

# 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  
**Thursday, 14<sup>th</sup> November 2024**

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Present: - C. Crunkhorn (Committee Chairman)  
P. Richardson  
T. Ashton  
M. Leggott  
D. Middleton  
K. Smith  
S. Welberry

1. **APOLOGIES**

J. Woods sent his apologies.

3. **APPOINTMENT OF NEW MEMBERS**

The Chairman welcomed Adam Carr (Wildmore Fen) to the Board and confirmed that Andy Bush (East Fen) had also joined the Board but was currently on holiday.

4. **INTERNAL & EXTERNAL AUDIT REPORTS -31 MARCH 2024**

The Chief Executive confirmed the results of the two audits. For internal audit substantial assurance had been given, which meant that the Board could be comfortable with the internal controls processes and procedures in place. The Chief Executive confirmed this was very positive.

The previous contract with the Internal Auditors had ended and after tender a new firm called Lighthouse had been appointed. This was good news because Chris Harris, who was the Board's previous Internal Auditor, was now working with them and Chris had good all-round knowledge and a sound understanding of internal drainage boards. A clean external audit report had been received which was also very good news.

The Chairman added that if the capital expenditure was in excess of £6.5m for a period of 3 consecutive years then the Board could be subject to a large audit regime. There was however a consultation underway regarding small bodies and to make drainage boards subject to smaller audits regardless of their turnover. Consideration was being given for a statutory instrument to raise the threshold to £15m. WMA had not been audited for the past few years as they fell within the large audit regime and large audit opinions were delayed.

*T. Ashton - stated it would be good news if IDBs were removed from the current regime. Unfortunately, for public bodies the threshold had been set and never increased.*

5. **REVIEW OF GOVERNANCE POLICIES**

The Chief Executive reported that the Risk Register and Financial Regulation policies were subject to an annual review. The Board agreed that all other policies were still appropriate and the document dates should be updated on the website.

5.1 **Risk Register**

The Chief Executive referred Committee Members to a new Risk Area 5b and confirmed the Board were in the process of replacing Hobhole Pumping Station and this created a number of new risks. Replacement of the Wrangle Pumping Station was now complete and the project had

cost £5m. Replacement of the Hobhole Pumping Station would cost in the region of £80m and the associated risks were huge. A 40-line risk register had been prepared on this project alone. All risks need to be understood and mitigated and a score of 9 was the highest risk. There were a number of outside factors outside the Board's control and, for these, the risk would remain at 9 until the Board was much further into the project.

It was proposed to have a presentation before the December Board meeting to discuss the risks in greater detail followed by lunch. Details would be circulated soon.

The Chairman confirmed that some of the risk could not be managed;- for example if piling works had to stop because of geese feeding and works had to ease until they had finished, then the delay to the project could reasonably be up to 2 years! The Chief Executive confirmed that at present around 50% of his time and 100% of the Chief Engineer's time was being spent dealing with this important project.

Additional governance would be needed regarding the sign off for such a large value contracts, and the Board would discuss a sign off protocol at the December meeting.

The Risk Register was updated. It was confirmed that risk no 5 dealing with the Board's assets were critical to the operation of the Board. If a pumping station was damaged the Board would not be able to pump. The new pumping station at Wrangle had been built with diesel backup to electric pumps, and the same will be done at Hobhole.

*M. Leggott - confirmed this Board's Governance Documents compiled 18 documents whereas Black Sluice IDB's totalled 51. This Board had 16 items listed on the Risk Register and Black Sluice had 39. He confirmed he would leave a copy with the Chief Executive for consideration and to ensure that everything has been covered. The Chief Executive confirmed that over time IDBS shared details of the risks but was more than willing to see if the policies could be improved.*

The Committee Chairman asked if the members were prepared to approve the changes to the Risk Register and to recommend to the Board to adopt the changes. This was proposed by M. Leggott and seconded by T. Ashton. There was a show of hands and it was unanimously

**RESOLVED TO RECOMMEND** That the updated Risk Register and other policies as discussed by the Committee is recommended for approval by the Board at the December 2024 Board Meeting.

## 5.2 Finance Regulations

The Chief Executive confirmed this was a very long document which determined how the Board carried out its financial business. This document had been tweaked over time. The Chief Executive referred Committee Members to page 10 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 proposed that the wording simply states the objective to get the General Reserve to 25% by 2028 rather than updating this each year. Monies from Recovery Funding would enable the Board to recover the General Reserve following the 2023 storms.

The Chief Executive confirmed that aside from this amendment there were no other amendments required to the Financial Regulations

*D. Middleton - asked regarding the storm damage, if the EA would also be able to recover funds to carry out necessary repairs? The Chief Executive confirmed they would not be able to but the repairs were being completed by IDBs in certain areas – where the IDBs benefit.*

*T. Ashton - asked if damage occurred on any section of the Board's catchment where no properties were affected by outside sources, would the Board step up and complete the repairs? The Chief Engineer confirmed that this would be a Board decision but consideration would need to be given if repairing the breach would minimise pumping costs. Perhaps it would be a situation where the Board would fund the repairs initially with a view to reclaiming costs.*

*T. Ashton - added that at least this Board only has to deal with catch waters and this was less of a scale than other Boards dealt with. However, if a breach occurred he believed the Board had a strong duty to repair the damage as soon as possible and that agricultural ratepayers would bear the brunt of any such damage. Residential property owners would also expect the Board to act.*

The Chief Executive confirmed that the Governance Rules for dealing with the signing of large Contracts would be covered at the December Board meeting as it was inappropriate for the Chief Engineer or himself to sign these off in isolation and it may well be a case of delegated powers for the Chairman and Vice-Chairman.

The Chief Executive ask for approval for the wording amendment to states the objective to get the General Reserve to 25% by the year 2028.

There was a show of hands and it was unanimously

**RESOLVED TO RECOMMEND** That when the budget is set the wording is changed to reflect the objective to get the General Reserve to 25% by 2027. For approval by the Board at the December 2024 Board Meeting.

5. **ANY OTHER BUSINESS**

There was no other business and the meeting closed at 2.00pm

Chairman