

NORTH LEVEL DISTRICT INTERNAL DRAINAGE BOARD

MINUTES OF GOVERNANCE AND AUDIT COMMITTEE MEETING 7th June 2022

Present:	J W J Sly A J N Gee N J Harris J Holdich OBE Councillor C J T H Brewis Councillor Mrs K Mayor	Chairman
In Attendance:	P D Sharman J Stubbley S Drew S Smith	Chief Executive Operations Engineer Finance Officer Secretary

1 APOLOGIES

J A Clarke.

2 MINUTES OF LAST MEETING

The Minutes of the Meeting held on the 11th January 2022, 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

There were no matters arising.

4 TERMS OF REFERENCE FOR THE GOVERNANCE AND AUDIT COMMITTEE

The Committee considered the Terms of Reference for the Governance and Audit Committee. They were advised of the changes that were marked in red.

The Committee approved the Terms of Reference.

5 TO REVIEW THE FOLLOWING POLICIES

- (a) Five Yearly Fixed Asset Valuation Report
- (b) Gifts and Hospitality Policy
- (c) Health and Safety Policy
- (d) LGPS Pension and Discretion Policy for North Level District IDB
- (e) Participating Employer Personal Data Retention Policy for Employers in the LGPS Scheme and Full Privacy Notice
- (f) Planning Policy
- (g) Proceedings and Standing Orders
- (h) Risk Management Policy and Strategy
- (i) Risk Register

As part of the review of the above policies the Committee considered the review dates and amended them as they considered reasonable and in line with any statutory deadlines.

The Chairman and the Committee agreed that the policies would be discussed, accepted with any amendments and approved collectively following the discussion.

- (a) Five Yearly Fixed Asset Valuation Report. This report is detailed and shows the large amount of structures that the Board is responsible for. The values shown in the report are those that the structures are deemed to be worth at the time the report was written and not a replacement value. The works were tendered for and it was agreed that the Land Agent chosen had provided value for money and the report had been completed in a timely manner. The Policy will be reviewed in June 2027.
- (b) Gifts and Hospitality Policy: The Chief Executive explained that the policy remains unchanged. The Policy will be reviewed in June 2027.
- (c) Health and Safety Policy: This policy has minor name changes and is in line with current legislation. It was noted that the NFU reviewed the policy a few years ago which was acknowledged as a worthwhile exercise. The Chairman confirmed that the internal auditors had considered the risk register in line with the Health and Safety Policy. It will be reviewed annually in line with statutory requirements, in June 2023.
- (d) LGPS Pension and Discretion Policy for North Level District IDB. The Chief Executive explained that this is the template approved by the LGPS who have provided wording changes and amendments, marked in red. It is considered to be a 'wordy' document and the Board have a meeting with the CCC Pension provider to see if it can be reduced in any way. The Chief Executive confirmed that the Policy will be reviewed by the Committee following any changes to the policy arising from the meeting. The Committee considered the 85 year opt in, opt out rule with questions arising around the financial implications to the Board if applied. The Finance Officer advised that following the pandemic investments are rising and the cut off for the pension valuation is October/November 2022 and the implications will be notified to the Committee in due course. The Finance Officer confirmed that any effect from the valuation would be effective from April 2023. Subject to the outcome of the meeting with the CCC Pension provider the policy will be reviewed in June 2025.
- (e) Participating Employer Personal Data Retention Policy for Employers in the LGPS Scheme and Full Privacy Notice. The Chief Executive explained that the Policy and Notice are LGPS documents which are a legal requirement. The policy and notice will be reviewed in June 2025.
- (f) Planning Policy: In answer to a question from J Holdich the Chief Executive explained that there is an element of flexibility around byelaws however there will be occasions where byelaws cannot be enforced. It was noted that solicitors often fail to alert purchasers of IDB Byelaws. It was explained that the Board is not a statutory consultee but the larger developers are engaging with the Board along with the planners. The major change to be noted is culverts built over IDB drains are no longer the structural responsibility of the Board and the home owner must pay if the structure collapses. It was agreed that the policy would be reviewed in June 2025.
- (g) Proceedings and Standing Orders: The Chief Executive explained that this policy has been aligned with the Succession Planning and Business Continuity Policy clarifying the role of the Chairman and terms of office. The policy will be reviewed in June 2024.
- (h) Risk Management Policy and Strategy: The Chief Executive explained that this policy was reviewed by the internal auditors in 2021. This Policy remains unchanged and will be reviewed in June 2026.
- (i) Risk Register: The Chief Executive explained that the Risk Register had minor changes to the responsibilities. The committee acknowledged that there are inflationary increases, although not recognised in the register it was agreed that due to the serious implications to the Boards business it should be added to the

Risk Register as a medium risk to raise awareness. A discussion took place regarding possible cuts to maintenance in the future versus standards around drainage and costs of plant and staff. The Chief Executive raised concerns regarding the possible reduction in drainage capacity that less maintenance would cause whilst acknowledging that this may have to be considered if costs were to be cut in the future. The Committee agreed that this Policy will be reviewed in June 2023. It was also acknowledged that to combat climate change a greater standard of maintenance may be required, not a lesser.

The following Policies were reviewed, amended and accepted by the Governance and Audit Committee:

- (a) Approve and accept the Five Yearly Fixed Asset Valuation Report, to be reviewed in June 2027;
- (b) Approve and accept the Gifts and Hospitality Policy, to be reviewed in June 2027;
- (c) Approve and accept the Health and Safety Policy, to be reviewed in June 2023;
- (d) Approve and accept the LGPS Pension and Discretion Policy for North Level District IDB, to be reviewed in June 2025;
- (e) Approve and accept the Participating Employer Personal Data Retention Policy for Employers in the LGPS Scheme and Full Privacy Notice, to be reviewed in June 2025;
- (f) Approve and accept the Planning Policy, to be reviewed in June 2025;
- (g) Approve and accept the Proceedings and Standing Orders, to be reviewed in June 2024;
- (h) Approve and accept the amended Risk Management Policy and Strategy, to be reviewed in June 2026;
- (i) Approve and accept the Risk Register, to be reviewed in June 2023, with the additional medium term financial inflationary risk to the Board being added to the Register.

6 TO CONSIDER THE ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN FOR THE YEAR ENDED 31st MARCH 2022

The Chairman and Chief Executive advised the Committee that they were required to consider and approve the Annual Governance Statement and Accounting Statements.

The Finance Officer attended the meeting to explain the Board's compliance with the Annual Governance Statement, opening balances, income and expenditure and colour coding across documents to aid understanding if required.

- (a) Section 1 – Annual Governance Statement 2021/22;
- (b) Section 2 - Accounting Statements 2021/22;

The Annual Governance and Accountability Return for the year ended 31st March 2022, a copy of which having been included with the Agenda of the Meeting, was considered.

The Chief Executive and Finance Office explained the difference within the management accounts for the FDGiA to be classed as spent versus the requirement on the AGAR for it to be declared. The Finance Officer has restated the Balances for 2021 as required in the AGAR. Alterations to Boxes 1, 3 and 7 have been made and will carry on going forward.

It was agreed that the Board be **RECOMMENDED** to:

- (a) Approve and accept the Annual Governance Statement;
- (b) Approve and accept the Accounting Statements.

7 TO RECEIVE THE MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

The Chief Executive briefly explained the background to the Management Accounts. He explained the figures in the Management Accounts that made up the Accounting Statements on the Annual Return for the year ended 31st March 2022, a copy of which having been included with the Agenda.

The Chief Executive and the Finance Officer further explained the Net Operating Surplus for the year of £16,794 which takes into account the work done by the Board including income and expenditure. If the movement in General Reserves for the year were to be considered the true reflection of Operational losses would be -£115,490.

The committee acknowledged that the closing Revenue reserve balances by comparison from 2019/20 of £494,993, 2020/2021 of £379,248 to 2021/2022 of £263,758 show a direction of travel that highlights how quickly general reserves can be depleted.

The committee agreed that they were happy with the AGAR and Management Accounts as presented at this meeting and

It was agreed that the Board be **RECOMMENDED** to approve:

(a) Management Accounts for the year ended 31st March 2022.

8 ANY OTHER BUSINESS

The Chief Executive explained and the committee acknowledged the risks to the Board with regard to the spending of Government funding with lapses between submitting schemes and agreement from the EA, with the delay meaning that the funds are unlikely to be spent within the 6 year timeframe.

There was no other business for consideration.

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Chairman

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Date