

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 30th May 2017 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

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

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

APOLOGIES FOR ABSENCE

An apology was received from Cllr J Cattnach.

DECLARATION OF INTEREST

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

The Clerk noted that the Boards External Auditors had asked for copies of the Board Members Declaration of Interest Forms to be included with the Boards Audit Return.

MINUTES OF LAST MEETING

The Chairman reviewed the Minutes of the meeting held on the 17th January 2017. A copy of the Minutes had been sent to all Committee Members with the Agenda. It was proposed by Mr J Hopwood, seconded by Mr S Wragg and UNANIMOUSLY AGREED that the Minutes are to be taken as read and APPROVED.

MATTERS ARISING

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

SCOPE OF FINANCE AND GENERAL PURPOSES SUB COMMITTEE

The Clerk had circulated with the Agenda the current Scope of the Finance and General Purposes Sub Committee document for review.

The Sub Committee after considering the document RECOMMENDED that the document without any changes is accepted by the Board as the Scope of the Finance and General Purposes Sub Committee.

GERMANY BECK DEVELOPMENT LEGAL DOCUMENT

The Clerk had circulated with the Agenda a copy of the latest version of the Legal Document. This having been advanced following negotiations between the Boards Solicitor and the Persimmons Solicitor. The developer covering the Boards costs of legal representation.

The Clerk informed he had circulated the completed document and full size coloured supporting drawings with the Agenda for Members reference. The document having been advanced.

The Sub Committee Members AGREED that the Clerk did not need to circulate a full copy of the agreement and drawings with the Agenda. It would be adequate for a full copy to be available at the next Board meeting.

The Chairman noted the Finance Sub Committee Meeting of 31st May 2016 recommended that the Board could delegate the decision on acceptance of the final document to the Finance Sub Committee. This recommendation being accepted and approved in the meeting held on 14th June 2016.

Members UNANIMOUSLY AGREED to accept the document presented at the meeting and for the appropriate authorisation of the Board to be put in place subject to the final agreement of the developer.

The Chairman noted that further works need to be progressed by the Board in these arrangements as the development progresses. He also raised a concern about the potential steepness of the river bank for the Boards maintenance access close to the constrained area.

Mr S Wragg noted work on Fordlands Road was currently being considered in relation to this development and flooding. This along with investigating possible options for Tunnel Drain to reduce the risk of flooding when it is constrained. However at this stage no formal plans have as yet been established or confirmed for this location.

The Chairman noting potential options of diverting agricultural water away from the south side of the A64. He also asked about the highway drainage implemented in relation to improvement of traffic flow works on the A64/A19 roundabout.

AUDIT ISSUES OF GOVERNANCE AND ACCOUNTING STATEMENTS

The Clerk referred Members to a letter from the Audit Commission (page 2). A copy of which had been circulated with the Agenda. The letter clearly highlighting the requirements which the Clerk has reflected in the Agenda items for the returns for the 2016/17 year end audit. This is to try to ensure compliance and to avoid audit prequalification.

The Clerk further noting some of the recommendations from the Sub Committee Minutes will need to be transcribed to the Main Board Minutes when approved to demonstrate the correct order of approval. This being intended to clearly demonstrate delivery of the requirements of the Audit Commissions letter (page 2).

The Sub Committee RECOMMENDED the Board should AGREE with the order of the Agenda items and the Clerks proposed approach in regard to page 2 of the Audit Commissions letter to deliver its requirements.

REVIEW OF THE
EXTERNAL
AUDITOR
CERTIFICATE
2015/16

The Clerk had circulated with the Agenda a copy of the External Auditor Comments (Section 3) in the IDB Audit Return for reference. The top box of the form quotes ‘on the basis of our review of the Annual Return, in our opinion the information in the Annual Return 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.’ Thus it does not include any qualifications regarding the Boards audit. In the second box ‘Other Matters Not Affecting the External Auditors Opinion’ no comment is made.

The Clerk further informed that no comments were also made by the Internal Auditor in Section 4 of the Form for Financial Year 2015/16.

REPORT ON THE
SYSTEM OF
INTERNAL
CONTROLS

Review the Effectiveness of Internal Control

The Clerk noted that the Board had previously agreed for its Internal Auditor to review and report on the Boards System of Internal Control. The Clerk had circulated a copy of the report for the year ending 31st March 2017 with the Agenda. A number of matters were raised.

The Clerk noted the matters raised which included continuity of service in the York Consortium, segregation of duties and representation at Board Meetings in decision making particularly with ‘Council Nominated Members.’ These matters were reviewed and discussed at the meeting by Members and the report content noted.

Consider the Findings of the Review

The Sub Committee Members considered the findings of the review and accepted the reports content.

The Clerk informed Members he will consider the matters raised and incorporate it in the Boards Business Risk Assessment for the current financial year. The document will be included for review at the next meeting of the Sub Committee.

The Sub Committee considered the review report and it was **UNANIMOUSLY AGREED** to recommend the Board accepted the reports content.

APPROVAL OF THE
ANNUAL
GOVERNANCE
STATEMENT

The Clerk informed the Audit Commissions Annual Return has been completed for 2016/17 which includes the Governance Statement Section 1. A copy of the Statement was circulated with the meeting agenda.

The Committee considered Section 1 of the Annual Return and it was **UNANIMOUSLY AGREED** to recommend the Board approved the annual governance statement. Then also for the Board to agree for the Chairman and Clerk to sign Section 2 – Annual Governance Statement 2016/17.

ACCOUNTING STATEMENTS

Consideration of the Accounting Statements

The Clerk reported that the Board's accounts have now been internally audited with the Board's Internal Auditor signing off the Board's Annual Internal Audit Report 2016/17 of the IDB Return.

The Clerk ran through the details of the Board's accounts which had been prepared for the year-end 2016/17. A copy had been circulated to the Sub Committee Members prior to the meeting with the Agenda.

The Clerk explained that the figures from the accounts had been taken and applied to Section 2 Accounting Statements 2016/17. A copy of which had been enclosed with the Agenda which was reviewed by the Sub Committee at the meeting. This along with reviewing the Accounting Statements provided.

Approval of the Accounting Statements by Resolution

The Sub Committee, after considering these accounts and the Audit Commission IDB Return Form Section 2 Accounting Statements 2016/17, RECOMMENDED that the Board APPROVE the Accounting Statements by Resolution.

Authorise the Chairman to Sign and Date the Statements

The Sub Committee after considering these accounts and the Audit Commission IDB Return Form RECOMMENDED that the Board further authorises the Chairman and Clerk to sign and date the documents.

The Clerk reported that the Board's External Auditors are Littlejohn LLP for the accounts being considered.

The Clerk had circulated a draft document for the Scope for the Board's Internal Audit with the Agenda. This document following the Audit Commissioner's guidance is required to be able to review the effectiveness of the Internal Auditor if required when the internal audit is complete.

It is noted that the guidance from ADA on the Governance and Accountabilities in Internal Drainage Boards in England a Practitioners Guide (2006) updated 2007 has been updated more recently but this now puts the onus on the Board to define the scope of its own internal audit. The Clerk having provided a copy of the relevant section of this recently updated guidance to Sub Committee Members with the Agenda.

The Sub-Committee considered its content of the draft document and UNANIMOUSLY AGREED to recommend the acceptance to the Board for the Scope of the Internal Audit to be able to formally review the effectiveness of the internal audit for financial year 2017/18.

TERMS OF REFERENCE FOR NEXT INTERNAL AUDIT 2017/18

ACCOUNTS FOR CONFIRMATION

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

(SEE APPENDIX TO MINUTES)

INSURANCE

The Clerk reported that the Board's Insurance is due for renewal in early June. The Clerk had included a chart with the Agenda showing the previous year's costs and **provisional** estimated costs for this year's cover from the Board's Insurance Brokers, Towergate.

Cover	2014	2015	2016	2017 Provisional
Business Combined	£6083.22	£6258.42	£6,531.30	£6,508.58
Engineering Inspection	£1439.84	£1618.02	£1,696.41	£1,704.91
Engineering Insurance	£176.26	£171.26	£176.52	£187.90
Hired in Plant	Consortium Shared policy	Consortium Shared policy	Consortium Shared policy	Consortium Shared policy
Directors & Officers Liability	£776.00	£746.00	£768.98	£793.89
Professional Indemnity	Not Provided	Not Provided	Not Provided	Not Provided
Motor Fleet	£2,757.21	£3754.55	£4,057.70	£5,266.50
Legal Expenses	£53.00	£82.15	£84.86	£100.80
Loss Recovery Service	£210.00	£210.00	£291.27	£297.92
Personal Accident	Included in Combined	Included in Combined	Included in Combined	£179.20
Total	£11,495.53	£12,840.40	£13,607.04	£15,039.70

The chart includes insurance premium tax which has increased from 9% to 12% this year along with VAT on Engineering Inspection. The increase on the fleet policy is related to the increased cost of insuring the motor fleet which includes the newer Ford Ranger and two tracked excavators. This along with the equipment proposed to be sold.

Professional Indemnity Insurance

The Clerk noted that the Board no longer sustained its Professional Indemnity Insurance, as it no longer used a consultant or directly employed Engineer. The Board's engineering advice being provided through the Consortium Arrangements. The employing Board being the Foss (2008) IDB who currently have Professional Indemnity Cover.

Hired in Plant

The Clerk informed the Sub Committee that a shared policy with other Boards in the Consortium continues. This provides cover for the Board if it wishes to hire in plant and equipment for its own usage. This however does not provide cover for road usage.

The Sub Committee Members considered this information provided along with the schedule of covers. The Sub Committee **RECOMMENDED** to the Main Board that it endorses the Board renewing its insurance cover on this basis for continuity. However if any changes are required these can be organised with the Board's Insurance Brokers following renewal.

HEALTH AND SAFETY POLICY

The Clerk tabled a draft revised and updated Health and Safety Policy. The policy being developed with assistance from the Boards Health and Safety Advisor. The policy taking the form of two parts:

Part 1 being the local Health and Safety responsibility;
Part 2 being the specific Health and Safety guidance and policy.

The Sub Committee considered the updated draft and **UNANIMOUSLY RESOLVED** to recommend that the Board adopt it subject to minor editing and the Boards Chairman and Clerk are authorised to sign it.

The Clerk had also circulated a document with the Agenda 'Leading Health and Safety at Work' actions for directors, Board Members, business owners and organisations of all sizes.

The Sub Committee discussed training of Members perhaps in relation to Health and Safety and overall responsibility.

DEFRA LETTER RE
EA PRECEPT

The Clerk had circulated with the Agenda a copy of a letter from Dr Therese Coffey (Parliamentary Under Secretary of State) in relation to other Boards of the York Consortium Precept Appeal when revenue 'main river' maintenance cuts were proposed to which the Boards precept contributes towards. The letter being circulated for Members reference.

WORKFORCE

The Chairman proposed that this item should be considered as a 'Private and Confidential Matter' which was UNANIMOUSLY AGREED by the Sub Committee.

Mr S Wragg left the meeting at this stage

DEPOT LIFTING/
LOADING
EQUIPMENT

The Clerk had sent three potential options with the Agenda for the Board to be able to load its excavator and machine attachments. The machine being able to unload the equipment when it arrived on site in a trailer.

The options tabled included:

- 1) Installation of a concrete pad outside the workshop door and the purchase of an appropriate hard tyre gas forklift truck for use on the concrete surface inside and outside the building. The concrete having an approximate cost of £2,000 for the Boards workforce to install plus the cost of the forklift truck (£2,500 to £5,000) depending on what is available second hand;
- 2) The purchase of a trailer fitted with lifting equipment (concerns about stability). The trailer being likely to cost in excess of £8,000 (Riko Trailers);
- 3) The installation of a lifting over braced jib crane in the Boards current machinery shed at a cost of £5,789.32 plus the cost of any civil works to provide a suitable base for the crane (potentially a concrete base in the shed).

Option 1

The Clerk noted that this is the favoured option because of the flexibility it gives.

Option 2

This was expensive and would have to leave the depot with the equipment to deliver it. Uncertainty existed with the trailers stability.

Option 3

Would only be available in one part of the building. The building also being constrained by all the plant and equipment stored in it. As an example it would not give the opportunity to wash the equipment off if required.

**OPENING OF AND
CONSIDERATION
OF TENDER
DOCUMENTS**

The Boards Foreman attended the meeting and explained why he believed that Option 1 was the best option to advance.

The Sub-Committee gave the matter further consideration and decided to **RECOMMEND** to the Board that Option 1 should be recommended and advanced as soon as possible.

Flailing

The Clerk reported that three tender submissions had been received for the Board's annual flailing contract. It was noted that one of the Tenders had been sent in late and the Board would need to decide if it accepted it. The Chairman opened the tender documents and read out the tendered rates at the meeting.

The table below shows the rates quoted:

	Rate/Linear Metre	Extra Hourly Rate
Contractor 1	24p/metre	£32 to £36 machine specific
Contractor 2 (Late Submission)	Ranges from 27p to 35p in relation to number of cuts. Most work in 27p/metre range.	£18 per hour plus driver £20 per hour
Contractor 3	Ranges from 9p to 24p in relation to number of cuts.	£15 per hour plus operator £12.50 per hour

The Clerk informed Members that the costs of all three contractors were close. Contractor 3 appearing to be the cheapest. However the Board did not believe this contractor had adequate resources to conduct all the Boards work and hence the work package needs to be given further consideration and the work package being divided up.

The Sub Committee Members considered this matter in detail and **RECOMMENDED** to the Board that the Engineering Assistant should be asked to consider how the Board would wish to award the work. The Sub Committee recommended that the Tender of Contractor 2 should be included as the Boards tender documents had not been sent to the latest address. Any award would be subject to confirmation and checking of the completed tender documents and the provision of required documents and satisfactory completion of the Board's health and safety questionnaire.

Sludging and Weedcutting

The Clerk reported that no tenders had been sent out this year as the Board intended to conduct the work with its own workforce.

DATE OF NEXT MEETING

Tuesday 3rd October 2017 at 1pm. This being prior to the Board meeting on 17th October 2017.

FUTURE MEETINGS

Tuesday 16th January 2018 at 1pm. This being prior to the Board meeting on 30th January 2018.

ANY OTHER BUSINESS

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

(APPENDICÈS TO FOLLOW)