

# 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, 15<sup>th</sup> November 2023**

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

1. **J.E GRANT**

The Chairman confirmed that he was sure all Committee Members had heard the very sad news of James' passing and advised that one minute silence would be held at the next Board Meeting as a mark of respect.

2. **APOLOGIES**

No apologies.

3. **APPOINTMENT OF NEW MEMBER**

The Chairman advised the Committee that D. Middleton had expressed an interest to join this Committee. M. Leggot proposed that D. Middleton join the Governance & Risk Committee and this was seconded by T. Ashton.

4. **INTERNAL & EXTERNAL AUDIT REPORTS -31 MARCH 2023**

The Chief Executive confirmed that the findings of the Internal/External audit had been reported to the Board. The findings were usually discussed at the meeting however for the first time both audits had been totally clear and no points had been raised.

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 documents dates should be updated on the website.

5.1 **Finance Regulations**

The Chief Executive confirmed that there were a few items to amend.

The Chief Executive referred Committee Members to Page 1, paragraph 2.1 refers to the procedures employed in connection with the procurement of goods and services. The current limits had been in place for many years and it was proposed to double them as set out below:-

***Estimated Value of Goods/Services***

*≤ £5,000*

*£5,000 - £30,000*

*≥ £30,000*

***Action to be taken***

*No quotation/tenders required*

*Obtain 2 verbal quotations*

*Obtain 3 written tenders*

Page 13, paragraph 2.5 states "*where a tender is accepted other than the lowest, the Board's approval shall be obtained*". The Chief Executive confirmed that in this instance the approval of the Chairman will be obtained.

Page 2 paragraph 4.6 refers to the General Reserve and a figure of 20%. This section requires re-wording to reflect the Board's decision to increase the General Reserve to 25%, by annual increments of 1% per year until the 25% figure was achieved. The position would then be reviewed to continue increasing the General Reserve.

Page 3 paragraph 7.1 refers to the purchase of Goods and Services it was agreed that the figure of £10,000 be increased to £20,000. Likewise, paragraph 7.3 the value of £20,000 be increased to £30,000.

## 5.2 **Risk Register**

The Chief Executive referred Committee Members to Risk Area 1 and confirmed that local rate capping was an issue for the Board and that next year the Board would be looking for an increase in the rate in excess of 20% because of the increase in electricity charges.

Risk Area 4 was in relation to the Boards IT Networks and the risk of cyber-attacks. The Chief Executive referred Committee Members to the page of his report which showed various quotes for Cyber Insurance including Cybercrime cover. The Chief Executive confirmed that he believed Cybercrime was a bigger threat and that the cost was really quite reasonable considering it provided £2 million indemnity cover. With some of the larger projects in the pipeline it would be prudent to ensure that the Board is protected.

*T. Ashton - stated that given the figures involved the cost of the insurance was not unreasonable and was worth it for the reassurance that it gave, He confirmed that unfortunately you cannot guard against everything.*

*M. Leggott - agreed whole heartedly with T. Ashton's comments.*

The Committee Chairman asked if the members were prepared to approve the changes to the Finance Regulations and 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 2023 Board Meeting.

## 6. **GENERAL RESERVE LEVEL UPDATE**

The Committee Chairman confirmed that the level of the General Reserve needed to be discussed.

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%.

*T. Ashton - supported sticking to the target of 25% despite whatever challenges may be faced during the coming year with the increase in electricity charges. It has been shown how quickly a weather event can deplete these funds and they need to be rebuilt.*

*M. Leggott - agreed with T. Ashton's statement and believed that it would be prudent to stick with the current target.*

*K. Smith - asked what the actual costs of the recent weather event had been?*  
The Chief Executive confirmed that the pumping costs were in excess of £10k per day. The electricity charges were due to increase by 182% and the standing charge by 200%.

The Chairman concurred that it was 100% the correct decision to continually increase the General Reserve and that the 25% was only a target. Black Sluice IDB's General Reserve currently stands at 30%. The Board's budget is 80% "immovable" and the budgets ensure that the district remains constant but not improving.

There was a show of hands and it was unanimously

**RESOLVED TO RECOMMEND** That when the budget is set an additional 1% be added to the rate as discussed by the Committee. For approval by the Board at the December 2023 Board Meeting.

5. **ANY OTHER BUSINESS**

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

Chairman