

NORTH LEVEL DISTRICT INTERNAL DRAINAGE BOARD  
**MINUTES OF AUDIT COMMITTEE MEETING 18 JANUARY 2011**

Present: J Sly (Chairman)  
J A Clarke  
Cllr M Cotterell MBE  
Cllr C J T H Brewis  
S H Morris (Chief Executive)  
P Sharman (Engineer)

In Attendance Mrs C Emery (Secretary)

**1 APOLOGIES**

- a. Were received from Mr N Harris.

**2 MINUTES OF LAST MEETING**

- a. The minutes of the meeting held on the 14 September 2010, copies of which having been circulated with the agenda, be taken as read and being a correct record of the business of such meeting.

**3 MATTERS ARISING OUT OF THE MINUTES**

- a. There were no matters arising.

**4 REPORT THE RESIGNATION OF H RAO – INTERNAL AUDITOR**

- a. The Chief Executive reported that Mr Rao was now no longer self employed but he still wished to continue to work with the North Level. The Chief Executive said that he was in discussions with Mr Rao as to how that can be achieved, and that he would report further at the next meeting in June.

**5 PENSIONS FORUM**

Cllr M Cotterell declared an interest in this item.

The Chief Executive referred to the Pension Fund presentation included within the meeting papers. He particularly pointed members to the Valuation report at the end of the presentation notes where he highlighted the implications of the increase in employee contributions to be made by the North Level. He said that the real increase in costs would be £17,600 in 2011/12, a further £17,600 in 2012/13 and a further £17,800 in 2014/15 giving a total increase over the period of the actuarial review of £53,000. After answering questions regarding the Ill Health Insurance proposals he told members that he was being kept informed of the possible likely affects this would have on the board and how this would be reflected within future estimates.

Cllr Brewis joined the meeting

## 6 PAY AWARD

The Chief Executive reported that by applying the North Level Pay formula adopted by the Board under **Resolution 1650** the likely increase in wages and salaries would be in the region of 2% in the next financial year. Members considered that the formula had worked well over the last five years and there was no reason to cease applying it. Contractual Increments would be paid to members of staff as previously approved by the Board.

**RECOMMENDED** The Board apply the pay formula as per Resolution 1650.

## 7 CONSIDER THE FINANCIAL ESTIMATES FOR 2011/12

The Chief Executive referred to his estimates of the financial requirements of the Board for the twelve months ending 31 March 2012, a copy of which being included with the Agenda of the meeting. He said that although the Pumping Stations are in a good state of repair and have all been recently refurbished, he felt that it was prudent to continue with the £50,000 allowed for the Pumping Plant Replacement Fund. He said that he had estimated for wage and salary increases of 1.5%. He also pointed out that the variation in Special Levies last year had been mainly due to land required for the new A1073 being transferred into South Holland District and Peterborough City Councils special levy, this being previously rated as agricultural land. He advised members that although a formula to calculate the Precept had been agreed, based on the average payments of the past 8 years increased annually by RPI, he understood that the Environment Agency proposed to freeze the precept payable this year.

The Engineer reported that costs had been kept as low as possible for maintenance of drains for the year 2010/11 and this had been achieved by carrying out only essential works. He explained that all weed cutting had taken place as usual with the exception of the Main Drain which had not been cut between Cloughs Cross and Tydd P.S. He added that all scheduled/routine maintenance works in particular the mudding out programme that had been postponed this year would need to be undertaken in future years. Cuts made in the Maintenance programme this year were purely a one off and were not sustainable.

The Chief Executive continued with his report giving a detailed explanation of the estimated items before recommending that a drainage rate of 10.69p in the £ be made for Area 1 and 7.26p in the £ for Area 2.

After a full discussion with the Chief Executive answering members questions in connection with his estimates, it was

### RECOMMENDED

- 1 That the drainage rate for Area 1 for the financial year ending 31 March 2012 be fixed at 10.69 in the £
- 2 That the following Special Levies is issued for the year:-
 

Fenland District Council	£311,304
Peterborough City Council	£259,479

South Holland District Council      £127,850

It was also **RECOMMENDED**

- 1      That the drainage rate for Area 2 for the financial year ending 31 March 2012 be fixed at 7.26p in the £
- 2      That the Special Levy for Area 2 of £14,508 be issued to Fenland District Council

#### **8 CONSIDER THE PROCUREMENT POLICY**

Following a brief discussion with the Engineer informing members that the procurement policy included some items already incorporated into the Investment and Finance Policies. It was

**RECOMMENDED** that the Board approve and accept the Procurement Policy.

#### **9 REVIEW THE BOARD'S STRATEGY PLAN**

The Engineer explained that amendments to the 2011 Strategy Plan had been highlighted in red in the copy as circulated.

Following a brief discussion It was

**RECOMMENDED** that the Board approve and accept the Board's Strategy Plan 2011.

#### **10 TO RECEIVE THE INTERNAL AUDITORS REPORT**

The Chief Executive referred to the Internal Auditors report on Fixed Assets dated 1 November 2010, a copy of which having been circulated with the agenda. After a short discussion it was

**RECOMMENDED** that the Board approve and accept the Internal Auditor's Fixed Asset report dated 1 November 2010.

The Chief Executive referred to the Internal Auditor's report on Drainage Rates Income dated 28 December 2010, a copy of which having been circulated with the agenda. After a short discussion it was

**RECOMMENDED** that the Board approve and accept the Internal Auditor's Drainage Rate Income report dated 28 December 2010.

The Chief Executive referred to the Annual Internal Audit Report dated June to December 2010 a copy of which having been circulated with the agenda. Having clarified the procedure to ensure that the key risks had been addressed and after a short discussion it was

**RECOMMENDED** that the Board approve and accept the Internal Auditor's Annual Internal Audit Report dated June to December 2010.

## **11 CONSIDER 2011/12 INTERNAL AUDIT PLAN**

Members considered the Internal Audit Plan for 2011/12 as circulated with the agenda.

It was

**RECOMMENDED** that the Internal Audit Plan 2011/12 be adopted by the Board.

## **12 ANY OTHER BUSINESS**

### APPOINTMENT OF FINANCE OFFICER

In response to a question from Mr Clarke, the Chief Executive replied that the vacancy for a finance officer had been advertised and also published on the web-site. There had been 100 enquiries with 42 applications received, of those, 9 have been invited for an informal interview on the 9 February with a view that 4 candidates will be invited for a formal interview on 23 February with the Chairman, Vice-chairman, Chief Executive and Engineer.

### SANTANDER

As concern had been expressed as to the stability of Santander, the Chief Executive asked members for confirmation that, in line with the Board's Financial Guidelines, £500,000 can continue to be invested with Santander.

After a short discussion members agreed that funds continue to be invested with Santander.

### MEETING DATES

A pre External Audit meeting with Grant Thornton (Auditors), will be held in Cambridge on 31 January 2011, to be attended by the Chief Executive, Engineer and Mr Spurr.

The next Audit Committee Meeting will be held on 7 June 2011 at 9.30 am.

There was no other business