

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 29th May 2018 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 further informed Members that a Register of Members Interests was available at the Meeting for inspection and update as required.

MINUTES OF LAST MEETING

The Chairman reviewed the Minutes of the meeting held on the 17th January 2018. A copy of the Minutes had been sent to all Committee Members with the Agenda. It was proposed by Cllr B Marshall, seconded by Mr S Wragg and UNANIMOUSLY AGREED that the Minutes are to be taken as read and APPROVED and can be signed by the Chairman.

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.

AUDIT ISSUES OF GOVERNANCE AND ACCOUNTING STATEMENTS

The Clerk referred Members to the previous Audit Commission requirements provided a few years ago. The Clerk continues to reflect these requirements in the Agenda items for the returns for the 2017/18 year-end audit. This is to try to ensure compliance and to avoid audit prequalification. The format having been successfully used last year.

REVIEW OF THE
EXTERNAL
AUDITOR
CERTIFICATE
2016/17

REPORT ON THE
SYSTEM OF
INTERNAL
CONTROLS

The Clerk further noting some of the recommendations from the Sub Committee Minutes will need to be transcribed to the Main Board Minutes if approved to demonstrate the correct order of formal approval.

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 2016/17.

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 2018 with the Agenda.

The Clerk noted that a number of matters were 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. In particular discussion covered the possibility to obtain more Council Nominated Members with Parish Council representatives.

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 Annual Return has been completed for 2017/18 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 2017/18.

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 2017/18 of the IDB Return.

The Clerk further informed that no comments were also made by the Internal Auditor in Section 4 of the Form for Financial Year 2017/18. A copy of which had also been provided with the meeting agenda.

The Finance Officer ran through the details of the Board's accounts which had been prepared for the year-end 2017/18. A copy had been circulated to the Sub Committee Members prior to the meeting with the Agenda. Members attention was drawn to how the Boards accounts were dealing with the funds held of UK Coal and the notes relating to this matter.

The Clerk explained that the figures from the accounts had been taken and applied to Section 2 Accounting Statements 2017/18. 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 2017/18, 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 Audit Commission now having been abolished and the external Auditor are now appointed following a tendering exercise run on behalf of IDB's and other small public bodies requiring this service.

TERMS OF REFERENCE FOR NEXT INTERNAL AUDIT 2018/19

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 Sub-Committee considered its content of the draft document and UNANIMOUSLY AGREED to recommend the acceptance of the Board for the Scope of the Internal Audit to be able to formally review the effectiveness of the internal audit for financial year 2018/19.

NEW ANNUAL REPORT TO DEFRA (IDB 1)

The Clerk had circulated a draft document of the new 'Annual Report to Defra (IDB1)' a copy of which had been included with the Agenda. The report circulated had been completed in draft for the likely information to be provided by the Board. It however did not include the figures which summarised the Boards accounts which would be included latter. The information provided will be used to develop a national picture of the position of IDBs.

The Clerk explained the reasons for the report being circulated to the Sub Committee. This includes the provision of much more information than had been required previously. This along with data and information about the Boards activities and matters which directly relate to Members such as records of meeting attendance and Members requirements for training. The Sub Committee Members also discussed the Bio Diversity Action Plans and how they needed progressing and reporting upon.

Mr S Wragg in relation to Member training believes that we have Members who have interest in the Boards work. However it is unclear if training gaps exist in order to fulfil the Boards requirements. How any gaps can be established was considered along with if any training was organised would be taken up.

The Clerk believing Members input and support is required to identify training needs and to decide how training could be delivered.

Sub Committee Members noted the draft IDB 1 report and recommended supporting the Clerk in preparing the report on the basis proposed for submission to Defra.

DRAFT POLICY
STATEMENT ON
WATER LEVEL
AND FLOOD RISK
MANAGEMENT

The Clerk had circulated a draft document. The template for the report having been agreed by Defra following extensive consultations with various organisations. The report also had been populated with the details and data specific to the Board.

The Sub Committee considered the document and recognised it was a high level policy statement and recommended approval for adoption by the Board. It however was noted that the Board may require more detailed policies in relation to local delivery in areas such as maintenance work which are not included in much detail in this document.

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	2015	2016	2017	2018 Provisional
Business Combined	£6258.42	£6,531.30	£7,292.50	£7,358.50
Engineering Inspection	£1618.02	£1,696.41	£1,704.91	£1,706.41
Engineering Insurance	£171.26	£176.52	£187.90	£189.40
Hired in Plant	Consortium Shared policy	Consortium Shared policy	Consortium Shared policy	Consortium Shared policy
Directors & Officers Liability	£746.00	£768.98	£793.89	£795.39
Professional Indemnity	Not Provided	Not Provided	Not Provided	Not Provided
Motor Fleet	£3754.55	£4,057.70	£3,407.30	£3,431.20
Motor Legal Expenses	£82.15	£84.86	£100.80	£95.20
Loss Recovery Service	£210.00	£291.27	£297.92	£178.08
Personal Accident	Included in Combined	Included in Combined	£179.20	£179.20
Total	£12,840.40	£13,607.04	£13,964.50	£13,933.38

The chart includes insurance premium tax which is now 12% along with VAT on Engineering Inspection.

Professional Indemnity Insurance

The Clerk noted that the Board does not have 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.

EA PRECEPT LETTER

The Clerk had circulated with the Agenda a copy of the precept letter dated 12th February 2018 for payment of £92,369.

OPENING OF AND CONSIDERATION OF FLAILING TENDER DOCUMENTS

The Clerk reported that two tender submissions had been received for the Board's annual flailing contract. 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	£35 to £40 depending on specific machine
Contractor 2	Ranges from 12p to 32p in relation to number of cuts. (Eg 4p/metre per pass)	£28 per hour plus operator £14.00 per hour

The Clerk informed Members that the costs of both contractors were close.

The Sub Committee Members considered this matter in detail and RECOMMENDED to the Board that the Engineering Assistant should be asked to consider the tenders and report how the Board would wish to award the work. 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.

2018 MACHINERY PURCHASES

The Clerk had circulated a report showing prices for the purchase of a mulching head for the Boards excavator and the purchase of a new ride on lawnmower for Derwent House grounds. The Board having three quotations returned as follows:

Heavy Duty Flail Head

1. Riko – Forestry equipment dealer based near Tockwith, York.
TE120P REV. 1.2m with turntable.
£6,129.00

2. Flails Direct – Dealer for flailing equipment and weedcutting buckets in Lincoln.

Berti – TFB/SB120. 1.2m head with turntable.

£10,205.00

3. Frank Alviti – Machinery dealer in Shropshire.

McConnell Omega 1.6m flail head with turntable.

£5,600.00

The heavy duty flail head on the excavator arm will be used for areas of overgrown vegetation and branches that would be too dense for a normal flail to tackle.

The Sub Committee considered that it would recommend that the cheapest flail (3) should be purchased.

Mr J Hopwood noted that the Riko flail (1) was smaller but the supplier was more local in case the equipment needed service or repair. He was happy to support purchasing the cheaper flail if servicing and repair was not going to be a problem along with being a local supplier. If however it might be then as the extra cost is not significant and he would also support the purchase of the Riko model more locally as an alternative.

The Sub Committee recommended the Board should purchase the cheapest flail from Frank Alviti if servicing and repair was not going to be a problem. If however the Engineering Assistant was concerned about this matter then the Sub Committee would recommend that the slightly more expensive Riko machine could be purchased.

Ride-on Lawn Mower

1. Ripon Farm Services – X166R 42”cut- rear discharge deck to collector. £1,100 PX for old mower **£2,015 plus Vat**

2. Harland machinery- Countax C60 with powered collector, £1,000 for PX **£3,400 plus Vat**

3. Ryedale Garage Elvington-Atco GT 40H twin 40” cut, £400 for PX **£3,199 plus Vat**

The Foreman has looked at the 3 options above and recommends the John Deere as it seems to be built more from steel compared to the others as they have a fair amount of plastic components on the cutting deck. The Board had gone ahead with the purchase of the Ripon Farm Services Machine. This was because the current machine is at risk of breaking down and the purchase was the cheapest option.

The Sub Committee supported the Board in the action taken and recommended to the Main Board that the purchase be Noted and Approved.

The Clerk noted the Boards Foreman had had an accident in the Boards two year old pick-up truck turning into the Boards Depot. It is possible that the Pickup truck may be an insurance total loss and then a replacement may be required.

The Clerk noted the next Board meeting was a little time away after the next meeting. If another pick up is required and either a new or second hand one may be required and the Board may have to supplement funds to contribute to its payment.

Members recommended that the Finance Committee should ask the Board if it wished to grant it authority to decide on the purchase of a replacement potentially by correspondence or meeting if required.

DATE OF NEXT MEETING

Tuesday 2nd October 2018 at 1pm. This being prior to the Board meeting on 16th October 2018.

FUTURE MEETINGS

Tuesday 15th January 2019 at 1pm. This being prior to the Board meeting on 29th January 2019.

ANY OTHER BUSINESS

Barlby Ponds Emergency Scrape to Prevent Flooding

Cllr B Marshall reported that the Board had conducted emergency works at Barlby Ponds. A trench having to be excavated to prevent property flooding in agreement with the Parish Council. The Parish Council have now decided to have this trench filled in which was confirmed in a recent Email.

The Finance Officer asked if the Board could invoice the Parish Council for the emergency work carried out.

Cllr B Marshall informing that the Parish Council were expecting the invoice for payment.

Bishops Pumping Station

The Clerk noted that Mr K Terry was asking for Bishops Pumping Station to be put on the Agenda at the next meeting

The Clerk will seek further information.

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

(APPENDICÈS TO FOLLOW)