

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 **25 November 2021**

Present: - C. Crunkhorn (Committee Chairman)
P. Richardson
Cllr. T. Ashton
K. Smith

1. **APOLOGIES**

Apologies had been received from J. Woods, J. Grant, P. Skinner. No apology had been received from N. Hastie.

2. **COMMITTEE MEMBERSHIP**

The Committee Chairman welcomed members and confirmed that the Committee still had one vacancy. (*M. Leggott indicated that he would like to join this committee following the meeting*).

3. **31 MARCH 2021 EXTERNAL AUDIT**

The Chief Executive ran through the report and confirmed there were no matters which caused concern. One issue that had been corrected was, as previously advised, the 30-day period that electors have to look at the accounts had been advertised on the first day of the 30-day period instead of being advertised on the day before the 30-day period began. This had been marked as a note and not a qualification.

4. **REVIEW OF GOVERNANCE POLICIES**

The Chief Executive reported that the Risk Register and Financial Regulation policies were subject to an annual review.

The Risk Register was made up of 5 main areas which were covered in the report. The Chief Executive confirmed that he had no proposals to make in relation to page 1.

Page 2 dealt with Health & Safety, which posed the biggest risk to the Board. Together with the Chief Engineer, a lot of time had been spent reviewing this issue and many improvements had been made this year. The Chief Engineer showed Committee Members the new system that had been put in place. Each day before commencing work, the operatives log onto their device and complete a risk assessment. This takes 2-3 minutes to complete and significantly reduces any liability to the Board. Every operative has been provided with a tablet, which is mounted in their vehicle, and can log on and review every task, check the risk assessment for that task. Operatives can access contingency measures for tasks and review the best safe working practices. Operatives then confirm digitally that they have read through this and agree they have sufficient equipment and training to deal with that task.

The Chief Executive confirmed that there were many off the shelf packages which attracted high fees but this system was free and had been devised with the Chief Engineer and staff input. The bonus of having developed this in-house meant that it was bespoke to the Board. It was possible to view overhead power lines and buffer zones and all this information was readily available. The Chief Engineer is able to view what the operatives have been working on, see their answers to the questions and at the end of the month download this information into a spreadsheet, which can then be signed off as audited. The Chief Engineer confirmed that dangerous occurrences would be added and this would be used to monitor injuries.

The Chief Executive added that this was a good system because before even commencing work, health and safety was at the forefront of the operative's mind. As a result of this system being put in place, he would recommend that the risk register reflect this reduction in risk. The tablets

had been purchased from the EE asset fund and could be used with EE and Vodafone network coverage. The Chief Executive confirmed that this was a massive step forward for the Board and that to the best of his knowledge no other Board was doing this.

T. Ashton - confirmed this was a credit to the Board and asked as this was based upon Microsoft Teams whether other Boards would be able to utilise it? The Chief Executive confirmed that other Boards could use Microsoft Teams but that he was not minded to share this actual product with other Boards for free, bearing in mind the length of time spent by himself and the Chief Engineer developing it.

T. Ashton - asked if the Board could licence it and charge other Boards for it? The Chief Engineer confirmed that the system was available to other Boards but the content of it is all information entered by the Chief Engineer and had been very time consuming. The Chief Executive added that if other Boards were interested then perhaps training sessions could be offered at a charge.

T. Ashton - would support promoting this via ADA.

The Chief Engineer confirmed that this was only the start and that there were plans afoot to use the tablet for asset condition. The operatives fully supported this development as it assists them to do the job. The Chief Engineer confirmed that there was a robust risk assessment policy supporting this process and it covered the largest health and safety risks. The other strength is that if there were an incident then the system could be checked. If a risk assessment had been completed the onus was on the Board but if no risk assessment had been completed the onus was on the individual.

The Chief Executive suggested reducing the risk level and to list the new controls in place. The Chief Engineer confirmed he would show the system to the Board at the meeting on 8th December.

The Committee Chairman asked if the members were prepared to approve the changes to the policy and to recommend to the Board to adopt the changes. There was a show of hands and it was agreed

Risk Area 3 related to financial matters and the Auditor had confirmed this was very good and the highest level of assurance had been given. The Board were at no risk financially.

Risk Area 4 was in relation to the Boards IT Networks and the risk of cyber-attacks. This year the Board had had to endure a 39% increase in insurance premiums. Insurance in respect of cyber-attacks was costly and had not been purchased this year. However, this was something for Board referral.

T. Ashton - asked if the systems were vulnerable? The Chief Executive confirmed that our suppliers do provide us with cyber virus cover and they are very efficient at contacting us in light of any new possible threat. *All staff had received training in recognising suspicious e-mails.*

The Vice-Chairman confirmed that the size of the insurance premium needed to be weighed up against the risk.

K. Smith - asked what information could be lost? The Chief Executive confirmed That we hold Rate-payers information but with ransomware attacks, the risk would be that we could not access the information and have to pay a ransom. However, all work is backed up daily and a disaster recovery procedure is in place.

The internet is used to access our banking application. The Chief Executive said that he would obtain an up-to-date quotation for the insurance and would take it to the Board in December.

K. Smith - asked how much a new system would cost? The Chief Executive confirmed that this would be the price of a new server rack.

The Chairman added that there was a good level of protection in place as the data was backed up daily and stored on individual back up cassettes in the strongroom.

T. Ashton - found it really reassuring that the tapes were kept in a fireproof safe but suggested that it might be prudent to take a month end backup and then take that cassette off site.

With regard to the Financial Regulations, the Chief Executive confirmed that these were reviewed annually. At 2.6 an adjustment had been made. This recommended for larger projects that a Project Manager/Contractor be selected from a framework. The Chief Engineer has been engaging with consultants to discuss asset condition surveys including all major assets. These are very complex and time-consuming processes so to be able to deal with pre-approved consultants can make the whole process more streamlined and cost-effective.

The Chief Executive referred the Committee to paragraph 21.1 regarding the General Reserve. The Board's desire is for the Reserve to be at 20% of the expenditure. To achieve this we would need £570k in the reserve but at present we have less than £450k. The Chief Executive believes that 20% is the minimum figure which should be held in the General Reserve because one major flood event could cost in excess of £400k and as the Board were aware these types of events are becoming more frequent.

The Chairman added that the problem would be if £400k were taken out of the reserve then the Board would struggle to re-imburse this sum. 2% increase on the rates would create £50k but the Board have not got sufficient funds to make up the shortfall. The Chairman believes that 20% is the bare minimum that should be held in the reserve and that ideally the Board should be looking at 25%. The Vice-Chairman agreed with this and confirmed that there may also be an impact because of the diesel issue so perhaps 20% was more realistic.

T. Ashton - would support this and added Black Sluice IDB has increased it's reserve to 30% which was an indication of where this Board needs to be. This will obviously result in a hefty increase in the rate and any increase in the rates would be impacted by the diesel issue.

The Chief Executive went through all other policies listed on the website.

The Committee Chairman asked if the members were prepared to approve the changes to the policy and to recommend to the Board to adopt the changes. There was a show of hands and it was agreed

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 2021 Board Meeting.

3. **ANY OTHER BUSINESS**

There was no other business and the meeting closed at 12.50pm

Chairman