

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

# Full Board Meeting

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Wednesday 22 July 2020

**Microsoft Teams – Virtual Meeting**  
**10am**

**Minutes of the meeting of the Lower Severn (2005) Internal Drainage Board**  
**Held on Wednesday 5<sup>th</sup> February 2020 at 2.00 pm**  
**At Gables Hotel Falfield**

**Present:**

Cllr M Riddle    Chairman  
Cllr P Abraham  
Cllr B Behan  
Cllr K Burchall  
Cllr P Burford  
Mrs F Collins  
Mr T Cullimore  
Mr R Godwin  
Cllr R Griffin  
Miss R Hewlett  
Mr J Hore

Cllr P Howells  
Mr R Hyslop  
Cllr J Jones  
Mr G R Littleton  
Mr J Nichols  
Mr G Simms  
Ald M Sykes  
Cllr P Toleman  
Ald C Williams

**Staff:**

Kieran Warren  
Martin Dear  
James Druett  
James Thomas  
Louise Reading

Principal Officer  
Accounts Officer  
Land Drainage Engineer  
Civil Engineer  
Minutes

PO  
AO  
LDE  
CE

<b>2998</b>	<b>Apologies</b> Apologies were received from Mr R Thatcher, Mr M Barnes, Mr P Goodey and Mr K Withers.	
<b>2999</b>	<b>Chairman's Announcements</b> The Chair thanked Members who attended the SWADA meeting in December and encouraged Members to attend in the future.  The Chair advised a Member/Officer visit to Avonmouth and Severnside would be coming up in April and he encouraged Members to attend.	
<b>3000</b>	<b>Declaration of Members Interest</b> Mr Littleton & Mr Godwin declared an interest in item 8 (differential rating). This opened up discussions as to which Members might have an interest in this item of business.  It was felt by some Members that whilst their interest could be seen as a perceived personal benefit, they were also representing their area.  Cllr Burford suggested that owing to the nature of this subject, and how the debate could go it may be prudent to revisit this at the time of the debate.  Cllr Abrahams disagreed with this notion. He felt that all Members had an interest and thus no Member should remove themselves.  The Chair concluded it was up to the Member to judge if they had a purely personal interest in this item and take the appropriate action.	
<b>3001</b>	<b>Matters arising and Minutes of Previous Meeting</b> Miss Hewlett wished the minutes to be amended with a point raised about the need to cover emergencies and the requirement for an emergency contact, No one was contactable on the weekend in September 2019 when the pump at Wicks Green did not work to its capacity. Emergency contacts had also been part of Member/Officer site visit discussions at Saul.	

	<p>In response to Mr Godwin's question about having an emergency contact, the PO advised Members that a report would be submitted to the Governance and Probity Committee in April and the Board in June.</p> <p>Mr Godwin felt that this timescale was too lengthy and that out of hours arrangements should have been put in place when the problem first arose in September 2019.</p> <p>The PO explained that Officers had discussed a number of options, including costs and resource implications. This required time to investigate and arrive at a sensible option.</p> <p>Cllr Burford observed that the recent introduction of essential user car allowance should cover this kind of situation.</p> <p>The Chair undertook to meet with the Officers to discuss the issue further and to email a response to Members.</p> <p>Action 1. The CE provided copies of the variance report requested at the last meeting in respect of increased pump costs and welcomed questions. No questions were raised.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>Subject to Miss Hewlett's addition the Minutes of the meeting held 25<sup>th</sup> September 2019 be approved.</b></li> </ul>	
<b>3002</b>	<p><b>Committee Updates</b></p> <p><b><u>Governance &amp; Probity Committee Update.</u></b></p> <p>Cllr Behan gave the Members an update on the Governance and Probity meeting on 4<sup>th</sup> December 2019.</p> <p><u>Quorums</u></p> <p>The topic of Quorums was discussed in the light of low attendance at the last Governance and Probity meeting. Members were advised that the Committee Quorums would be looked into at the Governance &amp; Probity Committee meeting in April 2020.</p> <p><u>Policies</u></p> <p>The Governance and Probity Committee also reviewed and submitted the following policies for the Boards approval:</p> <p><i>The Financial Regulations</i></p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Financial Regulations be approved as per Appendix A.</b></li> </ul> <p><i>Engineering Committee Terms and Reference</i></p> <p>In respect of these Terms of Reference Mr Simms asked if under point 4 the word monitor could be included as this was a significant part of avoiding overspend.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>Subject to the amendment above The Engineering Committee Terms of Reference be approved as per Appendix B.</b></li> </ul> <p><i>Finance and General Purposes Committee Terms of Reference.</i></p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Finance &amp; General Purposes Committee Terms of Reference be approved as per Appendix C.</b></li> </ul>	

### *Matters Reserved for the Board*

In response to Cllr Burford questioning the removal of point 9 – The Appointment of the External Auditor. The AO explained that this was owing to changes in legislation. Members noted that the External Auditor was now appointed by Smaller Authorities Audit Appointments Ltd.

#### **It was resolved that:**

- **The Matters Reserved for the Board be approved as per Appendix D**

### *Delegation to Officers*

Cllr Burford suggested that this policy should include a cap on rechargeable works.

The PO explained that this had been visited at the June Board meeting when the criteria for rechargeable works had been approved by the Board.

The Chair also suggested that the Officers were best placed to make decisions on rechargeable works.

Cllr Burford still felt that responsibility shouldn't be delegated without limits.

Cllr Behan suggested that this be revisited at the Governance and Probity Committee meeting in April 2020.

#### **It was resolved that:**

- **The Delegations to Officers Policy be revisited at the Governance and Probity meeting in April 2020 in respect of requests for rechargeable works.**

### *Redundancy Policy*

Cllr Behan advised that the Redundancy Policy was kept up to date via Citation – the Board's HR provider. The PO was tasked with contacting Citation to ensure the policy was up to date.

### *Flood Protection*

The Flood Protection Document had been reviewed and the only change required was a change to the amount of watercourse the LSIDB serviced from 518.16km to 550km.

### Members Allowances

Members allowances had been raised and suggested that the Vice-Chairman might receive an annual payment in line with the Chairman. The PO had been tasked to provide a report to the Governance and Probity Meeting in April 2020. It was yet to be confirmed if such action would require Ministerial approval.

### IDB Annual Report

The IDB Annual report showed comparative information in respect of several Drainage Boards around the country. The AO presented Members with 3 comparisons that he thought would be of interest.

	All IDBs	LSIDB
Watercourse Management	32%	62%
Administrative Costs	17%	11%
Levy Income	75%	40%

Members were encouraged to read the IDB annual report.



	<p><b>IDB Membership &amp; Governance</b> The Governance and Probity Committee would be looking at maximum number of years of membership at its meeting in April 2020. The Chair invited Members to provide any thought or comments about this to the PO.</p> <p>The PO confirmed that this would be applicable to Appointed Members but would check, in response to Mrs Collins question, its application to Elected Members also as an election is held every three years.</p> <p>Miss Hewlett highlighted the point that careful consideration should be given to Elected Members as their knowledge underpins the work of IDBs. Some Members on the Board have served a considerable time and could refer back to useful historical information.</p> <p>The Chair also pointed out to Members that attendance to the Boards meetings is very good when compared to some IBDs.</p> <p><b><u>ADA Conference</u></b> Cllr Behan informed Members that the PO and LDE had attended the ADA conference. Local MP knowledge and exposure was discussed and the Chair thought it would be beneficial to encourage newly appointed MPs to visit their areas and to have an overview of the role of the LSIDB.</p> <p>Cllr Howells stated that promoting the Boards role goes wider than just the MPs and felt that it would valuable to raise awareness with other organisations operating within the Boards area.</p> <p><b><u>Finance &amp; General Purposes Committee Update.</u></b> Ald Williams advised Members that the two main items discussed at both the Finance and General Purposes Meetings in December 2019 and January 2020 were the rate setting proposal and the Capital Expenditure Programme.</p> <p>Capital Expenditure featured heavily in both meetings and to date is the largest expenditure commitment the Board has ever made.</p> <p>The EA had confirmed the two-year extension request, thus the new deadline for the compliance with the 2019 Eel Regulations was 31<sup>st</sup> March 2028.</p> <p>Members heard that taking appropriate funds from the revenue account into the reserve should be sufficient for this time period assuming inflation is steady. Going forward closer liaison with the Engineering Committee was expected to highlight any issues as early as possible.</p> <p>Mr Simms reinforced the need for closer liaison between the Engineering Committee and the Finance and General Purposes Committee.</p> <p>Ald Williams also informed Members that the Finance and General Purposes Committee would be asking the Engineering Committee for the life expectancy of the new pumps due to discussion around whether the new pumps will have the same life expectancy as the current ones. The outcome of this would impact the Medium-Term Financial Plan.</p> <p>Mr Simms felt that the life expectancy of the new pumps would be less than the current pumps and a reserve fund should be considered now.</p> <p>Cllr Howells asked how funding from the pumps was raised given the current uncertainty. He held concern over interest rates on borrowing. Ald Williams advised that the Board did not borrow money, income being raised from levies and ratepayers.</p> <p>Miss Hewlett surmised that the rate in the £ would not be reduced after the pump project was finished and therefore this income could be used to fulfil the requirement of a sinking fund for future pump replacement.</p>	
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3003	<p><b>Financial Reports</b></p> <p>The AO explained the financial reports for the period.</p> <p>Mr Nichols stated he had requested a breakdown for the expenditure of the Energreen. The LDE confirmed that he would collate and issue the information. The LDE also responded to Mr Nicholls question that plant was replaced every 7 years.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Forecast for year ending 31<sup>st</sup> March 2020, the Capital Expenditure for 2019/20 &amp; 2020/21, the Apportionment between Charging Authorities, the Capital Programme and the Developers Funds at 30<sup>th</sup> November 2019 be noted.</b></li> <li>• <b>The Proposed Budget for 2020/21 be approved as per Appendix E.</b></li> <li>• <b>The Medium-Term Financial Plan for 2020/25 be approved as per Appendix F.</b></li> </ul>	<p><u>Action 1</u> The LDE to report on Breakdown costs of Energreens</p>
3004	<p><b>Declaration of Rates 2020/21</b></p> <p>In line with the Capital Programme requirements Ald Williams informed Members that the Finance and General Purposes Committee recommended a rate increase of 0.3p in the £.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>A drainage rate and levy for 2020/21 be declared at 9.3p in the £.</b></li> </ul>	
3005	<p><b>Differential Rating</b></p> <p>The PO reported that this had been an interesting exercise, his report highlighted the fact that switching to differential rating generates no extra income, with the cost of collection and administration increasing. There was also concern over the reputational cost to the Board in making any changes. Members were also asked to note that Ministerial approval was required and any request would need to be supported by submitting a case for charging differential rates. Affected parties may make representations to the Minister which would require resolving before any Order would be confirmed. Based on 2019 figures the sum involved equated to 1.3% of the Board's income.</p> <p>The Chair invited questions.</p> <p>Mr Hyslop remembered that historically two rates had been levied and that this seemed fair due to the benefit to these landowners and the value of such land.</p> <p>Mr Littleton added that it was only Elmore Back that had a differential rate at that time. This was historical owing to amalgamation of the two Boards.</p> <p>Cllr Abraham thanked the PO for his paper and added that this had been discussed several times and as a Bristol City Council representative differential rating could be advantageous to them; however as differential rating provides no extra income compared with the cost involved and the rigours of procedure and objections, he did not support its introduction.</p> <p>Cllr Burford expressed his disappointment at the paper and its assumptions. He believed that it was a surcharge report that he asked for.</p> <p>He added that there were two method of drainage works – gravity drainage and pumps. Money raised for running of the pumps should increase income.</p> <p>Cllr Burford went on to make the following points in response to the report:</p> <ul style="list-style-type: none"> <li>• There should be extra money</li> <li>• Administration was not an issue as once it was set up the computers carry out the bulk of the work.</li> <li>• The income received would ensure ratepayer confidence that beneficiaries would have a better service.</li> </ul>	

	<p>Other Members pointed out that a surcharge report is different and it was a differential rate report that had been requested and agreed on at the November Board meeting.</p> <p>He suggested the PO produce a second report outlining the benefits of applying a surcharge in pumped areas.</p> <p>Ald Williams asked the PO to elaborate on why there would be no extra money.</p> <p>The PO was surprised by Cllr Burford's comments and explained that the Board cannot charge twice for the same expense and that's what supplementary charging would be.</p> <p>Mr Simms further added that differential rates could lead to differential expectations and truly identifying those that would benefit in certain areas would be difficult.</p> <p>Mr Hore asked if there was differential rating for those within pump catchments – could the same principle be applied to gravity drainage works as requirements also differ enormously.</p> <p>Members discussed how difficult it would be assessing who would be charged and the various factors that would require consideration.</p> <p>The Chair reminded Members that those areas that had pumps put in did so for a reason and that other IDBs are moving away from differential rating.</p> <p>Mr Littleton left the room and Members voted 12 in favour, 2 against with 3 abstentions in respect to the recommendation to maintain the present rating system.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The rating system currently in place be maintained.</b></li> </ul>	
<b>3006</b>	<p><b>Default Works Cost Recovery</b></p> <p>The PO gave Members a timeline of events in relation to the default works cost recovery reporting that all that remains was for Land Registry to confirm that the charge is registered.</p> <p>In response to Mr Simms question, the PO confirmed that the cost of court action was not recoverable.</p>	
<b>3007</b>	<p><b>Land Drainage Engineers Report</b></p> <p>The LDE advised Members that after a couple of dry winters, this winter had been very wet. Despite this 500km of watercourse had still been maintained. Dredging starting in January and was going well.</p> <p>The LDE also reported that the structural survey for Elmore Back pumping station had been received and the building was structurally sound. Soil samples for all the pump stations had been requested. The LDE anticipated that the Elmore Back design tender would be ready for April 2020.</p> <p>In response to a question from Cllr Griffin, the LDE explained that pump stations did not have sufficient surface area to accommodate solar power panels.</p> <p>Members heard that in-house training had commenced and operatives had spent time completing online training courses in Manual Handling, Steps and Ladders and Personal Protective Equipment. Positive feedback had been received from the operatives.</p> <p>Cllr Jones enquired how many operatives were trained on defibrillators and suggested that knowing where they were within their area of work could be beneficial. The LDE confirmed that both the, the CE and the Foreman had completed this training: all the other operatives had completed full first aid training.</p>	

	Mr Simms asked if the measuring equipment for the Slimbridge Water Level Management Plan had been purchased. The CE advised that the equipment was currently in place.	
<b>3008</b>	<p><b>Civil Engineers Report</b></p> <p>The CE advised that the consents for Aust flood defensive improvements works in Aust were currently being processed.</p> <p>Members notes that the Engineers had attended a meeting with Saul Parish Council to discuss the new pump. The Parish had several concerns over the new pump and the CE was pleased to report that some of these had been addressed. However, the Parish would still like to have an out of hours contact.</p>	
<b>3009</b>	<p><b>Date of next meeting</b></p> <p>Members noted that the next Full Board meeting would be held on 10<sup>th</sup> June 2020.</p>	
	The meeting closed at 16:05 pm.	

Un-approved

**LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**  
**FINANCIAL REGULATIONS**

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## 1. Introduction

1.1 Financial Regulations set out the framework of the rules for the proper financial administration of the Board and the responsibility of those charged with carrying out duties with financial implications.

1.2 These financial regulations shall govern the conduct of the financial transactions of the Board and may only be amended or varied by resolution of the Board.

1.3 The Accounts Officer (AO) is the Responsible Financial Officer (RFO), as defined in the Accounts and Audit Regulations and is responsible for ensuring that the Board complies with these Regulations, the Local Audit (Smaller Authorities ) Regulations 2015 (as an opted-in authority) and the Smaller Authorities (Transparency Requirements) Regulations 2015.

1.4 The AO, under the policy direction of the Board, shall be responsible for the proper administration of the Board's financial affairs.

1.4 The AO is responsible for the overall financial control of the Board's financial affairs and the provision of financial management information.

1.5 The AO will prepare the Board's annual accounts as soon as possible after the end of the financial year. These accounts will be produced in accordance with proper practices as set out by the Joint Panel on Accountability and Governance – Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to proper Practices to be applied in the preparation of statutory annual accounts and governance statements.

## 2. Responsibility of Officers

2.1 All staff of the Board have a general responsibility for the security of the property of the Board for the avoidance of loss and for economy, efficiency and effectiveness in the use of resources.

2.2 All accounting procedures and financial records of the Board shall be determined by the AO as required by the Accounts and Audit Regulations 2015 and the Good Governance for Internal Drainage Board Members – published by the Association of Drainage Authorities (ADA).

2.3 The AO shall ensure that appropriate accounting systems are in place to meet the Board's legal requirements, including those of all funding bodies.

2.4 The AO shall be responsible for the maintenance and supervision of all accounting records. He will supply to the Board at appropriate intervals such information as is necessary to enable expenditure and income to be controlled.

2.5 The AO shall be responsible for completing the annual accounts of the Board as soon as practicable after the end of the financial year and shall submit them to the Board at a Board Meeting held before the Statutory Date in accordance with the Accounts and Audit Regulations currently in force.

### 3. **Annual Estimates**

3.1 Detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared each year by the AO.

3.2 The AO shall formulate and submit to the December meeting of the F&GP (Finance and General Purposes Committee) proposals in respect of revenue services and capital works for the forthcoming financial year.

3.3 The F&GP Committee shall further review these estimates at their meeting in January and submit them to the Board at the February meeting and shall recommend the precept and agricultural rate to be levied for the ensuing financial year.

3.4 The AO shall also each year produce a five year medium term financial plan.

3.5 The annual capital and revenue budget shall form the basis of financial control for the ensuing year.

### 4. **Budgetary Control**

4.1 Expenditure on the revenue account may be incurred up to the amounts included in each approved budget. Where expenditure is required which is in excess of the approved budget then it must have the approval of the AO.

4.2 The AO may incur expenditure on behalf of the Board which is necessary, to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure. The AO shall report the action to the Board as soon as is practicable thereafter.

4.3 Where expenditure is incurred in accordance with regulation 4.2 above and the sum required cannot be met from savings made elsewhere within the Board's approved budget, it shall be met from the General Provision (Income and Expenditure Account).

4.4 The Board shall be kept informed by the AO of the overall financial position of the Board's finances through management accounts, forecasts and other reports as necessary.

4.5 Uncommitted provisions in the revenue budget shall not be carried forward to a subsequent year. However a general provision including a contingency should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.

4.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure on capital account unless the Board are satisfied that it is contained in the capital programme and that the necessary funds are available, or the requisite borrowing approval can be obtained.

4.7 The following principle shall be observed in connection with accounting duties: the duty of providing information, calculating, checking and recording sums due to, or from, the Board should be separated as completely as possible from the duty of collecting or disbursing them.

## 5. Purchases of Goods and Services

5.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases. Copies of orders issued shall be maintained.

5.2 All Officers and Board members are responsible for obtaining value for money at all times. The person issuing an official order is to ensure as far as is reasonable and practicable that the best available terms are obtained.

## 6. Procurement

6.1 The Board's policy on procurement requires that decisions to award contracts or make purchases are not made on cost alone but are based on achieving 'best value for money' which includes considering cost, quality, on-going maintenance requirements, life of the product and the social and environmental impacts.

6.2 Financial Regulations shall not apply to contracts which relate to items (i) to (vii) below:

- (i) For the supply of gas, electricity water, sewerage, and telephone services.
- (ii) For specialist services such as are provided by solicitors, accountants, surveyors, planning and IT consultants.
- (iii) For work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant.
- (iv) For work to be executed or goods or materials to be supplied which constitute an extension of existing contract by the Board.
- (v) For goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.
- (vi) For work to be executed, or for the purchase of goods, services or materials of a specialist nature or are obtainable from only one supplier.
- (vii) Employment contracts.

6.3 All contracts for over £250 in value shall be in writing.

6.4 Where it is proposed to enter into a contract:

- (a) For expenditure up to £10,000 in value the Principal Officer (PO)/AO/Land Drainage Engineer (LDE)/Civil Engineer (CE) shall have delegated power to contract but must demonstrate that value for money is obtained by comparing prices from alternative suppliers/contractors which are recorded, or by obtaining written quotes.
- (b) For expenditure between £10,000 and £50,000 in value, the PO/AO/LDE/CE shall invite quotations from at least three firms.
- (c) For expenditure over £50,000 in value the PO/AO/LDE/CE shall invite tenders from at least three firms.

6.5 For the avoidance of doubt, in calculating the relevant expenditure limits it is the likely expenditure over a period of a recurring nature, shall be aggregated.

6.6 Any invitation to tender shall state the general nature of the intended contract and the PO/AO/LDE/CE shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the lead officer and the last date by which such tenders should reach the office in the ordinary course of post or by email.



6.7 A detailed register of all tenders received, indicating the total sums (where available), should be formerly recorded and be duly signed, by those officiating at the review of the tenders. All sealed tenders shall be opened at the same time on the prescribed date by two officers in the presence of at least one member of the Board.

6.8 If fewer than two tenders are received for contracts value above £50,000 or if all the tenders are identical the Board may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

6.9 The Board shall not be obliged to accept the lowest or any tender or quotation.

6.10 Apart from those cases falling within Financial Regulation 3.2, where the value of the contract exceeds £10,000 and it is proposed to enter into a contract without obtaining three or more quotations or tenders, the reasons for such proposed acceptance shall be reported in writing to the Board/appropriate Committee or and shall be recorded in the minutes.

6.11 All decisions to suspend these rules should be fully documented and recorded in the Board's minutes as a formal auditable record of the decision process undertaken.

6.12 All capital works shall be administered in accordance with the Board's financial regulations relating to contracts.

## 7. **Banking**

7.1 The Board's banking arrangements shall be made by the PO/AO and approved by the Board. Bank accounts can only be opened at any of the four main clearing banks (NatWest, Lloyds, Barclays and HSBC). A current account will be opened together with one or more deposit accounts. No changes shall be made to the Board's banker or the bank mandate without prior consent of the Board.

## 8. **Payments**

8.1 Apart from petty cash payments all payments shall be effected by cheque drawn on the Board's bankers or by Bank Transfer. The exception is where arrangements have been made to make payments by direct debits to continual supplier for example, electricity, telephone, fuel, etc.

8.2 All invoices for payment shall be matched to the official purchase order, examined, verified and certified by the officer issuing the order. Before certifying an invoice that person shall satisfy himself that the work, goods or services to which the invoice relates have been received (or carried out), examined and approved.

8.3 All duly certified invoices shall be passed to the appropriate officer who shall examine them in relation to arithmetical accuracy and authorisation, and code to the appropriate expenditure head. All possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.

8.4 A schedule of all payment to suppliers in excess of £100 and together with the relevant invoices and supporting documents for amounts in excess of £5,000 be made available for inspection by Board members. A schedule of all payments and transfers will be made available at the following Board meeting.

8.5 Cheques drawn on the current bank account in accordance with the schedule referred to in the previous paragraph shall be signed by two duly authorised persons.

One, the A signatory to be the Chairman or Vice Chairman and the second, the B signatory to be the PO, AO, LDE or the CE.

8.6 Suppliers may be paid by the use of ebanking up to a value of £20,000 in one transaction. The authority to make payment will require the prior signed approval of the PO, LDE or CE and the approval of the Chairman or Vice-Chairman.

8.7 If a supplier contacts the Board purporting to have changes their bank details etc., this will be independently verified before amending the records and making any further payments to the supplier.

8.8 The inclusion of items in approved revenue estimates will constitute authority to incur such expenditure save to the extent to which the F&GP Committee or the Board shall have placed a reservation on any such items or items.

8.9 Revenue expenditure shall not normally be incurred unless provided for in annual estimates or by supplementary estimate examined by the F&GP Committee and approved by the Board. Whenever it is proposed to seek the approval of the Board to incur revenue expenditure not already sanctioned by the Board, the AO in consultation with the Chairman shall report to the F&GP Committee and the AO shall report to the full Board on the financial aspects of the proposal.

8.10 Capital expenditure shall not normally be incurred unless provision has been made within the capital budget, capital finance has been approved by the F&GP Committee and, where necessary, loan sanctions and other relevant approvals involving capital, the Board shall consider any report which the F&GP Committee may make regarding the financial effects of such proposal. Where approval of the Board is sought to incur capital expenditure not already included in the capital budget the AO, in consultation with the Chairman shall report to the F&GP Committee on the financial aspects of the scheme.

8.11 Payments on account of the contract sum shall be made within the time specified in the contract upon authorised certificates of the officer engaged to supervise the contract.

8.12 Where contracts provide for payments by instalments a record shall be maintained of all such payments. In any case when it is estimated that the total cost of work carried out under a contract, excluding fluctuation clauses, will exceed the contract sum by 5% or more a report shall be submitted to the Board.

8.13 Any variation to a contract or addition to or omission from a contract must be approved by the PO and the Board informed.

## 9. Income

9.1 Council Levies are to be issued as soon as possible after the rate has been set at the February meeting of the Board each year.

9.2 Agricultural Rates are to be issued as soon as possible after 1<sup>st</sup> April each year.

9.3 All other fees/amounts owed to the Board are to be issued as soon as the debt is incurred.

9.4 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the AO.

9.5 The Board will review all fees and charges annually.

9.6 All cheques and cash received shall be banked at least weekly. Disbursements shall not be made from cash received.

9.7 All cash will be held in a locked cash box within a locked filing cabinet.

9.8 Personal cheques shall not be cashed out of money held on behalf of the Board.

## **10. Petty Cash**

10.1 Petty cash may be provided to employees for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded with a claim for reimbursement:

(a) The AO shall maintain petty cash to a limit of £300 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

(b) The maximum claim per voucher is £50.

(c) Petty cash counts will be carried out and reconciled the cash balance to the ledger monthly.

(d) Income received must not be paid into petty cash but must be separately banked, as provided elsewhere in these regulations. Similarly disbursements shall not be made from cash received.

(e) Payments to replenish the petty cash shall be shown separately on the schedule of the payment of money presented to the Board.

## **11. Write Offs**

11.1 The PO/AO shall have the authority to write off debts, goods, materials that are less than £100 in value. A record of the write off will be kept together with a note of the circumstances necessitating the write off.

11.2 Any write off of Debts, goods, materials that are over £100 in value requires the authority of the Board.

## **12. Staff**

12.1 All employees of the Board shall conduct themselves in a polite, courteous and professional manner.

12.2 The PO shall keep a record of all employees to show details of the appointment, grade and payments in respect of each employee of the Board.

12.3 The Board's approval shall be required for the employment of additional permanent staff.

12.4 The PO shall have the authority to employ additional temporary staff, provided the revenue consequences are contained within the current annual estimates.

## **13. Salaries, Wages and Pensions**

13.1 The payment of all salaries and wages shall be made from the designated bank account in accordance with the salaries and wages records maintained by Moorepay

13.2 All timesheets, other pay records and expense claims shall be in an approved form and shall be signed by the employee and shall be certified by the PO, AO, LDE or CE.

13.3 Employees annual salaries and any enhancements should be reviewed from time to time by the Staff and Pension Committee and presented to the Board for consideration.

#### **14. Employees' Interests**

14.1 Employees must declare to the PO any financial or other interest which could conflict with the Board's interests.

14.2 In terms of hospitality and gifts, only useable gifts of a small value, less than £25, may be accepted.

14.3 Hospitality which is estimated to exceed £25 must be recorded in a register of gifts and hospitality. Any acceptance of hospitality or gifts must not be seen to compromise a future decision made by an Employee.

#### **15. Members' and Employees' Allowances**

15.1 All staff claim for payment for subsistence, travelling and any other incidental expenses shall be submitted and duly certified by a responsible officer (PO, AO, LDE, CE). An officer shall not certify a claim made by him/herself.

15.2 Payments to Members, who are entitled to claim travelling or other expenses will be made upon completion of the prescribed form.

#### **16. Fraud or Other Irregularities**

16.1 Any employee who suspects fraudulent behaviour, bribery or other irregularities shall immediately notify the PO. If it concerns the PO then the Chairman must be informed.

#### **17. Stores**

17.1 All goods received shall be checked as regards quantity and/or weight and inspected as to quality and specification.

17.2 There will be a monthly physical check of all items in store. There will be a record of the value of the stock.

#### **18. Assets**

18.1 All assets over £500 in value owned by the Board shall be accounted for in an asset register maintained by the AO. The asset register shall reflect additions and disposals of assets and record the cost or valuation of the assets.

18.2 Where it is proposed to sell, part exchange or trade in Board assets where the book value or actual value (whichever greater) is estimated to exceed £50,000, the transaction shall require the prior approval of the Board, shall be publicly advertised and be by competitive tender unless otherwise determined by the Board.

18.3 Where the estimated value of the asset is between £10,000 and £50,000, the disposal shall be effected, in the most cost effective manner, including the use of EBay/PayPal, and shall be subject to the approval of the appropriate Committee.

18.4 Where the estimated value of the asset is less than £10,000, the PO/LDE are authorised to undertake the disposal, in the most cost effective manner, including the use of EBay/PayPal, under delegated powers.

18.5 If it is proposed, in any case, to accept a tender or offer other than the highest, approval from the Board or the appropriate Committee must be obtained and the reasons recorded in the minutes.

## **19. Treasury Management, Capital Financing and Reserves**

19.1 The Treasury Sub Committee will determine the amount of cash that is available for deposit with the four main clearing banks. The AO has the flexibility to allocate funds between accounts in order to attract the best return.

19.2 The Treasury Sub Committee has the authority to invest sums received from Developers into a balanced multi asset portfolio following consultation with Smith & Williamson Investment Managers. Smith & Williamson will manage the fund on a non-discretionary basis.

19.3 Reserves will be maintained at an adequate level to support the ongoing operations of the Board. Each reserve will be reviewed, on an annual basis by the Treasury Sub Committee prior to review by the Board. Reserves will be held jointly in general cash and investment accounts of the Board.

19.4 The Board shall be responsible for raising all loans after receiving appropriate advice from the Treasury Sub Committee and the AO.

## **20. Audit**

20.1 The F&GP Committee may appoint a body or person with the appropriate accountancy qualification to be responsible for maintaining an internal audit of the Board's accounting, financial and other operations.

20.2 It is a requirement of the Accounts and Audit Regulations 2015 that the PO shall arrange for an internal audit to take place on an annual basis.

20.3 The AO shall not be responsible for internal audit.

20.4 The Internal Auditor shall complete Page 3 (Annual Internal Audit Report) of the Annual Governance and Accountability Return Part 3.

20.5 An internal audit report, which shows the findings from the audit, together with recommendations shall be made available to the members of the F&GP Committee and to the Board.

20.6 The External Auditor is appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) as the 'person specified to appoint local auditors' under powers set out in Regulation 3 of the Local Audit (Smaller Authorities) Regulations 2015.

20.7 The Annual External Audit shall complete Page 6 (External Auditor Report and Certificate) of the Annual Governance and Accountability Return Part 3.

20.8 Any officer or member of the Board shall if required to make available to the internal and/or external auditor those documents of the Board which appear to the auditor to be

necessary for the purpose of the audit and shall supply the auditor with such information and explanations as the auditor considers necessary.

## **21. Insurances**

21.1 Insurance cover shall be approved annually by the Board.

21.2 The AO shall effect all insurances and negotiate all claims on the Board's insurers.

21.3 The AO shall give prompt notification to the Board of all new risks which require to be insured and of any alterations affecting existing insurances.

21.4 The AO shall keep a record of all insurances effected by the Board and the property and risks covered thereby and review annually.

21.5 The AO shall be notified of any loss liability or damage or of any event likely to lead to a claim.

21.6 All appropriate employees of the Board shall be included in a suitable fidelity guarantee insurance.

21.7 Any Employee using his/her own vehicle for business purposes must ensure that it is insured for such use and has, where applicable, a valid MOT certificate.

## **22. Security**

22.1 Each responsible officer is responsible for maintaining proper security at all times for all buildings, stores, paint, vehicles, equipment, cash, documents and information under his/her control.

## **23. Protection of Private Property**

23.1 The Board shall not be liable for accidental loss or damage to the personal possessions which employees' use whilst on Board business, such as a car, or bring onto the Board's premises that are not included under the Board's Insurance Policies.

23.3 In the event of theft of personal items from staff, a full report shall be made as soon as the theft has been discovered. All such incidents shall be recorded and investigated.

## **24. Review**

24.1 It shall be the duty of the Governance Committee to review the Financial Regulations of the Board from time to time and to make such recommendations to the Board as are considered necessary.

# LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

## TERMS OF REFERENCE OF THE ENGINEERING COMMITTEE

Approved 5<sup>th</sup> Feb 2020 Minute 3002

### MATTERS FOR DETERMINATION BY THE COMMITTEE

1. Small engineering schemes or works up to £30,000.
2. Machinery replacement in accordance with the pre-approved programme.
3. The adoption or declassification of watercourses in the context of an approved policy framework and the regimes of other statutory authorities in this regard.
4. To assess, agree and monitor works for the Capital Programme.

### MATTERS FOR RECOMMENDATION BY THE COMMITTEE TO THE BOARD

5. To review the Board's rhine maintenance priorities.
6. To review future maintenance liabilities of assets e.g. Environment Agency, outfalls and main river
7. To review Avonmouth and Severnside developments commuted sums, infrastructure charges and modelling.
8. To review pumping station maintenance and repair.

Signed:..... (Chairman)

Minute 3002  
05 February 2020

# LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

## TERMS OF REFERENCE OF FINANCE AND GENERAL PURPOSES COMMITTEE Approved 5<sup>th</sup> February 2020 Minute No. 3002

### **Matters for determination by the Committee.**

1. The appointment of Internal Auditors.
2. Consideration of any Report or Opinion from the Internal Auditors.
3. Consideration of a summary of internal audit work undertaken (whether of a financial or ethical nature).
4. Commissioning work from either the Internal or External Auditor.
5. The approval/revision of the Risk Register.
6. The approval/revision of the Business Continuity Plan.
7. Reviewing payments made.
8. The recovery of rate arrears and sundry debts.
9. To monitor spending against the approved budget.
10. To agree and monitor Capital Programme spending and report to the Board.

### **Matters for recommendation by the Committee to the Board**

11. To consider the Annual Budget and Rate Setting prior to the February Board meeting in each year.
12. To review the Annual Business Plan.
13. To review the Medium Term Financial Plan.
14. To monitor the Board's Treasury Management policies and practices.
15. To keep under review the Board's insurance policies.
16. To liaise with the Smaller Authorities Audit Appointments Ltd or any successor or equivalent, regarding the appointment of the External Auditor.
17. To consider any letter or report issued by the External Auditor.



18. To ensure the effective monitoring and review of policies and strategies.
19. To consider legislative changes (or proposed legislative changes) which may affect the Board's statutory functions.
20. To identify any Member training needs in various aspects of the Boards responsibilities.

## **MATTERS RESERVED FOR THE BOARD**

**Approved 5<sup>th</sup> February 2020, Minute 3002**

1. Proposals affecting the status, functions or geographical area of the Board.
2. Proposals affecting the structure, size or composition of the Board.
3. Responsibility for the overall management of the Board.
4. Major changes relating to the rateable value of the Drainage District.
5. Setting the drainage rate and determining the amount of local authority precepts.
6. Agreeing the Board's annual budget.
7. Determining the level of annual honorarium to be paid to the Chairman of the Board.
8. Matters relating to the payment of expenses to Board members,
9. The consideration of any proposal to alter the Board's overall corporate governance arrangements and committee structure.
10. The approval or revision of Standing Orders, Procedural Rules, Financial Regulations or Codes of Conduct.
11. The formulation or revision of any Business Plan or Strategic policy document.
12. The appointment of committees, Sub-Committees or Working Parties and the setting of their terms of reference.
13. Approval of any changes to the terms and conditions of employment of any of the Board's employees.
14. Approval of any alteration to the staff structure.
15. To consider any recommendation made by a Committee, Sub-Committee or Working Party.
16. The making or revision of Byelaws.
17. The prosecution, defence or settlement of any proceedings of a legal nature (other than action for the recovery of drainage rate).
18. The designation of officers authorised to initiate or defend legal proceedings or to appear in Court on the Board's behalf.
19. The consideration of any other matter not falling within the terms of reference of any Committee, Sub-Committee, Working Party or which is delegated to an officer.

## LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

## Proposed Budget 2020/21

	Budget 2019/20 9.0p	Predicted Out turn 2019/20	Variance	Notes	Proposed Budget 2020/21 9.3p	Variance	Notes
	£	£	£		£	£	
column	1	2	3(2-1)		4	5(4-2)	
<b>Income</b>							
Levies charged to authorities	1,259,073	1,259,073	0		1,301,042	41,969	7
Agricultural rate	116,673	116,673	0		120,427	3,754	7
Foreign Water Grant	163,854	164,058	204		167,339	3,281	12
Rechargeable works	20,000	13,500	-6,500	1	2,000	-11,500	
Application fees & wayleaves	3,000	2,000	-1,000	1	3,000	1,000	
Plan checking fees	0	0	0		0	0	
Eng. Consultancy recharged	0	22,000	22,000	1	18,000	-4,000	
Avonmouth/Severnside capital drawdown	21,218	21,218	0		21,836	618	8
Avonmouth/Severnside maintenance drawdown	21,218	21,218	0		21,836	618	8
Bank interest	3,000	6,850	3,850	1	6,000	-850	
Miscellaneous income	0	429	429		0	-429	
Book profit (loss) on plant sales	9,489	9,489	0	2	13,692	4,203	9
<b>Total</b>	<b>1,617,525</b>	<b>1,636,508</b>	<b>18,983</b>		<b>1,675,172</b>	<b>38,664</b>	
<b>Expenditure</b>							
Payroll	713,733	714,058	-325		731,174	-17,116	10
Office maintenance	22,475	22,475	0		22,475	0	
Plant maintenance	193,500	197,000	-3,500	3	203,500	-6,500	11
EA Levy	209,699	209,699	0		213,893	-4,194	12
Motor, travel & subsistence	26,246	26,246	0		26,246	0	
Communications	5,250	5,250	0		5,250	0	
Administration	36,680	36,680	0		37,083	-403	
Eng. Consultancy general	45,000	64,000	-19,000		45,000	19,000	
Eng. Consultancy recharged	0	0	0		0	0	
Eng. Consultancy De-maining	30,000	0	30,000	4	0	0	13
Legal & professional fees	3,000	4,000	-1,000		3,000	1,000	
Audit & accountancy fees	5,000	5,000	0		5,000	0	
Depreciation	114,258	117,078	-2,820	5	143,634	-26,556	14
Bank charges	3,000	2,000	1,000		3,000	-1,000	
<b>Total</b>	<b>-1,407,841</b>	<b>-1,403,486</b>	<b>4,355</b>		<b>-1,439,255</b>	<b>-35,769</b>	
<b>Transfer to capital reserve</b>	<b>-200,000</b>	<b>-200,000</b>	<b>0</b>		<b>-225,000</b>	<b>-25,000</b>	15
<b>Surplus (deficit) to (from) General reserve</b>	<b>9,684</b>	<b>33,022</b>	<b>23,338</b>		<b>10,917</b>	<b>-22,105</b>	

## **LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**

**Predicted out turn                      2019/20**

### **Notes**

- 1     This reflects the activity in the year to 30 November 2019.
- 2     Net effect of the sale of the New Holland Excavator.
- 3     Plant Maintenance is going to be overspent due to machinery repair costs and remedial electrical works.
- 4     The budget to cover de-maining surveys is no longer required.
- 5     The Depreciation charge higher than expected.  
This is due to the purchase of a weed bucket, used 1000l Bowser, Roller Shutter Door and a computer.

**Proposed Budget                      2020/21**

### **Notes**

The proposed budget indicates a surplus of £10,917 if the rate is increased to 9.3p.  
An increase of 1p in the rate generates additional income of £152,000.

Each budget line has been reviewed in detail with particular emphasis on cost savings.

- 7     This figure indicates a levy increase to 9.3p. Agricultural rates based on £125 Annual Value and below are deemed uneconomic to collect. This is estimated to be £2,266 in 2020/21.
- 8     Avonmouth/Severnside drawdowns are based on a 3% increase each year.
- 9     This is the assumed profit on sale of the Energreen AU11 HCH.
- 10    Payroll assumes an annual pay award of 2.5%.
- 11    Plant Maintenance has been increased by 5%, to reflect the continued pressure on this budget.
- 12    The EA levy and the Foreign Water Grant will increase by 2% per annum.
- 13    Provision for Eng. Consultancy Fees for De-maining project was for 2019/20 only.
- 14    The Depreciation Charge increase is due to the purchase of a new Energreen Machine.
- 15    The transfer to the Capital Reserve has been increased to £225,000.

# LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

## MTFP ( Medium Term Financial Plan)

### A) Income and Expenditure

	Rate - Pence in the Pound						
	9.0	9.3	10.0	10.5	11.0	11.5	
	No Increase	Increase	The future annual rates shown are for illustrative purposes only.				
	Year 2020/21 Budget £000's	Year 2020/21 Budget £000's	Year 1 2021/22 Estimate £000's	Year 2 2022/23 Estimate £000's	Year 3 2023/24 Estimate £000's	Year 4 2024/25 Estimate £000's	Total all years 2021/25 £000's
Income (line10)	1,630	1,675	1,778	1,862	1,929	2,042	7,611
Expenditure (line 24)	1,664	1,664	1,757	1,867	1,912	1,997	7,533
Net surplus/-deficit (line 25)	-34	11	21	-4	17	45	78
Free reserves b/f (line26)	405	405	416	437	433	449	416
Free reserves c/f (line27)	371	416	437	433	449	494	494
Revenue reserve as % of expenditure	22.30%	25.03%	24.88%	23.18%	23.50%	24.75%	6.56%
During 2019/20 there was a transfer of £200,000 from the free reserve to the capital reserve.							

### B) Working Capital - Cash Flow

	Year 2020/21 Budget £000's	Year 2020/21 Budget £000's	Year 1 2021/22 Estimate £000's	Year 2 2022/23 Estimate £000's	Year 3 2023/24 Estimate £000's	Year 4 2024/25 Estimate £000's	Total all years 2021/25 £000's
Balances b/f	535	535	481	402	259	366	481
Net cash movement	-99	-54	-79	-143	107	-18	-133
<b>Balances c/f</b>	<b>436</b>	<b>481</b>	<b>402</b>	<b>259</b>	<b>366</b>	<b>348</b>	<b>348</b>

### C) Cash at Bank

	Year 2020/21 Budget £000's	Year 2020/21 Budget £000's	Year 1 2021/22 Estimate £000's	Year 2 2022/23 Estimate £000's	Year 3 2023/24 Estimate £000's	Year 4 2024/25 Estimate £000's	Total all years 2021/25 £000's
<b>Working Capital</b>	<b>436</b>	<b>481</b>	<b>402</b>	<b>259</b>	<b>366</b>	<b>348</b>	<b>348</b>
<b>Capital Reserve</b>	<b>28</b>	<b>28</b>	<b>123</b>	<b>-4</b>	<b>132</b>	<b>-94</b>	<b>-94</b>
<b>Developers Reserve</b>	<b>74</b>	<b>74</b>	<b>29</b>	<b>-18</b>	<b>-66</b>	<b>-116</b>	<b>-116</b>
	<b>538</b>	<b>583</b>	<b>554</b>	<b>237</b>	<b>432</b>	<b>139</b>	<b>139</b>

## LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

## Medium Term Financial Plan (MTFP)

			Rate - Pence in the Pound						
			9.0	9.3	10.0	10.5	11.0	11.5	
			No Increase	Increase	The future annual rates shown are for illustrative purposes only.				
Income and Expenditure basis	Line	Note	YEAR 2020/21 Budget £000's	YEAR 2020/21 Budget £000's	YEAR 1 2021/22 Estimate £000's	YEAR 2 2022/23 Estimate £000's	YEAR 3 2023/24 Estimate £000's	YEAR 4 2024/25 Estimate £000's	Total all years 2021/25 £000's
<b>Income</b>									
Levies and charges to Authorities	1	1	1,259	1,301	1,399	1,469	1,539	1,609	6,016
Agricultural rates	2	2	117	120	129	136	142	149	557
sub total +	3		1,376	1,421	1,528	1,605	1,681	1,758	6,572
Foreign Water Grant		3	167	167	170	174	177	181	702
Avonmouth/Severnside drawdown	5	4	44	44	45	47	48	50	190
Other Income	6		23	23	15	15	15	15	60
Bank interest	7	5	6	6	6	6	6	6	24
Surplus on sale of fixed assets	8		14	14	13	16	1	33	63
sub total +	9		254	254	250	257	247	284	1,039
total+	10		1,630	1,675	1,778	1,862	1,929	2,042	7,611
<b>Expenditure</b>									
Payroll	11	6	731	731	749	768	787	807	3,111
Office maintenance	12		22	22	22	22	22	22	88
Maintenance plant and machinery	13	7	204	204	210	216	223	230	879
EA Levy	14	3	214	214	218	223	227	232	900
Motor travel and subsistence	15		26	26	26	26	26	26	104
Communications	16		5	5	5	5	5	5	20
Administration	17	8	37	37	38	38	39	40	155
Engineering consultancy fees	18	9	45	45	45	45	45	45	180
Legal and professional fees	19		3	3	3	3	3	3	12
Audit and Accountancy fees	20		5	5	5	5	5	5	20
Depreciation	21	10	144	144	183	237	227	255	902
Bank charges	22		3	3	3	3	3	3	12
Transfer to capital reserve	23	11	225	225	250	275	300	325	1,150
total	24		1,664	1,664	1,757	1,867	1,912	1,997	7,533
<b>Net estimated +surplus -deficit</b>									
Free reserves	26	b/f	405	405	416	437	433	449	416
Free reserves	27	c/f	371	416	437	433	449	494	494
<b>Adjust for non cash items</b>									
Depreciation	28	10	144	144	183	237	227	255	902
Surplus on sale on fixed assets	29		-14	-14	-13	-16	-1	-33	-63
<b>Cash items not included</b>									
Plant purchases net of sales receipts	30	12	-195	-195	-270	-360	-135	-285	-1,050
Adjustment for cash flow purposes	31		-65	-65	-100	-139	91	-63	-211
Net creditors/debtors	32		0	0					
Net cash flow movement	33		-99	-54	-79	-143	107	-18	-133
Working Capital	34	b/f	535	535	481	402	259	366	481
Working Capital	35		436	481	402	259	366	348	348
Add Capital reserve	36		28	28	123	-4	132	-94	-94
Add Developers Reserve	37		74	74	29	-18	-66	-116	-116
Bank balances	38	c/f	538	583	554	237	432	139	139

**Note:**

- Proposed rates and levies increase.
- Agricultural rates - there will be a write off of £2,266 due to under 125 AV not collected.
- EA have informed the Board that a net annual payment of £45,000 will increase by 2% per annum
- Assumes a 3% increase per annum.
- Bank interest assumed at current level.
- Based on current headcount. 2.5% annual pay increase 2020 to 2025.
- Assumes a 3% increase in costs per annum.
- Assumes that Business Rates and Utility bills increase by 3% per annum.
- De-mainig surveys budget of £30,000 was for 1 year only (2019/20).
- Depreciation is a non cash item and is added back for cash flow purposes.
- The transfer to the Capital Reserve increases by £25,000 per annum. Final year is 2027/28.
- Plant purchases/sales include :-  
 In 2020/21 Energreen 1500, £212k less proceeds Energreen AU11 HCH £25k = £187k.  
 Water Level Monitoring Equipment, £8k. Total for the year £195k.  
 In 2021/22 Claas Mower £160k, less proceeds Claas 697 OU07 JXX £10k = 150k  
 New Holland Excavator £140k, less proceeds Hyundai WX12 CWL £10k = £130k. Total for the year £280k  
 In 2022/23 Energreen SPV3 £400k, less proceeds Energreen VX65 HVB £40k = £360k.  
 In 2023/24 New Kobelco Excavator £160k , less proceeds Kobelco Excavator WU16 TZM £15k = £145k.  
 New Isuzu £35k, less proceeds Isuzu WU17 NVD £5K = £25k. Total for the year £175k.  
 In 2024/25 Energreen SPV2 £300k, less proceeds Energreen VX65 HTA £40k = £260k  
 New Ford Ranger £40k, less proceeds Isuzu VO62 RPY £5K = £35k. Total for the year £295k.  
 In 2025/26 There are no programmed plant purchases.

**Minutes of the Finance & General Purposes Committee of the  
Lower Severn (2005) Internal Drainage Board  
Meeting held Wednesday 1<sup>st</sup> July 2020 at 10.00am  
Microsoft Teams Virtual Meeting**

Present:

Ald C Williams  
Mr M Barnes  
Mr J Hore  
Mr G Littleton  
Cllr R Griffin

Chairman

Cllr M Riddle  
Mr J Cornock  
Mr G Simms  
Ald M Sykes

Martin Dear  
Kieran Warren  
James Thomas  
Louise Reading

Accounts Officer  
Principal Officer  
Civil Engineer  
Minutes

AO  
PO  
CE

3023	<b>Apologies:</b> No apologies were received.	
3024	<b>Chairman's Announcements</b> There were no Chairman's announcements.	
3025	<b>Declarations of Interest</b> There were no declarations of interest.	
3026	<b>Minutes of the Previous Meeting</b>  <b>It was resolved that:</b> <ul style="list-style-type: none"> <li>The minutes of the Finance &amp; General Purposes Committee Meeting held on 22<sup>nd</sup> January 2020 be approved as a correct record.</li> </ul>	
3027	<b>Actions from the previous minutes.</b> All actions completed.	
3028	<b>Treasury Sub Committee Minutes</b>  The minutes from the Treasury Sub Committee on 11 <sup>th</sup> March 2020 were noted.  The Chairman explained to Members that at the meeting it was agreed that the Accounting Officer and the Chairman should review the "Capital Financing and Reserves Policy", together with the terminology used in the associated cash flow forecasts, with a view to obtaining greater clarity. Since that meeting there has been considerable email correspondence between the Accounting Officer and the Chairman relating to this with a view to meeting in person to finalise the recommendations to be made. This will be undertaken as soon as the Covid 19 Regulations allow.  <b>It was resolved that:</b> <ul style="list-style-type: none"> <li>The minutes of the Treasury Sub Committee on 11<sup>th</sup> March be noted as per Appendix A.</li> <li>The Treasury Management Policy, as per Appendix B be presented to the Board for approval.</li> </ul>	<b>Action20200701 F&amp;GP1</b> For Board Approval

	<ul style="list-style-type: none"> <li>• <b>The Capital Financing and Reserve Policy be amended with agreement of the Chairman of the Treasury Sub Committee and the Accounts Officer prior to being presented to the Board for approval.</b></li> </ul>	
<b>3029</b>	<p><b>Impact of Covid on the Boards Managerial and Operational Activities.</b></p> <p>The PO updated Members on the situation in respect of the Covid 19 pandemic.</p> <p>Members heard that the Board employees 15 staff, 6 office staff and 9 operatives. The office staff had been able to work from home and thus able to carry on working with little disruption. Virtual meetings, texting and phone calls had all greatly assisted staff communications.</p> <p>The operatives were unable to resume normal duties, owing to the lockdown for a 7-week period which resulted in 8km of watercourse not dredged and 2km of watercourse trees not maintained.</p> <p>He also reported that rate demands had been issued on scheduled, generating payments in the usual way as well as by card.</p> <p>Since the operatives have returned, sufficient PPE and information has been provided and all operatives are working individually and safely.</p> <p>The PO advised that the Board had performed reasonably well during this pandemic.</p> <p>Cllr Riddle thanked the PO for the helpful and reassuring updates that had been provided since March 23<sup>rd</sup> 2020.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The report be noted.</b></li> </ul>	
<b>3030</b>	<p><b>Capital Programme</b></p> <p>The PO explained that the Capital Programme was still on target for projects and expenditure this year despite the Covid 19 crisis.</p> <p>An issue with regards to Elmore Back requiring a boost to the power supply had arisen. This was an unforeseen expense and would be covered by the budgeted contingency.</p> <p>In response to the Chairman's question, the CE advised that the current estimate for the Western Power works was £16,000.</p> <p>Mr Simms commented that electrical works could be notoriously expensive and the Finance and General Purposes Committee would benefit knowing the specific cost as soon as possible.</p> <p>Mr Simms also asked if the design for the Water Level Management Plan had been finalised so that accurate modelling could take place.</p> <p>The CE advised that works were set to go ahead just prior to the lockdown and that he and the Land Drainage Engineer had seen consultants this week and works were set to commence in about two weeks' time.</p>	



	<p>The PO also informed Members that a new Spearhead machine had been purchased this year and was in operation.</p> <p>He recommended no adjustments to the Capital Programme at the present time.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The report be noted.</b></li> </ul>	
<b>3031</b>	<p><b>Internal Audit Report</b></p> <p>The PO informed Members that the internal audit was completed just before lockdown had gone well. The report, as per Appendix B, reflected this in that the 30 tests carried out by Bishop Fleming resulted in only one minor recommendation regarding the dating of purchase authorisations.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The report be noted as per Appendix C.</b></li> </ul>	
<b>3032</b>	<p><b>Appointment of Internal Auditors 2020/21</b></p> <p>The PO reminded Members that the appointment of the Internal Auditor was completed every two years and was due for renewal.</p> <p>Historically there had been a poor response to invitations to tender as the job wasn't commercially attractive to many firms.</p> <p>The PO felt Bishop Fleming had served the Board well during its appointment and advised that the Board could reinstruct Bishop Fleming this year or go out to tender.</p> <p>Mr Simms suggested that owing to the small size of the contract financially, that it would be worth getting a quote from Bishop Fleming again for two years then go out to tender in 2022/2023.</p> <p>Mr Hore and Cllr Riddle both agreed and supported this idea. Cllr Riddle added that the quote should be discussed with the Finance and General Purposes Chairman before a final decision is taken.</p> <p>Cllr Griffin recommended that an inflation proof quote should be sought, to cover both years of the proposed contract.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The PO to request a quote from Bishop Fleming and consult with the Finance and General Purposes Chairman,</b></li> <li>• <b>If the quote is satisfactory, appoint Bishop Fleming,</b></li> <li>• <b>Tenders be sought in 2 years' time.</b></li> </ul>	
<b>3033</b>	<p><b>Default Works Recovery Costs</b></p> <p>The PO reminded Members about a case where the Board pursued the debt in relation to works not carried out by a ratepayer resulting in a charge on his land for non-payment.</p> <p>He reported that the ratepayer has since paid the debt. Once the cheque has cleared the PO will instruct the Land Registry to remove the charge from the land.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The report be noted.</b></li> </ul>	



<b>3036</b>	<b>Any Other Business</b> Mr Simms asked if there could be a form of recording and reporting actions across all meetings. The PO agreed to look at this.	<b>Action 20200701F&amp;GP5</b> To look into feasibility of recording actions and reporting across multiple Committees
<b>3037</b>	<b>Date of Next meeting</b> Members noted that the next F&GP meeting would be held on 9 <sup>th</sup> September 2020.	
	Meeting closed at 11.00am	

**Minutes of Treasury Sub-Committee Meeting  
Of the Lower Severn (2005) Internal Drainage Board  
Held Wednesday 11<sup>th</sup> March 2020 at 11.00am  
At the LSIDB Offices**

**Present:**

Ald C Williams	Chairman	
Mr J Cornock	Deputy for Cllr Riddle	
Mr J Nichols		
Cllr F Hance	Deputy for Mike Barnes	
 Martin Dear	 Accounts Officer	 AO
Louise Reading	Minutes	

	<p><b>Election of Chairman for 2019/2020</b> The AO requested nominations for Chairman. Mr Cornock proposed Ald Williams and this was seconded by Cllr Hance. There were no further nominations.</p> <p><b>It was resolved unanimously that</b></p> <ul style="list-style-type: none"> <li><b>Ald Williams be elected Chairman of the Committee for the coming year.</b></li> </ul>	
	<p><b>Apologies/Welcome</b> Apologised were received from Mr Barnes and Cllr Riddle.</p> <p>The Chairman welcomed and thanked Cllr Hance and Mr Cornock who were deputising for Mr Barnes and Cllr Riddle.</p> <p>The Chairman extended his welcomes to new Treasury Sub-Committee Member Cllr Howells.</p>	
	<p><b>Chairman's Announcements.</b> There were no announcements.</p>	
	<p><b>Declaration of Members' Interests</b> There were no declaration of interests.</p>	
	<p><b>Minutes of the Previous Meeting</b></p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>The minutes of the meeting held on 11<sup>th</sup> March 2020 be approved.</b></li> </ul>	
	<p><b>Matters arising from the minutes</b> All actions were complete.</p>	
	<p><b>Performance Schedule - Report from Smith and Williamson</b> The Investment valuations, as in the papers, were as at 31 January 2020.</p> <p>The Chairman gave a brief history of the investment of developer's funds for Cllr Howells and the Members deputising.</p> <p>Mr Nicholls asked if the AO had the investment valuations as at today's date. The AO explained that today's figures had not been sought, the market was extremely volatile in light of Covid-19 and the market was rapidly changing.</p>	

	<p>The investment valuations for 29 February 2020 will be sent to Members shortly and that the next report is due at the end of March 2020. It was felt that day to day monitoring provided no benefit in the current climate.</p> <p>Mr Nichols asked if the figures were net of charges. The AO advised the figures were gross. Charges were taken quarterly, by Smith &amp; Williamson, from the investment account.</p> <p>Mr Nichols further asked if the AO could note the charges on the Smith &amp; Williamson schedules.</p> <p>The Chairman suggested that a single sheet be compiled showing the management charges and that this be presented at future meetings.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>At future meetings a paper showing management charges be presented.</b></li> </ul>	<p><u>Action 1</u> The AO to include a charges summary for future meetings</p>
	<p><b>Review of Treasury Management Policy</b></p> <p>The AO did not propose any changes to the current policy.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Treasury Management Policy, as per Appendix A, be presented to F&amp; GP Committee and the Full Board for approval.</b></li> </ul>	
	<p><b>Review of Capital Financing and Reserve Policy.</b></p> <p>The AO presented the Capital Financial and Reserve Policy as per Appendix B.</p> <p>The Chairman suggested that under Capital the wording be replaced with:</p> <p>'this reserve is needed to regularly appropriate from the expected excess income arising annually from the Income and Expenditure Account a sum of such magnitude as to be sufficient to cover the expected cost of the Board's approved capital expenditure which is incorporated into its medium-term financial plan. The major element of this reserve will be to cover the expected cost of replacing pumps at pumping stations to meet the 2009 Eel Regulations'</p> <p>and delete all the yellow highlighted explanation at the end of the Policy.</p> <p>Discussion was held around the wording in the policy with particular reference to the aspect of depreciation of the new pumps. Cllr Howells felt this was beneficial to have this separate.</p> <p>It was agreed to accept the changes with the added request that the Chairman and the AO make any further minor amendments as they see fit.</p> <p>Discussion then took place concerning the management accounts and the presentation of the new pumps as a fixed asset, the capital reserve and the future depreciation of the new pumps.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Capital Financing and Reserve Policy be amended and the Chairman and AO agree on any further minor amendments.</b></li> </ul>	<p><u>Action 2</u> The AO and Chairman agree any minor changes to the Capital Financing and Reserve Policy and any changes to the presentation of the management accounts</p>

	<ul style="list-style-type: none"> <li>• <b>The Capital Financing and Reserve policy, as per Appendix B, be presented to F&amp; GP Committee and the Full Board for approval.</b></li> <li>• <b>The AO and Chairman to discuss further and agree the presentation changes to the management accounts.</b></li> </ul>	
	<p><b>Balance Sheet and Developers funds as at 30<sup>th</sup> November 2019</b>  <u>Balance Sheet</u>  Members noted there were no material changes to the Balance Sheet since November 2019.</p> <p>Cllr Hance asked if the figures were audited. The AO explained that the Board was subjected to an annual internal audit performed by an external audit firm. The audit was classed as internal as the Board appointed the audit firm.</p> <p>The Board was subject to a National External audit where the audit firm were appointed by the Smaller Authorities' Audit Appointments Ltd. This external audit took the form of a distance audit where papers were sent to the External Audit firm. There was no visit to the Board's premises. The main form to be completed and sent to the External Auditors was the Annual Governance and Accountability Return (AGAR), which was completed on a cash basis. This meant that the management accounts needed adjusting to a cash basis before the AGAR could be completed.</p> <p><u>Developers Funds</u>  The Chairman informed Members that there was £118,310 of Developer's funds in cash. He proposed that with the falling markers now would be a good time to invest further funds into the market.</p> <p>Cllr Hance commented that the stocks and shares may continue go down.</p> <p>The AO explained that there is an annual charge from the Developer's funds to the income and expenditure account. This is a transfer of cash, so £44,000 will transfer in 2020/21 and a further £45,000 in 2021/22. Currently we do not know if and when there will be future payments from new developers. The Investment in the market was originally agreed as a long term investment strategy and putting some monies in for a short term didn't agree with this strategy.</p> <p>The AO advised Members that it was important to keep the Board's cash flow and Developer's reserves separate at all times.</p> <p>Mr Cornock felt that the risk of investments dropping further outweighed the possible return.</p> <p>The AO also pointed out that should no developers fund be received over the next couple of years then the investments dividends would be needed to pay for the annual transfers to the income and expenditure account rather than invested in the market.</p> <p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li>• <b>Due to the volatility of the current market no further Developers' funds would be invested and for this to be revisited at the next meeting.</b></li> </ul>	
	<p><b>Schedule of Investments</b>  Members noted the schedule of investments for the periods</p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> April 2017 – 31<sup>st</sup> January 2020;</li> <li>• 1<sup>st</sup> January 2019 - 31<sup>st</sup> January 2020;</li> <li>• 1<sup>st</sup> April 2019 – 31<sup>st</sup> January 2020;</li> </ul>	

	<ul style="list-style-type: none"> <li>1<sup>st</sup> January 2020 to 31<sup>st</sup> January 2020 for review.</li> </ul> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>For future meetings schedules for the current financial year, the current physical year and from April 2017 would be provided.</b></li> </ul>	
	<p><b>Cash Flow</b></p> <p>The AO reported that the current cashflow looked healthy however an expensive year was forecast with the pumps at two pumping stations being replaced. This will significantly impact amount of cash that the Board has.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>The cash flow forecasts be noted</b></li> </ul>	
	<p><b>Date of next meeting</b></p> <p>Members agreed that the next Treasury Sub-Committee would be held on Wednesday 26<sup>th</sup> August 2020 at 10.30am.</p>	
	The Meeting closed at 12.25pm	

# **LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**

## **Treasury Management Policy**

**Approved 5<sup>th</sup> June 2019, Minute 2880**

**To be reviewed 10<sup>th</sup> June 2020**

### **Introduction**

The primary principle governing the Board's investment criteria is the security of the financial institution in which the Board places its funds. Yield/return and liquidity are also key considerations.

### **1. The Board's funds**

#### **Approved Financial Institutions**

The Board's principal banker is NatWest.

Cash may be deposited with any of the four main clearing banks (NatWest, Lloyds, Barclays and HSBC).

### **2. Accountabilities**

The Treasury Sub-Committee will determine the amount of cash that is available for deposit with the four main clearing banks.

In addition to the NatWest Direct Reserve account, there will be two or three other deposit accounts.

Cash may be deposited in instant access accounts, fixed term accounts or notice accounts

If deposited in a fixed term account then the maximum fixed term period is six months.

If deposited in a notice account then the maximum notice period is six months.

The Accounts Officer to have flexibility to allocate funds between accounts in order to attract the best return. In particular the Accounts Officer is authorised to move funds between the Bonus Saver and the two Notice Accounts to increase the return of interest received on cash balances having regards to the cash flow requirements of the Board.

### **3. Funds received from Developers**

Under minute No. 2218 at 24 June 2015 Board Meeting, the Board approved the appointment of Smith & Williamson Investment Managers. They manage the fund on a non-discretionary basis.

The Board resolved to invest £500,000 of the funds into a balanced multi asset portfolio. The income from these investments are to be re-invested.

The Treasury Sub Committee has the authority to invest future sums received from Developers. Before investing any future sums received, the Treasury Sub-Committee must take into account the cash flow requirements of the Board.

The Treasury Sub-Committee has the authority to agree into which funds these should be invested following consultation with Smith & Williamson.



## **LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**

### **Capital Financing and Reserves Policy**

**To be approved by the Board on 10<sup>th</sup> June 2020**

#### **Introduction**

Reserves are an essential part of good financial management. They help the Board cope with unpredictable financial pressures and plan for future spending commitments. The purpose of this Reserves policy is to maintain an adequate level of funds to support the ongoing operations of the Board and to provide a source of internal funds for operational priorities such as rhine and ditch maintenance, pumping station running costs and repair, capital replacement and improvement programmes.

The Reserves policy will complement other governance and financial policies and will support the goals and strategies contained in strategic and operational plans.

#### **Background**

The Board is required to set a balanced budget annually, which broadly means that cash raised within the year correlates to the cash expended in that year. However variances to the budget will occur. This may result in surplus funds through unbudgeted income such as Developer Contributions, better values achieved on the sale of assets or additional income from grants, contributions and recharges. Expenditure might be greater than budgeted for example such as lower values achieved on sales of assets, greater maintenance costs than predicted or an increase in pump electricity usage.

There will also be the funding of major (capital) spend. Most purchases, mainly vehicles and plant, are resourced through internal funds which are then replenished through appropriate depreciation charges based upon the life of the assets.

However, there may be instances where monies need to be identified to fund larger capital spend items such as the replacement of pumps or significant flood alleviation and land drainage management schemes. When this occurs forward planning will need to take place in order to ensure that sufficient funds are available at the appropriate times.

Importantly, there is a requirement to manage cash flows to ensure that cash is available when needed.

## Types of Reserve

There are two types of Reserves:

- Earmarked Reserves – funds that are set aside to meet known or future predicted future spending.
- Unallocated Reserves – funds that are working balances to manage cash flow and protect annual budgets against unplanned expenditure.

## Reserves Held

### Earmarked

- **Development (Commuted Sums)**  
This reserve consists of sums received from developers to maintain agreed rhines, ditches and ponds in perpetuity within specified areas.
- **Capital Pump Replacement**  
This reserve is, **predominantly**, a provision to meet the costs of replacing the pumps at pumping stations to meet the 2009 Eel Regulations
- **Pump Station Future Depreciation Provision**  
This reserve is a provision to meet the future depreciation costs of the new pumps at pumping stations.
- **Pension**  
This reserve is the liability, of the Board, related to the defined benefit pension scheme. Note it is a negative reserve.
- **Revaluation**  
This reserve is the increase in value of land and buildings, from cost, as at 15 January 2015.

### Unallocated

- **Income and Expenditure**  
This reserve provides protection against unplanned expenditure. Any under spend, at the year end, is transferred to this reserve. Any over spend, at the year end, is met from this reserve.

## **Review of Reserves**

Each reserve will be reviewed, on an annual basis by the Treasury Sub-Committee prior to review by the Board. The Board's review will form part of the annual budget setting process. Part of this review will include considering guidance published by the Association of Drainage Authorities.

## **Creation / Cessation of a Reserve**

An earmarked reserve may be created for a specific purpose if it is agreed by the Board. Likewise the Board may close an earmarked reserve if it is no longer required. Any remaining funds in a Reserve to be closed will be transferred to another reserve.

## **Level of Reserves Held**

The Board has no legal powers to hold reserves other than those for reasonable working capital needs, or for specifically earmarked purposes.

If, at the year end, the Income and Expenditure Reserve is significantly higher than the annual Special Levies and Agricultural Rates income then an explanation will be provided by the Board. The Board's Financial Regulations state that the general provision, including a contingency, should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.

## **Liquidity of Reserves**

Reserves will be held jointly in general cash and investment accounts of the Board.

## **Explanation of the creation of the Pump Station Future Depreciation Provision Reserve**

The function of depreciation is to make the Balance Sheet more accurately reflect the current value of fixed assets. The objective of charging depreciation is to spread the cost of the fixed asset over its useful life. Depreciation is a source of internal financing which does not affect working capital as it does not involve the outflow of any cash like other expenses.

The full cost of the new pumps have already been allowed for via the transfer of funds from the Income and Expenditure Account to the Capital Reserve. However the pumps have a useful economic life stretching over a number of years and therefore need to be recognised as a fixed asset with an annual depreciation charge being made to the Income and Expenditure Account. If there was no future depreciation provision reserve then the Income and Expenditure Account would be charged twice. Once for the original purchase of the pumps via the transfer of funds to the Capital Reserve and secondly by the annual depreciation charge. A transfer from this depreciation provision reserve will be made annually to the Income and Expenditure Account. This will nullify the depreciation charge and hence the pumps will only be financially accounted for once.

## **LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**

### **Capital Financing and Reserves Policy**

**To be approved by the Board on 10<sup>th</sup> June 2020**

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The Board is required to set a balanced budget annually, which broadly means that cash raised within the year correlates to the cash expended in that year. However variances to the budget will occur. This may result in surplus funds through unbudgeted income such as Developer Contributions, better values achieved on the sale of assets or additional income from grants, contributions and recharges. Expenditure might be greater than budgeted for example such as lower values achieved on sales of assets, greater maintenance costs than predicted or an increase in pump electricity usage.

There will also be the funding of major (capital) spend. Most purchases, mainly vehicles and plant, are resourced through internal funds which are then replenished through appropriate depreciation charges based upon the life of the assets.

However, there may be instances where monies need to be identified to fund larger capital spend items such as the replacement of pumps or significant flood alleviation and land drainage management schemes. When this occurs forward planning will need to take place in order to ensure that sufficient funds are available at the appropriate times.

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## Reserves Held

### Earmarked

- ~~Development (Commuted Sums)~~ **Developers Funds**  
This reserve consists of sums received from developers to maintain agreed rhines, ditches and ponds in perpetuity within specified areas.
- **Capital Expenditure Pump Replacement**  
This reserve is, needed to regularly appropriate from the expected excess income arising annually from the Income and Expenditure Account a sum of such magnitude as to be sufficient to cover the expected cost of the Board's approved capital expenditure which is incorporated into its medium term financial plan. The major element of this reserve will be to cover the expected cost a provision to meet the costs of replacing the pumps at pumping stations to meet the 2009 Eel Regulations.  
  
Subsequent to the purchase of an asset, annual depreciation will be applied at its appropriate rate and charged to the Income and Expenditure Account. Simultaneously the same amount will be removed from the Capital Reserve by a transfer back to the Income and Expenditure Account.
- **Pension**  
This reserve is the liability, of the Board, related to the defined benefit pension scheme. Note it is a negative reserve.
- **Revaluation**  
This reserve is the increase in value of land and buildings, from cost, as at 15 January 2015.

### Unallocated

- ~~Income and Expenditure~~ **Accumulated Fund**  
This reserve provides protection against unplanned expenditure. Any under spend, at the year end, is transferred to this reserve. Any over spend, at the year end, is met from this reserve.

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Each reserve will be reviewed, on an annual basis by the Treasury Sub-Committee prior to review by the Board. The Board's review will form part of the annual budget setting process. Part of this review will include considering guidance published by the Association of Drainage Authorities.

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## **Level of Reserves Held**

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If, at the year end, the Income and Expenditure Reserve is significantly higher than the annual Special Levies and Agricultural Rates income then an explanation will be provided by the Board. The Board's Financial Regulations state that the general provision, including a contingency, should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.

## **Liquidity of Reserves**

Reserves will be held jointly in general cash and investment accounts of the Board.

# **LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**

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**Approved 5<sup>th</sup> June 2019, Minute 2880**

**To be reviewed 10<sup>th</sup> June 2020**

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The Treasury Sub-Committee has the authority to agree into which funds these should be invested following consultation with Smith & Williamson.

# **Lower Severn (2005) Internal Drainage Board**

## **Internal Audit Report 2019/20**





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## **INTRODUCTION**

As stated in our engagement letter, you have instructed us to undertake a series of Internal Audit visits for the Board. We understand this role is to provide you, the Board of Members, with additional assurance as part of an on-going independent oversight of the Board's financial affairs, in addition to the internal procedures already carried out by the Board's Finance Department. The Financial Regulations have been reviewed and discussed with the Finance Department at the start of each visit to ensure thorough understanding of the internal controls being tested.

## **TRAFFIC LIGHT SYSTEM COLOUR KEY**

Matters that we consider should be brought to your attention and recommendations we have for possible improvements are summarised in the columns in the body of the report. The final 'outcome' column uses a 'traffic light' system:

The key is as follows;

	This recommendation must be addressed as a matter of priority, as the required internal controls are not currently in place.
	This recommendation should be addressed as weaknesses have been identified with the current internal controls.
	This recommendation will improve the current internal controls and be in line with best practice.
	No recommendation, as the internal controls in place are sufficient.
	At the time of our visit there was nothing to report on this particular area.

If we were to report on two previous occasions that a particular control we have tested has been 'amber' then it will automatically be reported as 'red' on the next report, if no improvements to the internal control have been made. If in any report a control has been reported as 'red' we will re-visit this particular test at our next visit to assess whether new procedures have been introduced.

### **Disclaimer**

We have prepared our report solely for the confidential use of the Lower Severn (2005) Internal Drainage Board in accordance with our letter of engagement. It may not be relied upon by Lower Severn (2005) Internal Drainage Board for any other purpose. Our report must not be recited or referred to in whole or part in any other document and must not be made available, copied or recited to any other party without our express written permission. Bishop Fleming neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

It is management's responsibility to develop and maintain sound systems of internal control. Our internal audit work is not a substitute for management's responsibilities to ensure that adequate controls are in place and operating effectively across the organisation, and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Suggested actions raised within the report should be assessed by you for their full impact before they are implemented.

## **SUMMARY**

This report documents the findings from our visit during February 2020 in which we reviewed key controls operating within the following systems and processes at the Board:

- Purchases
- Risks and Budgets
- Income and Debtors
- Bank and Cash
- Wages and Payroll
- Fixed Assets and Investments
- Accounting Systems; and
- Exercise of Public Rights

As a result of our testing, we have made 1 recommendation in this report, categorised as green. The recommendations arising from testing in each area was as follows:



Review	Number of recommendations		
	Red	Amber	Green
Purchases	-	-	1
Risks and Budgets	-	-	-
Income and Debtors	-	-	-
Bank and Petty Cash	-	-	-
Wages and Payroll	-	-	-
Fixed Assets and Investments	-	-	-
Accounting Systems	-	-	-
Exercise of Public Rights	-	-	-
<b>Total</b>	-	-	<b>1</b>


The one minor recommendation raised related to an instance where a purchase invoice was not dated upon authorisation.

### **Follow up on previous recommendations**



During the visit we were able to follow up on the single amber recommendation made in our previous report. This related to petty cash, more specifically the lack of authorisation, supporting receipts and accounting for the VAT on the claim forms. At the date of our visit, the prior recommendation had been accepted and the suggested adjustments were made and the system appeared to be working in practice. Details of this can be found on pages 23 of this report.



**PURCHASES**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 1:</b> Gain an understanding of the purchasing system in place at the Board and ensure procedures are being carried out in line with the financial regulations.	A copy of the Board's financial regulations was obtained, as well as a working proposed copy that had been updated but yet to be formally approved or adopted. The purchases system was discussed with the Admin/Payroll Officer who fully understood the procedures and was aware of all authorisation limits.	The finance team fully understand the financial regulations and can confirm that procedures are being carried out in line with them.	There are no recommendations to be made at this time.	
<b>Test 2:</b> Select 20 purchases made within the period and ensure: <ul style="list-style-type: none"> <li>that quotes were obtained where over the prescribed level</li> <li>that the order has been placed with an appropriate supplier</li> <li>the order was correctly authorised in line with the systems described above</li> <li>invoice agrees to order</li> <li>invoice correctly authorised</li> <li>payment correctly recorded in accounting system</li> <li>VAT has been correctly posted to the accounting system for each transaction</li> </ul>	<p>A sample of 20 transactions from throughout the year (weighted towards larger transactions) were selected for testing. The transactions were agreed to purchase orders (POs) and invoices to ensure that details matched, and that authorisation was appropriate.</p> <p>All purchases could be matched to POs, which were dated prior to the corresponding invoices.</p> <p>All POs and invoices were authorised and all matched to payments per the bank.</p> <p>The invoice details, including VAT amounts, had been correctly posted to Sage.</p>	<p>Expenditure tested appeared to be properly documented, payments were supported by authorised resources in all cases and VAT was appropriately accounted for.</p> <p>All POs and invoices tested were authorised. There was one individual invoice that had been signed as authorised but was not dated. This could have meant that the invoice was authorised after payment. However, all others included authorisation dates.</p>	It is recommended that all authorisations are dated when signed.	

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 3:</b> Regularity testing for each item of expenditure tested, ensure: <ul style="list-style-type: none"> <li>that the expenditure is necessary</li> <li>that the expenditure is appropriate for the Board</li> <li>that value for money has been considered</li> <li>that the expenditure was not for an employee's personal use.</li> </ul>	All expenditure which was tested appeared to be reasonable and appropriate for the Board. There were no indications that purchases were for personal use or that the cost was not value for money.	Based on our sample, expenditure is appropriate.	There are no recommendations to be made at this time.	

**RISK AND BUDGETS**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<p><b>Test 1:</b> Ensure there is a regularly updated Risk Register in place. Review the adequacy and coverage of arrangements made to manage the risks and ensure controls are relevant and up-to-date.</p> <p>Ensure fraud risk is considered within the Risk Register.</p>	<p>The Accounts Officer confirmed that the Risk Register is reviewed throughout the year and is updated annually. This was last carried out in September 2019 and is a responsibility of the Finance &amp; General Purposes Committee.</p> <p>The Risk Register is comprehensive. It includes details of control procedures and ownership of responsibilities surrounding the management of risks. There is adequate consideration of the significance of risks relating to fraud.</p>	<p>There is a regularly updated Risk Register in place, with controls identified against the broad range of risks that appear reasonable to mitigate the risk (noting that we have not performed detailed testing on each of these).</p>	<p>There are no recommendations to be made at this time.</p>	
<p><b>Test 2:</b> Ensure client has a budget for more than one year and that it includes key changes to expected income and expenditure.</p>	<p>The budget for 2019-20 and corresponding four-year expenditure forecast and eight-year Capital Programme have been reviewed and compared to 2019-20 results to date. The budgets were found to incorporate key changes to income and expenditure such as rate changes, changes to the amount of the EA Levy and the Foreign Water Grant and increases to the Capital Grant transfers.</p>	<p>The Board has budgets in place. The budgets include assumptions regarding anticipated changes to income and expenditure, and appears reasonable from limited review.</p>	<p>There are no recommendations to be made at this time.</p>	



TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 3:</b> Ensure all budget variations are approved by the Finance & General Purposes Committee and the full board.	<p>It was confirmed that the first draft budget for the following year is presented by the Accounts officer and discussed at the December meeting of the Finance &amp; General Purposes Committee. Any changes are then made at the January meeting and a draft is agreed to be sent to the board.</p> <p>The full board meeting takes place in February, where the final draft of the budget is reviewed, and rates are set for the following year.</p>	<p>Based on our sample, all budget variations are properly approved by the Finance &amp; General Purposes Committee and the full board.</p>	<p>There are no recommendations to be made at this time.</p>	
<b>Test 4:</b> Ensure that the budgeted levels of reserves are adequate for the Board's future plans and obtain an explanation of the method used by the Board in arriving at the rate each year.	<p>The Accounts Officer confirmed that rates are set based on the budgets and forecasts. Significant capital expenditure will be required in future for the Pump Station in order to meet future legislative requirements. Therefore, the rates have been increased from 9.0p to 9.3p for 2020/21 so that the Board's reserves are maintained at a consistent level.</p>	<p>The process and approach for setting the budgeted levels of reserves appear appropriate..</p>	<p>There are no recommendations to be made at this time.</p>	





**INCOME AND DEBTORS**


TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<p><b>Test 1:</b> Ascertain the procedures in place around the posting of rates income to the accounting system.</p> <p>Agree a sample of rates charges from the DRS system to corresponding demand notes and to the relevant postings on the accounting system.</p> <p>Select a month at random and review the DRS/Sage reconciliation, investigating any discrepancies.</p>	<p>The system around the receipt of levy and rates income was discussed in detail with the Ratings/Admin Officer within the previous IA, however this individual was not available therefore the following details were checked with the Accounts team and were confirmed to be the same.</p> <p>The bespoke DRS system used by the majority of Drainage Boards was found to automatically produce demand notes on the 1<sup>st</sup> of April for agricultural landowners not covered by business rates or the council tax system. The system has a record of the rateable value for each parcel of land under the jurisdiction of the Board, and the total rateable value of land owned by each landowner. Once the demand note is posted and payment is received, it is inputted manually onto the DRS system. A weekly GL Batch Update is run detailing the income received in the form of an Excel document which is then automatically journaled into Sage by the Admin/Payroll Officer.</p> <p>At the end of each month, the closing balance on DRS is reconciled to the income on the Sage trial balance.</p>	<p>The systems surrounding income from the DRS system appear to be operating as expected. Income was posted to the accounting system correctly with VAT recorded accurately.</p> <p>No issues were identified surrounding the production of demand notes and income received could be traced to the bank accounts.</p> <p>Income per the DRS system reconciled to Sage. The reconciliation had been prepared and reviewed by relevant personnel.</p>	<p>There are no recommendations to be made at this time.</p>	<p>W</p>

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
	<p>Transfers of land are also calculated by DRS based on the annual value of the land changing hands, time apportioned in the year of transfer.</p> <p>Rates are not collected for land with a rateable value of less than £125, as the administrative cost is considered too great. This leads to a total amount of approximately £2,000 being written off each year. These write offs can also be seen in sage within their own nominal.</p> <p>The system surrounding levies operates slightly differently, in that the demand note must be manually prepared for the eight different District Councils, rather than one being automatically generated by DRS.</p> <p>A sample of ten levies and rates amounts due per DRS were agreed to the associated demand note and then to the income journal on Sage. The funds were also agreed to receipts in the current account. No issues were identified.</p> <p>The DRS reconciliation for January 2020 was reviewed. It had been prepared by the Ratings/Admin Officer and reviewed by the Accounts Officer. There was a trivial difference between the amounts posted of below £2.</p>			



TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 2:</b> Agree a sample of recharge receipts from the accounting system to invoice and ensure the procedures for documenting other income is operating as expected, including the posting of VAT.	Recharge income consists of monies received for work done on landowners' property, developers' consent invoices and area wide charges to maintain drainage around new developments on an ongoing basis. This income stream is accounted for through Sage as it consists predominantly of large, one-off payments. A sample of ten recharges was chosen from Sage and agreed to corresponding invoices. It was confirmed that VAT relating to these transactions had been posted correctly to the accounting system.	Comfort has been gained that the system for recording recharge income is operating as expected, and that VAT is recorded accurately.	There are no recommendations to be made at this time.	
<b>Test 3:</b> Review the Aged Debtor report at the point of the visit and identify any old balances. Ascertain the reasons for the outstanding income if any, and the entity's policy and procedures around chasing bad debts.	<p>The Aged Debtor report as at 20<sup>th</sup> February 2020 was reviewed. There was one balance older than 30 days which was discussed with the Principal Officer. This was found to relate to an ongoing dispute which was also explained within our report last year. The Principal Officer explained that they have now obtained a court order against this dispute. This is for a total of £287.</p> <p>Per discussion with the Admin/Payroll Officer, debtors are chased via letter if an invoice is unpaid one month after being sent. If payment is still not made within the two weeks following the letter, debtors are chased via telephone call. It is rare that it is necessary to chase debtors.</p>	Based on our sample testing, there appear to be relatively few old balances on the Aged Debtor report and the procedures in place around chasing bad debts are sufficient to ensure these remain closely monitored.	There are no recommendations to be made at this time.	




**BANK AND PETTY CASH**




TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<p><b>Test 1:</b> Review bank reconciliations for five months, including the last month of the prior year, to ensure that they have been appropriately prepared and authorised.</p> <p>Ensure that the balances per the reconciliation agree to the bank statement and to the accounting system, and that reconciling items are at a reasonable level.</p> <p>If there is an unreconciled balance, ascertain what is being done to reconcile the transactions.</p>	<p>Five bank reconciliations were reviewed. Reconciliations were carried out at a reasonable frequency given the level of activity in the bank accounts. The balances per the reconciliations were agreed to the bank statements and Sage.</p> <p>Reconciliations were authorised and signed on review by the Accounts Officer.</p> <p>Reconciling items were mostly trivial, except for one slightly larger amount. This was made up of 5 separate payments and was confirmed to have cleared the week after the reconciliation was performed. The majority of reconciling items were rates refunds, which are often issued via cheque and therefore it is reasonable that they can take a while to clear.</p>	<p>Bank reconciliations appear to be prepared correctly and regularly, with evidence of them being reviewed.</p> <p>Reconciling items were confirmed to have cleared in a timely manner.</p>	<p>There are no recommendations to be made at this time.</p>	
<p><b>Test 2:</b> Confirm that the balance in petty cash at the date of the visit agrees to the accounting system.</p>	<p>The sum of the monies inside the petty cash tin and the values on the petty cash slips inside the tin agreed to the balance per Sage.</p>	<p>Testing indicated that the amount in the petty cash tin agrees to the accounting system.</p>	<p>There are no recommendations to be made at this time.</p>	

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<p><b>Test 3:</b> Select a sample of 20 cash paid expense claims or petty cash vouchers, then agree to supporting documentation, ensure have been appropriately authorised and appropriately posted onto the accounting system.</p>	<p>Petty cash activity per Sage was obtained and a sample of 20 transactions selected for testing. The transactions were agreed to petty cash claims and supporting receipts. All of the twenty claims tested were supported by relevant receipts.</p> <p>Claims were also checked for appropriate authorisation and that VAT was recorded correctly when posted to Sage. Each claim had appropriate authorisation and VAT was recognised upon posting.</p>	<p>Within the prior year, not all claims were supported with receipts, authorised and VAT was not recognised appropriately. A limit of £50 was also suggested.</p> <p>All recommendations from the prior year appear to have been accepted and their processes altered to maximise completeness and verifiability. A limit was set of £50 and all vouchers/ claims tested were supported by receipts and VAT was appropriately identified.</p>	<p>All previous recommendations were actioned.</p> <p>No further recommendations are made at this time.</p>	

**WAGES AND PAYROLL**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<p><b>Test 1:</b> Select a sample of three employees from the payroll and check salary details back to personnel files and confirm that the amount paid is in line with expectations.</p> <p>Check there is a signed employment contract on file.</p>	<p>Three employees were tested at random from the payroll reports. Their expected annual salaries were calculated and compared to the most recent salary details held in personnel files.</p> <p>A trivial variance was noted but after discussion with the Admin/Payroll Officer it was identified that this was due to the hours of contractual overtime worked in a month differing slightly depending on how many weeks fell in that month.</p> <p>The employment contracts that were examined were all signed.</p>	<p>From our sample, salary details per personnel files agree to amounts actually paid via payroll. Employment details are up to date and signed contracts are held on file.</p>	<p>There are no recommendations to be made at this time.</p>	
<p><b>Test 2:</b> Check one amendment to the payroll to ensure that appropriately authorised documentation exists.</p>	<p>Employees complete timesheets for overtime in excess of the contractual amount. The timesheets are authorised by the relevant manager and then passed to the Admin/Payroll Officer for upload to the payroll server.</p> <p>A timesheet was selected at random and was found to have been appropriately authorised. The calculated payment based on overtime rates agreed to the amount paid via payroll.</p>	<p>From our sample, payroll amendments are processed accurately and claims are authorised appropriately.</p>	<p>There are no recommendations to be made at this time.</p>	

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 3:</b> Check two expense claims paid through payroll (e.g. reimbursement of travel expenses) to ensure they are appropriately authorised and supporting source documentation exists.	Two mileage expense claim forms were reviewed and agreed to payroll reports. Both claims appeared to be appropriately authorised and had been calculated correctly.	From our sample, expense claim forms are appropriately authorised and processed correctly.	There are no recommendations to be made at this time.	
<b>Test 4:</b> Obtain details of one new starter and ensure they have a signed contract.	The Admin/Payroll Officer and the Accounts Officer confirmed that there had been no new starters in the year to date.	No conclusions can be drawn.	No recommendations can be made at this time.	
<b>Test 5:</b> Review the payroll print for one month to ensure it has been appropriately authorised and posted appropriately to the accounting system.	<p>The payroll report for May 2019 was used within the testing. The report had been prepared by the Admin/Payroll Officer and signed as reviewed by the Accounts Officer.</p> <p>A sample of the payments were agreed to the Sage journal posting. This had been processed by the Admin/Payroll Officer after being reviewed by the Accounts Officer.</p> <p>All amounts were found to agree and had been posted to appropriate nominal codes.</p>	Our testing indicated that payroll is posted appropriately to the accounting system after being reviewed.	There are no recommendations to be made at this time.	



TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 6:</b> To ensure payment is made to bona fide employees, review one month's payroll for duplicate employee names and where possible bank account details for duplication. Obtain explanations for any instances of duplications.	The employee names and bank account details from the August 2019 payroll were examined. A total of 15 employees were paid in this month. There were no instances of duplicate details.	Assurance has been gained that payments are only being made to genuine employees.  We would note that it is practical and reasonable for the Board to review the paid list of employees in total as only 15 employees were paid in the month we reviewed, which, when combined with our separate existence testing and payroll system walkthrough, provides assurance regarding the completeness and accuracy of the payroll.	There are no recommendations to be made at this time.	
<b>Test 7:</b> Test check payroll deductions to ensure correct rates are being applied.	An employee was selected at random from the May 2019 payroll and their PAYE, NI and pension deductions were recalculated. All deductions were found to have been calculated correctly and the correct rates had been applied.	Our testing indicated that the payroll system is operating as expected and that deductions are being calculated correctly.	There are no recommendations to be made at this time.	
<b>Test 8:</b> Review payroll control accounts reconciliations for one month (including PAYE/NI, net wages, pension) to ensure that they have been appropriately prepared and authorised.	The Accounts Officer explained that there is not a formal reconciliation of payroll control accounts. The payroll provider (Moorepay) sends the journal posting for each month's payroll. This is processed by	From our sample testing, payroll control accounts are being adequately cleared and this process is being reviewed.	There are no recommendations to be made at this time.	




TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
	<p>the Admin/Payroll Officer and reviewed by the Accounts Officer.</p> <p>The May and August 2019 journal postings were reviewed. It was confirmed that the journal had been posted correctly and that the posting cleared the payroll control accounts.</p>			



**FIXED ASSETS AND INVESTMENTS**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 1:</b> Review the Fixed Asset Register or schedule of additions to ensure fixed asset additions are being appropriately recognised and it is being regularly updated.	The Fixed Asset Register for the year ending 31 March 2020 was reviewed. The register was found to be updated with fixed assets purchased in the year to date. All additions were recorded with sufficient detail in order to calculate depreciation.	Based on our sample testing, fixed asset additions are being recognised appropriately and an adequate fixed asset register is maintained.	There are no recommendations to be made at this time.	W
<b>Test 2:</b> Ensure the brought forward fixed asset balances agree to the prior year accounts.	The brought forward fixed asset balances as shown in the trial balance were agreed to the net book value carried forward in the 2019 accounts.	Based on our sample testing, the brought forward fixed asset balances agree to the balances in the prior year accounts.	There are no recommendations to be made at this time.	W
<b>Test 3:</b> Physically verify a sample of assets to confirm that assets included on the register are owned, being utilised in the business, and do not show obvious signs of impairment.	A sample of 15 fixed assets were selected from the fixed asset register. Assets were physically verified where available or vouched to registration documents and up to date taxation certificates if they were in use off site at the time of the visit. All assets were verified and there were no obvious signs of impairment. Sufficient evidence was gathered that the assets were currently being utilised by the board.	Based on our sample testing, the assets in the fixed asset register are owned and are being utilised by the organisation.	There are no recommendations to be made at this time.	W

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 4:</b> Review the Fixed Asset Register for items older than their useful economic life. If there a large number of fully depreciated items listed, consider whether the depreciation policies being applied are reasonable.	The Fixed Asset Register was reviewed and there were a total of 9 assets which had been fully depreciated. The majority of these assets were pumps, which are still in use. Depreciation policies were reviewed and found to be reasonable, with all assets appropriately classified.	Based on our sample testing, there are few assets with costs fully written off included in the fixed asset register and depreciation policies are reasonable.	There are no recommendations to be made at this time.	
<b>Test 5:</b> Identify any intangible assets on the books and ensure that the correct accounting treatment has been applied, and they are recorded appropriately on the register.	Intangibles included in fixed assets are two items of software - the DRS system and Cadcorp Map Editor. These are included in the relevant intangibles nominal in Sage and amortised at 25% reducing balance. They are also recorded appropriately on the fixed asset register. Amortisation for the year ending 31 March 2020 was tested and found to have been calculated correctly.	Based on our sample testing, intangible assets on the balance sheet are being treated appropriately and are recorded correctly on the accounting system and in the fixed asset register.	There are no recommendations to be made at this time.	


TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 6:</b> Discuss any material investments with the Accounting Officer. Gain an understanding of how the portfolio is maintained. Obtain a register of the investments held.	The Smith and Williamson investments are overseen by the Treasury Committee. It was confirmed that a monthly valuation of securities is received from Smith and Williamson, and every six months a summary of the investment performance (reconciled to the valuation) is presented to the Committee. The portfolio is managed by Smith and Williamson, who make recommendations, although the committee makes the final decision as to acquisitions and sales.	As the portfolio is managed by Smith and Williamson, no further testing on investments is proposed.	There are no recommendations to be made at this time.	

**ACCOUNTING SYSTEMS**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 1:</b> Ensure that the opening balances on the accounting system agree to the 2019 accounts.	The opening balances on Sage were checked to the opening figures from the 2019 accounts.	Based on our sample testing, the accounts prepared during the year agree to the accounting system.	There are no recommendations to be made at this time.	
<b>Test 2:</b> Review the most recent management reporting documents. Perform cut-off testing around this date to ensure cut-off issues have been accounted for and that documents have been prepared on the correct basis.	<p>The management accounts for December 2019 were reviewed and cut off testing was performed.</p> <p>There were two large payments made around the month end. It was confirmed that these were correctly treated. There was no prepayment for the net precept quarterly payment to the Environment Agency as the management accounts reviewed were at a quarter end.</p> <p>The majority of rates and levies income is received at the start of the year and is deferred, then released over the year.</p> <p>The Accounts Officer confirmed that trivial accruals are not included in the management accounts as it is not</p>	<p>Based on our sample testing, treatment of income and expenditure appears appropriate for the purposes of the management accounts and consistent with the prior year.</p> <p>No issues were identified surrounding cut off procedures.</p>	There are no recommendations to be made at this time.	

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
	<p>considered necessary due to the income and spending patterns of the Board.</p> <p>It was confirmed that the balances in the management accounts agreed to the accounting system.</p>			

**EXERCISE OF PUBLIC RIGHTS**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 1:</b> Ensure that the authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	<p>The authority provided notice to its external auditors informing them of the dates of the period for the exercise of public rights, and posted a notice on the LSIDB website with the same dates / period. This notice is still visible on the website. We further understand that the form was also posted on the noticeboard on the front gate (although this is not mandatory it is considered best practice).</p> <p>The Board's audit arrangements, meeting dates, reports and minutes are all regularly posted on the website, as well as at the entrance to the offices at Oldbury Naite.</p>	<p>The authority has demonstrated that it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.</p>	<p>There are no recommendations to be made at this time.</p>	

## FOLLOW UP ON PREVIOUS RECOMMENDATIONS

## Recommendations from 2018/19- Amber Point.

TEST	PRIOR CONCLUSIONS	PRIOR RECOMMENDATIONS	FOLLOW UP	OUTCOME
<p><b><u>Petty Cash</u></b></p> <p><b>Test 3:</b> Select a sample of 20 cash paid expense claims or petty cash vouchers, then agree to supporting documentation, ensure have been appropriately authorised and appropriately posted onto the accounting system.</p>	<p>There are some weaknesses in the controls surrounding petty cash.</p> <p>All claims should be supported by receipts where possible and should not usually be paid otherwise.</p> <p>VAT needs to be identified and split out when posting to the accounting system.</p>	<p>It is recommended that petty cash claims are not authorised and paid without being supported by appropriate receipts, except in unusual circumstances.</p> <p>Care needs to be taken to ensure VAT is recovered when applicable, being first identified from each claim by the Admin/Payroll Officer and then posted to Sage.</p> <p>It was also noted that there is no claim limit per the financial regulations. To reduce the impact of fraud should it occur, it is recommended that a maximum limit for petty cash claims is set. Kieran Warren has suggested £50 as an appropriate limit.</p>	<p>All claims tested this year (see page 13) were authorised and paid were supported by the relevant receipts.</p> <p>VAT had been accurately included and recovered where applicable and posted to Sage. Each voucher showed the breakdown of the VAT included and the relevant VAT registration number where detail lacked.</p> <p>A limit of £50 has been set for all petty cash claims and on review of the year, there were no claims that exceeded this threshold.</p> <p>All recommendations have been adequately satisfied and can be cleared.</p>	<div>W</div> <div>W</div>



**LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD****BALANCE SHEET AS AT 31 MARCH 2020**

	Note	£	31/03/20 £	31/03/19 £	Variance £
<b>FIXED ASSETS</b>					
Fixed Assets	1	784,420	<b>784,420</b>	<b>692,402</b>	92,018
<b>LONG TERM ASSETS</b>					
Investments		668,038	<b>668,038</b>	<b>603,932</b>	64,106
<b>CURRENT ASSETS</b>					
Stock +WiP		52,116		47,973	4,143
Trade debtors		6,418		6,773	-355
Drainage rate debtors		295		96	199
Levy Debtors		0		0	0
VAT Claim		8,322		5,829	2,493
Special Levies		0		0	0
Developers Funds Due		0		0	0
Prepayments		33,535		32,280	1,255
Cash at bank and in hand		127,931		852,523	-724,592
Short term deposits		1,108,312		501,013	607,299
			<b>1,336,929</b>	<b>1,446,487</b>	-109,558
<b>CURRENT LIABILITIES</b>					
Trade Creditors		-39,291		-38,061	-1,230
Other Creditors		-27,755		-25,341	-2,414
Accrued expenses		-23,177		-6,685	-16,492
Finance Leases due within one year		0		-1,016	1,016
Prepaid Rates	2	0		-200	200
Prepaid Levies	2	0		-1,519	1,519
Prepaid Developers Funds		0		0	0
			<b>-90,223</b>	<b>-72,822</b>	-17,401
<b>NET CURRENT ASSETS</b>			<b>1,246,706</b>	<b>1,373,665</b>	-126,959
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>2,699,164</b>	<b>2,669,999</b>	29,165
<b>LONG TERM LIABILITIES</b>					
Finance Leases		0		0	0
Pension scheme deficit		-951,000		-1,276,000	325,000
			<b>-951,000</b>	<b>-1,276,000</b>	325,000
<b>NET ASSETS</b>			<b>1,748,164</b>	<b>1,393,999</b>	354,165
<b>FINANCED BY:</b>					
<b>CAPITAL ACCOUNT</b>			<b>666,569</b>	<b>666,569</b>	0
<b>ACCUMULATED FUND</b>					
Balance brought forward		572,203		523,570	48,633
Surplus for the 12 months		258,026		223,633	34,393
Transfer to Capital Expenditure Reserve		-200,000		-175,000	-25,000
Additional Transfer to Capital Exp. Res.		-200,000		0	-200,000
Transfer from Capital Expenditure Reserve		116,426		0	116,426
			<b>546,655</b>	<b>572,203</b>	-25,548
Developers Funds Reserve					
Investments at cost		650,000		500,000	150,000
Increase in value		18,038		103,932	-85,894
Investments current value		668,038		603,932	64,106
Cash at Bank		119,925		310,746	-190,821
			<b>787,963</b>	<b>914,678</b>	-126,715
Revaluation Reserve			<b>144,583</b>	<b>144,583</b>	0
Capital Expenditure Reserve	3		<b>553,394</b>	<b>371,966</b>	181,428
Pension Reserve			<b>-951,000</b>	<b>-1,276,000</b>	325,000
			<b>1,748,164</b>	<b>1,393,999</b>	354,165

**Notes**

1. Fixed Assets include purchases, sales and depreciation for 12 months to 31 March 2020.
  2. In all cases the balance sheet has been adjusted to reflect receipts and payments made in advance of the period earned or due.
  3. This Reserve is held as cash and increases by £16,667 each month.
- There is a corresponding monthly charge in the income and expenditure account.

# **LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD**

## **INCOME AND EXPENDITURE 12 MONTHS TO 31 MARCH 2020**

Income	Note	Actual £	Budget £	Variance £	31 March 2019	Variance
					£	£
Levies charged to Authorities	1	1,259,073	1,259,073	0	1,185,162	73,911
Agricultural Rates	1	116,673	116,673	0	110,299	6,374
Rechargeable works		28,276	20,000	8,276	33,179	-4,903
Application fees		1,700	3,000	-1,300	3,900	-2,200
Consultancy Fees Recharged		25,830	0	25,830	21,456	4,374
Surplus on sale of assets		9,961	9,489	472	614	9,347
Miscellaneous Income		369	0	369	0	369
Foreign Water Grant		164,058	163,854	204	160,841	3,217
Developers Funds Contribution	1	42,436	42,436	0	41,200	1,236
Interest		6,341	3,000	3,341	3,837	2,504
<b>Total</b>		<b>1,654,717</b>	<b>1,617,525</b>	<b>37,192</b>	<b>1,560,488</b>	<b>94,229</b>
<b>Expenditure</b>						
Payroll		707,325	707,201	-124	689,585	-17,740
Office maintenance	2	15,245	23,275	8,030	19,236	3,991
Maintenance	3	193,059	193,500	441	180,228	-12,831
EA Levy		209,698	209,699	1	205,587	-4,111
Motor travel and subsistence	4	25,293	25,646	353	27,404	2,111
Communications		4,591	5,250	659	5,308	717
Administration	5	39,145	36,480	-2,665	33,858	-5,287
Engineering Consultancy fees		65,262	75,000	9,738	46,855	-18,407
Legal and professional fees	6	6,087	3,000	-3,087	5,105	-982
Audit and Accountancy fees		4,600	5,000	400	4,550	-50
Depreciation		125,012	114,258	-10,754	116,744	-8,268
Bank charges		1,374	3,000	1,626	2,395	1,021
<b>Total</b>		<b>1,396,691</b>	<b>1,401,309</b>	<b>4,618</b>	<b>1,336,855</b>	<b>-59,836</b>
<b>Surplus for 12 months</b>		<b>258,026</b>	<b>216,216</b>	<b>41,810</b>	<b>223,633</b>	<b>34,393</b>
<b>Transfer to Capital Expenditure Reserve</b>		<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>175,000</b>	<b>25,000</b>
<b>Net Surplus for 12 months</b>		<b>58,026</b>	<b>16,216</b>	<b>41,810</b>	<b>48,633</b>	<b>9,393</b>

## Notes on Variances

The results for 12 months show a net surplus of £58,026 against a budget surplus of £16,216.

The major reasons for the variances are:-

1) In all these cases the income and expenditure has been included for the 12 months irrespective of when the monies are received or paid. The appropriate adjustments are made on the balance sheet.

2) Office Maintenance - A reduction in the premium for Public Liability and Premises Insurance

3) Maintenance costs analysis is as follows:

	Actual £	Budget £	Variance £	Explanation for major variances
Plant Maintenance	70,551	72,200	1,649	Tyres, Boom Repairs, Sensor Faults, Dipper Ram.
Maintenance Compensation	0	1,000	1,000	
Vehicle, Plant	69,795	85,500	15,705	Diesel
Workshop Fixtures & Fittings	14,036	10,600	-3,436	Remedial Electrical works
Pump Station Electricity	32,376	17,000	-15,376	
Health & Safety	6,301	7,200	899	
	193,059	193,500	441	

4) Administration - Increase due to long service awards.

5) Engineering Consultancy fees -

	Actual £	Budget £	Variance £
Non Rechargeable Fees	43,737	45,000	1,263
De-Maining Surveys	0	30,000	30,000
Rechargeable Fees	21,525	0	-21,525
	65,262	75,000	9,738

6) Legal and Professional Fees - Increase due to Debt Recovery costs.

Insurance Policies - 2020/21					Appendix E		
Insurer	Policy No	Cover	Renewal Date	Incl IPT 2020/21 Premium	Incl IPT 2019/20 Premium	Paid	Increase
Lloyds Syndicate ERS218 (Fenton Insurance Solutions)	50030626	<i>Comprehensive Cover including plant, unspecified non self propelled attached or detached implements exceeding £20,000 and trailers not exceeding £100,000. Any Items are specified . Any authorised licensed driver 25 and over on Drainage Board Business and Social Domestic &amp; Pleasure. £100 Excess accidental damage, fire, theft, windscreen.</i>	01/04/2020	£12,265.00	£12,598.00	Mar-20	-£333.00
Zurich Municipal	XAO 272027-0033	<i>Material Damage, All Risks, Public/ Products/Pollution Liability £10,000,000, Employers Liability £10,000,000, Fidelity Guarantee £2,000,000, Personal Accident £500,000-£1,000,000. Excess £250 for Malicious Damage, Storm or Flood, escape of water, falling trees or branches. £100 theft, accidental damage. In addition Business interruption Insurance has been taken out to cover any additional costs in the event that the board's premises are not accessible ( Fire, flood etc). The cover is £220,000 for the year.</i>	01/04/2020	£7,813.00	£6,928.00	Mar-20	£885.00
<b>Please Note! We are not insured for: Money, Hirers Liability, Libel &amp; Slander, Legal Expenses &amp; Uninsured loss recovery, Deterioration of Stock, Legal Expenses.</b>							
Allianz Insurance Engineering (Fentons insurance Solutions)	NZ/22726215	<i>Cover includes all pumps and related equipment. An indemnity limit of £250,000 for machinery damage/ breakdown to 12 pumps and machinery.</i>	01/04/2020	£3,171.00	£2,932.13	Mar-20	£238.87
<b>Total premiums</b>				<b>£23,249.00</b>	<b>£22,458.13</b>		<b>£790.87</b>
This Insurance Policy Schedule has been reviewed and is agreed to be sufficient for the Lower Severn (2005) Internal Drainage Boards needs.							
Signed:..... M Riddle (Chairman)			Dated:.....		Minute Number:.....		

## Lower Severn (2005) Internal Drainage Board Payments to be Noted

**January 2020**

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
Orchard Computer Services	Quarterly Maintenance Cover	389.00
RS COMPONENTS LTD	Hours meters	26.81
LEES MEND A SHOE	Keys Cut	16.50
Spaldings Ltd	Filters for Bowsers	72.00
Spaldings Ltd	Filters for Bowsers	72.00
Spaldings Ltd	Filters for Bowsers	72.00
The Gables Hotel	Room hire & refreshments for 11/12/19	112.50
CROMWELL GROUP HOLDINGS LTD	Spade	12.59
CROMWELL GROUP HOLDINGS LTD	Hacksaw & frames	40.90
CROMWELL GROUP HOLDINGS LTD	Lopper, Shovel & Grease Guns	185.66
CROMWELL GROUP HOLDINGS LTD	Pro-Tech Compressor	261.82
Certas Energy UK Ltd	6,000 litres Gas Oil	4,032.00
Malt House	Christmas Meal	209.50
Honey Brothers Ltd	Chainsaw Sharpener	51.16
K J Conner & Son	Cleaning for December	276.00
Pitney Bowes Ltd	Franking Machine Hire for Dec	15.54
HM Land Registry	Land Registry Search	3.00
HM Land Registry	Land Registry Search	3.00
HM Land Registry	Land Registry Search	3.00
TESCO	Water for Office	10.50
North Bristol Plumbing Services	Modifications to Bowser	107.23
ALLCAP LTD	Padlocks	399.65
GAP SUPPLIES	Light Bulbs, Lamp & Fuses	13.25
SG Bailey Paints Ltd	Assort paints & thinners	425.51
Motion Consultants Ltd	Avonmouth Consultancy for Nov 19	2,376.00
Motion Consultants Ltd	Elmore Back P/S Modifications for Nov 19	3,768.00
Motion Consultants Ltd	Marshfield P/S Modifications for Nov 19	1,656.00
Motion Consultants Ltd	Lapperditch P/S Modifications for Nov 19	1,656.00
Motion Consultants Ltd	Wicks Green P/S Modifications for Nov 19	1,656.00
Motion Consultants Ltd	Oldbury P/S Modifications for Nov 19	1,656.00
ENVIRONMENT AGENCY	Precept net of FWG	11,410.00
ASSOCIATION OF DRAINAGE AUTHORITIES	Annual Subscription for 2020	5,092.80
Amazon.co.uk	3 x Mouse Mats	11.97
Giffgaff Ltd	Sim monthly plan for Slimbridge WLMP	8.00
Spaldings Ltd	Fuel Treatment	76.80
BNP PARIBAS LEASE GROUP	Quarterly Office Telecoms Rental	414.00
Holt JCB Ltd	Service Agreement 25/10/19 - 24/01/2020	321.20
Smiths (Gloucester) Ltd	Waste Management for Dec	35.78
Skyguard Ltd	1 x Additional ManDown Annual Subscription	142.32
CROMWELL GROUP HOLDINGS LTD	Assort Burrs & Cutting Discs	80.04
ZEN INTERNET LTD	Monthly Internet Charges	46.50
Citation Ltd	Legal Fees	315.52
SOUTH GLOUCESTERSHIRE COUNCIL	Business Rates	749.00
Channel Plant	Recover stuck vehicle - AU11 HCH	84.00
Channel Plant	Recover stuck vehicle - V19 FUU	84.00
Mole Country Stores	gate Hooks, Gate PLates, Screws & Chisel	102.54
Plan Communications Ltd	Mobile Phones Bill	258.00
Moorepay Ltd	Payroll Costs for December	165.12
Miles Tyre & Exhaust Services	2 x tyres for IW Trailer	110.23
Cablestream Ltd	Office phone line rental & calls	74.66
CROMWELL GROUP HOLDINGS LTD	Spade	12.59
LISTER WILDER LTD	Top link balls & couplers for stock	39.36
Corona Energy	Elmore Back Electricity 01/12/19 - 31/12/19	309.41
Corona Energy	Saul Electricity 01/12/19 - 31/12/19	93.93
Corona Energy	Office Electricity 01/12/19 - 31/12/19	529.04
Corona Energy	Lapperditch Electricity 01/12/19 - 31/12/19	268.46
Corona Energy	Oldbury P/S Electricity 01/12/19 - 31/12/19	2,123.54
Corona Energy	Wicks Green Electricity 01/12/19 - 31/12/19	1,447.56
Corona Energy	Marshfield Electricity 01/12/19 - 31/12/19	1,103.07
Bussell Parts Ltd	Dipper Ram for WU16 TZM	2,280.00
		<b><u>47,368.56</u></b>

No 1 Account contd

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# **Lower Severn (2005) Internal Drainage Board** **Payments to be Noted**

**January 2020**

**Please note that the amounts shown above include Vat where applicable**

<b>Amount Paid this Period (Supplier Invoices)</b>	<b>47,368.56</b>
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**Bank Payments for January 2020**  
 NatWest

Bankline Charge & Bank Charges	<u>58.42</u>
<b>Amount Paid this Period (Bank Payments)</b>	<b>58.42</b>

**Total Amount Paid thid Period**  
**£47,426.98**

## February 2020

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
Orchard Computer Services	Quarterly Maintenance Cover	389.00
Honey Brothers Ltd	Folding Saw, Pruning Saw & replacement blades	194.61
Chainsdirect Ltd	Chainsaw guide bars	80.00
Chainsdirect Ltd	Guide bar & replacement chains for chainsaw	96.60
Konica Minolta Business Solutions (UK) Ltd	Quarterly Photo Copier Hire 17/01/20-16/04/20	83.88
Konica Minolta Business Solutions (UK) Ltd	Quarterly Copy Charge 17/10/18 - 16/01/20	107.36
Spaldings Ltd	Filters for fuel bowsers	45.00
West Oils Environmental Ltd	Collection of waste oil	412.80
CROMWELL GROUP HOLDINGS LTD	Taps, sockets & screws	67.04
TESCO	Fuel for chainsaws	25.04
www.workgloves.co.uk	Heat Resistant Gloves	150.14
MERRETT D C	Transportation of WX12 CWL	240.00
MOWER DOCTOR	Assort files for Chainsaws	28.80
Mr W J Cornock	J Cornock - Mileages for 22/01/2020	5.40
HORE MR J	J Hore - Mileages for 22/01/2020	9.90
Mr R Thatcher	R Thatcher - Mileages for 22/01/2020	31.50
LITTLETON MR G	G Littleton - Mileages for 22/01/2020	16.20
Mr C J N Williams	C Williams - Mileages for 22/01/2020	19.80
Water 2 Business	Water Bill for 24/07/2019 - 20/01/2020	63.36
Water Environment Ltd	Elmore Back Stage 2 Hydraulic Modelling	<b>Invoice FYI</b> 6,600.00
The Gables Hotel	Room hire & refreshments for 22/01/2020	115.00
CROMWELL GROUP HOLDINGS LTD	Safets Specs & dust masks	104.92
ARCO LTD	Evostik Glue	16.09
ARCO LTD	Hand Cleanser Wipes	240.48
K J Conner & Son	Cleaning for January	276.00
Just Ecology Environmental Consultancy Ltd	Slimbridge WLMP - Invoice 2	3,620.00
HM Land Registry	Land Registry Search 1	3.00
HM Land Registry	Land Registry Search 2	6.00
HM Land Registry	Land Registry Search 3	3.00
Honey Brothers Ltd	Felling Lever, Long Breaking Bar & assort File Holders	243.54
Hydroscand Ltd	Parts for Tree Shears	51.22
Hydroscand Ltd	2 x hose assemblies for tree shears	53.18
Motion Consultants Ltd	Avonmouth consultancy advice for Dec 19	<b>Invoice FYI</b> 2,880.00
BOC LTD	125.65	150.78
Moorepay Ltd	Payroll costs for Jan 20	153.42
TAILORMADE OFFICE SUP.LTD	Binding Combs	8.05
TAILORMADE OFFICE SUP.LTD	A4 Paper. A3 Paper, Envelopes, Binding Covers	158.49
Smiths (Gloucester) Ltd	Waste management for Jan	35.78
ZEN INTERNET LTD	Monthly internet charge	46.50
Giffgaff Ltd	Sim monthly plan for Slimbridge WLMP	8.00
Mole Country Stores	Gate eyes & hurdles	39.95
Mole Country Stores	Gate hooks, eyes, staples, springs	115.92
Molson Equipment Services Ltd	Labour on call out to WO14 OEY - Dipper Arm	480.84
Ford Fuel Oils	Assort oils, grease, screenwash	556.79
ClIr Bronwen Behan	B Behan - Mileages for 05/02/2020	26.10
LITTLETON MR G	G Littleton - Mileages for 05/02/2020	16.20
Mr R Godwin	R Godwin - Mileages for 05/02/2020	16.20
HYSLOP MR R	R Hyslop - Mileages for 05/02/2020	22.95
Mr C J N Williams	C Williams - Mileages for 05/02/2020	19.80
Mr J Nichols	J Nichols- Mileages for 05/02/2020	5.85
HORE MR J	J Hore - Mileages for 05/02/2020	9.90
Mrs F Collins	F Collins - Mileages for 05/02/2020	26.10
Rose Hewlett	R Hewlett - Mileages for 05/02/2020	11.25
ClIr Paul Toleman	P Toleman - Mileages for 05/02/2020	17.10
Mr P Abraham	P Abraham - Mileages for 05/02/2020	15.30
Mary Sykes	M Sykes - Mileages for 05/02/2020	18.90
Plan Communications Ltd	Mobile phones bill	258.36
Severn Controls Ltd (Rewinds Division)	SMS Device installed at Saul P/S	318.00
CROMWELL GROUP HOLDINGS LTD	Drill bits, washers steel repair kit	59.16
CROMWELL GROUP HOLDINGS LTD	Brake cleaner, WD40, Oils	106.80

No 1 Account contd

## Lower Severn (2005) Internal Drainage Board Payments to be Noted

Page: 2

### February 2020

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
CROMWELL GROUP HOLDINGS LTD	First Aid Kits, Eye pods & station	212.12
Orchard Computer Services	Dell Optiplex Computer & Software Installation	1,092.00
Orchard Computer Services	2 x Upgrades to Windows 10	924.00
Andy Gardner	Annual website hosting	196.00
Cablestream Ltd	Office phone line rental & calls	77.75
MOWER DOCTOR	Husqvarna air filter	12.17
Bussell Parts Ltd	Kick glss for WO14 OEY	115.20
Motion Consultants Ltd	Marshfield P/S Modifications - Dec 19	2,399.62
Motion Consultants Ltd	Lapperditch P/S Modifications - Dec 19	2,399.62
Motion Consultants Ltd	Wicks Green P/S Modifications - Dec 19	2,399.61
Motion Consultants Ltd	Oldbury P/S Modifications - Dec 19	2,399.65
Motion Consultants Ltd	Elmore Back P/S Modifications - Dec 19	4,079.33
Tilney Ltd	Ongoing pension consultancy 01/08/19 - 31/01/2020	620.40
The Gables Hotel	Room hire& refreshments for 05/02/2020	175.00
Citation Ltd	Legal Fees	315.52
BRITISH TELECOM	Quarterly 2nd phone line	45.54
Corona Energy	Elmore Back Electricity 01/01/20-31/01/20	323.77
Corona Energy	Office Electricity 01/01/20-31/01/20	574.79
Corona Energy	Wicks Green Electricity 01/01/20-31/01/20	1,726.78
Corona Energy	Saul Electricity 01/01/20-31/01/20	93.30
Corona Energy	Lapperditch Electricity 01/01/20-31/01/20	299.45
Corona Energy	Oldbury P/S Electricity 01/01/20-31/01/20	1,571.08
Corona Energy	Marshfield Electricity 01/12/19-31/12/19	301.62
Corona Energy	Marshfield Electricity 01/01/20-31/01/20	393.20
Butties Sandwich Bar	Sandwiches for working lunch	27.36
		<u>41,756.23</u>

Please note that the amounts shown above include Vat where applicable

Amount Paid this Period	41,756.23
Corona Electricity Credit	<u>(1,103.07)</u>
<b>Amount Paid this Period (Supplier Invoices)</b>	<b>40,653.16</b>

### Bank Payments for February 2020

NatWest	Bankline Charge & Bank Charges	54.27
	<b>Amount Paid this Period (Bank Payments)</b>	<b><u>54.27</u></b>

**Total Amount Paid this Period**  
**£40,707.43**



March 2020

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
Halfords	Aerial for VN62 RPY	4.00
Sawbits.co.uk	2 x Ignition coils for chainsaws	79.46
LEES MEND A SHOE	New combination lock for Saul P/S	29.99
TESCO	Fuel for chainsaws	39.53
Ladders-Direct.com	Self adhesive Clow Inspection Tags	24.00
Somerset Commercials Ltd	Tech A&B Compound Tyre Rubber Fillers	28.96
Molson Equipment Services Ltd	To attend fault on WO14 OEY - Fault with arm	420.90
RS COMPONENTS LTD	Hose clamp pliers	64.40
LISTER WILDER LTD	Expansion vessel for VX65 HTA	585.60
LISTER WILDER LTD	Expansion vessel for VX65 HVB	585.60
Orchard Computer Services	Quarterly Maintenance Cover	389.00
Orchard Computer Services	To upgrade Sage to V26 onto server	96.00
Pitney Bowes Ltd	Franking machine rental for Jan & Feb	31.08
HCL Fasteners Ltd	Assort spring band clamps	35.82
HYDRA ENGINEERING SERVICES LTD	Bomford Mower Ram Repair	748.80
HYDRA ENGINEERING SERVICES LTD	Bomford Mower Ram Reseal	475.20
Cértas Energy UK Ltd	2,000 litres Derv	2,332.80
Ada Lincolnshire Branch	2020/21 White Book Subscription	50.00
K J Conner & Son	Cleaning for February	276.00
Online Safety Supplies	Assort wellingtons & waders	232.07
Barrington Ventures Ltd	Miniflex Level Controller for Elmore Back	103.10
DVLA	Licence for WX12 CWL	165.00
DVLA	Credit card charge	2.50
Safetygloves.co.uk	Assort Gloves	124.42
Motion Consultants Ltd	Avonmouth Consultancy advice for Jan 20	2,160.00
Motion Consultants Ltd	Elmore Back Pump Station Modifications - Jan 20	5,032.68
Motion Consultants Ltd	Marshfield Pump Station Modifications - Jan 20	1,675.50
Motion Consultants Ltd	Lapperditch Pump Station Modifications - Jan 20	1,675.50
Motion Consultants Ltd	Wicks Green Pump Station Modifications - Jan 20	1,675.50
Motion Consultants Ltd	Oldbury Pump Station Modifications - Jan 20	1,675.50
ZEN INTERNET LTD	Annual cPanel Bronze Charge 16/03/2020-15/03-2021	71.86
Orchard Computer Services	Annual Mimecast renewal	648.00
MERRETT D C	Tanks Emptied	180.00
ZEN INTERNET LTD	Annual Domain Charge 17/03/20 - 16/03/21	8.39
Moorepay Ltd	Payroll costs for Feb	153.42
GAP SUPPLIES	Assort silicone & sealants	39.83
Smiths (Gloucester) Ltd	Waste Management Services for Feb	35.78
Bishop Fleming LLP	Internal Audit for YE 31/03/20	3,120.00
G R Tuck	Length of box steel	18.38
Plan Communications Ltd	Mobile phones bill	258.36
MOWER DOCTOR	Stihl HL92 KC-E Hedgetrimmer	564.00
MOWER DOCTOR	Husqvarna Clamping Sleeve	30.48
MOWER DOCTOR	Chainsaw Chain	23.64
Adobe Systems Software Ireland Ltd	Annual adobe software for LR	171.84
Amazon.co.uk	Ink for Franking Machine	19.99
JOHN DAVIDSON (PIPES) LTD	AssortTwinwall Pipes & Couplers	1,524.10
ZEN INTERNET LTD	Monthly Internet Charge	46.50
Screwfix Direct Ltd	2 x Safety Boots	179.98
ALLCAP LTD	Hand Wipes	18.05
ALLCAP LTD	Cutting Discs & Duct Tape	75.73
Citation Ltd	Legal Fees	315.52
Green Farm Seeds Ltd	Grass Seed	402.00
Giffgaff Ltd	Sim monthly plan - Slimbridge WLMP	8.00
Mole Country Stores	Gate Hooks & Digging Fork	31.68
Mr CJN Williams	C Williams - Mileages for 11/03/20	23.40
Clr Fi Hance	F Hance - Mileages for 11/03/20	17.10
Cablestream Ltd	Office phone line rental & calls	82.70
Cemex UK Materials Ltd	20 x tons Limestone (To recharge)	431.83
Corona Energy	Office Electricity - 01/02/20-29/02/20	535.73
Corona Energy	Oldbury P/S Electricity - 01/02/20-29/02/20	3,452.30

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No 1 Account contd

## Lower Severn (2005) Internal Drainage Board Payments to be Noted

Page: 2

### March 2020

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
Corona Energy	Saul P/S Electricity - 01/02/20-29/02/20	<b>Invoice FYI</b> 265.98
Corona Energy	Elmore Back P/S Electricity - 01/02/20-29/02/20	" " " " 302.54
Corona Energy	Marshfield P/S Electricity - 01/02/20-29/02/20	" " " " 773.91
Corona Energy	Lapperditch P/S Electricity - 01/02/20-29/02/20	" " " " 485.58
Corona Energy	Wicks Green P/S Electricity - 01/02/20-29/02/20	" " " " 3,005.65
Zurich Insurance plc	Public Liability Insurance 2020/21	<b>Invoice FYI</b> 3,921.13
Zurich Insurance plc	Building & Contents Insurance 2020/21	" " " " 2,500.00
Zurich Municipal	Crime Insurance 2020/21	" " " " 1,392.22
FENTON INSURANCE SOLUTIONS LTD	Motor Fleet Insurance 2020/21	<b>Invoice FYO</b> 12,265.20
FENTON INSURANCE SOLUTIONS LTD	Engineering & Construction Insurance 2020/21	" " " " 2,898.80
FENTON INSURANCE SOLUTIONS LTD	Insurance Premium & IPT	" " " " 680.23
FENTON INSURANCE SOLUTIONS LTD	Customer Service Charge	" " " " 75.00
Worldpay (UK) Ltd	Credit Card Set Up Misc Fees	" " " " 15.00
		<u>61,888.74</u>

Please note that the amounts shown above include Vat where applicable

Amount Paid this Period	61,888.74
Supplier write off	<u>(0.01)</u>
<b>Amount Paid this Period (Supplier Invoices)</b>	<b>61,888.73</b>

### Bank Payments for March 2020

NatWest	Bankline Charge & Bank Charges	63.77
	Employee Long Service Award	<u>1,000.00</u>
	<b>Amount Paid this Period (Bank Payments)</b>	<b>1,063.77</b>

**Total Amount Paid this Period**  
**£62,952.50**

# Lower Severn (2005) Internal Drainage Board Payments to be Noted

## April 2020

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
Orchard Computer Services	Quarterly Maintenance Cover	389.00
TESCO	Petrol for Chainsaws	23.65
TESCO	Water for Office	12.60
L&S Engineers Ltd	3 x Chain & Sprocket Kits	111.78
L&S Engineers Ltd	Chain Adjustment Screw Kit	10.74
Certas Energy UK Ltd	6,532 litres Gas Oil	3,760.86
Giffgaff Ltd	Sim monthly plan - Slimbridge WLMP	8.00
L&S Engineers Ltd	3 x Chain catchers for chainsaws	6.48
L&S Engineers Ltd	Various parts for Chainsaws	199.49
TAILORMADE OFFICE SUP.LTD	A4 Paper, Envelopes, Lever Arch Files, Crown Sheets	195.66
TAILORMADE OFFICE SUP.LTD	Trodat Stamp	32.63
LISTER WILDER LTD	U/J Joint for Noremat Mower	20.45
T.H. Chamberlayne & Son	Wicks Green Pump Attendant 2019/2020	840.00
T.H. Chamberlayne & Son	Lapperditch Pump Attendant 2019/2020	840.00
T.H. Chamberlayne & Son	Marshfield Pump Attendant 2019/2020	840.00
Hydroscand Ltd	Hose assembly for VX65 HVB	68.51
Pitney Bowes Ltd	Franking Machine Rental for Mar20	15.54
CROMWELL GROUP HOLDINGS LTD	Hi Viz Vests & Rainsuits & Paper Towels	358.71
CROMWELL GROUP HOLDINGS LTD	Containers & Lids	112.22
CROMWELL GROUP HOLDINGS LTD	Assort Nuts, Bolts, Screws, Bolt Cutters & Welding	304.73
Water Environment Ltd	Recovery Facility Hydraulic Modelling Report	4,026.00
Orchard Computer Services	Annual Multi Domain Licence	234.00
L&S Engineers Ltd	Bar Cover for Chainsaw	6.79
Galleon Supplies Ltd	Toilet Rolls & Wypall Wipes	205.20
Lidl	Shovels	38.97
Lidl	Assort Shovels	77.94
TESCO	Petrol for Chainsaws	23.12
Honey Brothers Ltd	Fibre glass Screwfit poles	273.48
DVLA	Licence for WV19 FUU	165.00
DVLA	Credit card fee	2.50
Avon Hydraulics (UK) Ltd	Hydraulic Hoses for VX65 HVB	160.20
TAILORMADE OFFICE SUP.LTD	Plates	12.71
RIDDLE MR M	M Riddle - Mileages for 01/04/19 - 31/03/2020	148.32
Motion Consultants Ltd	Avonmouth Consultancy Advice for Feb 20	3,648.00
Concept13 Ltd	Expenses for Slimbridge WLMP	180.00
K J Conner & Son	Cleaning for March 2020	276.00
Wire Watcher Co	Wire Watcher for WV19 FUU	744.00
Wire Watcher Co	Fitting of Wire Watcher to WV19 FUU	240.00
Canal & River Trust	Flap Valve Rental @ Buckholt Syphon 01/04/20 -	113.02
Glamorgan Telecom Ltd	To set up phone divers	108.00
BARNES MR M	M Barnes - mileages for 01/04/19 - 31/03/20	167.40
BARNES MR M	M Barnes - Outside remit of Vice-Chair	108.00
Just Ecology Environmental Consultancy Ltd	Slimbridge WLMP - Final Invoice	2,970.00
Moorepay Ltd	Payroll costs for Mar 20	153.42
AVON ALARMS LTD	Annual maintenance & CCTV Monitoring from	1,362.00
Post Office	Stamps for Rates (Franking machine not working)	455.00
Amazon.co.uk	Samsung Galaxy A10 for KW (Work from home)	126.90
Amazon.co.uk	Samsung Galaxy A10 for LR (Work from home)	126.90
Motion Consultants Ltd	Marshfield P/S Modifications - Feb 20	2,184.00
Motion Consultants Ltd	Lapperditch P/S Modifications - Feb 20	2,184.00
Motion Consultants Ltd	Wicks Green P/S Modifications - Feb 20	2,184.00
Motion Consultants Ltd	Oldbury P/S Modifications - Feb 20	2,184.00
Motion Consultants Ltd	Elmore Back P/S Modifications - Feb 20	5,184.00
BNP PARIBAS LEASE GROUP	Quarterly Office Telecoms Rental	414.00
Mole Country Stores	Barbed Wire, Staples & assort nails	446.83
Worldpay (UK) Ltd	Worldpay Charges	15.00
Smiths (Gloucester) Ltd	Waste Management Charges for Mar 20	35.78
Holt JCB Ltd	Quarterly Holt JCB Service Agreement	321.20
Plan Communications Ltd	Mobile Phones Bill	258.00
Worldpay (UK) Ltd	Subscription for April	11.94

**Invoice FYI**

**Invoices FYI**

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## Lower Severn (2005) Internal Drainage Board Payments to be Noted

### April 2020

<u>Supplier</u>	<u>Details</u>	<u>Amount Paid this Period</u>
ZEN INTERNET LTD	Monthly Internet Charge	46.50
SOUTH GLOUCESTERSHIRE COUNCIL	Business Rates	760.75
Corona Energy	Saul P/S Electricity 01/03/20 - 31/03/20	34.32
Corona Energy	Oldbury P/S Electricity 01/03/20 - 31/03/20	1,485.65
Corona Energy	Marshfield P/S Electricity 01/03/20 - 31/03/20	221.83
Corona Energy	Elmore Back P/S Electricity 01/03/20 - 31/03/20	303.19
Corona Energy	Office Electricity 01/03/20 - 31/03/20	489.71
Corona Energy	Wicks Green P/S Electricity 01/03/20 - 31/03/20	2,971.86
Corona Energy	Lapperditch P/S Electricity 01/03/20 - 31/03/20	160.91
Cablestream Ltd	Office Phone Line Rental & Calls	91.13
Citation Ltd	Legal Fees	315.52
Worldpay (UK) Ltd	Subscription for Mar (Refunded) <b>Credit</b>	11.94
Spearhead Machinery Ltd	Spearhead Twiga SPV2 Prestige <b>Credit</b>	1,563.43
		<u>48,183.41</u>

Please note that the amounts shown above include Vat where applicable

Amount paid this Period	48,183.41
Worldpay Credit	(11.94)
Spearhead Credit	<u>(1,563.43)</u>
<b>Amount Paid this Period (Supplier Invoices)</b>	<b>46,608.04</b>

### Bank Payments for April 2020

NatWest	Bankline Charge & Bank Charges	74.97
	Ultrasonic Mouse Repellants	<u>75.92</u>
	<b>Amount Paid this Period (Bank Payments)</b>	<b>150.89</b>

### Total Amount Paid this Period £46,758.93

### Payments to be Noted January 2020 - April 2020

Jan 20	47,426.98
Feb 20	40,707.43
Mar 20	62,952.50
Apr 20	<u>46,758.93</u>
<b>Total</b>	<b>£197,845.84</b>

## No 2 Account

# Lower Severn (2005) Internal Drainage Board

## Payments to be Noted

Page: 1

Date From : 01/01/2020

January 2020 - April 2020

Date To : 30/04/2020

## Payroll Reports FYI

No	Type	Date	N/C	Ref	Details	Net Amount	Tax Amount	Gross Amount	Bank Rec. B Date
85073	BP	15/01/2020	2231	D/D	<b>Jan 20</b> Peoples Pension Cont - Dec 19	1,421.28	0.00	1,421.28	R 31/01/2020
85074	BP	17/01/2020	2230	D/D	Glos CC - Pension Cont for Dec	13,403.27	0.00	13,403.27	R 31/01/2020
85075	BP	22/01/2020	2210	D/D	HMRC - Liability for Dec 19	12,725.44	0.00	12,725.44	R 31/01/2020
85076	BP	28/01/2020	2220	D/D	LSIDB Salary for Jan 20	30,729.94	0.00	30,729.94	R 31/01/2020
85077	BP	28/01/2020	2211	D/D	GMB - Union Cont for Jan 20	28.28	0.00	28.28	R 31/01/2020
85315	BP	17/02/2020	2231	D/D	<b>Feb 20</b> Peoples Pension Cont - Jan 20	1,410.48	0.00	1,410.48	R 29/02/2020
85316	BP	19/02/2020	2230	D/D	LGPS Pension Cont - Jan 20	13,305.26	0.00	13,305.26	R 29/02/2020
85317	BP	21/02/2020	2210	D/D	HMRC Liability - Jan 20	10,780.50	0.00	10,780.50	R 29/02/2020
85318	BP	28/02/2020	2220	D/D	LSIDB Salary - Feb 20	29,279.41	0.00	29,279.41	R 29/02/2020
85319	BP	28/02/2020	2211	D/D	GMB Union - Feb 20	28.28	0.00	28.28	R 29/02/2020
85491	BP	16/03/2020	2231	D/D	<b>Mar 20</b> Peoples Pension Cont - Feb 20	1,410.48	0.00	1,410.48	R 31/03/2020
85492	BP	19/03/2020	2230	D/D	LGPS Pension Cont - Feb 20	13,296.89	0.00	13,296.89	R 31/03/2020
85493	BP	20/03/2020	2210	D/D	HMRC Liability - Feb 20	12,343.83	0.00	12,343.83	R 31/03/2020
85494	BP	27/03/2020	2220	D/D	LSIDB Salary - Mar 20	29,645.26	0.00	29,645.26	R 31/03/2020
85495	BP	27/03/2020	2211	D/D	GMB Union - Mar 20	28.28	0.00	28.28	R 31/03/2020
88971	BP	15/04/2020	2231	D/D	<b>Apr 20</b> Peoples Pension Cont - Mar 20	1,421.28	0.00	1,421.28	R 30/04/2020
88972	BP	17/04/2020	2230	D/D	LGPS Pension Cont - Mar 20	13,560.50	0.00	13,560.50	R 30/04/2020
88973	BP	22/04/2020	2210	D/D	HMRC Liability - Mar 20	12,772.51	0.00	12,772.51	R 30/04/2020
88974	BP	28/04/2020	2220	D/D	LSIDB Salary - Apr 20	29,404.73	0.00	29,404.73	R 30/04/2020
88975	BP	28/04/2020	2211	D/D	GMB Union - Apr 20	28.28	0.00	28.28	R 30/04/2020
						<u>227,024.18</u>	<u>0.00</u>	<u>227,024.18</u>	
						<u>227,024.18</u>	<u>0.00</u>	<u>227,024.18</u>	

## Petty Cash

# Lower Severn (2005) Internal Drainage Board

## Payments to be Noted

Page: 1

Date From: 01/01/2020  
Date To: 30/04/2020

### January 2020 - April 2020

No	Type	Date	Ref	Details	Net £	Tax £	Gross £	B	Bank Rec. Date
85040	CP	02/01/2020	7447	Tesco - 1 x Milk	<b>Jan 19</b> 1.10	0.00	1.10	R	31/01/2020
85041	CP	06/01/2020	7448	Falfield Stores - Milk	1.75	0.00	1.75	R	31/01/2020
85042	CP	06/01/2020	7449	Car Parking for JT - Cheltenham	5.00	1.00	6.00	R	31/01/2020
85043	CP	06/01/2020	7450	Car Parking for LR -	2.50	0.50	3.00	R	31/01/2020
85044	CP	07/01/2020	7451	Tesco - 1 x Milk	1.10	0.00	1.10	R	31/01/2020
85045	CP	08/01/2020	7452	Car Parking for JT - Sedgemoor	1.40	0.00	1.40	R	31/01/2020
85046	CP	13/01/2020	7453	Tesco - 2 x Milks	2.20	0.00	2.20	R	31/01/2020
85047	CP	14/01/2020	7454	Registered Postage	2.70	0.00	2.70	R	31/01/2020
85048	CP	15/01/2020	7455	Car Parking for JT - Broadmead	7.50	1.50	9.00	R	31/01/2020
85049	CP	20/01/2020	7456	Tesco - Milk & Teabags	8.19	0.00	8.19	R	31/01/2020
85050	CP	31/01/2020	7457	Registered Postage	5.70	0.00	<u>5.70</u>	R	<u>31/01/2020</u>
85208	CP	28/01/2020	7458	Tesco- 2 x Milks	<b>Feb 20</b> 2.20	0.00	2.20	R	29/02/2020
85209	CP	03/02/2020	7459	Tesco - Tea, Coffee, Milks	37.55	0.00	37.55	R	29/02/2020
85210	CP	07/02/2020	7460	Recorded Delivery	3.55	0.00	3.55	R	29/02/2020
85211	CP	10/02/2020	7461	Tesco - 2 x Milks	2.20	0.00	2.20	R	29/02/2020
85212	CP	17/02/2020	7462	Tesco - 2 x Milks	2.20	0.00	2.20	R	29/02/2020
85213	CP	19/02/2020	7463	Tesco - Decaf teabags,sugar	8.88	0.00	8.88	R	29/02/2020
85214	CP	19/02/2020	7463	Tesco - Toilet rolls, Air freshner,	12.58	2.52	15.10	R	29/02/2020
85322	CP	24/02/2020	7465	Tesco's - Milk	1.10	0.00	<u>1.10</u>	R	<u>29/02/2020</u>
85523	CP	02/03/2020	7466	Tesco- 2 x Milks	<b>Mar 20</b> 2.20	0.00	2.20	R	31/03/2020
85524	CP	05/03/2020	7467	Management meeting	22.80	4.56	27.36	R	31/03/2020
85525	CP	04/03/2020	7468	Registered Post	6.60	0.00	6.60	R	31/03/2020
85526	CP	09/03/2020	7469	Tesco- 2 x Milks	2.20	0.00	2.20	R	31/03/2020
85527	CP	15/03/2020	7470	Welcome Break - Milks	4.40	0.00	4.40	R	31/03/2020
85528	CP	18/03/2020	7471	Recorded Delivery	5.70	0.00	5.70	R	31/03/2020
85529	CP	18/03/2020	7472	Petrol for chainsaws	8.33	1.67	10.00	R	31/03/2020
85530	CP	19/03/2020	7473	Bleach sprays, kitchen towels	5.64	1.13	6.77	R	31/03/2020
85531	CP	20/03/2020	7474	Tesco - Milk	1.10	0.00	<u>1.10</u>	R	<u>31/03/2020</u>
88969	CP	24/04/2020	7475	Ink for LR Printer (No vat)	<b>Apr 20</b> 24.95	0.00	24.95	R	30/04/2020
Totals					£ <u>193.32</u>	<u>12.88</u>	<u>206.20</u>		

## Transfers Between Accounts January 2020 - April 2020

Bank	NominalRecord.AccountName	Type	Date	Journal	TransactionNominal.Details	Amount
1200	NAT WEST ACCOUNT NO 1:	JD	09/01/2020	J1437	Tsf from Direct Res to No1 Acc	75,000.00
1200	NAT WEST ACCOUNT NO 1:	JC	09/01/2020	J1438	Tsf from No1 Acc to No2 Acc (Re Wages)	-55,000.00
1200	NAT WEST ACCOUNT NO 1:	JD	07/02/2020	J1443	Tsf from Direct Res to No1 Acc	65,000.00
1200	NAT WEST ACCOUNT NO 1:	JC	07/02/2020	J1444	Tsf from No1 Acc to No2 Acc Re: Wages	-55,000.00
1200	NAT WEST ACCOUNT NO 1:	JC	14/02/2020	J1445	Tsf from No1 Acc to Petty Cash	-200.00
1200	NAT WEST ACCOUNT NO 1:	JD	04/03/2020	J1451	Tsf from Direct Res to No1 Acc	80,000.00
1200	NAT WEST ACCOUNT NO 1:	JC	04/03/2020	J1452	Tsf from No1 Acc to No2 Acc Re: Wages	-60,000.00
1200	NAT WEST ACCOUNT NO 1:	JD	27/03/2020	J1453	Tsf from Direct Res to No1 Acc	20,000.00
1200	NAT WEST ACCOUNT NO 1:	JD	08/04/2020	J1459	Tsf from Direct Res to no1 Account	40,000.00
1200	NAT WEST ACCOUNT NO 1:	JC	08/04/2020	J1460	Tsf from No1 Acc to No2 Acc Re: Wages	-30,000.00
1200	NAT WEST ACCOUNT NO 1:	JD	09/04/2020	J1461	Tsf from 35 Day Notice to No1 Acc	100,000.00
1200	NAT WEST ACCOUNT NO 1:	JC	15/04/2020	J1486	Tsf from No1 Acc to No2 Acc Re: Wages	-30,000.00
1201	NAT WEST ACCOUNT NO 2:	JD	09/01/2020	J1438	Tsf from No1 Acc to No2 Acc (Re Wages)	55,000.00
1201	NAT WEST ACCOUNT NO 2:	JD	07/02/2020	J1444	Tsf from No1 Acc to No2 Acc Re: Wages	55,000.00
1201	NAT WEST ACCOUNT NO 2:	JD	04/03/2020	J1452	Tsf from No1 Acc to No2 Acc Re: Wages	60,000.00
1201	NAT WEST ACCOUNT NO 2:	JD	08/04/2020	J1460	Tsf from No1 Acc to No2 Acc Re: Wages	30,000.00
1201	NAT WEST ACCOUNT NO 2:	JD	15/04/2020	J1486	Tsf from No1 Acc to No2 Acc Re: Wages	30,000.00
1230	PETTY CASH	JD	14/02/2020	J1445	Tsf from No1 Acc to Petty Cash	200.00
1257	Nat West Direct Reserve Acc	JC	09/01/2020	J1437	Tsf from Direct Res to No1 Acc	-75,000.00
1257	Nat West Direct Reserve Acc	JC	07/02/2020	J1443	Tsf from Direct Res to No1 Acc	-65,000.00
1257	Nat West Direct Reserve Acc	JC	04/03/2020	J1451	Tsf from Direct Res to No1 Acc	-80,000.00
1257	Nat West Direct Reserve Acc	JC	27/03/2020	J1453	Tsf from Direct Res to No1 Acc	-20,000.00
1257	Nat West Direct Reserve Acc	JC	08/04/2020	J1459	Tsf from Direct Res to no1 Account	-40,000.00
1261	Nat West 35 Day Notice :	JC	09/04/2020	J1461	Tsf from 35 Day Notice to No1 Acc	-100,000.00

## **COVID 19: IMPACT ON THE BOARD'S OPERATIONS**

### **Introduction**

The Government imposed a lockdown regime across the whole country on 24 March 2020. Inevitably this has affected the volume of work that could be safely carried out and triggered new ways in which staff have been required to work in these new and unprecedented circumstances. This report sets out the managerial actions taken in order to adopt different ways of working, to minimise the interruption to both planned maintenance works and capital projects and above all to keep employees safe.

### **Disruption of normal working practices**

The Board employs 15 staff in total, 12 full-time and three part-time. By function, the staff may be split into 6 office-based personnel and 9 operatives mostly deployed on site.

With effect from 25 March 2020, and in line with government guidance, I instructed all office staff to work from home and all operatives to stay at home until further notice. The offices and yard were locked down and cleaning, postal and waste collection services suspended.

### **EFFECT ON MEMBERS & MEETINGS**

Like all public bodies, the Board conducts its business via Committee and Board meetings. With the introduction of the lockdown it quickly became clear that conventional meetings could not take place. Following consultation with the Chairman, I applied for and obtained via ADA the necessary Defra approval to hold virtual meetings so that Members could still make legitimate decisions using remote teleconferencing. Using our IT suppliers Orchard, I have purchased the Microsoft Teams package, together with a number of licences, so that the Board has the ability to hold virtual meetings. I have shelved the normal schedule of meetings until such time as restrictions are further relaxed. It may well be that teleconferencing remains in use post-COVID, at least for some meetings; that is clearly an issue for further discussion in the future.

In terms of access to officers, I hope that all Members have been able to contact officers as and when required via e-mails and the telephone. A small number of site meetings involving Members have also taken place when warranted.

### **EFFECT ON OPERATIVES**

In the event, operatives were laid off for a period of 7 weeks, returning on 18 May. As a public authority, the Board is not eligible to apply for the government's furlough scheme and consequently all operatives were paid their wages in the usual way. Even during this shutdown period, operatives attended urgent call-outs using PPE as appropriate.

### **EFFECT ON OFFICE STAFF**



All 6 staff were able to continue working from home with IT support – eg two additional mobile phones, one extra laptop and two webcams to access virtual officer/Member meetings. Occasional visits to the office proved necessary for the collection of files, printouts, mail franking and resetting passwords. Rate demands were issued on time and we have begun to receive payments, including via the new facility to pay by card. This relocation meant that all staff had to set up workspaces at home and, for some, manage childcare arrangements as well when schools closed down.

## **EFFECT ON OPERATIONS**

Approximately 8km of watercourse work and 2km of tree clearance work could not be carried out during the 7-week period of operative inactivity. It will not be possible to 'catch up' with this work this year. Importantly though, these works are not critical to the efficiency of the drainage network and can be tackled next year. The operatives were able to start on the essential weeding and ridding work on their return, thereby significantly reducing the likelihood of flooding events in the coming winter/spring. It is fortunate indeed that this type of work can be completed via lone working with full PPE support.

As reported to the recent F & GP meeting, as at July 2020, the Capital Programme has not been critically affected by the lockdown. The planned work on the replacement of Elmore Back pumping station has continued, albeit with some delays in responses from the EA and meetings with consultants, who in some cases were struggling to engage because their staff were furloughed.

The purchase of replacement plant and vehicles has not been adversely affected by the COVID crisis. Recent purchases include: 1 x Spearhead spv 2 which is currently in operation and p/x of our Energreen 1500.

In terms of supplies, we have not faced difficulties in raising orders and obtaining goods, although predictably PPE kit – eg sanitiser, gloves, masks, wipes - has been harder to source. Despite this, operatives have enjoyed full PPE protection and their programmed work since the return has not been disrupted.

## **Changes to Working Practices**

In summary, the following changes have been introduced:

- All staff have been handed and signed for a Risk Assessment prepared by the Land Drainage Engineer. This document, drawn up in consultation with our HR advisers Citation, provides comprehensive guidance on managing COVID-19 in the workplace and maintaining social distancing.
- All necessary PPE has been distributed to operatives, with stocks in place to continue this practice.
- A deep clean of the offices was undertaken on re-opening and this has been backed up by a more rigorous weekly cleaning regime than previously and the provision of hand sanitisers and safety signs reminding staff and visitors of social distancing requirements.
- Most office staff are now working almost exclusively from home. In time, and as further relaxations are introduced, we will need to examine how to achieve the right balance between home and office-based working.
- Telephones have been diverted so that all callers ringing in to the office are diverted in the first instance to the mobile phones supplied to the admin staff.

## **Conclusions**

The outcomes could have been far worse. For instance, if the layoff had lasted longer or if one or more employee had contracted the virus then the Board's ability to function at all would have been seriously compromised. Despite the challenges created by Covid 19, no significant slippage has occurred in our planned activities/expenditure so far this year.

**Recommendation:**

That the report be noted.

*Kieran Warren*

*Principal Officer*

MEETING: Full Board

MEETING DATE: 22.7.2020

REF: KW/HR4.3/2020

REPORT BY: Principal Officer

## **PAY AWARD 2020/21**

### **Introduction**

In March this year I was notified by David Withnall the Finance Manager at Black Sluice IDB [and involved in national negotiations on pay and conditions] that an increase of 3.7% had been agreed at the national level by Employer and Employee representatives. An extract from his e-mail states as follows:

*"The pay award this year and for the future years is based on the following two proposals which have been accepted by the Lincolnshire ADA Branch and the ballot of Unison members returned a unanimous result in favour.*

#### **Proposal 1**

*As per the Office for National Statistics EARN01 Average Weekly Earnings – Total pay, Great Britain (Seasonally adjusted)*

*Provisional July figure, published in September, for the Public Sector, 3 month average (KAC9), % change year on year. For the financial year 2020/21 this is 3.7%*

#### **Proposal 2**

*As per proposal 1 for three years 2020/21, 2021/22 and 2022/23 and carrying on beyond that unless 12 month notice given by either party (Employers or employees) to re-enter negotiations.*

*All subject to any national legislation being introduced."*

### **Subsequent Action**

Following consultation with the Chairman and Vice-Chairman, I applied the increase wef from 1 April 2020. The Accounts Officer had made a provision of 2.5% for a pay increase this year; the actual increase now agreed will add a further £7,600 (rounded) to the payroll expenditure for 2020/21. We can accommodate this increase without adversely affecting our planned capital and revenue spend.

### **Recommendation:**

That the report be noted.

*Kieran Warren*

*Principal Officer*

**Annual Governance and Accountability Return (AGAR) 2019/20**

**Introduction**

For 2019/20 the Board is subject to a Limited Liability Audit. The External Auditor appointed for all IDBs is PKF Littlejohn.

The External Auditor requires the completion of the Annual Governance and Accountability Return (AGAR) 2019/20 (see attached) and the submission of supporting documentation.

There are two elements of the AGAR that the Board has to agree prior to submission to the External Auditors. The first element is Section 1 – Annual Governance Statement 2019/20 on page 4 and the second is Section 2 – Accounting Statements 2019/20 on page 5.

The Finance and General Purposes Committee, on 8 July 2020, considered the contents of the AGAR 2019/20 and the reconciliation of these figures to the management accounts for the year ending 31 March 2020. Their recommendation to the Board is contained within the minutes of their meeting.

Along with this return the Board is required to submit:

- Bank reconciliations as at 31 March 2020;
- An explanation of any significant year on year variances in the accounting statements;
- Reconciliation between Boxes 7 and 8 on page 5 of the AGAR;
- Notification of the period for the exercise of public rights;
- Section 48 notice of agricultural rates and special levies;
- Minutes and agenda papers and any other reports from 2019/20 relating to the setting of the budget for 2020/21.

**Recommendations**

1. **To receive and note the Annual Internal Report on page 3;**
2. **To approve the Annual Governance Statement 2019/20 - on page 4 and for the Chair and Principal Officer to sign the Annual Governance Statement;**
3. **To approve the Accounting Statements 2019/20 - on page 5 and for the Chair to sign the Accounting Statements.**

*Martin Dear*

*Accounts Officer*

# Annual Governance and Accountability Return 2019/20 Part 3

## To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
  - The **Annual Internal Audit Report** is completed by the authority's internal auditor.
  - **Sections 1 and 2** are to be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2020**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must return** to the external auditor by email or post (not both) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2020
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2019/20

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2020 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide*\* which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (no highlighted boxes left empty), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible before approving the annual governance statement and the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2020.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide*\*.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the period for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2020**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations from last year to this year been published?	✓	
	Has the bank reconciliation as at <b>31 March 2020</b> been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



## Annual Internal Audit Report 2019/20

### Lower Severn (2005) Internal Drainage Board

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

19/02/2020

Name of person who carried out the internal audit

Bishop Fleming LLP

Signature of person who carried out the internal audit

Bishop Fleming LLP

Date

22/05/2020

\*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

## Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Lower Severn (2005) Internal Drainage Board

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed		‘Yes’ means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable, in our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

\*Please provide explanations to the external auditor on a separate sheet for each ‘No’ response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

**Other information required by the Transparency Codes (not part of Annual Governance Statement)**

Authority web address

[www.lowersevernldb.org.uk/](http://www.lowersevernldb.org.uk/)



## Section 2 – Accounting Statements 2019/20 for

Lower Severn (2005) Internal Drainage Board

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	1,083,985	1,373,665	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.  Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	1,295,461	1,375,746	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	312,067	242,381	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	711,467	731,323	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	606,381	1,013,763	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,373,665	1,246,706	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,353,536	1,236,243	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,192,402	1,434,420	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.  N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

*M. Dea* SIGNED

Date

19/06/2020

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

## Section 3 – External Auditor Report and Certificate 2019/20

In respect of

Lower Severn (2005) Internal Drainage Board

### 1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

### 2 External auditor report 2019/20

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

### 3 External auditor certificate 2019/20

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

\*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## **LAND DRAINAGE ENGINEER'S REPORT**

### **Introduction**

The beginning of 2020 was very wet at times and work was hampered by unsuitable ground conditions and high-water levels. We still continued to make good progress until the start of lockdown 24<sup>th</sup> March due to Covid -19. All operations were suspended except from several emergency works, removing blockages from the Boards adopted watercourses.

Operations commenced again 18<sup>th</sup> May. After a long period of extremely dry weather we have now noticed prolific weed growth in the watercourses due to the very low water levels and the amount of unusually warm sunny weather early in the spring.

### **Dredging Programme 2020**

The Salt and West rhines at Avonmouth, Cabot Park were dredged (total 2100m) from Rockingham bridge upstream to the M49. In addition to these works the balancing ponds behind Honda were also maintained by removing swathes of standing reed and carrying out tree work adjacent to the ponds and ditches. The ponds form part of the overall strategic drainage network providing storage whilst the rhines are tide locked.

The Barracks Farm rhine was dredged at Moreton Valence (1240m) and a fence constructed adjacent to the watercourse on completion. Additional tree cutting was carried out to the rear of residential properties which had been difficult to access with our machinery for many years.

Dredging was undertaken at Hill on part of the Nupdown rhine (600m) and additional tree cutting adjacent to the Longpools rhine.

A new field culvert was installed at Rockhampton as the original one had partially collapsed putting a residential property at risk from flooding. The LDE had approached the downstream landowner and it was agreed that the works would be done on a rechargeable basis.

Additional works were carried out at Lydney Park Estate at very short notice after a request from the farm. An adopted watercourse was bank full and overtopping in places partly due to the amount of vegetation in the watercourse. We carried out maintenance from Aylburton downstream to the outfall into the Estuary (2500m).

At Minsterworth tree cutting adjacent to a short length of channel was undertaken and then dredged.

A watercourse at Churcham was cut back and cleared together with tree cutting works.

Tree cutting was carried out at Elmore

Due to the very wet weather the operatives also spent periods of time undertaking blockage removal, manual works and general surveying of the drainage network and pump stations across the Boards district.

## **Annual Maintenance**

Mowing and weed cutting commenced at the beginning of June in areas where residential property is at risk from flooding. Gossington (Penny Lane), Cambridge (Ryalls Lane), Pilning, Awkley, Easter Compton, Hallen Caravan Park and Oldbury on Severn were all subjected to early maintenance. Mowing and weed cutting will be undertaken again at the end of the year to remove any regrowth to ensure maximum conveyance and capacity.

Works have commenced at Aust and Ingst just to the south of the old Severn Bridge. The operators will work in a northerly direction through the Severn Vale to Oldbury.

Annual maintenance was undertaken at Frampton before moving to Tidenham just north of Chepstow. This operator will move in a northerly direction towards Lydney undertaking mowing and weed cutting operations.

Mowing and weed cutting is also being carried out to all the Boards adopted watercourses at Chaceley in the north of the Boards area.

## **Machinery**

The Board received delivery of a new Spearhead SPV2 self-propelled mower/weed cutter at the beginning of June 2020 which will predominately be used in the Avonmouth/Severn Beach areas carrying out flail mowing duties. However, we can also add the weed cutting bucket to this machine and a small set of tree shears if necessary. (See photos Appendix A ).

The new machine seems to be performing very well and we are pleased with the upgrades that have been incorporated into the new design some of which are as a result from our operator feedback.

The original Energreen 1500 which was purchased in 2011 was part exchanged.

## **Elmore Back pumping station**

Despite Covid – 19 progress has continued with this project. Information which influenced the design was unattainable due to many of the technical sales staff being furloughed. This resulted in delays and also we experienced further delays due to the Environment Agency Fisheries team lack of response due to resources.

The pumps that we wish to use have finally been given the green light by the E.A and the LDE has now placed the order with Bedford for a total cost of approx. 97k. It was important to move forward with this as the lead in time was approximately 25 weeks and the pump designers/Engineers would not commence until they had a formal order.

Bedford pumps have been on site after we pumped the levels to the bottom of the chamber to design the inlet benching.

We have also unexpectedly had to place an order with Western Power Distribution (approx. 13.5k) to upgrade the power supply to the building which involves a new transformer and new cabling to the pump house. We are upgrading from a 200 amp supply to 300 amp (415v) as there are the pumps, weed screen motor and Elver pass pump to power. The modelling showed the existing pumps to be very inefficient when pumping against a high head (when the R.Severn is high) and not delivering the volume as originally stated so the existing 200 amp was not enough and would limit any further adjustments/upgrades in the future.

The Environment Agency is still yet to approve the Elver pass although this should be relatively straight forward.

The tender documents and CDM file are due to be finalised by the end of July and we are looking to go out to tender at the start of August. The LDE and Motion consultants have conducted several preliminary interviews with several Civil engineering contractors to discuss the project in detail before tender documents are issued.

It is envisaged that the tender period will be 4 weeks, concluding with a tender appraisal process of a further 2 weeks. After the successful contractor is appointed it is envisaged that works will begin onsite at the beginning of November for a period of 16 weeks completing the project before the end of the financial year. (March 2021)

As soon as the tender documents have been issued detailed design will commence on Lapperditch pumping station.

### **Health & Safety**

Before the return of the operatives the LDE was in contact with Citation to seek advice on how to provide a safe place of work and also the fact that one of our employees was classed as a shielded person who wished to come back to work.

A Covid-19 risk assessment was written detailing the safety measures which were being put in place.

Each employee had a safety induction on their return, issued with all the relevant PPE and hand sanitizer in order to reduce the risk of infection.

### **Recommendations:**

That the report be noted.

*James Druett  
Land Drainage Engineer*









SPEARHEAD

97XT

ENERGREEN

TWIGA  
SPV2

SPEARHEAD

40

ECO

ECO

AVIATOR T440

AVIATOR T440



**MEETING: FULL BOARD**

**MEETING DATE: 22/07/2020**

**REF: JT**

**REPORT BY: Civil Engineer**

### **CIVIL ENGINEER'S REPORT**

#### **Introduction**

Below is a report compiled by the Civil Engineer. The report is for information.

#### **Covid 19 Impacts**

There has been a mixed impact in terms of development as a result of the Covid 19 outbreak. Some sites have slowed progress however, over the past 6 weeks there are some signs of a return to normal with existing sites and some new enquiries to some fairly large developments in the south of the Boards area in Avonmouth.

The use of technology has enabled meetings to continue albeit not in the usual face to face manner however, this has not been a hindrance to making progress.

#### **Western Power G Route Hinkley – Avonmouth Connector**

The works are now largely complete and the culverts that were granted temporary consent by the Board have now been removed.

The works involved the installation of a new 132Kv connector line into the Boards area.

#### **Slimbridge WLMP**

An estimate for the CCTV and root cutting has now been received and will be commencing shortly.

This will enable the monitoring equipment that was installed earlier in the year to establish a baseline and enable the Board to make evidence based decisions going forward.

Unfortunately this work was delayed by 4 months due to the Covid 19 outbreak as it was intended to be completed early in April 2020.

#### **Walmore Common North**

A meeting of the trustees, FWAG, Clive Spencer and the Civil Engineer was held on the 8<sup>th</sup> July 2020. FWAG intends to move approx 150m of track and reprofile the High-Level Carrier drain in the North Common. The works are intended to promote higher water levels in the summer months whilst increasing the capacity of the watercourse to lower the risk of flooding in the winter.

The Boards Engineers are awaiting finalised designs so that consents can be issued.



### **Avonmouth to Aust Flood Defence Scheme**

Consents have now been issued to permit temporary and permanent works to facilitate the new flood defence scheme. This is primarily in the area to the south of Aust and will result in increased tidal protection from the River Severn.

### **Microsoft Teams Meetings**

Following successful server upgrades the Officers are now able to host and join teams meeting. This has been largely successful and the F&GP committee meeting was hosted successfully on the 1<sup>st</sup> of July.

### **Reccomendations:**

That the report be noted.