

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 28th September 2021 via Microsoft Teams Online Meeting due to Global Pandemic. No attendance at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

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

The Clerk – Mr W Symons
Finance Officer – Mrs F Bradley
Engineering Assistant – Mr N Culpan

APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr S Wragg 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 for inspection and update as required.

MINUTES OF LAST PLANNED MEETING

Mr R E Britton moved that the Minutes of the Meeting held on the 1st June 2021 a copy of which had been sent to all Sub Committee Members, are APPROVED and that they are forthwith signed by the Chairman as a correct record. This was seconded by Mr J Daniel, both Members being in attendance at the meeting and UNANIMOUSLY AGREED.

MATTERS ARISING

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

MINUTES OF LAST MEETING

The Chairman moved that the Minutes of the Meeting held on the 17th August 2021 a copy of which had been sent to all Sub Committee Members, are APPROVED and that they forthwith signed by the Chairman as a correct record. This was seconded by Mr R Britton, both Members being in attendance at the meeting and UNANIMOUSLY AGREED.

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

FORMAT OF FUTURE MEETINGS

The Clerk asked Members of the Sub-Committee in which format they wished to hold the next ‘main’ Board Meeting. The option being real at a venue or on ‘Microsoft Teams.’ A provisional booking being made at the Escrick Club which has been the Boards previous venue to hold meetings prior to the virus pandemic.

Mr J Daniels asked in what format would we have the best attendance which was considered uncertain.

Mr R Britton believed Members were responsible people and the Board should hold a real venue-based meeting.

The Sub Committee Members recommended the Board holds its next meeting as a venue-based meeting at the Escrick Club with no virtual attendance. Provision of virtual attendance being technically difficult to provide. However, if a number of Members decline to attend the meeting because of attendance concerns then further consideration will be required by the Clerk.

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 which includes a Pre-Action Protocol Notice needs to have been sent. This also relating to the Clerk’s discretion in relation to matters where land transfers are in hand or the ownership or occupation of the land is uncertain.

The Clerk recommending sustaining this policy without any changes.

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 a Pre-Action Protocol Form and information sent as required.

COMPLETION OF AUDIT 2020/21

The Clerk referred to a copy of the External Auditors certificate and opinion for the accounts for financial year 2020/21. 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.”*

REVIEW OF THE
EFFECTIVENESS
OF INTERNAL
CONTROL

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

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 Britton proposed, which was seconded by the Chairman 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.

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

APPOINTMENT OF
INTERNAL
AUDITORS FOR
FINANCIAL YEAR
2021/22

The Clerk advised the Sub Committee that the audit of the Board's accounts is 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 being cautious with the ongoing virus pandemic.

The Clerk further noted that financial year 2021/22 would be the fifth 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.

BOARDS BUSINESS
RISK ASSESSMENT

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.

The Chairman noted that he was using the services of Brodericks (Doncaster) for Selby District Vision. He declared this as a potential interest to make Members aware.

In view of this the Clerk asked if our existing Auditor can be retained for the 2021/22 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.

Mr R Britton proposed, which was seconded by Mr J Daniels and UNANIMOUSLY AGREED by the Sub Committee to recommend the Board APPROVES the re-appointment of the Auditors for the 2021/22 financial year.

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 how the risk of Brexit appears to have diminished. However, shortages of raw material such as steel, cement and wood appear to be increasing following easing of the global pandemic restrictions. Climate change however remains an ongoing and developing issue.

The Sub Committee considering these risks not only from the perspective of Drainage Board employees and maintenance operations but also from the ability of our ratepayers and Councils paying Special Levies to fund our activities. Councils have seen large payments due to recent events and financial funding restrictions. This along with landowners/occupiers could see unfavourable market conditions for agricultural products or are unable to produce then they may not be able 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 2021/22.

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 2021/22.

UPDATE OF THE BOARDS BYELAWS

The Clerk informed the Board that the ‘Model Documents’ tabled by Defra for the Board Byelaws have been updated. The Clerk has circulated a copy of the ‘Model Documents’ for the Sub Committee Members to consider.

The Clerk informed he had helped both ADA and Defra in implementing these changes which make the Byelaws more robust and consistent for the Boards requirements. The main changes being highlighted at the meeting. In adopting the new Byelaws, the Board would be sharing the advertising and informing costs with other Boards of the Consortium in implementing the new Byelaws.

The Sub Committee UNANIMOUSLY RECOMMENDED the Board revises and implements its Byelaws to the latest ‘model document’ as circulated at the meeting.

DERWENT HOUSE BROADBAND AND OFFICE LEASE

The Clerk informed that over the last week the Derwent House office broadband had been very poor and impacting on productivity both for remote working and office connection. Initially this problem did not appear easy to resolve. However today BT has established one of the Boards lines is not functioning. It is then very likely it will need digging up under the A19 road at a specific location and repairing.

The Clerk and Consortium staff however have tried to establish faster broadband both over the wired and digital transmission mobile phone network but broadband speeds have not improved.

The Chairman suggested perhaps MP Nigel Adams via Mr H Fergusson (MP Advisor) should be contacted to see if they can help.

WORKFORCE CALL
OUT (PRIVATE
AND
CONFIDENTIAL)

PUMPING STATION
CONTINGENCIES

GERMANY BECK
AGREEMENT WITH
PERSIMMON
HOMES

WORKFORCE
TRAINEE

The Clerk informed that the office lease is being sustained on the same terms for another year in 2022/23.

This item is contained in the Private and Confidential Minutes.

The Engineering Assistant provided at the meeting a further quotation for providing three phase sockets at both the Board and the Coal Authority Pumping Stations. The availability of these sockets is intended to make it possible for locally available submersible pumps to be installed in the event of a pump failure or pumping station operating difficulties. The quote provided from a local electrical company was significantly more expensive than the original quotation provided by Inter-Lec.

The Sub Committee recommended that the Board should award the work to install the sockets at these stations to Inter-Lec Ltd in the sum of £5,050 for the Boards Stations but may be £750 less as Elvington may be done already and if the Coal Authority is in agreement £6,000 for the other stations (all sums plus VAT).

4x4 Pickup Purchase Update

The Engineering Assistant informed that following the last meeting the Board had placed an order for a replacement Isuzu Pickup truck. The delivery date being anticipated next year. The dealers had obtained the vehicle early and was waiting for the back cover to be provided and installed. This hopefully should be delivered in mid-October. The existing old pickup requiring an MOT at the end of October so the Board may not have to pay to obtain it.

This item is recorded separately as a Commercial and in Confidence record.

The Clerk had prepared a job description for this position which was circulated with the Agenda. The portion on the back of the job description highlights the attributes the Board would be seeking from the candidates which can be used to recorded the details in any interview.

ACCOUNTS FOR
CONFIRMATION

The Sub Committee UNANIMOUSLY RECOMMENDED the acceptance of the job description and the Clerk should start the recruitment process to appoint a new Member of the Workforce on the basis of these details.

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 Britton noted the cost of the Agency power feed for telemetry at Elvington Pumping Station.

The Engineering Assistant informed this was to take the power feed to the Environment Agency telemetry out of the Boards electrical panel at the station and to make it a separate supply. This improving electrical safety with panel access authorisation and ownership issues. The Environment Agency refunding half of the cost of carrying this work out.

Mr R Britton asked about the type of Roundup herbicide used.

The Engineering Assistant explaining the constraints and details to be compliant for watercourse usage.

Mr R Britton asked about the cost of tyres for the Kubota ATV.

The Engineering Assistant informing that the ones supplied were wearing too quickly for road use and has raised the matter with the dealer. The replacement tyres being more appropriate for the Boards usage. He will inform the Board on the position with the supplying dealer if any progress is made at the main meeting.

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 11th January 2022 at 1pm. This being prior to the Board Meeting on 25th January 2022.

The Clerk will be organising a virtual meeting on a Tuesday in the near future at 1pm to progress plans for the Boards standby and call out requirements in late October/November. This meeting will be 'Private and Confidential.'

FUTURE MEETINGS

Tuesday 14th June 2022 at 1pm. This being prior to the Board Meeting on 28th June 2022.

Tuesday 27th September 2022 at 1pm. This being prior to the Board Meeting on 18th October 2022.

ANY OTHER
BUSINESS

The Sub Committee discussed potential changes in Board Members which will be explained at the 'main' Meeting by the Clerk.

There being no further business the Chairman declared the Meeting closed at 2.23pm.

(APPENDICÈS TO FOLLOW)