

Goole and Airmyn Internal Drainage Board

The Courtyard
Goole
DN14 6AE



Meeting *Papers*


Thursday 1 September 2016
2:30pm


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Meeting Papers

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Clerk to the Board

Purpose

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1. Governance

Recommendation:

- Note the information contained in this report
- Approval of Draft Minutes meeting 23 June 2016 (Item 1.3)

1.1 Apologies for Absence

1.2 Declaration of Interest

1.3 Minutes of the Meeting held 23 June 2016

Member	11.2.2016	24.3.2016	23.6.2016
Mrs Rosemary J Webster (Chair)	✓	✓	✓
Mr John Richard Fawbert	✓	✓	A
Mr G W Martinson	✓		-
5 VACANCIES			
East Riding of Yorkshire			
Mrs Rita Brough	✓	✓	✓
Cllr Malcolm Boatman	✓	✓	✓
Cllr Keith Moore (V Chair)	✓	✓	✓
Cllr Brent Huntington	A	A	✓
Cllr Josie Head	A	✓	✓
Mick Head (ER)	✓	✓	-
Stephen Harrison		✓	A
Cllr Caroline Fox	✓	✓	✓
1 VACANCY			

In attendance on behalf of JBA Consulting, Clerk, Engineer and Environmental Officer:

Ian Benn (Clerk)	Clerk
Craig Benson (Finance Officer)	FO
Roger Smith (Engineer)	Eng.
Alison Briggs (Environment & Administration)	EO

Apologies for Absence

2016.80 Apologies for absence were received from Stephen Harrison and Richard Fawbert

Declaration of Interest

2016.81 BT declared an interest in Heptonstalls and an interest in Friends of Oakhill

Minutes of the Meeting 24 March 2016

2016.82 Proposed accepted as a true record of the meeting by KM, seconded MB, all in agreement

Matters Arising

2016.83 Minute 2016.76 – Lone worker JH required confirmation the Board no longer had any employee.

Minute 2016.77 AOB-Drain Walk – CF queried how the Board reported its work to Parish Councils. Clerk confirmed Minutes are published on the website, the maintenance plan is decided annually by the Engineer, a map is on the website of planned maintenance and the Board relies on people contacting it if there is a perceived problem. Advice was provided regarding IDB permissive powers under the Land Drainage Act and the responsibilities of riparian owners including householders. The Board identifies strategic watercourses for maintenance, payment of a drainage rate does not entitle anyone to have its drains maintained at public expense. Clerk had spoken with ERYC Flood Risk Manager who is aware of Board issues and is keen to talk about the way forward with the LLFA.

CEO responded to member queries about the term “adopted” drains, confirming that implies a level of ownership and responsibility for which the Board has none. The term “adopted” is not found within the LDA 1991.

KM queried fly tipping recently reported to the Board. EO advised various riparian owners within the vicinity of that fly tipping for which they had responsibility. Clerk suggested contacting ERYC. It was confirmed the fly tipping did not cause an obstruction to flow.

RB advised she had been unable to open the risk assessment in connection with proposed water vole survey.

FOI request and complaints

2016.84 none

Board Policies - various

2016.85 Policies for approval were:

- Schedule of Reserved matters
- Scheme of delegation
- Division of Responsibility between Chairman and Clerk
- Publication Scheme
- Complaints Policy
- Data Sharing Policy
- H&S Policy

KM proposed all policies should be adopted by the Board, seconded BH, all in favour

CLERKS REPORT

The Clerk’s Report, copies of which had been circulated to members with the Meeting papers, was considered.

2016.86 Clerk advised of the importance of reading through meeting papers issued two weeks in advance of the meeting. Members could be briefed by Management before the meeting on any matters they had queries which may help reduce the length of meeting.

2016.87 Election Year – **RW proposed the Board confirm the appointment of JBA Consulting as returning officer, approve the draft Register of Electors, receive nominations by post and agree the last return date of nomination papers as Friday 7 October 2016. Seconded KM, all in agreement.**

2016.88 Website – Clerk responded to query regarding tender opening confirming that, tender review and recommendations to Board being done by North Lincolnshire Council and its procurement team with advice from its IT specialist. **JH proposed if the price to**

this Board is no greater than £1,000, the Chair be given delegated authority to agree the recommendation, seconded MB, all in agreement.

2016.89 Discussions took place regarding the continuation of the Board's old website through A&F Consulting. Clerk confirmed the firm had been instructed to take it down but they requested a disproportionate amount of money to do so. The new website will push search engines to the new Shire Group website.

2016.90 BH confirmed the extensive report prepared by the Clerk was pleasing. He queried the Humber Flood Risk Management strategy. CEO confirmed the joint business case to raise standards to 1:200 year event at a cost of £1.4 billion had been rejected. One of the effects would have been to funnel water toward Goole. Strategy is being reviewed and flood cells identified around the Humber will require negotiation with landowners to facilitate it. Asset Management and ISO55000 was discussed and agreed Board require to plan for future maintenance of its portfolio of assets. RB noted the Engineer's telemetry report tied in with management of assets. CF queried how IDBs fit in with LLFA flood alleviation schemes. Clerk advised on relevance of SuDS and requirement in Act for SuDS Approval Bodies now fudged by government through the Planning Act.

FINANCIAL REPORT

The Financial Report, copies of which had been circulated to members with the Meeting papers, was considered.

Rating

2016.91 All rates had been collected as at 31.3.2016. 85% drainage rates collected and 50% special levies collected to date.

List of Payments

2016.92 Total amount of cheques and payments made directly from bank account £58221.83 of which £16,208.36 agreed by the Clerk. EO briefed members on current situation regarding missing deeds to Downes Ground PS. Heptonstalls would provide a full response to Board no later than mid-July with proposals for rectification of situation if deeds not located. **MB proposed approval of list of payments from account, JH seconded, all in agreement.**

Audit

2016.93 Internal audit concluded, FO meeting auditor tomorrow who will report on findings. There are issues/concerns, one of which is the budget. Auditor acknowledges Board has plan going forward and actions being taken. KM queried level of reserves. Advised Board requires Reserve Policy. FO indicated size of Board and expenditure reserves probably required in region of 2/3 of annual expenditure. External auditor has made the observation that recommendations from previous years have not been dealt with.

2016.94 Section 1 Annual Governance Statement – **KM proposed approval of Annual Governance Statement, Section 1 of the Annual Return, seconded MB, all in agreement.**

2016.95 Accounts y/e 31 March 2016 – FO advised the out-turn deficit of £59,000 was funded by the Board's commuted sums. Out-turn should be at least 50% of annual expenditure which would be -£150,000+. BH queried Downes Ground PS electricity increase of 150%, not reflected by other pump stations. Discussions took place regarding estimated readings, the value of being part of a buying group. Clerk advised on work with other Boards producing graphs showing cost per hectare for pump stations, Members felt would be helpful. Noted £40,000 paid by Yorkshire Water a number of years ago represented not a commuted sum but payment for consent. Suggested this could be used for capital expenditure regarding telemetry. JH advised FO had produced good work with the accounts, in an easy to understand format. Member queried insurance support for legal action regarding original tender. RW confirmed only if negligence could be proved which

would in itself be expensive. **MB proposed Board approval of accounts for y/e 31.3.2016, seconded CF, all in agreement.**

2016.96 Accounting Statements Section 2. **MB proposed Board approval of Accounting Statement shown at Appendix D of the papers, seconded JH, all in agreement.**

2016.97 Outstanding Accounts – RW proposed Board go into private session, KM seconded, all in agreement.

2016.98 Private Session

ENGINEER'S REPORT

The Engineer's Report, copies of which had been circulated to members with the Meeting papers, was considered.

Asset Management

2016.99 Eng advised on existing file on Board assets containing photographs and little else. Members discussed usefulness of appropriate record keeping. All present agreed support for Engineer's recommendation to seek costs for a new asset survey.

Telemetry

2016.100 It was noted the current system is dated, the report recommended Option 2 replacing complete software to upgrade system. **BH proposed Board agree Eng. recommendation, RB seconded, all in favour.**

2016.101 **MB proposed Board continues running PS contract with Danvm DC under PSCA, seconded KM, all in favour**

2016.102 New Potter Grange – **JH proposed Board approve £1600 to eliminate rodent damage at station, seconded RB, all in agreement**

Commuted Sum Agreements

2016.103 EO confirmed full monies now received under Court House Farm agreement. Trying to find someone in Peverells who need to complete a certificate for the restriction on Court House Farm land to be released. Discussions took place regarding inappropriateness of Solicitors being required to provide a Certificate not the Board.

Maintenance

2016.104 Eng advised Board agree a long term maintenance contract for 2017 onward, suggested 5 years and contract will go out to tender. Discussions ensued regarding existing contractor. EO confirmed Board has obligation to test the market in use of public funds. Contract level does not require compliance with Public Contract Regulations. **MB proposed 5 year contract with break clause if contractor not performing.** JH proposed amendment for a 3 year contract with an additional 2, RW seconded, 2 in favour, 5 against. **Members considered original proposal, KM seconded, 5 in agreement, 2 against, proposal passed by majority verdict.**

Planning

2016.105 Members noted information contained in report

Environmental

The Environmental Report, copies of which had been circulated to members with the Meeting papers, was considered.

Legislation

2016.106 Members noted information contained in report on Habitats Directive



Maintenance Issues

2016.107 Members noted information contained in report. BH of opinion work being done under Humberhead Levels on surveys in District. EO unaware of specific project although sits on HHL Steering Group. Advised Lincs Wildlife Trust officer Matt Cox had recently taken group of volunteers on Southfield Lane area and sought Board approval to do so. BH noted presence of nesting turtle dove in vicinity of proposed culvert relining. EO confirmed this underlined necessity for joined up work between Board, wildlife trusts, Friends of Oakhill to retain this information electronically which can be used by Engineer when making decisions on consents.

Biodiversity Action Plan

2016.108 KM proposed board approval of prepared BAP, seconded BH, all in agreement. Member full agreement to implementation of BAP given

Health & Safety

2016.109 Members noted information in report

Any Other Business

2016.110 KM confirmed AOB was not an Agenda item.

2016.111 Culverts Capitol Park – Members queried ownership of the culverts. Eng. confirmed HCA had given to Board at request of previous incumbent. Clerk advised considerable time spent trying to identify worth, where could be sold and who might buy. Little interest had been received. Clerk advised Sweetings likely make use and would remove free of charge; Members agreed best course of action.

2016.112 A member commented the absence of distributed Minutes relating to the appointment of new Management. A discussion took place and Members agreed the meeting held in December had been in private session for which Minutes would not be distributed publicly. The hard work of the three members involved in the process was acknowledged.

Date of Next Meeting

2016.113 1 September 2016 2.30pm at Shire Group of IDB offices, Epsom House, Malton Way, Adwick le Street, Doncaster DN6 7FE

1.4 Matters arising not discussed elsewhere on Agenda

2016.98 Current position will be provided in a verbal report at the meeting.

1.5 Freedom of Information Request (FOI)

none

1.6 Complaints

none

1.7 Board Policies

Board to consider requirements for a Reserves Policy

2. Clerks Report

Recommendation:

- Note information contained in the report

2.1 Election Year

Between 7th and 15th September the Returning Officer will publish Notice of Election. Nomination papers will be available on the current Board website.

2.1.1 Internal Audit

In addition to budget setting, the internal audit report highlights the Board's decision making process which is not appropriately balanced. Membership should provide East Riding of Yorkshire Council with a bare majority of 1. There are 5 elected member vacancies and 1 nominated member vacancy providing East Riding of Yorkshire Council with a majority of 5. Elected Members should encourage nominations for the forthcoming election.

2.2 Board Website

The successful tenderer for the Shire Group of IDBs website was Connect. Discussions are taking place regarding layout and design of each Board page within the Group.

2.3 Legislation

Nothing to report

2.4 Defra

Nothing to report

2.5 Association of Drainage Authorities (ADA)

2.5.1 Technical & Environment Committee

Committee meeting 22nd September

2.5.2 Policy & Finance Committee

Committee meeting 22nd September

2.6 Board Key Performance Indicators

GOOLE & AIRMYN IDB Key Performance Indicators		Inadequate	Work to be done	Adequate	Good	Very Good
Management of the Board	Compliance with Internal Audit requirements					
	Governance					
	Health & Safety					
	Partnership Working					
	Overall					
Reduction of waterlogging and flood risk to assets	Asset Management					
	Flood Risk management					
	Flooding - Learning					
	Overall					
Environment	Biodiversity Action Plan					
	Water Framework Directive					
	Partnership Working					
	Overall					
Finance	Financial Statements					
	Drainage Rate collection					
	Overall					

The table presents a reasonable assessment of Board status.

3. Financial Report

Recommendations:

- To note the information contained in this report
- To approve the schedules of payments

3.1 Rating Report

Details of the Rates and Special Levies issued and payments received up to and including 10th August 2016: -

	£	£
Balance Brought forward at 1 April 2016		NIL
2016/2017 Drainage Rates and Special Levies		
Drainage Rates – District 1	198.64	
Drainage Rates – District 2	5,257.30	5,455.94
Special Levies – East Riding of Yorkshire Council		
District 1	243,881.00	
District 2	3,565.00	247,446.00
Total Drainage Rates Due		<u>252,901.94</u>
Less Paid:-		
Drainage Rates – District 1	198.64	
Drainage Rates – District 2	4,464.28	4,662.92
Special Levies – East Riding of Yorkshire Council		
District 1	121,940.50	
District 2	1,782.50	123,723.00
Total Drainage Rates Paid		<u>128,385.92</u>
Balance Outstanding as at 10th August 2016		<u>124,516.02</u>

3.2 List of Payments

3.2.1 List of Cheques

DATE		CHEQUE NO.	REF	PAYEE	DESCRIPTION	TOTAL CHEQUE	
2016							£
May	17th	104408	-	Goole Fields DDB	Rates	2,851.02	
Jun	6th	104409	12	NFU Mutual	Insurance	5,754.85	
		104410	216	Danvm Drainage Commissioners	Workforce Costs January to March 2016	2,622.66	
Jul	14th	104411	14	British Gas	Supply to New Potter Grange	511.76	*
		104412	27	British Gas	Supply to Orchard Cottage PS	1,477.16	*
		104413	26	The Courtyard	Meeting Expenses	80.60	*
		104415	19	Lincoln Electrical Services Ltd	New Potter Grange PS - Electrical Maintenance	402.00	*
		104416	12	Wildlife Conservation Partnership	Barn Owl Box	151.20	*
		104417	24	Brodericks Business Centre	Internal Audit Fee	2,310.00	
		104418	21	Environment Agency	Flood Defence Levy	15,783.50	
		104419	16-7,25	JBA Consulting			
			16		1/4 Salary & Expenses	3,360.00	
			17		1/4 Salary & Expenses	3,332.50	
			25		1/4 Salary & Expenses	<u>3,360.00</u>	
						10,052.50	
		104420	28	Schofield Sweeney LLP	Legal Fees - Dispute	3,609.72	
				Total Amount of all Cheques		55,659.47	
				*Total Amount of Cheques sent out signed by the Clerk's		2,622.72	

3.2.2 Other Payments

DATE		REF	PAYEE	DESCRIPTION	TOTAL CHEQUE
2016					£
May	19th	-	HSBC	Bank Charges	19.39
Jun	2nd	-	Scottish Power	Supply to Hook Clough PS	180.00
	9th	38	O2	Mobile Telephone	11.56
	13th	18	Vodafone	Telemetry Lines	36.84
	18th	-	HSBC	Bank Charges	17.79
	20th	15	Eon	Supply to Southfield Lane PS	61.71
Jul	1st	-	Scottish Power	Supply to Hook Clough PS	180.00
	4th	20	N-Power	Supply to Downes Ground PS	2,139.83
	12th	37	O2	Mobile Telephone	11.56
	15th	13	Vodafone	Telemetry Lines	37.62
		23	Eon	Supply to Southfield Lane PS	44.07
	19th	-	HSBC	Bank Charges	12.65
			Total Amount of all Payments		2,753.02

3.5 Five Year Budget Estimate

Revenue Account	2016/17	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	App Budget	Estimated Out-turn					
Income	£	£	£	£	£	£	£
Drainage Rates	5,189	5,456	5,456	5,456	5,456	5,456	5,456
Special Levies	247,446	247,446	247,446	247,446	247,446	247,446	247,446
Highways England Contribution	20,000	26,000	20,000	20,000	20,000	20,000	20,000
Bank Interest, consents etc.	-	50	50	50	50	50	100
Total Income	272,635	278,952	272,952	272,952	272,952	272,952	273,002
Expenditure							
Flood Defence Levy	70,237	68,860	72,344	70,926	74,515	73,054	76,750
New and Improvement Works	-	40,000	-	-	-	-	-
Drain Maintenance	29,500	35,000	30,385	36,050	31,297	37,132	32,235
Pumping Stations	43,620	44,000	44,929	45,320	46,276	46,680	47,665
Administration	44,925	45,000	46,273	46,350	47,661	47,741	49,091
PWLB Loan	7,374	7,374	7,374	7,374	7,374	7,374	7,374
Total Expenditure	195,656	240,234	201,305	206,020	207,123	211,979	213,115
Surplus/(Deficit)	76,979	38,718	71,647	66,932	65,829	60,973	59,887
Balance Brought Forward	-50,009	-59,393	19,325	90,972	107,904	123,733	124,705
Transfer to/from Com Sum Accounts	-	-40,000	-	-	-	-	-
Transfer to Capital Reserve Account	-	-	-	50,000	50,000	60,000	60,000
Balance Carried Forward	26,970	19,325	90,972	107,904	123,733	124,705	124,592
Penny Rate in £	4.90p	4.90p	4.90p	4.90p	4.90p	4.90p	4.90p
Penny Rate £51,613	4.90p	4.90p	4.90p	4.90p	4.90p	4.90p	4.90p
Commutted Sum Balance	193,057	193,057	193,057	193,057	193,057	193,057	193,057
Capital Reserve Account	-	-	-	50,000	100,000	160,000	220,000
% of Expenditure	13.78%	8.04%	45.19%	52.38%	59.74%	58.83%	58.46%



3.6 Procurement

The Board have applied to become members of Woldmarsh Buying Group. The primary motivation for this was to make savings in regard of electricity procurement. Other benefits include access to a single dedicated management team and also procurement & savings opportunities elsewhere in the industry.

The Board expect to make annual savings of approximately £2,600.00 in this regard, representing a saving of approximately 20%. Details are set out in the table below.

Site	Current Annual Costs (£)	Woldmarsh Annual Cost (£)	Saving
Hook Clough PS	2,814	2,311	17.9%
Downes Ground PS	4,445	3,325	25.2%
Southfield Lane PS	354	288	18.6%
New Potter Grange PS	1,396	1,196	14.3%
Orchard Cottage PS	4,230	3,512	17.0%
	13,240	10,632	19.7%

Membership costs and contributions to the contingency fund should total around £210.00 per year.

For further information regarding the benefits of membership of Woldmarsh Buying Group visit their website at <http://www.woldmarsh.com/why-woldmarsh>



4. Engineer's Report

Recommendations:

- Note the information contained in this report
- Approval of Asset conditions survey cost (Item 4.1.1)

4.1 Asset Management

4.1.1 Asset Condition Survey

It is recommended that an Asset Condition Survey is undertaken, this would be carried out in an electronic format using GISmap and ArcGIS. The sum for undertaking this works totals £1950.00

4.1.2 Pumping Stations

Nothing to Report

4.1.3 Telemetry

An order has been placed for the new telemetry system, and is programmed to be installed Mid - September.

4.1.4 Commuted Sum Agreements

Discussions are ongoing with HCA. The culverts have been removed by Sweetings and are now in their ownership.

4.2 Maintenance

4.2.1 Pumping Station attendant

The services of Danvm IDB continue to be used.

4.2.2 Ordinary Watercourses

This year's maintenance works commenced on the 20th July

The culvert lining works downstream of New Potter Grange PS involving Network Rail and AMCO is nearly complete. The headwall structure downstream of the culvert section is the element of the works outstanding.

4.3 Planning, pre-application advice and consents

4.3.1 Planning Applications

The Board may only comment on surface water run-off in excess of the green field run-off rate of 1.4 litres per second per hectare.

4.3.2 Land Drainage Act 1991 Section 23 and 66 (Byelaws) Consents

- Consent has been granted for a culvert lining scheme upstream of Southfield Lane Pumping Station.

4.3.3 Extended District Consents (Land Drainage Act 1991 Section 23)

Nothing to report

4.3.4 Pre application advice

Nothing further report.



5. Environmental Report

Recommendation:

- Note the information contained in this report
- Implementation of BAP (Item 5.5)

5.1 Legislation

Nothing to report

5.2 Microplastic Pollution

Your EO took fresh mud samples from the Humber Estuary during 2015 to assist in work being undertaken by Leicester University MSc and BSc students into microplastic fibre abundance with focus on transport routes and sources and biotic consequences. The resulting work identified the highest number of fibres per 100g of sediment was found in the Humber estuary.

5.3 Maintenance

5.3.1 Friends of Oakhill

The Environment Officer attended a meeting on 20th July representing the Board.

Yorkshire Wildlife Trust gave a presentation on the work they'd been doing to assist the group and in general on work being done by the Trust through the Humber Head Levels Partnership on which the EO site. YWT also presented on the work one of the Friends' members did in training volunteers on water vole surveys on Southfield Drain where your EO had undertaken surveys a number of weeks previously.

The Humberhead Levels Landscape Partnership is about connecting habitats; the Friends are doing a lot of work on a reed bed in the centre of the site which of course is now closely associated with the newer reed bed lagoon at Capitol Park. The EO sought advice from YWT on the most appropriate method of maintenance of the reed bed. It requires cutting once every 10 years, or half every 5 years which is the better method as some birds like new reed growth for nesting and others prefer old stems. It is unlikely to require any maintenance until 2020. The aim of a reed bed is to filter and slow the flow of the water but avoid the site's natural progression into scrub. This maintenance should like the Board maintained site with that of Friends of Oakhill. We can expect to see reed warbler and Cetti's warbler around the site, and the marsh harrier will use it as a hunting ground, snipe are likely to use it for foraging.

Maintenance has commenced, the Contractors have been instructed in environmental best practice methods of maintenance. Water courses do not require de-silting, all will be flailed and de-weeded. Strategic watercourses will be flail mown both sides leaving fringe of vegetation at water level followed by de-weeding. Secondary watercourses will be flail mown on one side only followed by de-weeding. Minor watercourses will be flail mown only.

5.4 KPI's

With reference to KPI's, Board required to identify how it may contribute to Water Framework Directive aims and objectives.

5.5 Biodiversity Action Plan

The Board agreed its Biodiversity Action Plan targets and actions at the June meeting. The Board is required to agree formal Implementation of that BAP and consider the Environment Officer to undertake



6. Health and Safety Report

Recommendations:

- To note the information contained in the report

6.1 Contractor Management

6.1.1 Accidents and Incidents

There have been no accidents or incidents to report since the last meeting.

6.1.2 Lone Worker Arrangements

Nothing to report

7. Representation

Officers represent the Board in a number of fora:

Environmental	Flood Risk Management	Other
Humberhead Levels Steering Group	Humber Flood Risk Management Steering Group	
Friends of Oakhill AGM	EA-CIRIA Partnership Funding Opportunities	
	Meeting with East Riding of Yorkshire Council FRM Officers	

8. Date of next meeting



9. APPENDIX A: Internal Audit Report

Goole & Airmyn Internal Drainage Board

Report of the Internal Auditor on the internal controls of the Drainage Board for the year ended 31st March 2016.

Dear Sirs

We have audited the Internal Control System of Goole & Airmyn Internal Drainage Board operational for the year ended 31st March 2016.

1) Scope and Responsibility

The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Board also has a duty to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Board is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Boards functions and which includes arrangements for the management of risk.

2) The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Boards policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3) The Internal Control Environment

The key elements of the internal control environment, which the Board should have addressed, are in ensuring that they:

- ❑ Prepare its accounting statements in the way prescribed by law.
- ❑ Make proper arrangements and accept responsibility for safeguarding public money and resources in its charge.
- ❑ Have only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
- ❑ Have given all persons interested the opportunity to inspect and ask questions about the board's accounts.
- ❑ Considered the financial and other risks it faces and has dealt with them properly
- ❑ Arranged for a competent person, independent of the board's financial controls and procedures, to give an objective view on whether these meet the needs of the board and reviewed the impact of this work.
- ❑ Responded to matters brought to its attention by internal and external audit.
- ❑ Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.



4) Review of Effectiveness

A & F Consulting Engineers LLP were Clerks to the Board between April 2015 and January 2016 and JBA Consulting took over as Clerks to the Board from January 2016. Certain procedures are prescribed by statute. Our internal audit has covered the procedures and controls exercised by the Clerks in the period over the Drainage Board. Our audit has been carried out on a test basis.

An assessment of the risks facing the organisation has been prepared by JBA Consulting and was approved by the Board at the February 2016 meeting. This will then be discussed with ourselves for specific tailoring purposes and be reviewed on an annual basis and updated further as appropriate. The risk assessment is summarised using the following heads:

- ❑ Governance
- ❑ Operational
- ❑ Financial
- ❑ External
- ❑ Compliance with Law and Regulation

The risks identified are categorised depending on the assessment of their impact on the organisation and their likelihood of occurrence. Each area is being attributed an:

- ❑ A Denoting immediate action, or
- ❑ B Denoting consider action and have a contingency plan, or
- ❑ C/D Consider action or keep under periodic review.

The risk assessments are also reviewed and discussed as part of the 'Review of the Effectiveness of the System of Internal Audit' meeting, which currently takes place annually in November. Therefore, the first invitation to the Board for this meeting will be November 2016.

Whilst this is not a mandatory meeting it has been maintained on an annual basis as part of exercising good practice.

In addition, further work is being carried out in establishing the administrative and accounting procedures in terms of segregation of duties and recording of financial information.

Specific Internal audit review work

The following areas relevant to Goole & Airmyn IDB were reviewed in detail in line with the principal of ensuring the standards and characteristics of an effective internal control system are evident: -

The Board's governance arrangements should include and ensure

- There is clarity of purpose and strategic direction.
- They act within their legal framework.
- Roles of officers and board members are clear and documented.
- Decisions are transparent and clearly reported
- Conduct of Board members and officers is of a high standard.



The Board's decision-making framework should include and ensure

- The board has a scheme of rules, including standing orders, which have been subject to minister approval.
- The make up of the board is in accordance with the land drainage act 1991.
- Adequate minutes of all board meetings are maintained.
- Adequate financial regulations are in place and followed.
- No conflicts of interest are evident.

5) Significant Internal Control Issues

The following areas are identified as risk areas:

Risk areas

Comments in relation to specific areas highlighted above

(a) Decision-making: -

The percentage of income contributed in respect of the special levies for the year ended 31st March 2016 represents around 67% of consistent total income.

During the course of the year the following statistics were evident in respect of attendance at the board meetings held: -

Month	Appointed members	Elected members	Total attendance
April 2015	5	1	6
May 2015	3	1	4
June 2015	3	2	5
August 2015	7	2	9
October 2015	7	2	9
January 2016	6	2	8
February 2016	5	3	8
March 2016	6	2	8

The overall structure of the board is in accordance with the percentage of drainage rates to special levy income in that there are positions for 9 appointed members and 8 elected members. However, the position at 31st March 2016 is that 5 elected positions and 1 appointed position are vacant.

Attendance at board meetings, as can be seen above, on the whole is reasonable. It is noted that elections are due to be held in October 2016 and we would therefore suggest that concentration be given so that the above differential between appointed and elected members should be reduced as far as possible to ensure appointed members outnumber elected members in post by one.



This area is key to the board's decision-making process and therefore should be under frequent review and consideration by the board in order to ensure that any decision making process is made in line with the above ratio and certainly to reflect appointed members outnumbering elected members by one.

Other risk areas

Financial Risk

(b) Payroll

The board employed one employee during the year and the payroll was operated by a third party payroll bureau. When matching bank payments to payslips in respect of the payroll it was evident that expenses in addition to the net pay was being paid. On enquiry we were informed that this was generally in respect of mileage payments to the employee. We have not however been able to verify this as no mileage records are evident.

The above employee left in January 2016 and we would recommend for any future employments that mileage records are kept and signed off. Also that these are included on the payslip of the employee as expenses in order to assist verification.

(c) Bank payments

During the course of our internal audit work checks were undertaken to ensure that payments by the Board were being made in accordance with the bank mandate in place in the period. During the period under review it is apparent that no paid cheques (i.e. returned from the bank) are available to view. Therefore, we are unable to verify that cheque payments are made in accordance with the requirements of the bank mandate.

We would recommend that whilst payments are being made in the main via cheque that paid cheques are requested to be returned to the Board by the bank. Alternatively, that all signed cheques are copied and attached to the appropriate invoices prior to being sent out.

Whilst the above is the case we have undertaken a substantial amount of testing on the payments and can confirm that all items tested were found to match to appropriate invoices.

However, with regard to purchase invoices received, between April and December 2015 no numerical sequence was attached to the invoices. Also no invoices were signed to confirm they had been checked and viewed to be correct for payment.

This has been remedied from January 2016 onwards.

(d) Budgets, Reserves and Commuted Sums

The Boards budgeting process in place for 2015/16 was reviewed during the course of our internal audit work. The main issue we would raise in respect of this is that the general principal attached to it is that it is structured more around monies held by the Board (i.e. cash at bank) rather than its prospective reserves position.

Therefore, the main potential problem with this type of budget setting is the risk that other reserves are utilised once revenue reserves are depleted as the focus is on total monies held.



As a direct consequence of this process revenue reserves were negative as at 1st April 2015 and a substantial negative budget set and approved for 2015/16.

Having reviewed the spreadsheets prepared by the clerks in respect of the budget for 2015/16 and presented to the Board it is clear to us that as a whole these must have been misunderstood by the Board as an ultimate budget deficit prediction of around £142,000 would not have been agreed knowledgeably.

Further, we would comment that we have seen no evidence in the minutes reviewed that the Clerks to the Board made any verbal statement regarding the budget deficit or of the potential consequences to the Board of approving this budget.

Conclusion

It is our opinion that the budget reports lacked clarity and that the basic principal of preparation was not suitable to the Board.

We would therefore conclude that an appropriate budgetary process was not in place for 2015/16 and that the budget approved by the Board was not appropriate.

Current position

Subsequently the year to 31st March 2016 did not materialise in line with the budget.

As at the year ended 31st March 2016 a negative reserve level existed of revenue reserves (not including capital and commuted sum reserves) in the amount of (£59,393). Therefore, commuted sum reserves in the amount of £59,393 were being utilised at this point in order to fund the day to day operations of the board.

The reserve level of the commuted sums as at 31st March 2016 are £193,057. This level should be maintained as a specific reserve if that is what the agreements state. The background and detail of the commuted sums are currently being looked into by the Clerks to the Board to ensure that the correct amount of reserves are held in this regard in future.

In respect of the budget moving forward, this has been set on the reserves principal and a surplus in the amount of £76,979 is budgeted for 2016/17 which if achieved will leave positive revenue reserves and reinstate the reserve level required in respect of the commuted sums.

We would therefore emphasise the importance of a suitable reserves policy for the board being in place and can confirm that a five-year strategic plan has been prepared by the Clerks to the Board. This is with a view to maintaining a suitable revenue reserves position, maintaining the correct commuted sums and the introduction of a capital reserve provision to assist in funding any future capital projects which the Board consider appropriate.

(e) Annual Return/Accounts

On reviewing the above in the course of our internal audit work it is apparent that a restatement of the accounts has been necessary. This is due to the 2014/15 accounts being prepared on a mixture of cash accounting and accruals principals.



This has now been amended to reflect preparation of the same on an accruals basis.

In respect of the annual return the balances carried forward on the Annual Return at 31st March 2015 did not agree to the Balance Sheet reserves as the liability in respect of the Boards loan account was included within the reserves section of the accounts.

This now been amended moving forward.

(f) External Audit Report

In respect of the comments made by the external auditors for 2014/15 we have seen no evidence in the minutes that the 'whole' report was fully disclosed to the Board. Comment is narrated regarding the report and the lack of a risk management strategy being in place, however this is included within the qualified opinion box and no reference to this fact is made. Also, other items in the report are not included in the minutes.

We would recommend that as standard practice the full external auditors report is included within the documents distributed to the Board members and that all aspects of the report are discussed fully at the relevant meeting.

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Dated: 27th June 2016



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