Claims against the Board

How risk is managed: Insurance (£1m Employment Practices Cover)
Advice from consultants and solicitors and the industry
Finance Manager has regular training in employment law

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

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

7.1 Risk of Collecting insufficient Income to Fund Expenditure

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

How risk is managed: Monthly finance reports sent to Members of Executive Committee
Reports to Board Meetings
Cash flow forecasting by Finance Manager
Comprehensive Annual Budgets and ten year estimates produced

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

7.2 IDB abolished or taken over

Consequence: Loss of direction from local members

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

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

8. INFORMATION TECHNOLOGY & COMMUNICATIONS

8.1 Risk of Loss of Telemetry

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

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

Further Work: Continue to maintain trained staff to monitor telemetry

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

8.2 Risk of Loss of Telephone Communications

Consequence: Inability to communicate decisions

How risk is managed: All staff have mobile telephones
 16 VOIP & 3 Analog lines on site
 UPS (Battery Backup) on Communications Cabinet
 4G Assure on one of the Broadband lines if landlines fail

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

8.3 Risk of Loss of Internet Connections

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

How risk is managed: Two Fibre Broadband internet lines into office
 4G Assure on one of the Broadband lines if landlines fail
 Mobile Wifi Broadband contract maintained

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

8.4 Risk of Network Failure

Consequence: All computers and information inaccessible

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

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

8.5 Risk of Breach in Cyber Security

Consequence: All computers and information inaccessible
Risk of Data Protection Breach
Security of Information (Keylogger)

How risk is managed: Proactive IT Maintenance Contract with external consultants
4 hour response for server or Network failure
Staff with limited training and remote support
Staff Training (All staff have now completed classroom and online training provided by our IT consultants and Sophos as a minimum)
Unified Threat Management system installed and subscription maintained
All information taken off site digitally is encrypted and password protected
Offsite backups taken daily on a 2 week rotation and monthly on an annual basis

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

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

8.6 Risk of Network Security Breach

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

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

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

8.7 Risk of Virus being introduced to Network

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

How risk is managed: Sophos Antivirus installed on all servers, desktop computers and laptops and managed centrally
 Hard Firewall installed to prevent unauthorised person introducing virus
 Emails filtered off site by Message Defence and Office 365 to reduce likelihood of malicious attachments

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

8.8 Risk of Loss of Accounting Records

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

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

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

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

8.9 Risk of Loss of Rating Records

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

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

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

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

Black Sluice Internal Drainage Board

Policy No: 4

Procurement Policy

Review Dates:

A&R Reviewed	01 May 2019
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 (General Office based book)
 - (c) Operations Manager
 - (d) Works & Engineering Manager
 - (e) Pump Engineer
 - (f) Assistant Pump Engineer
 - (g) Finance Supervisor (Delete as was General Office based book)
 - (h) Works Supervisor
 - (i) Fitter
 - (j) Unimog Driver
- 2.3 The order form should be filled out at the time of order and signed by the person who is organising the order and countersigned as required.
- 2.4 The management team is the Chief Executive, Finance Manager and Operations Manager.
- 2.5 The order is given to the supplier with, where possible, the agreed price of the item or service.

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

3 BASIS OF PROCUREMENT POLICY

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

4.2 Items between £2,000 and £10,000

These items will typically be:

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

4.3 Items between £500 and £2,000

These items will typically be:

- Purchase of small items of plant
- Hire of plant and machinery
- Repairs to plant and machinery
- Purchase of spare parts for machinery
- Material for construction materials.
- Computers and office equipment

- (a) The Finance Supervisor, Operations Supervisor, Fitter/Pump Engineers Assistant and Unimog Driver shall, where possible obtain three quotations and obtain the authorisation from a member of the management team before signing an order for this level of procurement.
- (b) The Pump Engineer shall after obtaining three quotations, where possible, have the authorisation to sign an order for this level of procurement when associated with pumping station equipment.

4.4 Items below £500

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

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

5 ITEMS PURCHASED BY CREDIT CARD

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

6 ITEMS PURCHASED BY WOLDMARSH GROUP

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

7 SUMMARY

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

Black Sluice Internal Drainage Board

Policy No: 8

Policy on Relaxation of Board Byelaw No.10 (The 9 Metre Byelaw)

Review	Audit & Risk Committee 1 st May 2019
Board Approved	

1. PURPOSE

This document sets out the policy of the Black Sluice Internal Drainage Board concerning relaxation of its Byelaw No. 10, which states:

'No person without the previous consent of the Board shall erect any building or structure, whether temporary or permanent, or plant any tree, shrub, willow or other similar growth within 9 metres of the landward toe of the bank where there is an embankment or wall or within 9 metres of the top of the batter where there is no embankment or wall, or where the watercourse is enclosed, within 9 metres of the enclosing structure.

This Byelaw only applies to Board-maintained watercourses, both open and piped, and includes all culverts and bridges.

2. BLACK SLUICE IDB POLICY

The Board recognises that land and property owners wish to maximise the enjoyment of their land. However, at the same time the Board needs to retain its ability to maintain its watercourses in an efficient and economic manner. The Board will normally only consider relaxing the Byelaw when the following baseline conditions occur:

- Guaranteed access to carry out maintenance is available from at least one side of the drain. This may be achieved by a written agreement with the landowner concerned, or by the Board lodging a Deed of Indemnity with the Land Registry (a charge will be payable to the Board for these additional works).
- The owner of the opposite bank is not unduly inconvenienced.
- That should improvements or exceptional maintenance be required then, given reasonable notice, the obstruction is removed at the applicant's expense.
- Similar obstructions already exist nearby on the same bank.

3. REASONS FOR THE POLICY

The policy formalises the baseline conditions above, and gives written guidelines for more specific instances. The benefits of the policy are:

- Fairness and uniformity in determining applications
- Applicants can study the guidelines before application
- Powers are delegated, giving a more efficient and timely service
- **The Board can maintain accurate information to include consent relaxation location for operational needs**

However, this policy is not intended to cover every eventuality, and the Board may waive the policy and make a determination on the basis of reasonable fairness to all parties.

4. DELEGATED POWERS

Delegated powers are given to the Chief Executive and the relevant Works Committee Chairmen to determine any Byelaw relaxations that fall within the guidelines given below (except where stated otherwise).

In all other cases, the power to determine applications has been delegated to the Executive Committee or the appropriate Works Committee, unless a Board meeting is imminent.

5. GUIDELINES

Guidelines are given below on the following types of applications:

- 1) Buildings and permanent structures
- 2) Urban or development land
- 3) Fences
- 4) Hedges and Bushes
- 5) Trees
- 6) Electricity poles, lighting columns etc.
- 7) **Irrigation and abstraction equipment**

5.1 BUILDINGS AND PERMANENT STRUCTURES

The power to determine consent under this guideline has only been delegated to the committees.

It remains the policy of the Board that no buildings or permanent structures should be permitted within the 9.0 metre byelaw distance on any Board-maintained watercourse.

However, where an existing adjacent building is located closer than the permitted distance (either by virtue of a previously issued consent, or where the structure historically pre-dates the Board), then consent may be given to allow any new structure or extension to be placed up to a similar distance from the drain as the existing building on that property, provided that the integrity of the watercourse is assured.

5.2 URBAN AREAS AND DEVELOPMENT LAND

In urban areas, or where new development is proposed adjacent to a Board-maintained watercourse, the Byelaw may be relaxed from 9.0 to 6.0 metres, upon written application, for fences, hedges, bushes, timber sheds and other temporary structures, provided that the whole of the remaining 6.0 metre width is left for the sole use of the Board for future maintenance of the drain.

All buildings and permanent structures shall still be a minimum of 9.0 metres from the brink of the drain.

5.3 FENCES

The Board's Byelaw 17 (d) states:

No person shall without the previous consent of the Board:

erect or construct or cause or permit to be erected or constructed any fence, post, pylon, wall, wharf, jetty, pier, quay, bridge, loading stage, piling, groyne, revetment or any other building or structure whatsoever in, over or across any watercourse or in or on any bank thereof;

a) Stock fences up to 1.2m high (post and rail / wire)

Machine drivers can work over and see through these types of fences, and therefore the Byelaw will be relaxed, on application, on condition that they are located a minimum of 1.0 metre from the brink of the watercourse, and access gates (minimum 3.6m or 12ft wide) are provided at each end (where necessary).

b) Solid fences above 1.4m high and fences in general above 1.2m high

Machine drivers cannot see through or cannot work over such fences, and therefore the Byelaw will **not** be relaxed, except where there is guaranteed suitable and safe access on the opposite bank, and where the opposite bank owner is not unduly inconvenienced.

Any consented fence shall be located a minimum of 1.0 metres from the brink of the drain. Access gates (minimum 3.6m or 12ft wide) and continued access behind the fence may still be required. The applicant will be expected to obtain written consent from the opposite land owner (if different to the applicant).

Where possible, all fences should be fully de-mountable so that should the Board require access to its maintained watercourses, at any time, then the structure can be easily removed.

However, the Board recognises that certain fences are required for the increased security of land or property, and therefore demountable fences will not always be appropriate. In these instances, the Board will place a condition on any consent for these fences to be constructed such that should that there be a requirement for these fences to be removed in times of emergency, or if the Board requires access to carry out any major improvement schemes, then the Board shall do so under its powers under the Land Drainage Act 1991.

5.4 HEDGES & BUSHES

Machines drivers cannot see through, nor work over hedges or bushes, and therefore the Byelaw will **not** be relaxed, except where there is always suitable and safe access for all operations on the opposite bank and where the opposite bank owner is not unduly inconvenienced. The applicant will be expected to obtain written consent from the opposite land owner (if different to the applicant).

Any consented hedges or bushes shall be located with the centre a minimum of 1.0 metre away from the brink of the watercourse, and shall be maintained by the applicant so as not to encroach over the drain. Access gates (minimum 3.6m or 12ft wide) and continued access behind the hedge may still be required.

5.5 TREES

No trees shall be planted within 9.0 metres of Board-maintained watercourse.

Any existing trees, regardless of whether planted or self-seeded, are the responsibility of the adjacent landowner, and shall be maintained so as not to cause an obstruction to the Board whilst carrying out its statutory duties under the Land Drainage Act 1991.

Any trees planted outside the 9.0 metre distance from a Board-maintained watercourse shall be maintained by the adjacent landowners such that any lateral growth does not cause an obstruction to the Board whilst carrying out its statutory duties under the Land Drainage Act 1991.

In either of the above cases, the Board reserves the right to carry out maintenance on any trees it deems as an obstruction, and to recover the costs from the relevant landowner. Where it is more cost-effective for trees to be removed in toto, then the Board will seek agreement from the relevant landowner and a proportion of the costs may be recovered.

5.6 ELECTRICITY POLES LIGHTING COLUMNS ETC.

Poles and columns adjacent to drains are inherently unstable and are not recommended. Wherever possible, an alternative route should be found away from the watercourse. Where a suitable alternative cannot be found, then the Byelaw may be relaxed on condition they are placed no closer than 1.0 metre to the brink of the drain and the minimum clearance between the wires and the surrounding ground level is no less than **10.0** metres (NB: to ensure the correct safe working distance, the minimum clearance distance from ground level may increase depending on the voltage of the wire).

5.7 IRRIGATION & ABSTRACTION EQUIPMENT

No equipment shall be positioned within 9.0 metres of Board-maintained watercourses.

With the ever increasing requirement for water transfer and irrigation The Board recognises the flexibility required within the Byelaw relaxation process. All related equipment, be it permanent or temporary to be positioned within the 9.0 metres Byelaw zone should be applied for Byelaw relaxation. In every case Byelaw relaxation with conditions may be sought and agreed in the knowledge this information will be stored in order to advise the Board machine operators whilst out in the 'field'.

6. PROCEDURE

- a) The applicant shall apply in writing to the Board, using the relevant application form, along with a plan or diagram, any relevant details, and the application fee (flat fee of £50).
- b) The Board's officers will consider the effect of the application on its current and future maintenance regimes, any foreseen future works to the watercourse and any environmental benefit.
- c) Most applications will be determined using delegated powers. Any deferred applications, and those falling outside the guidelines, will be determined by the relevant Committee or Board meeting.
- d) The applicant is either notified in writing of a refusal or issued with a consent signed by the Chief Executive.
- e) The Chief Executive will report to the next Board meeting any delegated consents issued.
- f) **An approved highly visible marker post to be positioned adjacent to equipment approved to be positioned within the Byelaw zone will apply this may also include vegetation maintenance procedures.**
- g) **The Board may remove any unconsented obstruction from within the 9.0 metre Byelaw zone and recover associated costs involved with any works.**
- h) **Any damage caused to the Board's equipment or Board maintained infrastructure following incidents with third party unconsented apparatus/equipment will be recovered at cost from the third party involved.**

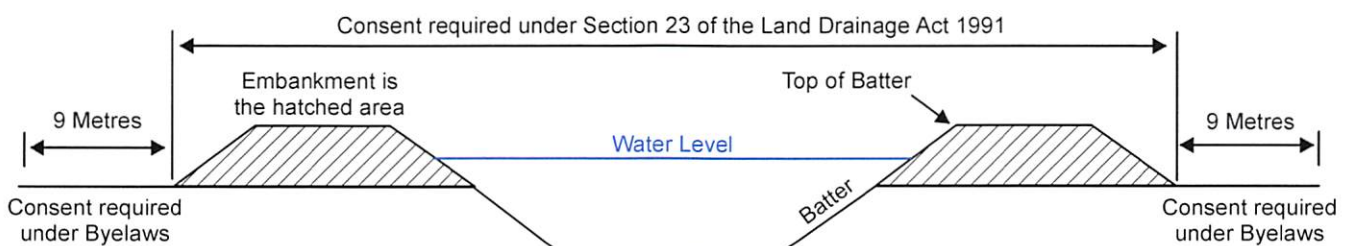
7. FURTHER GUIDANCE

This document should be read in conjunction with the Board's "Standard Conditions for Relaxing the 9 Metre Byelaw", along with the Board's "Policy on Culverting".

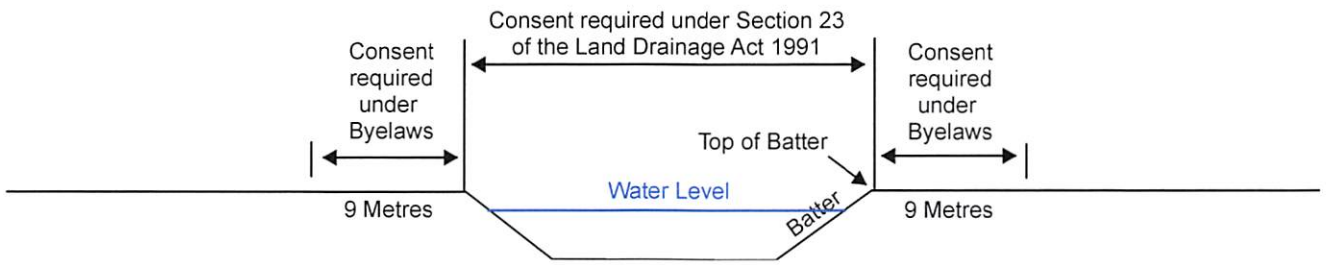
Further information and application forms are available on request from the Board's offices, or can be downloaded from the Board's website at www.blacksluiceidb.gov.uk.

CONSENT WIDTH CRITERIA FOR BOARD-MAINTAINED WATERCOURSES

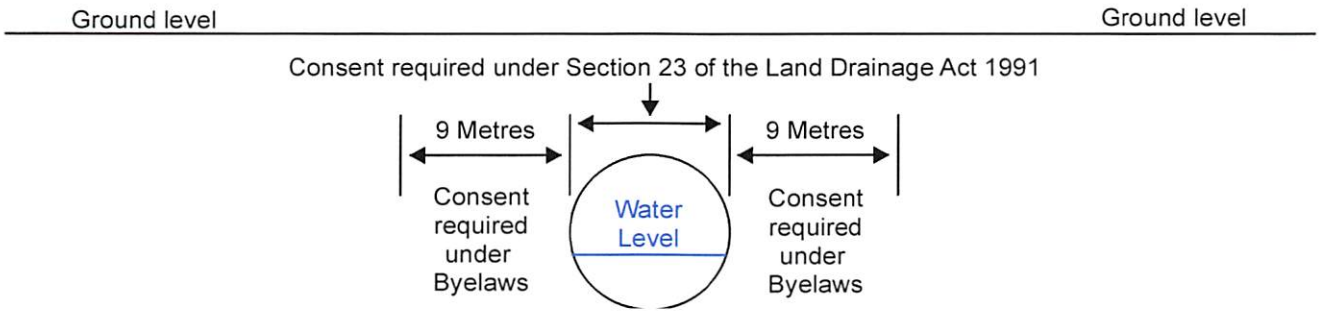
Open Watercourse with Embankments



Open Watercourse without Embankments



Culverted* Watercourse



* A culvert may be various forms of enclosed watercourse, but is usually a pipe.

Black Sluice Internal Drainage Board

Policy No: 26

H&S Young Persons Safety at Work Policy

Review Dates:

Reviewed	Audit & Risk Committee 01 May 2019
Board Approved	

Policy Statement

Young persons the management of health and safety at work regulations 1999

The definition of a young person is an individual who has reached the minimum school leaving age but is under 18. Children under 13 are generally prohibited from any form of employment, and those between 13 and the minimum school leaving age are prohibited from being employed in a factory, or on a construction site, except when on a work experience scheme approved by the local education authority, or where the likely risks are negligible. Children under the minimum school leaving age must not operate machinery and/or be exposed to significant risks. The same duty of care exists for temporary workers as it does for permanent staff.

- Young persons should be assigned to experienced workers who possess the ability and patience to give them an appropriate level of supervision and guidance.
- Prior evidence of training in the use of machinery should not necessarily be taken as confirmation that the young person is competent in using such machinery.
- Machinery may be operated during training but only whilst there is adequate and close supervision. Young persons should be excluded from using equipment that poses a significant risk if safety precautions or safe systems of work are not followed. **NB** Children are not permitted to operate machinery.
- Young persons are not to operate lifting equipment and lifting accessories without close supervision.
- Young persons are not to operate vehicles unless they have received appropriate training and hold a relevant licence. Young persons are not to operate lift trucks without adequate supervision.
- Young persons are not to supervise the movement of vehicles or act as a Banksman.
- Young persons are not to erect tower or independent scaffolds without close supervision.
- Young persons are not to undertake any work involving electricity unless they have the necessary technical knowledge or are supervised by a suitably qualified person.

If there are any doubts as to whether a young person is competent to undertake a task, or use a piece of machinery, then the Supervisor/Manager should be contacted for advice.

A young person whose daily working time is more than 4.5 hours is entitled to a break of at least 30 minutes. A weekly rest period of at least 48 hours should be provided although this may be reduced in exceptional circumstances to 36 hours for technical or organisational reasons. Notwithstanding, young persons are entitled to 12 consecutive hours rest in any 24-hour period. Although young persons are not excluded from night work, special consideration should be given to their physique, maturity and experience. The young persons safety relies on your integrity and supervision.

Authorised by: _____

Date _____

Print Name: _____

Black Sluice Internal Drainage Board

Policy No: 30

LGPS Discretions Statement

Scheme Employers

Review Dates:

Reviewed	Audit & Risk Committee 01 May 2019
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 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 - 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**.*

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 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 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).

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 for time to time can be made
- the member's personal circumstances.

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:

- *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.

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 1st April 2014 – Regulation 2 of the LGPS (Transitionl 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.

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 1st 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.

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.

Black Sluice Internal Drainage Board

Policy No: 40

Commercial Works Policy

Review Dates:

Review	Audit & Risk Committee 1 st May 2019
Board Approved	

INTRODUCTION

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

Quotations will be offered using the following options:

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

POLICY

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

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

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

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

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

Any works with a value greater than £1,000 (excluding VAT) must not commence prior to the receipt of a pre-payment, signed acknowledgement of acceptance or an official order. Any order over £40,000 (excluding VAT) must be referred to the Board or Sub-Committee of the Board before being accepted.

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

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

Black Sluice Internal Drainage Board

Policy No: 41

Public Sector Co-Operation Agreement Policy

Review Dates:

A&R Review	1 st May 2019
Board Approved	
Due for Review	

INTRODUCTION

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

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

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

POLICY

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

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

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

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

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

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

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

Works will be invoiced to include for VAT **as soon as all costs have been realised following the completion of the works.**

Black Sluice Internal Drainage Board

Policy No: 44

Development Control Charges and Fees

Review Dates:

Original Issue	1 st May 2019
Board Approved	
To be reviewed	1 st May 2024

Contents

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1. Document Purpose

- 1.1. This document has been prepared to detail the applicable charges and fees associated with the regulatory functions of the Black Sluice Internal Drainage Board (BSIDB). The charges and fees detailed in this document relate to the following activities;
- Consent application fees
 - Surface Water Development Contributions ("SWDCs")
 - Commuted Maintenance fees
 - Wayleave fees
- 1.2. The charges associated with consent application fees are set out in **Table 1** of this document.

2. Surface Water Development Contribution (SWDC) Rates

- 2.1. Prior written consent is required from the Board where a development will result in an increase in the rate or volume of flows in any watercourse and, one of the conditions imposed as part of any such approval is the payment of a development contribution to the Board. The charge is made to help fund the cost of improvements to the drainage network that are required to cater for increases in the rate and/or volume of surface water flows. Surface Water Development Contributions are payable at the time and rate applicable when the consent application is validated by the Board.

- 2.2. The contribution is calculated by;
- Determining the impermeable area of the site to be positively drained (in square metres, m²)
 - Establishing the charging band the impermeable area (in hectares) of the site that is to be positively drained will fall into (**see Table 2**)
 - Establishing the charging band the proposed discharge rate (in litres/second/impermeable hectare) will fall into (**see Table 3**)

2.3. The Surface Water Development Contribution equation is therefore;

$$\text{SWDC Fee} = \text{Impermeable area band in (£/m}^2\text{) (from Table 2)} \times \text{area of impermeable surface proposed as part of development (m}^2\text{)} \times \text{discharge rate banding (\% (from Table 3))}$$

2.4. PLEASE NOTE

- the current maximum charge applicable is £129,456 per impermeable hectare for sites with less than 5ha of impermeable area proposing to discharge at an un-attenuated rate.
- that the Surface Water Development Contribution rates stated within this document are to be increased by inflation annually, and will be reviewed in detail on a 5 yearly basis.
- The impermeable area of the site to be positively drained (in square metres, m²) should only reflect the additional impermeable area that is positively drained post development. It is therefore determined by taking away the area of impermeable surface positively drained to the watercourse prior to development from the proposed area of impermeable surface to be positively drained to the watercourse post development.
- Where high level overflows to watercourses are proposed from retention / soakaway systems that only exceed beyond the 1 in 100 year plus climate change design event¹ then these proposals will be charged at the 10% discharge rate banding (**Band 2**).
- Where high level overflows to watercourses are proposed from retention / soakaway systems that exceed at return periods below the 1 in 100 year plus climate change design event then these proposals will be charged at the applicable discharge rate banding obtained from Table 3 (**with the minimum charge being 10% Band 2**).

2.5. **Example SWDC Equation** - For clarity, a worked example is shown below. This example is the calculation of the Surface Water Development Contribution Fee for a site with 2.5ha of impermeable surface discharging to a watercourse at a restricted rate of 25 litres/second.

¹ taking into account environmental variables such as wet weather conditions and ground water levels

Step 1 - establish the charging band the impermeable area will fall in to.

The 2.5ha impermeable area will fall in the $A \leq 5$ ha band, so the rate that will apply is £12.95/m².

Step 2 - look at which proportional charge band the discharge will fall within due to the restricted flow.

25 litres/second over 2.5ha equates to 10 litres/second/impermeable hectare. This falls in the greater than but equal to 10 l/s/ha but less than 15 l/s/ha banding (Band 4) so the proportional charge will be 20%.

Result - The Surface Water Development Contribution Fee due will therefore be:

SWDC = rate (£/m²) x area (m²) x proportional percentage (%)

SWDC = £12.95 x 25000 x 0.20

SWDC = £64,750

3. Commuted Maintenance Fees

- 3.1. A Commuted Maintenance fee is a one-off charge payable where the Board will become responsible for the future maintenance costs associated with a new culvert, bridge, weir, outfall or other structure. In the case of a culvert or bridge, the Board will not be responsible for the wearing surface, and in the case of an outfall, only the headwall structure will be maintainable by the Board.
- 3.2. The Commuted Maintenance fee is paid by the applicant in addition to the cost of construction of the structure, although if the future maintenance of the structure will rest with another local authority or public body e.g. the relevant Highways Authority, then no such fee is payable to the Board.
- 3.3. The Commuted Maintenance fee due where a watercourse is Board-maintained is 130% of the cost of materials, as priced by the Board's Officers.

Please note: if the structure is to be located on land owned by the Board it may also be subject to a Wayleave fee as described in the section below.

- 3.4. The relevant fee will be stipulated as part of a notification of intent to consent when the applicant will be given a month to accept the Commuted Maintenance fee as a condition of consent. The fee is payable when formal consent is issued following receipt by the Board of the signed notification that confirms acceptance of the conditions of consent.
- 3.5. **Please note:** Due to the many various designs and differing complexity of Sustainable Drainage Systems ("SUDS") and other drainage infrastructure, if the Board agrees to take on the future maintenance of any of these types of assets, the Commuted Maintenance fee will be calculated on a case-by-case basis.

4. Wayleave Fees

4.1. Where works are proposed within an area of land owned by the Board a one-off Wayleave payment to the Board will be due. This payment is due irrespective of who will be responsible for the future maintenance of any structures erected as part of the proposed works. The current Wayleave fee is set at 100% of the cost of materials used to construct the structure that is to be erected on Board owned land (as priced by the Board's Officers).

Please note: the structure, if to be adopted by the Board may also be subject to a Commuted Maintenance fee as described in the section above.

Table 1: Listing of consent application fees

Table 1: Listing of consent application fees	Reason for the charge being levied	Fee due ²
Description		
Application to alter a watercourse	Application under Section 23 of the Land Drainage Act 1991 (and Board's Byelaws where watercourse is Board-maintained)	£50.00
Application for relaxation of one of the Board's Byelaws (not Byelaw 3)	Application for a relaxation of Board's Byelaws (usually Byelaw 10)	£50.00
Application to install land tile outfalls into Board maintained watercourse	Application for a relaxation of Board's Byelaws (per watercourse)	£50.00
Application to discharge surface water to any other watercourse	Application for a relaxation of Byelaw 3 (and possibly other Byelaws)	£100.00
Application to discharge treated foul water to a watercourse ²	Application for a relaxation of Byelaw 3 (and possibly other Byelaws)	£100.00

Please note: Where an application form is submitted without payment of the relevant fee due, the application is not deemed valid and may not be considered by the Board.

The Board also passes on its costs for preparing legal agreements relating to granted consents, including any legal fees and Land Registry costs incurred. A charge may also be levied for the provision of information regarding flood risk and drainage infrastructure, at the discretion of the Board's Officers, or for work relating to hydrological models of watercourses, depending on the type and amount of information required. VAT may be chargeable on fees relating to legal agreements, flood risk/drainage data and hydrological models.

Table 2: Impermeable area bandings

Banding	Impermeable area, A, discharging (ha)		Surface Water Development Contribution rate (£/m ²)
	Is greater than (>)	and is less than or equal to (≤)	
1	0	5	12.95
2	5	10	11.00
3	10	15	9.50
4	15	20	8.20
5	20	25	6.80
6	25	n/a	4.40

Table 3: Discharge rate bandings

Banding	Equivalent run-off rate (litres/second/hectare)		SWDC rate (as % of full contribution rate)
	Is greater than (>)	and is less than or equal to (≤)	
1	0	1.4	3
	Is greater than (>)	and is less than (<)	
2	1.4	5	10
	Is greater than or equal to (≥)	and is less than (<)	
3	5	10	15
4	10	15	20
5	15	20	25
6	20	25	30
7	25	30	35
8	30	35	40
9	35	40	45
10	40	45	50
11	45	50	55
12	50	55	59
13	55	60	63
14	60	65	67
15	65	70	71
16	70	75	75
17	75	80	79
18	80	85	83
19	85	90	87
20	90	95	91
21	95	100	95
22	100	n/a	100

Internal Drainage Board ("IDB") Surface Water Development Contribution ("SWDC") Calculator

Version 1, 21/02/2019

PLEASE NOTE - Enter figures in cells C5 and C9 only and add Case Ref in cell I14. (These cells are bordered in red). Then snip and save the image in the case folder naming the image by starting with the date order in reverse.

Increase in impermeable area (m²) drained by the development: * m²

Increase in impermeable area (ha) drained by the development: * ha

Rate of discharge (l/s) for the above area in the 1 in 100 year event: l/s

Rate of discharge expressed as a rate per hectare (l/s/ha): l/s/ha

Charging band the impermeable area (in hectares) of the site that is to be positively drained will fall into: Banding

Surface Water Development Contribution rate (£/m²) applicable to development based on banding above: £/m²

Charging band the discharge rate (in l/s/ha) will fall into: Banding

Surface Water Development Contribution rate (as % of full contribution rate) applicable based on banding above: %

Surface Water Development Contribution ("SWDC") calculation is;

(A) SWDC rate based on impermeable area band: £/m²

x
(B) Increase in impermeable area drained by the development: * m²

x
(C) % of SWDC rate applicable based on discharge rate band: % as decimal

= SWDC for proposal: £

Banding	Impermeable area, A, discharging (ha)		Surface Water Development Contribution rate (£/m ²)
	Is greater than	and less than or equal to	
1	0	5	12.95
2	5	10	11.00
3	10	15	9.50
4	15	20	8.20
5	20	25	6.80
6	25		4.40

Case Ref:

Date:

Banding	Equivalent run-off rate (litres/second/hectare)		SWDC rate (as % of full contribution rate)
	Is greater than	and less than or equal to	
1	0	1.4	3
2	1.4	5	10
3	5	10	15
4	10	15	20
5	15	20	25
6	20	25	30
7	25	30	35
8	30	35	40
9	35	40	45
10	40	45	50
11	45	50	55
12	50	55	59
13	55	60	63
14	60	65	67
15	65	70	71
16	70	75	75
17	75	80	79
18	80	85	83
19	85	90	87
20	90	95	91
21	95	100	95
22	100	n/a	100

* = an increase can be the draining of existing hardstanding that did not drain to this location previously e.g. existing road drainage rerouted.

Black Sluice Internal Drainage Board

Policy No: 45

Mobile Phones & Devices Policy

Review Dates:

Original Issue	22 nd October 2018
Board Approved	
To be reviewed	01 May 2019

1. Black Sluice IDB provides mobile phones to a number of Employees for business use to make and receive calls, text messages, emails and to operate lone worker software all on behalf of the Board whilst at work.
2. Each phone has an unlimited standard calls and text messages package (not picture messages – 43.5p each (October 2018)) but data is limited to 2GB per phone.
3. Employees may use the Board's mobile phone for personal emergencies whilst at work or within the limits stated above outside of normal working hours.
4. Any private calls, text messages or data use over 2GB (unless it is proven this is excessive business use) with charges connected to them will be recharged to the Employee at current rates.
5. **Employee's are to** keep all business call time and frequency to a minimum as you may be inadvertently impacting on your colleague's production.
6. As a Board device all calls, texts and data usage is subject to monitoring.

BLACK SLUICE INTERNAL DRAINAGE BOARD

AUDIT & RISK COMMITTEE - 01 MAY 2019

AGENDA ITEM 09

PERIOD 11 MANAGEMENT ACCOUNTS

Income

- **Outstanding 2018/19 Drainage Rates – 0.12% = £1,484.08**

2326	£753.53	With Bailiffs – now deceased, will claim from the estate
2544	£55.62	Had heart attack, now paying Bailiffs
2588	£57.51	Moved – Bailiff tracing (Site visit to determine new occupier)
2859	£411.70	With Bailiff
3027	£38.23	With Bailiff
3305	£68.04	Living abroad (investigation required as to whether occupied as includes accommodation)
2739 2934 3017 3019	£100.00	4 x £25 Summons costs (Write off due to circumstances not collected at time of payment)

- Brewin Dolphin Income to date = £6,200
- Interest £2,000 more than budgeted
- Consent Fee's are over double what they were expected to be £2,700 Favourable compared to budget
- RMRN Commuted Sum included in Misc Income
- Solar Panel income £4,900 up year to date
- **Income overall £126,000 favourable to budget**

Expenditure

- £20,000 Board contribution to Graft Drain not spent (Unlikely to spend in P12?)
- Culvert replacements budget only £12k of £68,200 spent
- Donington NI PS £17k overspent
- Mallard Hurn PS roof £1,700 underspent
- PS Maintenance £12k overspent (Electricity £34k more than last year, year to date)
- Need to check PS Engineers recharges as £13k cost unallocated.
- Need to check Workshop recharges as £10k over allocated
- Drain Maintenance only £7k overspent YTD at end of P11 (£19k gain from jetting, £18k Desilting, £5k cutting)
- Environmental £12k of £22k budget not spent
- Administration Salaries – Over spent by £20,796, I have done a lot of work on this to ensure my explanations can be proven.
 - The basic figure, if everything went as we had expected would have been £343,982.17 (£1408.83 under budget)
 - £8,877.35 relates to "Acting up" pay to Amy and Jess (2 months only) and Sue's Holiday pay death grant
 - £3,928.70 relates to the changeover and overlap of the GIS Technician position. Overlap to help ensure training of Ben not complete loss
 - £910.20 for Dennis that was not in the budget for 2018/19
 - £8489.00 relates to discretionary payments and the associated on-costs.

- The Board's Bungalow Driveway has been completed at last. Having been in the budget and not spent since approval I took it out this year, so £5215 overspent. £5000 for driveway and £345 for emergency boiler/immersion heater works of the Christmas period.
- £19,590 of profit released to General reserve. £28k of invoices to be raised in P12 (Separate email) + £425ish for SFFD?
- **Overall Expenditure is £42k Favourable to budget**

Balance Sheet

- Plant Account is £99k up on where it was last year producing a Profit of £225k compared to the £165,750 in the latest version of the 8 Year plant estimates. This additional £59,250 will almost bring the Plant reserve back into credit this year. The favourable results are spread across all items so I assume this is due to the increase in rates applied earlier in the year to address the shortfalls and this should mean no further increases in recharge rates are required next year.
- Wages On-Cost account is in Deficit by £35k this will have to be remedied at Year End, suggest on-cost rate be increased to 240% instead of 220% next year? (Apply from Week 1 and then get it retrospectively approved by the Board? This will set the recharge rates up from the start of the year) This is primarily due to £100k less being recharged than last year. We are investigating but suspect this will be due to vacant positions in the workforce.
- Investments are recovering with another £5k of the value recovered in P11 The income estimate has stabilised at £17,794
- **Overall, as of end of P11 there will be an additional £187k to be added to the general reserve.**

D Withnall
Finance Manager

Black Sluice Internal Drainage Board

Project Summary

2018/19

Period 11 - February 2019

Description	Period Current Year			Year To Date					Last Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Variance	Actual YTD	Variance to Current Year
Rates & Levies	769	312	457	2,090,764	2,066,092	24,672	2,087,998	2,766	2,073,528	17,236
Interest & Grants	1,929	83	1,846	29,334	913	28,421	7,159	22,175	1,045	28,289
Development Fund	(5,423)	0	(5,423)	0	0	0	0	0	84,805	(84,805)
Other Income	350	655	(305)	80,967	12,863	68,104	84,482	(3,515)	15,458	65,509
Rechargeable Profit	0	0	0	19,590	0	19,590	0	19,590	29,771	(10,182)
Solar Panel Income	1,206	695	511	19,397	14,491	4,906	17,030	2,367	14,617	4,780
Total Income	(1,169)	1,745	(2,914)	2,240,052	2,094,359	145,693	2,196,669	43,383	2,219,224	20,828
Schemes	6,131	13,750	7,619	50,414	129,450	79,036	70,876	20,462	118,905	68,492
Pumping Station Schemes	0	0	0	115,692	100,000	(15,692)	70,706	(44,986)	84,223	(31,469)
Pumping Station Maintenance	14,889	26,956	(2,596)	210,437	304,991	(12,025)	328,287	11,271	225,715	(18,633)
Electricity	14,663			106,579					72,669	0
Drain Maintenance	63,665	93,419	29,754	678,664	671,696	(6,968)	710,088	31,424	586,135	(92,530)
Environmental Schemes	2,504	1,491	(1,013)	9,929	22,094	12,165	20,420	10,491	8,462	(1,467)
Administration & Establishment	49,322	47,470	(1,852)	485,960	469,776	(16,184)	499,664	13,704	438,921	(47,039)
EA Precept	0	0	0	276,552	276,552	0	276,552	0	276,552	0
Solar Panel Expenses	0	0	0	1,095	2,311	1,216	3,072	1,977	1,067	(29)
Total Expenditure	151,174	183,086	31,912	1,935,323	1,976,870	41,547	1,979,665	44,342	1,812,647	(122,675)
Surplus / (Deficit)	(152,343)	(181,341)	28,998	304,729	117,489	187,240	217,004	87,725	406,577	(101,847)
Movement on reserves										
Plant Reserve	(20,698)	12,968	33,666	(225,296)	(225,140)	156	0	225,296	(125,120)	100,176
Wages oncost Reserve	7,223	0	(7,223)	74,722	0	(74,722)	0	(74,722)	1,813	(72,909)
Grants Manager	5,273	0	(5,273)	10,344	0	(10,344)	0	(10,344)	0	(10,344)
Surplus / (Deficit)	(144,141)	(194,309)	7,827	444,960	342,629	272,150	217,004	(52,505)	529,884	(118,770)

Black Sluice Internal Drainage Board Drainage Rates & Special Levies

2018/19

Period 11 - February 2019

Drainage Rates & Special Levies Due

Drainage Rates

Annual Drainage Rates - Land and/or buildings	1,055,802.64	
Land/Property - Value Decreased	(22,682.19)	
Land/Property - Value Increased	21,874.72	
New Assessment	807.47	
Write Offs & Irrecoverables	(11.84)	
Summons Collection Costs	525.00	
Credit Due	(1,398.69)	
Costs Due	0.06	
Balance	1,054,917.17	50.43%

Special Levies

Boston Borough Council	784,760.51	
South Holland District Council	126,089.96	
North Kesteven District Council	68,105.02	
South Kesteven District Council	58,113.22	
	1,037,068.71	49.57%

Total Due	2,091,985.88	100.00%
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Drainage Rates & Special Levies Collected

B/F Arrears/(Allowances)	0.38	
Payments Posted	1,044,446.30	99.88%
Bourne North Fen Trust Contribution	9,248.64	
Special Levies Received	1,037,068.71	100.00%
Total Received	2,090,764.03	

Drainage Rates & Special Levies Debtors

Special Levy Outstanding	0.00	0.00%
Drainage Rates Outstanding	1,221.85	0.12%
	1,221.85	
	2,091,985.88	

Black Sluice Internal Drainage Board

Income & Expenditure Summary

2018/19

Period 11 - February 2019

	This Year	Last Year	Variance
Drainage Rates	1,053,695	1,055,634	(1,938)
Special Levies	1,037,069	1,017,894	19,175
Recoverable	162,918	777,849	(614,930)
Misc Income	111,990	102,984	9,007
Solar Panel Income	19,397	14,617	4,780
	2,385,070	2,968,977	(583,907)
Employment Costs	1,014,919	1,010,229	(4,690)
Property	151,001	110,184	(40,817)
General Expenses	162,945	234,008	71,063
Materials / Stock	14,979	26,834	11,855
Motor & Plant	301,631	155,120	(146,511)
Miscellaneous	447,376	861,927	414,552
Recharges	(670,399)	(346,265)	324,134
Plant	517,660	387,055	(130,604)
Total Expenditure	1,940,111	2,439,093	498,982
Net Surplus / (Deficit)	444,959	529,884	(84,925)

Black Sluice Internal Drainage Board
Balance Sheet at Period End
2018/19

Period 11 - February 2019

	<u>This Year</u>		<u>Last Year</u>	
	£	£	£	£
Operational Land & Buildings Cost	739,350		739,350	
Pumping Stations Cost	3,861,354		3,861,354	
Non-operational Property Cost	130,000		130,000	
Vehicles, Plant & Machinery Cost	768,508		877,147	
Fixed Assets		5,499,212		5,607,851
Stock	32,511		33,455	
Debtors Cont	7,268		175,721	
VAT	4,731		(15,830)	
Grants Debtor	0		(16,199)	
Car Loans	22,646		33,441	
Prepayments	45,131		34,162	
Draw Acc	4,319		(3,004)	
Call Acc	310,000		310,000	
Petty Cash	255		325	
Highland Water	0		0	
Rechargeable Work in Progress	152,739		13,450	
Natwest Government Procurement C	(4,689)		(909)	
Brewin Dolphin Investment	485,658		0	
Reserve Account	771,330		1,028,195	
Total Current Assets		1,831,900		1,592,808
Trade Creditors	176		(1,174)	
PAYE & NI Control Account	(14,472)		(17,869)	
Superannuation Contrl Account	(11,558)		(12,199)	
Union Subs Control Account	0		(101)	
Accruals	(133,888)		(200,207)	
Wag & Sal Cont	0		0	
Wage Adv	300		0	
Suspense	(0)		(0)	
Total Liabilities		(159,441)		(231,551)
Pension Liability		(3,353,000)		(3,343,000)
		3,818,670		3,626,108
Capital Reserve	5,493,709		5,450,044	
Revaluation Reserve	0		0	
Property Revaluation Reserve	0		0	
Pension Reserve	(3,353,000)		(3,343,000)	
Brewin Dolphin Revaluation	(14,342)		0	
Total Capital		2,126,367		2,107,044
Revenue Reserve	1,166,811		910,190	
Development Reserve	158,828		131,590	
Plant Reserve	(118,398)		(87,474)	
Wag Oncost Reserve	40,103		34,874	
General Resere	444,959		529,884	
Total Reserves		1,692,303		1,519,065
		3,818,670	0	3,626,108
<u>Cash & Bank Balances</u>				
Drawings Account		4,319		
Call Account		10,000	310,000	
Natwest Reserve Account @ 0.01%		771,330		
Petty Cash		255		
Chargcard		(4,689)		
Monmouthshire BS @ 0.15%		300,000	30 Day Notice	
		1,081,214		

Black Sluice Internal Drainage Board Investment Summary 2018/19 Period 11 - February 2019

OWNER NAME Black Sluice Internal Drainage Board - New Account PORTFOLIO P1684056 VALUATION DATE 28 Feb 2019

GROUP BY ASSET ALLOCATION L1

Portfolio Overview

OWNER NAME

Black Sluice Internal Drainage Board -
New Account

LAST 12 MONTHS PERFORMANCE

-0.93%



TOTAL VALUE

485,658.30 GBP

ESTIMATED ANNUAL INCOME

17,793.74 GBP

INVESTMENT OBJECTIVE

Income

MANAGEMENT TYPE

Discretionary

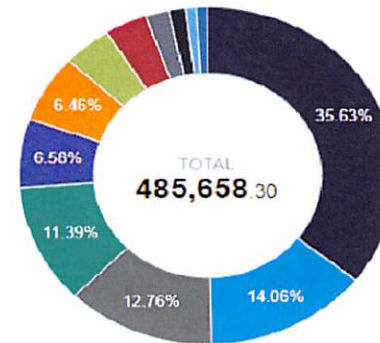
RISK PROFILE

Risk Level 3

My Accounts

ACCOUNT	TOTAL CASH	TOTAL STOCK	TOTAL VALUE	TOTAL INCOME
BLACK1665	4,391.17 GBP	481,267.13 GBP	485,658.30 GBP	17,793.74 GBP
	4,391.17 GBP	481,267.13 GBP	485,658.30 GBP	17,793.74 GBP

Portfolio Summary



UK Bonds

173,043.01 GBP

Absolute Return

61,991.10 GBP

Other Investments

31,980.10 GBP

North American Equities

20,427.95 GBP

Asia Pacific Equities

9,691.50 GBP

Japanese Equities

4,441.60 GBP

Property

68,250.20 GBP

UK Equities

55,292.38 GBP

Overseas Bonds

31,392.04 GBP

Global Investments

17,757.40 GBP

European Equities

6,989.85 GBP

Cash

4,391.17 GBP

**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 Coastal or Fluvial flooding from failure or overtopping of defences (a)	High	Medium	6		
	1.1	(b) Flooding from failure of IDB pumping stations or excess rainfall	High	Low	3		
	1.1	(c) Flooding from sewers or riparian watercourses	Medium	Low	2		
	1.2	Loss of Electrical Supply	High	Low	3		
	1.3	Pumps failing to operate	High	Low	3		Maintenance
	1.4	Board Watercourses being unable to convey water	Medium	Low	2		Maintenance
	1.5	Operating machinery to maintain watercourses	Medium	Low	2		Training
	1.6	Claims from third parties for damage to property or injury	Medium	Low	2		
	1.7	Third Parties damage to Board maintained assets	Medium	Low	2		
	1.8	Loss of senior staff	Medium	Low	2		
	1.9	Insufficient finance to carry out works	Medium	Low	2		
1.10	Reduction in staff performance	Medium	Low	2			
1.11	Insufficient staff resources	Medium	Low	2		Review	
To conserve and enhance the environment wherever practical and possible to ensure there is no net loss of biodiversity.	2.1	Prosecution for not adhering to environmental legislation	Medium	Low	2		BAP
	2.2	Non delivery of objectives	Low	Low	1		BAP
To provide a 24 hour/365 day emergency response for the community	3.1	Emergency Plan inadequate or not up to date	Low	Low	1		Review
	3.2	Insufficient resources (Staff and Equipment)	Medium	Low	2		Review
	3.3	Critical Incident loss of office	High	Low	3	None	
To provide a safe and fulfilling working environment for staff.	4.1	Injury to staff and subsequent claims and losses	Medium	Low	2		Training
	4.2	Not complying with Health and Safety legislation	High	Low	3		Consultant
To maintain financial records that are correct and comply with all recommended accounting practice.	5.1	Loss of cash	Low	Low	1	None	
	5.2	Loss of money invested in building societies and banks	Medium	Low	2	None	
	5.3	Fraud by senior officers	Low	Low	1	None	
	5.4	Inadequacy of Internal Checks	Medium	Low	2		
	5.5	Fraudulent use of credit cards	Low	Medium	2		
To ensure that all actions taken by the Board comply with all current UK and EU legislation	6.1	Board Members in making decisions	Low	Low	1		
	6.2	Not complying with all employment regulations and laws	Medium	Low	2		
A cost efficient IDB that provides a Value for Money service.	7.1	Collecting insufficient income to fund expenditure	Low	Low	1		Accounts
	7.2	IDB abolished or taken over	Low	Low	1		
Information Technology and Communications	8.1	Loss of telemetry	Medium	Low	2		Maintenance
	8.2	Loss of telephone Communications	Low	Low	1		
	8.3	Loss of Internet Connection	Medium	Low	2		
	8.4	Network Failure	High	Low	3		
	8.5	Breach in Cyber Security	Medium	Low	2		
	8.6	Network Security Breach	Medium	Low	2		
	8.7	Virus being introduced to Network	Medium	Low	2		
	8.8	Loss of accounting records	Medium	Low	2	None	
	8.9	Loss of rating records	Medium	Low	2	None	

