

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 29<sup>th</sup> September 2020 on Microsoft Teams due to the global pandemic.

PRESENT

Cllr J Cattanach (In the Chair)  
Mr R E Britton  
Mr S Wragg

The Clerk – Mr Bill Symons  
Finance Officer – Mrs F Bradley  
Assistant Engineer – Mr N Culpan

APOLOGIES FOR ABSENCE

The Clerk reported that Mr J Hopwood and Mr J Daniel had apologised for not being able to attend the meeting.

DECLARATION OF INTEREST

There were no declarations of interest related to the items listed on the Agenda.

The Clerk further informed Members that the Register of Members Interests was available for inspection and update as required.

SUB COMMITTEE MEMBERSHIP

The Chairman informed that the potential ‘Nominated Member’ from Selby District Council has not yet joined the Board so has been unable to join this committee. He therefore asked if he could make further enquires with Selby District Council to see if any potential suitable candidates can be found.

Members present being in agreement to this approach.

MINUTES OF LAST MEETING

The Chairman moved that the Minutes of the Meeting held on the 26<sup>th</sup> May 2020 a copy of which had been sent to all Sub Committee Members, are APPROVED and that they be forthwith signed by the Chairman as a correct record. This was seconded by Mr S Wragg as the two members in attendance.

MATTERS ARISING

Vehicles Purchase and Sales

The Clerk informed that the Board had purchased the ATV vehicle which was helping with working in the pandemic with social distancing.

There were no further matters arising from the Minutes which were not covered under the Agenda items.

## RATES

The Clerk reported that the Board has a policy of progressing Court action on accounts with sums in excess of £30.00 or accounts which had not been paid for a period of three years or more. The policy remaining that a third reminder needs to have been sent. This also relating to the Clerks discretion in relation to matters where land transfers are in hand or the ownership or occupation of the land is uncertain.

Sub-Committee Members recommend accepting this policy as it stands.

The Clerk reported all accounts overdue prior to court action being taken will have had a final demand letter along with pre-action protocol form and information sent as required.

## COMPLETION OF THE AUDIT 2019/20

The Clerk referred to a copy of the External Auditors certificate and opinion for the accounts for financial year 2019/20. A copy of the External Auditors Report/Certificate has been circulated to the Sub-Committee Members prior to the meeting. The report stating *“on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. Other matters not affecting our opinion which we draw to your attention – None.”*

The Board have advertised the outcome on the local Parish Council noticeboards in the prescribed way and on the Boards website.

## REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL

The Clerk further referenced the historical concerns of the External Auditor regarding the review of the effectiveness of internal control. In previous years the Board had agreed for its Internal Auditor to review and report on its ‘Effectiveness of Internal Control.’ The Board having the alternative option to set up a Sub-Committee to review this item and present a report to the Main Committee, this along with any other approach they may wish to take.

Mr R E Britton proposed which was seconded by Mr S Wragg and UNANIMOUSLY AGREED by the Sub Committee to recommend that the Board should continue to review its effectiveness of internal control by the Internal Auditor. This being on the basis that a report will be prepared on the findings of the review. This will then be considered and actions taken as required at a future meeting of the Board. This approach being taken as the Internal Auditor is believed to be impartial to the interests of Members and the Boards Consortium staff. This therefore aims to avoid any potential conflict of interest.

APPOINTMENT OF  
INTERNAL  
AUDITORS FOR  
FINANCIAL YEAR  
2020/21

However, the Board's Clerk should review the documentation and scope of this report to ensure that the audit compliance requirements are fully covered.

The Clerk advised the Board that the audit of the Board's Accounts are reasonably complex along with the Consortium arrangements. Any new auditor would require some time to understand the working arrangements currently in place. It also may be difficult to find an alternative firm with the relevant experience to tender for the work. It was further noted that in the Drainage Board industry limited experienced Internal Auditors were readily available. In view of this it would appear impractical to change the Board's Auditor at this stage particularly with the current virus pandemic.

The Clerk further noted that financial year 2020/21 would be the fourth financial year with External Auditors appointed under a small body contract (Parish Councils and IDBs). This following the abolition of the Audit Commission who used to organise the contract for this work. The current arrangements appearing to run smoothly. It therefore appears prudent to sustain continuity with the Internal Auditor and to remain consistent with the other Boards who are Members of the York Consortium particularly with the current virus pandemic.

The current Auditors, Brodericks (Doncaster), who have carried out audits for a number of other Boards, are familiar with the Consortium arrangements and the Audit Commission requirements.

In view of this the Clerk asked if our existing Auditor can be retained for the 2020/201 financial year audit because of the familiarity of our current systems. The cost of last year's audit, support and production of the required reports for the Board was £1,150 plus VAT; however, the cost could increase depending on the requirements of the audit.

The Chairman proposed which was seconded by Mr R E Britton and UNANIMOUSLY AGREED by the Sub Committee to recommend the Board APPROVES the re-appointment of the Auditors for the 2020/21 financial year.

BOARDS BUSINESS  
RISK ASSESSMENT

The Clerk informed Members that the Association of Drainage Authorities have issued a model policy document for the Boards Risk Assessment. This has been in place a number of years. The format is in the form of a 3 x 3 matrix which evaluates the likelihood of an event happening against the consequence if it occurred. A draft updated Risk Assessment for the Board on this basis has been prepared which Members considered at the meeting. The text with changes being highlighted and underlined.

It was noted that the Risk Assessment can be updated as new risks are established and mitigated. The Risk Assessment has been updated with the comments following the report of the Boards Internal Auditors' letter along with the Report on the Effectiveness of Internal Control.

The Clerk ran through the items on the assessment with a score which had been identified as 4 or higher.

The Sub-Committee Members reviewed this document and considered the higher risk matters.

### **Brexit Climate Change and Global Virus Pandemic**

The Clerk highlighted the matters included in relation to climate change, Brexit and the global virus pandemic. Brexit causing uncertainty with potential currency fluctuations and trade restrictions. This could have cost or supply difficulties for fuel, machinery chemicals and parts purchase. A further significant factor is if it has an impact on agriculture making landowners/occupiers unable to pay drainage rates if the market for agricultural products changed unfavourably.

### **Future Nomination of Councillors to Boards**

The Chairman was slightly concerned as a risk with the changing of Councils possibly with devolution. This being in relation to if enough Councillors remaining available in the future for Nomination to sustain the amount currently required on Internal Drainage Boards.

### **Consortium IT Systems and Slow Broadband Speeds**

The Clerk highlighted the investment made to remain compliant with the General Data Protection Regulations (GDPR) and providing security of the Boards statutory databases. This requiring updating of various software and hardware systems no longer supported by Microsoft. The replacements then being able to be updated to remain secure and reliable. This along with managing with slow broadband speeds impacting on remote working from home and productivity.

### **Biodiversity**

The Chairman raised that the Board needed to consider how to progress with Biodiversity and its awareness in the work carried out. He asked if Selby District Council had contacted the Board as work was underway in the Council.

Mr S Wragg agreed that biodiversity was an important issue and the Board should more actively progress work in this area.

The Clerk informed the Board that the Boards Audit required the Board to formally consider and approve its Risk Assessment for 2020/2021.

The Sub-Committee UNANIMOUSLY RECOMMENDED the Board adopts and approves this policy approach to risk assessment and the evaluation carried out in the document for financial year 2020/21.

## DERWENT HOUSE

The Clerk informed that since the last meeting he had discussed with the Chairman about the Boards lease agreement of the office at Crockey Hill. In view of the virus pandemic which was requiring people to work from home it was uncertain about the potential advice that could be given from local commercial property valuers. The Board usually seeking estimates from three independent valuers and then setting the rent for a three year period. At the current time the professional fees in the Clerks view would only highlight uncertainty in the current market. In view of this the Clerk suggested that potentially the office lease could be extended at the current annual cost for a further year and then perhaps next year when the market is more settled the rate for a future term could be then established.

The Chairman informed following his discussion with the Clerk that he was in support of this approach and recognised that the independent valuations were likely to only highlight the uncertainty in the current market.

Members of the Sub Committee recommending the Board agrees to this approach of extending the current lease for a further year at the same rate and then reviewing the position a year later.

### Derwent House Broadband

The Clerk noted the problems with the Boards office with homeworking and the performance of the Broadband not being adequate. The Boards IT support company is currently trying to upgrade with yet another improvement option however without a fibre optic line or similar any improvement will be limited. The fibre optic or similar option available is an expensive lease line which would need to be specifically installed and appears to be a commitment for up to a three year term and cost after installation of £500 to £700 + VAT per month depending on the speed required.

ASSISTANT  
ENGINEER'S  
REPORT

The Engineering Assistant presented his report which had been circulated with the Agenda. This along with a report on the recent inundation of Kelfield Ings.

**Kelfield Ings Pumping Station – Refurbish, Upgrade or Improve**

The Engineering Assistant highlighted the options and costs for pump replacement. However, the cost to refurbish the existing has not yet been established. The restriction on social distancing making this very hard to achieve. The options to increase the pumping station capacity potentially could expedite the opening of the road following the Ings Flooding.

Mr R E Britton noted that increasing the pump capacity not only increases the installation cost but also the running costs.

The Sub Committee Members asked if the Board could see if the Environment Agency or North Yorkshire as the Highways Authority would be interested or offer to contribute towards this work. It however was noted that it provides limited protection to any residential property.

The Sub Committee asked if when further information is established the proposal could then be considered at future meeting.

The Chairman thanking the Engineering Assistant for the inundation report and keeping the Chairman informed about the drain down of the Ings following its inundation.

**CONSORTIUM'S  
PICK UP TRUCK**

The Clerk informed that the Foss (2008) IDB have a current lease vehicle which is used by the Engineering Assistant. The lease is ending after a two year period at the end of this year and it is not possible to obtain a new vehicle at a similar lease rate. In view of this the Clerk intends to seek permission from the Foss (2008) IDB to purchase it in accord with the Foss (2008) IDB Financial Regulations. The lease company currently offering to sell it at £18,000 plus VAT they however inform that the company leasing the vehicle are unable to purchase it because of the terms of the lease. In view of this as the lease is contributed towards by the Board as a Consortium cost would this Board be prepared to purchase the vehicle and immediately sell it for the cost of purchase to the Foss (2008) IDB for the continued use of the Engineering Assistant.

The Clerk informing that he will be seeking a resolution from the next Foss (2008) IDB Board Meeting to purchase the vehicle in this way. The purchase of the current lease vehicle would clearly not be progressed without the Foss (2008) IDB authorisation.

Sub Committee Members gave this matter consideration and AGREED to RECOMMEND that the Board could purchase this vehicle for no more than £18,000 plus VAT. This is on the basis that it is purchased as soon as possible by the Foss (2008) IDB from this Board for the same sum, also on the basis that the Clerk is authorised by the Foss (2008) IDB to make this purchase.

ACCOUNTS FOR CONFIRMATION

The Clerk referred to the list of accounts paid since the date of the last Meeting, which had been circulated to all Sub-Committee Members with the Agenda.

Mr R E Britton asked about the 8-ton excavator hire.

The Engineering Assistant explained that this was in place to clear the broken pumping station automatic screens and was a cost recharged to the Coal Authority. It had to be of an 8 ton capacity to achieve the required reach.

The Committee reviewed and considered the list of accounts for confirmation and AGREED to RECOMMEND APPROVAL to the Board.

**(SEE APPENDIX TO MINUTES)**

DATE OF NEXT MEETING

**Tuesday 12<sup>th</sup> January 2021 at 1pm.** This being prior to the Board Meeting on 26<sup>th</sup> January 2021.

FUTURE MEETINGS

**Tuesday 25<sup>th</sup> May 2021 at 1pm.** This being prior to the Board Meeting on 8<sup>th</sup> June 2021.

**Tuesday 28<sup>th</sup> September 2021 at 1pm.** This being prior to the Board Meeting on 19<sup>th</sup> October 2021.

ANY OTHER BUSINESS

There being no further business the Chairman declared the Meeting closed.

**(APPENDICES TO FOLLOW)**