

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 2nd October 2018 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Mr R E Britton (In the Chair)
Mr J Daniel
Cllr B Marshall
Mr S Wragg

The Clerk – Mr Bill Symons
Finance Officer – Mrs F Bradley

APOLOGIES FOR ABSENCE

The Clerk reported that an apology for absence was received from Cllr J Cattnach and Mr J Hopwood.

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 at the meeting for inspection and update as required.

MINUTES OF LAST MEETING

Mr S Wragg moved that the Minutes of the Meeting held on the 29th May 2018 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 J Daniel.

MATTERS ARISING

Flail Head Purchase

The Clerk informed that the Board was pursuing the purchase of a Riko flail following the recommendation of the last meeting (more local supplier).

Replacement Pick Up Following Accident

The Clerk further informed that following the road traffic accident and write off of the Boards Ford Ranger the Board had accepted a payment of £20,000 for the damaged vehicle. A purchase of a new Ford Ranger was made for £23,522 including the Boards required options both sums excluding VAT, 1st reg fee or credits or costs for road fund licence.

Barlby Ponds

The Clerk reported that a prompt payment was made to the invoice submitted to the Parish Council for the work carried out at Barlby Ponds.

There were no further matters arising from the Minutes that 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 accepting this policy as it stands.

The Chairman viewed a copy of the report on the list of unpaid drainage rates. This highlighting the accounts which in line with the above policy court action was either already underway and or likely to be progressed unless these accounts are paid shortly. All accounts overdue prior to court action being taken will have had a final demand letter along with pre-action protocol information sent as required.

COMPLETION OF THE AUDIT 2017/18

The Clerk referred to a copy of the External Auditors certificate and opinion for the accounts for financial year 2017/18. A copy of the External Auditors report/ certificate has been circulated to the Sub-Committee Members prior to the meeting with the Agenda. 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 –The AGAR was not accurately completed before submission for review and had to be amended due to a deferred bond being incorrectly included as a reconciling item between Boxes 7 and 8.”*

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

The Chairman asked for it to be recorded in the Minutes the Sub Committee’s appreciation for completing the audit.

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.

APPOINTMENT OF
INTERNAL
AUDITORS FOR
FINANCIAL YEAR
2018/19

The Sub-Committee recommended 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.

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. In view of this it would appear impractical to change the Board's Auditor at this stage.

The Clerk further noted that financial year 2018/19 would be the second 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. It therefore appears prudent to sustain continuity with the Internal Auditor in case any problems arise with the external audit with the new arrangements.

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 proposed that our existing Auditor is retained for the 2018/19 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 Sub-Committee UNANIMOUSLY RECOMMENDED the Board APPROVES the re-appointment of the Auditors for the 2018/19 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, which were highlighted in the assessment.

The Chairman asked about the potential implications of Brexit.

The Clerk informed that the Boards work can be influenced by currency fluctuations and trade restrictions. This could have cost consequences for fuel, machinery and parts purchase which could become more expensive. A further significant factor is if it has an impact on agriculture making landowners/occupiers unable to pay drainage rates.

The Clerk informed the Board that the Boards Audit required the Board to formally consider and approve its Risk Assessment for 2018/2019.

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 2018/19.

BIO SECURITY POLICY

The Clerk reported that ADA had prepared a template for a Biosecurity Policy. A draft copy of the template has been provided with the Agenda has been prepared which Members considered at the meeting. The Clerk is not entirely happy with its comments and the practicalities of complying. It was also noted that the policy only deals with evasive species and not agricultural disease such as foot in mouth.

Mr S Wragg believed that with minor changes the policy could be put in place as guidance for working around evasive species at a high level rather than rewriting the policy.

The Clerk will review the draft to see if it can be adapted for the Boards purpose.

OSGODBY
SYPHONS AND
NEULANDS
PUMPING STATION

The Clerk informed that Mr G Wiles wished to improve the drainage at one of his fields and Bartles as his land agent had been in correspondence with the Board. The concerns related to channel water which Mr G Wiles wishes to have lowered so he can implement land drains in his field. At first the concerns related to the syphon under the railway and the lineside vegetation in that it was believed the syphon was blocked. However the water in the channel upstream and downstream appears to be at the same level. The Board has conducted channel maintenance work downstream but this has only given limited improvements. The land also above Mr G Wiles field does not appear to be impacted upon and the upstream culverts have a fall into Mr Wiles reach.

The Engineering Assistant has investigated the system down to the gravity flap at Newlands Pumping Station which in normal dry conditions appears to retain the water in the channel. The pumping station coming into effect when the flap is tidally constrained and levels start to rise. It has been possible to pump the channel down but the syphons have a weir which is not that deep in the retained water. This stops debris entering the syphon. In view of this because of the existing design it does not appear practical for the limited land to be improved to be able to resolve this drainage problem.

The Clerk noting that Mr K Terry is asking to raise this matter at the Board Meeting.

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.

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

Wednesday 16th January 2019 at 1pm. This being prior to the Board Meeting on 29th January 2019.

FUTURE MEETINGS

Tuesday 28th May 2019 at 1pm. This being prior to the Board Meeting on 18th June 2019.

ANY OTHER
BUSINESS

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

(APPENDICES TO FOLLOW)