

WITHAM FOURTH DISTRICT INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of the Governance and Risk Committee at a Meeting held at 47 Norfolk Street on
Wednesday, 19th November 2025

Present: - C. Crunkhorn (Committee Chairman)
P. Richardson
M. Leggott
S. Welberry
J. Woods

1. **APOLOGIES**

K. Smith and T. Aston sent their apologies.

2. **RECORDING**

Members were advised that the meeting was being recorded for the purpose of minute taking.

3. **OPERATIONS MANAGER**

The Chief Engineer introduced Darren Odams to the committee. Darren succeeded Andy Clark as District Operations Manager and had now been in his role for almost 6 months. Darren has had significant input into the plans for the next year and will be a familiar figure at future Board meetings.

4. **INTERNAL & EXTERNAL AUDIT REPORTS -31 MARCH 2025**

The Chief Executive confirmed both reports had already been seen in other Board meetings. Both reports were clean with no recommendations. The Chief Executive confirmed this was extremely positive and Board members could be assured that the internal control policies in place were being adhered to.

5. **REVIEW OF GOVERNANCE POLICIES**

The Chief Executive reported that the Risk Register and Financial Regulation policies were subject to an annual review. There were 18 or 19 policies on the website although the Board only reviews ones where we have been told they require review or ones which must be reviewed annually.

5.1 **Risk Register**

The Chief Executive referred Committee Members to a new Risk Area 4 "To operate a secure ICT network that protects the Board from data loss" especially prudent in view of the cyber-attack this year. The cyber incident would be addressed later in the meeting showing how this risk was being mitigated moving forward.

The Chief Executive also referred members to Risk Area 5b as DEFRA are now only funding 90% of new projects although 100% funding remains for refurbishment projects. Once the Hobhole Pumping Station project was completed, it was hoped that all the Board's projects could be dealt with on a refurbishment basis.

The Chief Executive did not feel it was necessary to increase or decrease any of the risk factors in the Risk Register, unless anybody had any comments?

5.2 **Finance Regulations**

The Chief Executive confirmed this was a very long document which determined how the Board carried out its financial business. The Chief Executive referred Committee Members to the last page of the report regarding the General Reserve.

As had already been discussed, last year the Board had agreed that the General Reserve needed to increase but that it needed to be achievable and proposed a 1% increase every year over 5 years, to get to 25%.

The Chief Executive confirmed no amendments were required to the Financial Regulations

The Chairman questioned in view of the way prices are increasing, if section 2.1 of the Finance Regulations where estimates were less than £5k whether 2 quotes should be requested? The Chief Engineer confirmed that this was always done as a matter of course.

The Committee Chairman asked if the members were prepared to approve the changes to the Risk Register and Financial Regulations to recommend to the Board to adopt the changes. There was a show of hands, and it was unanimously

RESOLVED TO RECOMMEND That the updated Risk Register and Finance Regulations other policies as discussed by the Committee is recommended for approval by the Board at the December 2025 Board Meeting.

6. **CYBER RISK**

The Chief Executive confirmed that verbal updates had been provided at other Board meetings, but in August the final written report was received from the police in Leicester who deal with cyber incidents in the Midlands. They work alongside the National Cyber Crimes Security Service.

They provided a list of recommendations for people who have suffered cyber incidents and confirmed there have been several recent large scale cyber-attacks. They believed that the issue is being taken very seriously. The key recommendations in the report are shown on the second page using a traffic light system, and the recommendations fall into two categories. One for "system based" items, things that the network requires, and the other relates to things the Board needs to do as an employer.

Most of the things listed as system based are shown in green and were already complied with prior to the report being received e.g. removing servers from site - we now use virtual servers, making sure proper 2 factor authentication was in place etc.

The Chief Executive confirmed that the Board also have Sentinel One antivirus in place, which is one of the best on the market. Basically, this constantly monitors everything that is happening on our servers 24/7. If anything is flagged up, it jumps on it and makes it secure. The Board still need to reduce the risk that we, as users, can cause and ensure that nobody opens anything that they should not.

This is why the Board has a separate IT hardware policy. There are 3 things currently outstanding:-

1. New Employee Induction training.
2. The hardware use policy which was shared with the Board.
3. Mobile and device management. This will be covered with Quiss in the next couple of months when new laptops are rolled out will ensure that the devices are properly set up and policies adhered to.

The IT hardware policy is an adaptation of something already in place for mobile phones that basically covers all hardware that's supplied by the Board, so tablets, laptops, phones and

covers the general principles of use. This means rules regarding personal use and users understand what can and cannot be accessed on those devices.

Because of the cyber risk in particular, the Board now has a separate Cyber–Security Appendix 1 which deals with the two main risks:-

1. Malware. Where a programme is downloaded, freezing the system followed by a request for a ransom payment which must be paid before you can access your system - which is the scenario the Board has just been through.
2. Phishing attacks. This is being scammed and information being obtained.

Appendix 1 covers the things that we expect staff to be doing and once this is approved, we will ask every staff member of staff to sign to say they acknowledge this policy and that they will adhere to it. The Chief Executive confirmed that he would monitor the policy annually because cyber-crime is continually evolving so we need to remain vigilant.

The Chief Executive confirmed that at present, there is an issue with dual sims on mobile phones that is in the process of being resolved but he asked the committee, subject to any questions, to please recommend to the board that these new documents are approved.

J. Woods- had spoken to a National Grid employee who had advised that their mobiles had no internet access and if they needed to use the internet, they had to return to the main office. This was because of the security risk of having this on their devices. He did not believe that cyber security could not be taken seriously enough.

The Chief Engineer confirmed that the district staff do not have direct access to the Board's virtual server. They are remote users and use Office 365 for e-mails and if a device were lost it would be possible to wipe it remotely.

C. Crunkhorn- agreed the Board needed to remain vigilant.
S. Welberry - asked about staff cyber-training? The Chief Executive confirmed that staff had just been asked to attend a one-hour cyber-training session on 26th November 2025.
M. Leggott- asked if warnings were given to staff abusing the policy? The Chief Executive confirmed he wanted staff to feel comfortable to come forward if they had genuinely fallen victim to a scam. A staff member who had deliberately abused the policy however would face disciplinary action.

The Chief Executive asked members if they were prepared to approve points 7 and 8 of the Agreed Action log. There was a show of hands, and it was unanimously

RESOLVED TO RECOMMEND That points 7 and 8 regarding Induction training and Acceptable use policy and user agreement as discussed by the Committee is recommended for approval by the Board at the December 2025 Board Meeting.

7. GENERAL RESERVE

The Chief Executive confirmed that when he prepares the estimates in January in readiness for the Finance & General Purposes meeting, the Board would have a better view of where the outturn of the year would be and the impact this would have on the General Reserve. With the monies received from the recovery fund, the General Reserve is currently on target. Consideration now needs to be given to where it's going to be this year and set the rate accordingly to enable it to achieve 23% by the end of 2026, the Board's desired target.

However, the Chief Executive confirmed that the General Reserve is supposed to be 23% of the expenditure, but costs are continually increasing so it takes some effort to maintain the target for the General Reserve. The Chief Executive confirmed the committee chairman had

challenged him as to why the accounts show larger annual expenditure figures, but the General Reserve uses a lower figure. The reason was because the main accounts show recharges, where the Board is basically recharging at cost. Likewise, work done for the Environment Agency, which is not part of the Board's maintenance or our core working capital, is not included.

The Chairman asked for approval to recommend to the board that we continue to get the General Reserve to 23% by the end of March 2026. There was a show of hands, and it was unanimously

RESOLVED TO RECOMMEND to get the General Reserve to 23% by March 2026. For approval by the Board at the December 2025 Board Meeting.

The Chairman added a caveat, in that whilst he agreed the Board needed to get the General Reserve to a figure of 25%, he was minded that this target should not be to the detriment of the rate. He was keen not to put too much pressure on the rate to achieve this target. Maintenance, dredging, and electricity standing charges were all increasing although not in the current year.

J. Woods- added that the issue of the Standing Charge had been raised at the NFU meeting recently, as it was a very unfair charge. The Chief Executive confirmed Ian Moody at ADA was also looking into this issue.

C. Crunkhorn- believes that as a committee it is essential to continue to keep to the target for the General Reserve. It was only just enough to cover the costs of 2 weather events. The Chairman agreed 100% but just wanted to raise awareness of other issues the Board was facing.

J. Woods- suggested the current target should be increased when 25% had been achieved.

5. **ANY OTHER BUSINESS**

There was no other business and the meeting closed at 1.57pm

Chairman