

# WITHAM FOURTH DISTRICT INTERNAL DRAINAGE BOARD

## MINUTES

of the proceedings of the Governance and Risk Committee at a Meeting held at the Board's Offices, 47 Norfolk Street, Boston on Wednesday 31<sup>st</sup> July 2019.

Present: - C. Crunkhorn (Committee Chairman)  
Cllr. M. Cooper  
Cllr. T. Ashton

Apologies P. Richardson (Chairman) and J. E. Grant

### 1. **NEW RISK REGISTER REVIEW**

The Chief Executive confirmed that the previous document had been lengthy (7-8 pages) and he had undertaken some training with the Internal Auditor with a view to streamlining the document. The example presented to the Committee had been drafted by the Chief Executive and he believed that the revised document set out the Cause, the Risk and the Effect clearly.

The Chief Executive referred the Committee to the Risk Register and confirmed the biggest risk the Board faced in providing and maintaining standards of flood protection, was due to changes in government funding policy and the capping of rates in local government. The Chief Executive confirmed the Board's main role was to prevent the cause and limit the effect of flooding and the Board needed to be looking for efficiencies where possible. Obviously, some issues could not be changed or mitigated as they were beyond the Board's control.

*M. Cooper added that sometimes there could be a long waiting period before new legislation was implemented.*

The Chief Executive went through preventative controls and confirmed that it was possible to prevent some of the effects and believed that the production of the financial report at each Board meeting supported this. Board Members are given a clear, accurate up to date position of the finances; the two payments due from the Council and the present state of collections from ratepayers.

*The Chairman added that some level of risk had to be accepted.*

The Chief Executive confirmed that with regard to standard flood procedures, the Board was fully engaged in the Lincs emergency plan and as the recent event had shown, the IDBs and other emergency services all worked together to try and deal with the crisis. The Emergency Plan also included local farmers who had agreed that in the event of an incident their fields/yards could be utilised, and their workers could also be used to assist where possible.

*M. Cooper commented that the emergency plan was extremely comprehensive. The Chairman added that it was good that this level of co-operation existed with the farmers.*

Risk Area 2 referred to the Board's responsibility to provide a safe working environment for the staff and the public. The Chief Executive confirmed that he felt that this was the biggest risk the Board faced. Health and Safety ("H&S") was taken extremely seriously by the Board.

Controls were in place and the Chief Executive referred the Committee to the Risk Register which showed outsourced H&S advice, a compliant H&S Manual, and an active H&S Committee. Staff training was monitored closely and updated as required. Any potential incidents were referred to the Board at each meeting. The Foremen and the staff are all very aware of the importance of H&S. It was useful that the Board has a large percentage of Farmer members who are fully aware of the importance of this area.

The Chief Executive confirmed that in relation to H&S accidents insurance companies can now include a claim for projected future earnings of the individual that can exceed £10m. As a result, the Board has increased its public liability insurance by £10m to £20m. Employer's Liability Insurance is also in place.

In the event of damage to the Board's own property, accidental damage cover is in place and each year the Chief Executive attends a renewal meeting where the level of required insurance is discussed. Cyber insurance is also taken out by the Board.

*The Chairman felt that cyber issues should be added to the Risk Register.*

The Chief Executive was confident that in the event that a member of staff opened a virus e-mail that the Board would suffer no data loss and the Ratings and the Mapping system would be most at risk but with the protection in place he was confident that the system would not be affected long term.

*M. Cooper said that whilst he was happy with the training etc in place for staff there was always that chance of human error.* The Chief Executive confirmed that we employed 32 people and that there had been a couple of incidents like this. However, all staff receive regular training and assessment. New staff are given H&S training, this is taken very seriously.

*The Chairman referred to an incident with a local farmer where a very experienced employee ended up losing a limb as a result of human error. M. Cooper agreed that this was the biggest risk any employer faced.*

The Chief Executive confirmed that the Board's Inspection Tour planned for 12<sup>th</sup> June 2019 had had to be postponed because of the Wainfleet incident but he was planning to reschedule it for February/June next year and it may be prudent to include a H&S aspect. The Chief Engineer could show the Board the machines the employees use. The employees could also be on hand to confirm the regular training and assessments they receive and answer any questions that the Board may have. This may provide the Board with some comfort. The Chief Executive confirmed that mobile telephones have recently been replaced and now include the benefit of being able to access the mapping tool. The Chief Engineer would ideally like to introduce software which would include a live drop-down H&S feed which would minimise paperwork and enable the H&S issues of each job to be addressed before work starts.

*The Chairman asked if it was possible to monitor where each individual was working via their phones.* The Chief Executive confirmed that it was not and that he did not believe that the employees would want to be monitored in this way.

*The Chairman did not believe that this was a matter of their choice but could be valuable especially in the case of lone workers.* The Chief Executive confirmed that currently the Board has a student working alone reviewing the Board's assets. The agreed protocol is for him to call the office each hour. However, he is using a GPS device to record conditions and it is possible for this to be monitored in the office, ensuring that we know where is at all times.

*The Chairman confirmed that if the Board proceeds with the supply of vans to staff that they should have a tracker so that they can be monitored.* The Chief Executive confirmed that if the Board does proceed with the company vans that they would be stood parked all day and so there would be nothing to track.

*The Chairman asked if the men in the district called in on a regular basis?* The Chief Executive confirmed that he did not know but not all operatives worked alone. He believed the men checked in with the Foremen at the end of the job. *The Chairman said he would like this fact checked - 2-3 hours with no contact could be too late.* The Chief Executive Officer said he would feedback on this.

Risk Area 3. The Chief Executive believed the Board complied with the requested compliance in relation to Maintaining Financial Records and Reports and he did not want the Internal Auditor to conclude that there were limited internal controls. There had only been one issue in the last 15 years in relation to a cheque being fraudulently changed. The Chief Executive was a qualified accountant and the Board, and this Committee had access to all external and internal audits and financial reports. Board and Committee members were welcome to direct the work of the Internal Auditor if they so wished to clarify and check any information – such as Grant in Aid payments received and allocation etc.

*The Chairman confirmed that concerns could also be raised at any Board meeting. He also asked whether staff had training to spot scams or bogus e-mails. The Chief Executive confirmed they did and mentioned there had been an incident at Lindsey Marsh IDB which had been spotted but the information had been shared with the Lincolnshire IDBs.*

The Chief Executive confirmed that at present cheque payments were still used for most payments and these were prepared by the Finance Assistant and were then checked and signed by himself and the Chief Engineer and this was an additional safeguard.

*The Chairman suggested that when making bank transfer payments to a new supplier for large amounts that initially a small payment is sent.*

*M. Cooper agreed that cheque payments were safer, in his opinion, because you can ensure that the cheque is posted to the correct address rather than just transferring to a bank account number.*

At 10.52 T. Ashton joined the meeting and apologised for being late. The Chief Executive briefly ran through what had been discussed so far.

The Chief Executive confirmed that he and the Chief Engineer had had in-depth discussions regarding how we insure our machinery. Machines, where possible, were parked in farmer's yards overnight to mitigate the risk of any damage or theft. If the machine had to be left in the open overnight, where possible, the machine was parked with the fuel tank bankside to try and avoid fuel theft.

*M. Cooper asked if the machines were fitted with trackers? The Chief Executive said they were not. M. Cooper said at least then they could be tracked. The Chief Executive confirmed that the Board had never had a machine stolen.*

*T. Ashton suggested fitting the machines with a tracker may help reduce insurance premiums. The Chairman confirmed that trackers could be over-ridden, but this was something that could definitely be looked into.*

*M. Cooper confirmed that the machine was better protected if it was parked in someone's yard.*

The Chief Executive concluded that the new Risk Register was a much simpler report which was easier to manage. The Committee also needed to ensure that all policies are appropriate. The only time that changes are required is if there is a change in legislation or those suggested by the Internal Auditor or ADA. The only changes required at present are to add that the H&S policy has been approved by NFU and some names need updating. The policies are also displayed on the Board's website and the Chief Executive briefly took the Committee through them.

*M. Cooper asked if complaints made under the Whistle-blower policy would be dealt with by another Board? The Chief Executive confirmed that the Board would deal with them internally.*

*M. Cooper said this was a potential issue because the employee might have a problem referring the problem if, say, the person they were reporting to was involved. The Council's policy is that complaints of this nature are referred to and dealt with by another Council. The Chief Executive confirmed that issues could be raised with their Line Manager, Chief Engineer, Chief Executive or Chairman and Chairman of the Board.*

*The Chairman believed that any issue should be reported to two people.*

*M. Cooper agreed. The Chief Executive confirmed there was a chain of people that issues could be raised with.*

To Summarise, the Chief Executive confirmed that: -

- The Risk Register needs to be updated.
- Investment Policy needs to be changed to show 12 months.
- Division of Responsibilities had been sent to the Chairman for approval/amendment.
- Scheme of Delegation – shows each individual's duties within their roles. *M. Cooper asked if a flowchart could be incorporated as it keeps things simple.*
- The Chief Executive confirmed that he had just reviewed the Data Protection Policy and would ensure all necessary changes to names and dates would be made following this meeting.

2. **MATTERS RAISED BY THE INTERNAL AUDITORS REPORT**

The Chief Executive confirmed that a couple of issues had been raised. (1) need to update the policies which had now been done and (2) at the time of the audit there was a discrepancy on the Bank Reconciliation which had now been resolved. J. Grant had telephoned the Chief Executive before the meeting and believes that the Board is sound and not exposed to any financial risk.

The Chief Executive suggested that it would be sensible to increase the members of the Governance & Risk Committee to, say, seven. *T. Ashton agreed with this suggestion and it was agreed to raise this at the September Board meeting.*

**RESOLVED TO RECOMMEND** That the policies discussed by the Committee are amended and are recommended for approval by the Board at the September 2019 Board Meeting.

3. **ANY OTHER BUSINESS**

There was no other business aside from T. Ashton's apologies for non-attendance at the September Board Meeting.

Chairman