

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

# Full Board Meeting

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Wednesday 5th June 2019

**The Gables Hotel, Falfield  
14.00pm**

Present:

Mr G R Littleton  
Cllr S Morgan  
Mr J Nichols  
Mr I Ractliffe  
Mr G Simms  
Ald M Sykes  
Mr R Thatcher  
Cllr S Walker  
Ald C Williams  
Mr K Withers

Staff:

AO  
LDE  
CE  
PO

1330

	<p>A revamped website would be launched in the coming weeks this would be available for Members and the public to access. The PO would send Members a link to the new site in the near future. The Chairman asked Members to forward their feedback or suggest any improvements.</p> <p><u>ADA 'Good Governance for Internal Drainage Boards' Publication</u>  ADA would be holding a workshop to launch the ADA publication this was open for members to attend on the 26<sup>th</sup> March at The Gables Hotel.</p>	Members a link to website when launched
2820.	<p><b>Declaration of Members Interest</b>  Mr Ractliffe declared his interest in the item regarding the River Leadon contribution (minute 2832 refers).</p>	
2821.	<p><b>Minutes of Previous Meeting Resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>Minutes of the meeting held 7<sup>th</sup> November 2018 be approved.</b></li> </ul>	
2822.	<p><b>Engineering Committee Meeting 21<sup>st</sup> November 2018</b>  The Committee Chairman reported the recommendations from this meeting.</p> <p><u>Biosecurity Policy &amp; Procedures</u>  The Committee had considered a policy and procedure to deal with invasive plant species.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Biosecurity Policy and the Biosecurity Procedures at Appendix A to these minutes be approved.</b></li> </ul> <p><u>Machinery Replacement</u>  The Engineering Committee had agreed to revise the machinery replacement programme and base replacements on engine hours rather than a fixed term. As a result, the Committee had resolved to defer the replacement of the Energreen 1500 to 2020/21 and the replacement for the New Holland 3.6 wheeled excavator would be a JCB Hydradig to be purchased in 2019/20. The LDE had seen a working demonstration of this machine and he was satisfied it would be suitable for the Board's requirements. This machine would have an extended four-year warranty to cover major repairs with a higher excess.</p> <p><u>De-mainment</u>  The Engineering Committee had considered a strategy proposed by the Engineers for the de-mainment of the Longdon Brook, Tirley Main Drain and Wicksters/Capehall Brook. The Committee resolved that the Environment Agency be formally approached to consider the de-mainment of these watercourses. The Engineers explained that the River Leadon did not qualify as its length was not wholly within Board's area.</p> <p>The Committee had also resolved that a budget of £30,000 be provided in the financial year 2019/20 for survey work necessary to support the de-mainment application.</p> <p>The Engineering Committee's Terms of Reference allowed for these two items to be approved, the Committee felt it was important that the resolutions should have the ratification of the full Board before proceeding.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Board ratified the Engineering Committee decision (minute 2777 refers) to apply to the Environment Agency for the de-mainment of the Longdon Brook, Tirley Main Drain and Wicksters/Capehall Brook.</b></li> <li>• <b>The Board ratified the Engineering Committee decision (minute 2777 refers) to provide a budget of £30,000 in 2019/20, to</b></li> </ul>	Appendix A

	<p><b>commission survey work to support the demainment application.</b></p> <p><u>Capital Programme</u> The Engineering Committee had considered the PO's proposal to produce a capital programme. The Committee supported the production of a programme for approval by the Board.</p> <p>The Chairman commented that a capital programme would be a positive planning mechanism for the Board and it also addressed the matter of undesignated reserves that had been highlighted by the F&amp;GP Committee.</p> <p><b>It was resolved that:</b></p> <ol style="list-style-type: none"> <li><b>1. The format and assessment criteria for the Capital Programme appended B to these minutes be approved</b></li> <li><b>2. All Members be invited to propose projects for inclusion in the Programme</b></li> <li><b>3. The Capital Programme be included on all Committee agendas at least on an annual basis.</b></li> <li><b>4. The Capital Programme be included as a standard item on the agenda for all future Engineering Committee meetings so that information can be regularly updated and progress monitored.</b></li> <li><b>5. The Engineering Committee would continue to manage the Programme on behalf of the Board.</b></li> </ol> <p><u>Severn Estuary Stakeholders Meeting</u> At the meeting attended by the Engineers, Mr Godwin and Miss Hewlett, the EA reported that CCTV would be installed to monitor the condition of the Severn outfalls. It was hoped the EA would respond quicker to silt deposits that built up and blocked the tidal flaps</p> <p>Cllr Burford asked if this change policy by the EA rendered the Board's decision (minute 2759 refers) to commission a study on Hill Pill unnecessary.</p> <p>The Engineer and Miss Hewlett explained that the EA would review the strategy in the future and may decide to revert back to routine maintenance which had led the Board to commission the study to find a long-term solution.</p>	<p>Appendix B</p> <p><u>Action 2</u> CE to circulate a link to CCTV cameras</p>
2823.	<p><b>Governance &amp; Probity Committee Meeting 5<sup>th</sup> December 2018</b> ADA Publication 'Good Governance for Internal Drainage Board Members' The Committee had welcomed ADA's 'Good Governance for Internal Drainage Board Members' as a useful and informative guide.</p> <p><u>Mission Statement</u> The Committee had reviewed the Mission Statement and recommended that the statement be re-affirmed by the Board.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>• The Mission Statement be re-affirmed as follows:</b></li> <li><b>• The Board's role is to provide cost effective internal land drainage, flood protection and flood risk management for both the rural and urban areas within its boundaries, taking into account the interests of local communities, wildlife and conservation, and working closely with lead Flood Authorities, the Environment Agency and other stakeholders.</b></li> </ul> <p><u>Committee Meeting Agendas</u> It was recommended that future Committee agendas list the names of Committee and sub-Committee members.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>• Agendas to include names of Committee Members.</b></li> </ul>	

	<p><u>Members Code of Conduct</u> The G&amp;P Committee would review the code again when further information had been received to clarify when members had to make a declaration of interest.</p> <p><u>Member/Officer Protocol</u> The G&amp;P Committee had reviewed the protocol and considered whether changes were required to include internet communication. They recommended the existing protocol was sufficient</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Board re-affirmed the Member/Officer Protocol approved 18<sup>th</sup> September 2013 (minute 1838 refers).</b></li> </ul> <p><u>Substitute Member Protocol</u> The G&amp;P Committee had reviewed this protocol and recommended that item 5 be re-worded to assist Members to find a deputy when they are unable to attend a meeting.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Substitute Member Protocol appended C to these minutes be approved.</b></li> </ul> <p><u>Voting on Appointments Procedure</u> The G&amp;P Committee had reviewed this procedure and recommended that voting by secret ballot should be replaced by voting by a show of hands.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Voting on Appointment Procedure at Appendix D to these minutes be approved.</b></li> </ul>	<p>Appendix C</p> <p>Appendix D</p>
2824.	<p><b>Finance &amp; General Purposes Committee Meeting 12<sup>th</sup> December 2018</b></p> <p><u>Risk Register</u> The F&amp;GP Committee had approved a new entry be included to cover reputational risk and additional health &amp; safety risk responses. The PO had been named as the owner of the document. The F&amp;GP requested that the Board ratified the document.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Risk Register approved by the F&amp;GP Committee minute (2801 refers) be ratified by the Board.</b></li> </ul>	
2825.	<p><b>Finance &amp; General Purposes Committee Meeting 23<sup>rd</sup> January 2019</b></p> <p><u>Draft Budget 2019/20</u> The F&amp;GP Committee recommended that the budget for 2019/20 be accepted with a rate of 9.0p in the £ to meet known expenditure. The Committee were satisfied that the budget planned for a small surplus at year end.</p> <p><u>Medium Term Financial Plan</u> The MTFP included a 0.5p annual increase, this illustrated that the 'revenue reserve as a percentage of expenditure' rose above 30%. The LSIDB's Financial Regulations state that this should be approximately 30%.</p> <p>The F&amp;GP Committee suggested that:</p> <ol style="list-style-type: none"> <li>1. The G&amp;P Committee review the level of reserves.</li> <li>2. The Board adopt the Engineering Committee recommendation to produce a capital programme and designate some reserves.</li> </ol>	
2826.	<p><b>Staff &amp; Pensions Committee Meeting 9<sup>th</sup> January 2019</b></p> <p><u>Pay Reviews</u> The recommendations from this Meeting were circulated to the Board.</p>	

	<p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The recommendations 1 - 7 be approved (Minute 20 refers, confidential).</b></li> </ul> <p><u>Employer Contributions to NEST</u></p> <p><b>It was resolved that:</b></p> <ol style="list-style-type: none"> <li>1. <b>For 2019/20 the employer contributions to NEST be set at 5% and</b></li> <li>2. <b>For the ensuing years the contributions are set at 2% above the Government minimum.</b></li> </ol> <p><u>Grievance Hearing</u></p> <p>It had been reported to the Committee the outcome of the hearing held 10<sup>th</sup> October 2018. The S&amp;P Committee recognised the role of Cllr Abraham and Mr Simms in drawing the matter to a satisfactory conclusion.</p> <p>The panel had recognised that there were improvements necessary to the grievance process and the PO had identified a number of principles that both parties could adopt.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The PO would prepare a report for consideration by the G&amp;P Committee on a process for dealing with any future grievance case in an effective, consistent, prompt and fair manner.</b></li> </ul>	
2827.	<p><b>Accounts Officer's Reports</b></p> <p><u>Forecast result for the year ended 31<sup>st</sup> March 2019</u></p> <p>The Board noted the forecast result.</p> <p><u>Budget 2019/2020</u></p> <p>The budget recommended by the F&amp;GP Committee proposed a rate increase from 8.5p to 9.0p in the £. Members noted that this was a 6% increase and above the rate of inflation. The AO explained that the budget incorporated expenditure approved by the Engineering Committee and the pay awards approved by the Staff &amp; Pensions Committee and agreed by the Board. The F&amp;GP Committee had agreed that the budget should not plan for a deficit at year end.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The budget for 2019/20 be approved.</b></li> </ul> <p><u>Capital Expenditure for 2018/19 and 2019/20</u></p> <p>Members noted this.</p> <p><u>MTFP</u></p> <p>Further to Minute 2825, Cllr Burford suggested it would be wrong to change the Financial Regulations to accommodate a situation unless it was the right thing to do in the long term. He also felt that the £30,000, approved for demanment surveys, a one-off payment, could have been budgeted from reserves rather than increase the rate.</p> <p>The AO responded that the F&amp;GP had decided that they did not want to set a deficit budget. He took comfort from the decision earlier in the meeting to produce a capital programme, as this would be a way managing the level of reserves. If the programme had not been approved the Board should have considered setting a deficit budget to reduce the reserves.</p> <p>The MTFP showed a 0.5p annual increase until 2023/24, the AO explained that this was for illustrative purposes and not to be interpreted as a proposition of the future rates. Members were only determining the rate for 2019/20 at the meeting. The Chairman suggested that it should be made clearer on future MTFP.</p>	<p><u>Action 3</u> AO, future MTFP make clear annual rate increases were for illustrative purposes.</p>

	<p>The PO said that 30% was not an absolute figure and quoted the Financial Regulation 3.5. It stated that:</p> <p style="padding-left: 40px;">“A general provision including a contingency should be maintained which is equivalent to approximately 30% of the Board’s annual expenditure.”</p> <p>Ald Williams proposed that the Financial Regulation 3.5, be temporarily suspended pending review by the appropriate Committees.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>For the rate setting 2019/20, the Board temporarily suspend Financial Regulation 3.5, pending review by the Governance &amp; Probity and F&amp;GP Committees until the next Board meeting to be held 5<sup>th</sup> June 2019.</b></li> <li>• <b>A meeting of the Engineering Committee be convened before the next Board meeting in order to develop the Capital Programme. The minutes of this meeting to be available for the F&amp;GP meeting on 22 May 2019.</b></li> <li>• <b>Subject to the above the MTFP was approved.</b></li> </ul> <p><u>Developers Funds as at 30<sup>th</sup> November 2018</u> The Board noted this.</p>	
<b>2828.</b>	<p><b>Declaration of Rates 2019/20</b></p> <p>Having considered the AO’s reports and the extensive discussion that followed the Board declared a rate. Charging authority Members discussed the message that would be taken back to their authorities when asked about a rate increase above inflation. The Chairman said nominee members should be clear that they were not setting a rate that contradicted the Board’s Financial Regulations but that awareness had been raised for the need to clarify the Board’s policy.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>A drainage rate and levy for 2019/20 be declared at 9.0p in the £.</b></li> </ul>	
<b>2829.</b>	<p><b>Land Drainage Engineer’s Report</b> <u>Saul Pumping Station</u></p> <p>The LDE explained that the pump replacement had been delayed. He was currently waiting for the design to be signed off by the EA’s Fisheries Department before site work could commence. In response to Member concerns, he said he was confident that the pump the Board had purchased would be approved as the EA had installed the same design in their own pumping stations.</p> <p><u>Operator Retirement</u></p> <p>Mr Hore commented that the retiring operator would be greatly missed in the Severnside/Avonmouth area. He explained to Members that the area had changed greatly over the last 30 years with large scale development and the retired operator had worked in the area whilst all the changes had taken place. He told Members that a new operator would require more mentoring from the Foreman and Engineers to familiarise himself with this area.</p>	
<b>2830.</b>	<p><b>Civil Engineer - Avonmouth Presentation</b></p> <p>This was in response to a number of issues that had been raised by members regarding the processes involved and how the CE working with the consultants dealt with development applications that came forward and the outcomes.</p> <p>Mr Hore asked; how would the Board’s system deal with the volume of water that would be released from the proposed surfing lake at Easter Compton. The CE explained that the modelling demonstrated that the flood risk would</p>	

	not be significant and a protocol was being finalised with the developer to ensure that the draining of the lake did not coincide with heavy rainfall or when levels were high in the watercourses.	
<b>2831.</b>	<p><b>Slimbridge Water Level Management Plan</b></p> <p>The CE reported that a meeting with officers, Miss Hewlett, Mr Simms and chaired by Mr Barnes had been held in January to discuss the plan and its implementation with Jeff Kirby the author of the WLMP. Attendees were satisfied that the plan would be a workable document taking into account the differing interests of the landowners involved, whilst discharging the Board's legal obligation.</p> <p>A budget of £20,000 had been agreed in 2017 (minute 2478 refers) to fund a new Slimbridge WLMP. To date £11,500 had been spent. The quote for initial implementation of the plan was £9,050. This would cover monitoring the site to gather data to inform potential schemes necessary to carry out the objectives of the plan.</p> <p>The CE proposed that a steering group to include; Mr Barnes, Miss Hewlett and Mr Simms in conjunction with the Engineers be set up to oversee the implementation of the plan.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Slimbridge WLMP be adopted.</b></li> <li>• <b>£9,050 be approved in the 2019/20 financial year to begin the implementation of the Slimbridge WLMP.</b></li> <li>• <b>A working group be set up to oversee the plans implementation.</b></li> </ul>	
<b>2832.</b>	<p><b>River Leadon Contribution</b></p> <p>The CE reported that together with the Chairman he had visited the Maisemore area and met landowners from the River Leadon catchment together with representatives from the NFU.</p> <p>Landowners on the lower stretches of the Leadon were prepared to finance desilting works including reinstating the tidal flaps which had been dislodged for some years. They requested a contribution from the Board and they also hoped that with the Board's support more landowners could be attracted to help.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Board commit to providing financial assistance at a level to be determined by the Board at a later date to assist with the maintenance works in the River Leadon catchment.</b></li> </ul>	
<b>2833.</b>	<p><b>DITCHionary</b></p> <p>Miss Hewlett reported that she had been compiling a dictionary of local terms for flood defence and land drainage using her research of the Board's records from medieval times to the present day. Members could request a copy and add information.</p>	
<b>2834.</b>	<p>The Chairman informed members that Cllr Sue Walker would be standing down as a Councillor for South Gloucestershire Council at the May election. He thanked Cllr Walker for her help and assistance given during her time as a member. Members showed their appreciation.</p>	
	The meeting closed at 4.15 pm.	



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

### **Biosecurity Policy**

#### **PURPOSE**

This document sets out the Biosecurity Policy of the Lower Severn IDB. It covers activities undertaken by the IDB on a daily basis to reduce the spread and damage from invasive non-native species.

It is intended that the Board's staff and contractors will follow procedures commensurate with this Policy.

#### **POLICY STATEMENT**

Invasive non-native species are widespread nationally and if left uncontrolled present a threat to our aquatic and riparian systems. It is imperative that our field operations to manage flood risk and water levels do not exacerbate the risks to the environment and economy that are posed by these species. Failure to minimise the spread of invasive non-native species, when visiting a site where an invasive non-native species is known to be present, can risk prosecution under the Wildlife & Countryside Act 1981.

Vigilance is required if we are to stop the spread of invasive non-native species, and it is imperative that we integrate basic biosecurity in our operations to prevent this spread. Much to do with biosecurity involves awareness, common sense and agreed procedures.

#### **RESPONSIBILITIES**

The Board is responsible for reviewing and approving the content and implementation of this Policy.

The Board will ensure any new contracts let will include reference to the Policy where a risk is considered to exist arising from the works involved.

All Board Members, staff and contractors are required to comply with the Policy's requirements and share responsibility for performance in implementing the Policy in regard to the health, safety and welfare of the environment.

#### **IMPLEMENTATION**

This Policy is implemented through supporting guidance documentation covering biosecurity procedures.

Where biosecurity risks have been identified operational Staff will be provided with training and information on identification of invasive non-native species likely to be found within the Drainage District.

All operational machinery, tools and personal protection equipment (PPE) identified as at risk of cross-contamination will be subject to 'check, clean, dry' decontamination procedures before moving between operations on watercourses and sites.

All Operational Staff will report sightings of invasive non-native species to the Board's Civil Engineer or the GB Non-Native Species Secretariat directly.

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

### **Biosecurity Procedures**

#### **PURPOSE**

These procedures aim to help Board members, staff, and operators working for the IDB to identify key biosecurity risks pertinent to the internal drainage district and the Board's activities, and identify measures to address these risks.

Accidentally spread invasive non-native species may be harmful to the environment and potentially damaging the reputation of the Board, compromising its ability to operate, or work with partners. Operators visiting a site where an invasive non-native species is known to be present, should take measures to ensure they do not spread it. Failure to do so can risk prosecution under the Wildlife & Countryside Act 1981.

#### **OBJECTIVES**

- Increase awareness around invasive non-native species via training.
- Identify, and keep a record of, known areas where invasive non-native species are an issue.
- Ensure effective cleaning of equipment, machinery, and clothes.
- Ensure operators take care to avoid transporting water and material between water bodies where a risk has been identified.
- Ensure ongoing monitoring of invasive non-native species when undertaking operations.
- Remain vigilant when undertaking operations to identify any further areas where invasive non-native species exist.

#### **RESPONSIBILITIES**

##### **Awareness**

The Civil Engineer will have oversight of biosecurity, disseminate information, and report on these matters.

The Board's staff will be encouraged to seek information on invasive non-native species and biosecurity practices. The Environment Agency and Non-native Species Secretariat have relevant useful information.

If a risk is identified then the operator concerned or contractor should be made aware of the priority invasive non-native species, with specific attention to aquatic and riparian species of concern and those known to be present in the surrounding area. Training for staff and operatives shall be provided as appropriate, and information will be disseminated through toolbox talks, workshops, leaflets, emails etc. Contractors should be asked to confirm that they have similar arrangements in place.

Signage, species alerts/information sheets, or guidance should be in place, making operators aware of the risks, and providing advice on how to prevent spread.

##### **Monitoring**

Operators should be vigilant in the field for invasive non-native species and have an appropriate mechanism for recording and reporting sightings of suspected species, location, and relevant details.

New sightings should be reported to the Civil Engineer and other authorities and/or land managers as appropriate. The PlantTracker app ([www.planttracker.org.uk/](http://www.planttracker.org.uk/)), available free for Apple and Android devices, shows you how to identify invasive non-native plant species and enables you to easily submit geo-located photos whenever you find one.

##### **Planning works**

Biosecurity should be taken into consideration alongside other factors, such as health and safety, when planning operations and standard working procedures.

The risk of spreading invasive non-native species can be reduced by reducing the contact time in which equipment is exposed to the water. This is particularly important for items such as trailers, which have cavities that may retain water and be hard to inspect.

Propagules are small bits of plant that become detached and give rise to a new plant. Working practices that either reduce, or contain and remove, propagules should be encouraged where practicable, especially in regards to mechanical vegetation control.

### Cleaning

Remember: Check, Clean, Dry - [www.nonnativespecies.org/checkcleandry/](http://www.nonnativespecies.org/checkcleandry/)

Decontamination is an essential process to be carried out prior to leaving a site where invasive species are present. This ensures that any foreign matter remains on the land/watercourse of origin, rather than taking it to another location.

Where it is not possible to conduct the decontamination prior to leaving the land/watercourse where the work was conducted (e.g. steam cleaning larger equipment), the operation should be carried out immediately afterwards at the depot or another secure site before the next operation.

Where a cross contamination risk has been identified any field team moving from a contaminated site should carry a 'disinfection box'. This should contain an appropriate commercial disinfectant, a spray bottle, cloths or sponges, a scrubbing brush and protective gloves.

On completion of a field operation, for situations where cross contamination is identified as a risk, the following principles apply:

1. Visually inspect all tools, equipment and machinery that has come into contact with the water for evidence of attached plant or animal material, or adherent mud or debris.
2. Remove any attached or adherent material before leaving the site of operation.
3. Washing/hosing with water will be sufficient to remove debris from most tools, equipment and machinery. Use hot water where possible.
4. Ensure that all water is drained from any water retaining compartments, outboard motors, tanks and other equipment before transportation elsewhere.
5. A high-pressure washer or steam cleaner may be essential for more difficult stains or soil, paying particular attention to the tyres, tracks and undercarriage of vehicles and buckets, hulls, outboard motors and submerged parts of machinery. High-pressure steam cleaning, with water >40°C, is recommended for larger equipment, excavators, boats, trailers, and outboard motors that are being moved from one watercourse to another.
6. Clothing and PPE should be visually inspected and any attached vegetation or debris removed. Soiled clothing and PPE should be removed for laundering and boots scrubbed clean; hands and other body parts may also need cleaning.
7. Finally, decontamination by spraying on a commercial disinfectant at the recommended strength to the cleaned boots, tools, equipment or machinery will ensure any remaining disease agents or pests are destroyed.

Every effort should be made to ensure that the decontamination process is a public exercise and where appropriate tactfully brought to the attention of the land owner or manager at the appropriate time. It is not just a question of doing the right thing but also being seen to be doing it. In this way, public confidence will be maintained in flood and water level management operations.

### **Capital Programme** **Assessment Criteria**

In order to ensure consistency and fair consideration for all potential projects, it will be helpful to identify and agree the criteria by which these projects will be judged prior to their inclusion in the programme.

The following criteria are proposed:

1. The number of residential, agricultural and commercial properties that will enjoy greater flood protection benefits.
2. The area of farmland that will enjoy greater flood protection benefits.
3. The status of the land, ie where it is designated as a RAMSAR, SPA or SSSI site, the site of a Scheduled Ancient Monument or supports the implementation of the Board's Biodiversity Action Plan.
4. The extent (if any) to which the project assists the Board in the discharge of its statutory responsibilities.
5. The ongoing maintenance costs of the project (if any) post-completion.
6. The extent to which the Board's general maintenance programme might reduce as a result of the proposed works.
7. Confirmation of the Board's ability to finance the project in the proposed timescale.
8. The availability of external funding to support the financing of the works.
9. Where it can be measured, the Return on Investment for the project.

These principles should also govern the priority attached to each project. Should the Board need to respond urgently to a flooding event, then funds may have to be diverted from the Capital Programme. In such a case slippage might be unavoidable.

#### **LSIDB PROJECTS 2019/20 - 2025/26**

<b>Project</b>	<b>Benefits</b>	<b>Net Cost Estimate £K</b>	<b>Maintenance Implications + Or -</b>	<b>Timescale</b>	<b>Return on Investment</b>	<b>Comments description of scheme criteria met</b>
<b>Plant + Vehicles</b>	Health & Safety and Efficiency	140*		2021/22		Offset by sale of old machine
Tractor/mower						
Excavator	Health & Safety and Efficiency	90* 130* 110*		2019/20 2021/22 2023/24		Offset by sale of old machine
Vehicles	Health & Safety and Efficiency	25* 25*		2023/24 2024/25		Offset by sale of old machine
Spearhead m/cs	Health & Safety and Efficiency	170* 360* 260*		2020/21 2022/23 2024/25		Offset by sale of old machine
<b>Pumping Stations Renewals</b>	Statutory, Environmental and Efficiency	200* 225* 250* 275*		2019/20 2020/21 2021/22 2022/23		
<b>Drainage Schemes</b>						
Hill Pill outfall		75				Survey work approved
Aust/Olveston		500		?		
Demainment works		30		2019/20		
Cornham		500		?		
Rea Lane pumps		250		?		
Epney				?		
Rockhampton				?		
Renew office and workshop		400		?		

\* Sum already budgeted.

**LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD  
SUBSTITUTE MEMBER PROTOCOL**

**Introduction**

Where a member of a Committee, Sub-Committee, Working Group or Panel is unable to attend a meeting of that body and wishes to appoint another Board Member as a substitute for that meeting, the provisions of this protocol, as set out below, will apply.

**Attendance by Substitute Members.**

1. A Substitute Member must be a Member of the Board and can only attend a meeting if the appointed Member is unable to do so.
2. Substitute Members will have the same rights to speak and vote as has the Member unable to attend and who has requested them to attend the meeting.
3. For a substitution to be valid and to enable appropriate documentation to be despatched, the PO should be notified by the appointing Member as soon as possible after that Member knows that he/she will be unable to attend the relevant meeting and has arranged for a substitute Member to do so.
4. At the commencement of the meeting, the Committee or other body will be advised of the substitution.
5. A duly appointed Member is entitled to appoint his/her own substitute Member. If the duly appointed Member so chooses, he/she may instead ask the officers to advise all the other Members as appropriate in order to recruit a substitute Member.
6. Any substitution will only be valid for a single meeting.

**LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD  
PROCEDURE FOR VOTING ON APPOINTMENTS**

- a) In the event of there being a contest for the appointment of Chairman or Vice-Chairman of the Board and provided that the meeting is quorate, a show of hands, which would thereafter ensue, should require the successful candidate to obtain at least 50% of the votes cast at the meeting. If there are more than 2 candidates, the person with the lowest number of votes will be eliminated and the ballot re-run until one candidate achieves more than 50% of the votes cast.
- b) Once the Chairman of the Board has been appointed, nominations will be called for the appointment of a Vice-Chairman to be selected from the different category of members than that from which the Chairman has been drawn. Only if no nominations are made from that category, will nominations be then called for from the other category of members.
- c) The principles set out in (a) above will be applied to the appointment of Committee Chairs, which should take place at the first meeting of the relevant Committee following the Board's Annual Meeting.
- d) Where there are more applicants for places on a Committee than the number of seats available, the person(s) with the lowest number of votes will be eliminated so far as may be appropriate to ensure that the number of remaining candidates is equal to the number of Committee seats available.
- e) In the event of the Board being invited to make an appointment to an outside body, if there are more nominations than places available, voting will be in accordance with the principles set out in (a) above until one candidate obtains at least 50% of the votes cast.
- f) The practice of the PO to seek a prior indication of the names of persons intended to be nominated for appointment as Chairman or Vice-Chairman of the Board be endorsed, without prejudice to the requirement that such persons (together with any other initially undeclared candidate) should be formally proposed and seconded at the relevant meeting.
- g) The practice of the PO in seeking information in advance of the Annual Meeting concerning Board Members Committee preferences be also endorsed.

**Minutes of the Governance & Probity Committee Meeting  
Of the Lower Severn (2005) Internal Drainage Board  
Held Wednesday 3<sup>rd</sup> April 2019 at 10.30 am  
At Gables Hotel Falfield**

**Present:** Cllr B Behan Chairman  
Cllr J Jones  
Cllr M Riddle  
Ald M Sykes

**Staff:** Kieran Warren Principal Officer PO  
Louise Reading Minutes

<b>2846</b>	<b>Apologies</b> Apologies were received from Cllr Burford, Cllr Abraham & Keith Withers	
<b>2847</b>	<b>Chairman's Announcements</b> Cllr Behan informed the committee that the ADA workshop was excellent and was very informative hearing other Internal Drainage Boards issues and commonalities.	
<b>2848</b>	<b>Declaration of Interests</b> Matthew Riddle declared interest in item 10 and removed himself for this item	
<b>2849</b>	<b>Minutes of the Previous Meeting</b>  <b>It was resolved that:</b> <ul style="list-style-type: none"> <li><b>The minutes of the Meeting held 5<sup>th</sup> December 2018 be approved as a true and accurate record.</b></li> </ul>	
<b>2850</b>	<p><b>Governance &amp; Probity Terms of Reference Review</b> Due to the nature of this Committee it was agreed that the majority of items are subject to Board approval.</p> <p>The PO suggested that it this Committee would be the best forum to be responsible for any complaints against the Drainage Board, Members and staff. Matthew Riddle asked should any complaint against an appointed member be dealt with by its Council. It was agreed that if is was in relation to Board business then the Board have a duty to investigate this.</p> <p>The Committee approved that where there was a considerable period of time between meetings, if the complaint was considered minor then it could be reported on at the next meeting, however a Special Meeting could be called should the issue be major or escalate to this point.</p> <p>Matthew Riddle questioned will the complaints procedure need to be updated. The PO said he will check this.</p> <p>The PO communicated that sometimes minor problems are not necessary recorded as a complaint and it can only become apparent if the situation arises again and intensifies. Complaints are a measure of service and must be recorded as accurately as possible.</p> <p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li><b>Addition of point 11 to say something along the lines of 'Delegation to the Principal Office to received, consider and determine complaints' to be referred to the Board for approval.</b></li> </ul> <p>Cllr Behan also spoke of the ever-increasing risk posed by online threats. Therefore, should the terms of reference make reference to E-risk. The committee agreed.</p>	<p>Action 1 PO to check Complaints Procedure</p> <p>Action 2 PO to add to Terms of Reference</p>

	<p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li>• <b>E-risk would be added to point 7 on the Terms of Reference, to be referred to the Board for approval.</b></li> </ul>	
<b>2851</b>	<p><b>Staff &amp; Pensions Terms of Reference Review</b></p> <p>The Committee agreed that no changes were required.</p>	
<b>2852</b>	<p><b>Members Code of Conduct</b></p> <p>The PO referred to the ADA Good Governance for Internal Drainage Board Members and the Cabinet Official Code of Conduct as a great example of Members Code of Conduct. Cllr Behan expressed concerns that the Members are reading &amp; signing, and without fully understanding expectations and the impact of any inadvertent declaration omitted.</p> <p>Matthew Riddle explained that Councils provided a good level of training for new Councillors on this issue and that Elected Members were probably more at risk from understanding the importance of this and suggested a training/information session for Elected Members</p> <p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li>• <b>The Code of Conduct be approved and re-issued to all Members following the May elections</b></li> </ul>	
<b>2853</b>	<p><b>Grievance Procedure</b></p> <p>The PO presented the Grievance Principles and Procedure to the Committee. Citation had provided advice to the PO.</p> <p>It was hoped that the new staffing structure would allow for any possible problems to be remedied, should it be escalated, then the Grievance Principles and Procedure would be to followed in all cases going forward.</p> <p>Cllr Behan asked if a third party would need to be involved. The PO informed the Committee that on the advice of Citation it is a 2-stage process and that 3<sup>rd</sup> party involvement isn't something they recommend and that mediation should happen internally.</p> <p>John Jones asked if the agreed party would include a union representative, the PO confirmed it could be a union representative, friend or family member. John Jones went on to suggest that in Step1 wording to the effect of "invites the aggrieved party and their chosen representative".</p> <p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li>• <b>The Grievance Procedure and Principles be amended and submitted to the Board for approval and implemented in all future grievance cases.</b></li> </ul>	
<b>2854</b>	<p><b>Level of Reserves</b></p> <p>The Committee discussed the percentage of reserves, the ADA meeting showed Drainage Boards used different measures and that there is no definitive percentage level used. The reserves need to be available in the event of unforeseen circumstances</p> <p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li>• <b>The regulation remain unchanged and review next year once the capital expenditure programme was up and running.</b></li> </ul>	



2855	<p><b>Review of the Chairman's Honorarium</b></p> <p>Matthew Riddle left the room</p> <p>It was put to the committee that the Chairman's Honorarium should increase in line with the Salary recommendations for July 2019. Cllr Behan referenced the amount of time that is spent discussing this subject and that maybe the increase could be repeated for 3 years, being review tri-annually. The PO and Committee welcome this suggestion.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>The Chairman's Honorarium to be linked to the staff pay award for the next three years being reviewed tri-annually to be submitted to the Board for approval.</b></li> </ul>	
2856	<p><b>Delegation of Officers</b></p> <p>The committee were happy with the proposed amendments with the word it's removed from point 2 under the Principal Officer.</p> <p><b>It was resolved that</b></p> <ul style="list-style-type: none"> <li><b>The amendments to the Delegations of Powers to the Officer's be made and submitted to the Board for approval</b></li> </ul>	
2857	<p><b>Long Service Award</b></p> <p>The PO asked the committee if the Board should provide a Long Service award. The Committee discussed that it was a changed work place now with employees no longer staying with a company for long periods.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li><b>A recommendation to the Board that a Long Service Award policy based on a cash award set below the threshold set by HMRC tax, NI and reporting liabilities be adopted by the Board of £1000 for 20 years' service,</b></li> </ul>	
2858	<p><b>De-briefing of ADA workshop.</b></p> <p>Cllr Behan told the committee that it was a very thorough overview financially, procedurally and operationally.</p> <p>Discussion around several topics included meetings, agendas, finance byelaws, hazards, consents, accountability, audit, reserves conservation, ratings and more. Cllr Behan informed the board that some boards have a dedicated Conversation/Biodiversity Officer. The PO advised the Board that this currently sat under the remit of the Civil Engineer.</p> <p>Cllr Behan spoke of Ada's advice that the Board understands and has more involvement with local councils in local flood strategies. Matthew Riddle requested a Chairman's announcement be noted for the June Board meeting - <i>I encourage all Members to engage with their local Lead Flood Authorities so that they can understand the operation of Flood Strategies in their area.</i></p> <p>The PO advised that slides from the workshop can be issued to all members along with a copy of the 'An Introduction to Internal Drainage Boards' booklet issued by ADA.</p>	<p>Action 3 Chairman's Announcement be included at next Board Meeting</p> <p>Action 4 PO to issue slides and booklet</p>
	<b>The meeting closed at 12pm</b>	

**Minutes of the Finance & General Purposes Committee of the  
Lower Severn (2005) Internal Drainage Board  
Meeting held Wednesday 22<sup>nd</sup> May 2019 at 10.30 am  
At the Gables Hotel Falfield**

Present:

Ald C Williams  
Cllr P Abraham  
Mr J Hore  
Mr G Littleton

Chairman

Cllr M Riddle  
Mr M Barnes  
Mr P Awford

Martin Dear  
Kieran Warren  
Louise Reading

Accounts Officer  
Principal Officer  
Minutes

AO  
PO

2860	<b>Apologies:</b> Apologies were received from Mr R Thatcher & Mr G Simms	
2861	<b>Declarations of Interest</b> There were no declarations of interest.	
2862	<b>Minutes of the Previous Meeting</b>  <b>It was resolved that:</b> <ul style="list-style-type: none"> <li><b>The minutes of the Finance &amp; General Purposes Committee Meeting held on 23rd January 2019 be approved as a correct record.</b></li> </ul>	
2863	<b>Actions from the previous minutes.</b>  Action 1 –IT Support contract completed by PO.  Action 2 – Board Chairman to write to BCC Mayor is outstanding.	
2864	<b>Treasury Sub Committee Report.</b> Mr Littleton noted that there was some dissatisfaction with Smith & Williamson(S&W) investment management in 2018. Ald Williams informed the committee that the market had improved significantly in the first quarter of 2019. The AO had drafted a letter to S&W to register the Board's concerns and to advise them that we would monitor investments in 2019. The minutes of the Treasury Sub Committee Meeting held on 13 March 2019 were noted by the Committee.	
2865	<b>Treasury Sub Committee – Terms of Reference</b> The AO presented the Treasury Sub Committee Terms of Reference for consideration.  The Chairman observed that these Terms would need to be amended if the Board delegates to the Treasury Sub Committee the power to re-invest Developer Funds.  Mr Barnes concurred that these would be amended to reflect any changes going forward in line with other Committees' Terms of Reference.  <b>It was recommended that:</b> <ul style="list-style-type: none"> <li><b>The Treasury Sub Committee Terms of reference be amended to authorise the Treasury Sub Committee to invest future Developer Funds</b></li> </ul>	

	<ul style="list-style-type: none"> <li>• <b>Subject to the above amendment, the Terms of Reference, as per Appendix A, be submitted to the Board for approval.</b></li> </ul>	<u>Action 1</u> For Board Approval
2866	<p><b>Treasury Management Policy</b></p> <p>The AO explained that the Treasury Management Policy required updating to reflect the current position.</p> <p>The Committee discussed under Minute 2870 and agreed that authority should be given to the AO to move cash between the Bonus Saver account and the two Notice accounts, in line with business needs to increase the interest received on cash balances.</p> <p><b>It was recommended that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Treasury Management Policy be amended to authorise the AO to move unallocated sums and cash between the Bonus Saver and the two Notice Deposit accounts</b></li> <li>• <b>Subject to the above amendment, the Treasury Management Policy, as per Appendix B, be submitted to the Board for approval.</b></li> </ul>	<u>Action 2</u> For Board Approval
2867	<p><b>Capital Programme</b></p> <p>The PO reported that there had always been a Capital programme, however it hadn't been formalised. The PO had sent out a proforma to members welcoming comments and proposals.</p> <p>There are projects in the pipeline, however consideration needs to be given to the resources required and how projects should be prioritised.</p> <p>Mr Awford informed the Committee that the situation at Cornham was under review with the EA and other flood teams as it could play a crucial role in future flood defence systems to address the expected tidal push of 1m by 2050 and that any work completed by the Drainage Board may be overtaken by events.</p> <p>Cllr Riddle asked the AO once all the capital programmes were added together what the outcome was on surplus funds.</p> <p>The AO responded that once the Board approve the Capital Programme, funds would be allocated from General Reserves. Projects would be reflected in the accounts independently much like the pump station programme. This along with a budget for potential overspend on the pumps will see a notable decrease in unallocated reserves.</p> <p>Cllr Riddle commented that when this is taken into consideration at the next Board meeting it should be reassuring to members that the surplus of reserves is not an issue.</p> <p>Mr Hore stated that purchasing training for the Engineers may be beneficial in light of the significant expenditure on plant, machinery and the pumping stations. The PO agreed to investigate this further and report back.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The position be noted</b></li> </ul>	<u>Action 3</u> PO to discuss possible purchasing training with Engineers

2868	<p><b>Financial Regulations Level of Reserves.</b></p> <p>The PO referred to the consideration given to this issue by the Governance and Probity Committee; the Committee had agreed that no change was necessary.</p> <p>Cllr Riddle added that he felt nervous about changing a policy to fit in with a short-term issue.</p> <p>The Committee were happy with the Governance &amp; Probity Committees recommendation that there be no changes going to the Board for approval.</p>	
2869	<p><b>Internal Audit Report.</b></p> <p>The PO advised Members that the Internal Auditors had carried out 31 tests. The exercise had resulted in 3 green level outcomes and 1 amber level outcome. His report contained proposed actions to address these outcomes.</p> <p>The PO advised that he was fairly happy with the report.</p> <p>Ald Williams noted that in line with the proposed action for the petty cash limit being set at £50, the Financial Regulations would need to be amended to reflect this.</p> <p><b>It was resolved that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Internal Audit, as per Appendix C, be approved and that the Financial Regulations are amended to incorporate this.</b></li> </ul> <p><b>It was recommended that:</b></p> <ul style="list-style-type: none"> <li>• <b>Financial Regulations be amended in respect of the proposed addition of a limit to petty cash claims.</b></li> </ul>	<p><u>Action 4</u> For Board Approval</p>
2870	<p><b>Accounts Officer Report</b></p> <p><u>Management Accounts 1<sup>st</sup> April 2018 – 231<sup>st</sup> March 2019</u></p> <p>The annual Management Accounts showed a surplus of £48,633 against a budget of £17,460. The surplus is similar to previous years.</p> <p>Ald Williams asked the AO why the investment figure did not match the developer commuted sums figure. The AO explained this was due to cash reserves.</p> <p><b>It was recommended that:</b></p> <ul style="list-style-type: none"> <li>• <b>The Management Accounts, as per Appendix D, be submitted to the Board for approval.</b></li> </ul> <p><u>Reconciliation of Accounts to the AGAR statement.</u></p> <p>The AO explained that the external auditors required accounts on a cash basis. This report shows the reconciliation between the management accounts and the AGAR which goes to the External Auditors.</p> <p><u>Annual Governance &amp; Accountability Return 2018/2019</u></p> <p>Page 52 is the internal audit report and this has been completed and signed by Bishop Fleming. Page 53 in the Annual Governance Statement which has been completed and will be signed by the PO and the Chair on approval from the Board. On Page 54 are the Accounting Statements which will be signed by the AO and then the Chair on approval from the Board. Page 55 is completed by the external auditor and will be completed by them by 30 September 2019.</p>	<p><u>Action 5</u> For Board Approval</p> <p><u>Action 5</u> For Board Approval and signing by the Chair and PO ( see Agenda Item 8)</p>

	<p><b>It was recommended that:</b></p> <ul style="list-style-type: none"> <li><b>The AGAR be submitted to the Board for approval</b></li> </ul> <p><u>Cash Flow to 31<sup>st</sup> March 2020</u> The AO presented the annual cashflow. He informed the Committee that this would change from month to month but is a good indicator of cash reserves.</p> <p>Ald Williams asked why money from the Bonus Saver couldn't be invested in the short term 35 days deposits account to maximise the return on the IDB's cash reserves and recommend that discretionary powers be given to the AO to move money as appropriate in line with business needs.</p> <p>Cllr Abraham mentioned this had been raised previously with no solution and concurred with Ald Williams suggestion as long as regular updates were provided to the Committee in line with best practise.</p> <p>Mr Awford asked should this go to the Board for approval.</p> <p>Ald Williams &amp; the AO believed this sat under the remit of the Finance &amp; General Purposes Committee however for clarity purposes, as the Treasury Management Policy was going for Board approval then the Board would approve this via recommendation under minute 2866.</p> <p><u>LGPS Pension figures</u> These figures were noted by the Committee who agreed that the liability had been curtailed by the closure of the scheme in 2015. The scheme would continue to be monitored.</p> <p><u>Insurance Policies 2019/2020</u> Policies have been renewed for another year with a reduction with Zurich. Ald Williams asked if members were happy with cover. Discussion was had around legal expenses and the AO confirmed there was legal cover with the Zurich Policy. The Committee agreed that the insurance was sufficient.</p> <p><b>It was recommended that:</b></p> <ul style="list-style-type: none"> <li><b>The insurance policies be presented to the Board for approval and signing by the Chair.</b></li> </ul>	<p><u>Action 6</u> For Board Approval (see Minute 2866)</p> <p><u>Action 7</u> For Board Approval and signing by the Chair</p>
2871	<p><b>Payments Noted</b> Members noted the payments made between 1st January 2019 and 30<sup>th</sup> April 2019 and transfers made between accounts.</p> <p>Mr Hore enquired about a repair invoice from Claas Western Ltd. He reviewed the invoice and was satisfied.</p> <p>Ald Williams enquired about the BT invoice for an alternative phone line. The PO will confirm this at the next meeting.</p>	<p><u>Action 8</u> PO to inform the Committee of the reason for the invoice at the next meeting</p>
2872	<p><b>Date of Next meeting</b> Members noted that the next F&amp;GP meeting would be held 11<sup>th</sup> September 2019 at 10.30am at The Gables</p>	
	Meeting closed at 11.30 am	

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

### **TERMS OF REFERENCE**

#### **OF THE TREASURY SUB COMMITTEE**

**To be approved**

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

1. To ensure that the Sub Committee meets at least twice a year.
2. To determine the future investment strategy of the funds held as long term investments, having taken professional advice.
3. To reinvest the income accumulated from the long term investments, having taken professional advice.
4. To invest future contributions received from Developers, having taken professional advice.
5. To undertake portfolio reviews of the investment strategy twice a year.
6. To plan cash management and determine the placing of short term cash surpluses in deposit accounts on an annual basis.

##### **Matters for recommendation by the Sub Committee to the Finance and General Purposes Committee**

7. To review the Treasury Management Policy.
8. To review the Capital Financing and Reserves Policy annually.

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

### **Treasury Management Policy**

**Date: 22/05/2019 Version: 2019/02 Author: MD**

**To be approved at the Board Meeting on 5 June 2019**

#### **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 regard 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**

## **Internal Audit Report 2018/19**





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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.

In accordance with instructions given to us, we have prepared our report solely for the confidential use of Lower Severn (2005) Internal Drainage Board. 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.

Matters that we consider should be brought to your attention and recommendations we have for possible improvements are summarised in the columns in section 2 - the final 'outcome' column uses a 'traffic light' system.

### **TRAFFIC LIGHT SYSTEM COLOUR KEY**

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.

#### **NOTE TO MEMBERS:**

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.

## **SUMMARY**

This report documents the findings from our visit during February 2019 in which we reviewed the systems in place at the Board.

Overall, it appears that there are adequate procedures and policies in place. However, we have made 4 recommendations in this report, 1 of which is amber.

Review	Number of recommendations		
	Red	Amber	Green
Purchases	0	0	1
Risks and Budgets	0	0	0
Income and Debtors	0	0	0
Bank and Petty Cash	0	1	1
Wages and Payroll	0	0	1
Fixed Assets and Investments	0	0	0
Accounting Systems	0	0	0



The issues identified are summarised below:

- Two purchases orders and one purchase invoice had not been authorised appropriately.
- Bank reconciliations were not being reviewed by an appropriate member of the finance team.
- Petty cash claims were not always supported by receipts. There was also an instance of the VAT on a petty cash claim not being recorded correctly on the accounting system.
- Payroll prints were not being reviewed by an appropriate member of the finance team and there was no segregation of duties in the preparation of payroll.

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

During the visit we were able to follow up on 4 recommendations made in our previous report. At the date of our visit, all prior recommendations had been accepted and appeared to be working in practice. Details of these can be found on pages 21-22 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. 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>payment correctly authorised</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 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>Two purchase orders were found to have not been authorised and one invoice had not been authorised for payment.</p> <p>The invoice details, including VAT amounts, had been correctly posted to Sage.</p>	<p>Expenditure tested appeared in most cases to be properly documented and purchase orders had been completed for all orders.</p> <p>However, two purchase orders and one invoice had not been documented as authorised in line with the financial regulations. This could lead to invoices being paid where an order is incorrect or not genuine.</p>	<p>It is recommended that all purchase orders are authorised by a relevant person prior to the order being placed.</p> <p>It is recommended that invoices are not paid until they have been checked and authorised.</p>	



Lower Severn (2005) Internal Drainage Board  
Internal Audit Report – 2018/19

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.	Comfort has been gained that the expenditure tested is necessary, reasonable and not for the personal use of any employees.	There are no recommendations to be made at this time.	<div>W</div>

## **RISK AND BUDGETS**

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<p><b>Test 1:</b> Ensure there is a Risk Register in place and it is regularly updated. Review the adequacy 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 December 2018 and is a responsibility of the Finance &amp; General Purposes Committee.</p> <p>The Risk Register is comprehensive and includes details of control procedures ownership of responsibilities surrounding the management of risks. There is adequate consideration of the significance of risks relating to fraud.</p>	<p>Comfort has been gained that there is a regularly updated Risk Register in place and that controls implemented to manage the risks are adequate.</p>	<p>There are no recommendations to be made at this time.</p>	<p>W</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 four-year forecast have been reviewed and compared to 2018-19 results to date. The budgets were found to incorporate key changes to income and expenditure such as rate changes and changes to the amount of the Foreign Water Grant.</p>	<p>The Board has budgets in place for the next four years. The budgets include assumptions in changes to income and expenditure as appropriate.</p>	<p>There are no recommendations to be made at this time.</p>	<p>W</p>

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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 and discussed at the December meeting of the Finance &amp; General Purposes Committee. 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>	Comfort has been gained that all budget variations are approved by the Finance & General Purposes Committee and the full board.	There are no recommendations to be made at this time.	
<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 8.5p to 9.0p for 2019/20 so that the Board's reserves are maintained at a consistent level.</p>	Comfort has been gained that the budgeted levels of reserves are adequate for the future plans of the entity. The method for setting rates is deemed to be reasonable.	There are no recommendations to be made at this time.	



## **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, who is solely responsible for this income stream. 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 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>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>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. Please see 'follow up on previous recommendations' at the bottom of this report for progress on recommendations made in this area in the prior year.</p>	<p>W</p>



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TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
	<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.</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 2019 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 which was found to be a reconciling item from December 2018.</p>			

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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.	<div>W</div>
<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 7<sup>th</sup> February 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 from the prior year which has entered court proceedings. This is for a trivial amount.</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>	Comfort gained that there are few old balances on the Aged Debtor report and that the procedures in place around chasing bad debts are adequate.	There are no recommendations to be made at this time.	<div>W</div>

## **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 unreconciled items are at a reasonable level.</p> <p>If the unreconciled balance is high, 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 reconciliation were confirmed to agree to the bank statements and Sage.</p> <p>Reconciliations were not signed as reviewed and there was no evidence of this occurring. This was discussed with the Admin/Payroll Officer who confirmed that the Accounts Officer did review reconciliations.</p> <p>Reconciling items were mostly trivial, except for one significant amount. This was confirmed to have cleared the day 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 however there is no evidence that they are being reviewed.</p> <p>Reconciling items were confirmed to have cleared in a timely manner.</p>	<p>It is recommended that bank reconciliations are reviewed by the Accounts Officer or another member of the finance team and that this is documented on the reconciliation.</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>Comfort has been gained 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
<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>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. Three of the twenty claims tested were not 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. The VAT on one claim had not been recognised when posted to Sage.</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>	

## 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>Trivial variances were discovered but after discussion with the Admin/Payroll Officer it was identified that these were 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>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>W</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>Comfort has been gained that payroll amendments are processed accurately and that claims are authorised appropriately.</p>	<p>There are no recommendations to be made at this time.</p>	<p>W</p>

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


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.	Comfort has been gained that 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 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 September 2018 was reviewed. The report had been prepared by the Admin/Payroll Officer but had not been reviewed.</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>	<p>Comfort has been gained that payroll is posted appropriately to the accounting system.</p> <p>Payroll prints appear to be prepared correctly, however they are not reviewed. This could lead to fabricated payroll amendments being processed as these would not necessarily be picked up in the totals when the journal posting is reviewed.</p>	It is recommended that the Accounts Officer reviews payroll prints in addition to the journal posting. This would ensure that more than one person is responsible for payroll processing, and that any amendments can be queried prior to payments being made.	

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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 2018 payroll were examined. A total of 15 employees were paid in this month. There were no instances of duplicate details.	Comfort has been gained that payments are only being made to genuine employees.	There are no recommendations to be made at this time.	<div>W</div>
<b>Test 7:</b> Test check payroll deductions to ensure correct rates are being applied.	An employee was selected at random from the December 2018 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.	Comfort has been gained 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.	<div>W</div>
<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.	<p>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 the Admin/Payroll Officer and reviewed by the Accounts Officer.</p> <p>The September 2018 journal posting was reviewed. It was confirmed that the journal had been posted correctly and that the posting cleared the payroll control accounts.</p>	Although there is no physical reconciliation, comfort has been gained that payroll control accounts are being adequately cleared and that this process is being reviewed.	There are no recommendations to be made at this time.	<div>W</div>



## **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 2019 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.	Comfort has been gained that fixed asset additions are being recognised appropriately and that an adequate fixed asset register is maintained.	There are no recommendations to be made at this time.	
<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 2018 accounts.	Comfort has been gained that 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.	
<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 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 in the business.	Comfort has been gained that 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.	

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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 8 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.	Comfort has been gained that there are few fully depreciated assets included in the fixed asset register and that depreciation policies are reasonable.	There are no recommendations to be made at this time.	W
<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 2019 was found to have been calculated correctly.	Comfort has been gained that 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.	W

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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 required.	There are no recommendations to be made at this time.	<div>W</div>

## ACCOUNTING SYSTEMS

TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<b>Test 1:</b> Ensure that the opening balances on the accounting system agree to the 2018 accounts.	The opening balances on Sage were checked to the balance sheet in the 2018 year end accounts. All balances were found to agree.	Comfort has been gained that the accounts prepared during the year agree to the accounting system.	There are no recommendations to be made at this time.	<div>W</div>

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TEST	RESULTS	CONCLUSIONS	RECOMMENDATIONS	OUTCOME
<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 2018 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 correct to not have been accrued for. 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.</p> <p>The Accounts Officer confirmed that trivial accruals are not included in the management accounts as it is not 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>	<p>Treatment of income and expenditure appears appropriate for the purposes of the management accounts. No issues were identified surrounding cut off procedures.</p>	<p>There are no recommendations to be made at this time.</p>	<div>W</div>

## **FOLLOW UP ON PREVIOUS RECOMMENDATIONS**

### **Recommendations from 2017/18**

TEST	PRIOR CONCLUSIONS	PRIOR RECOMMENDATIONS	FOLLOW UP	OUTCOME
<b><u>Income and debtors</u></b> <b>Test 1:</b> Ascertain the procedures in place around the posting of levies and rates income to the accounting system.  Agree a sample of levies and rates receipts from the DRS system to a corresponding invoice to ensure the system is operating as expected.	While no issues were identified from the transactional testing, we found that a single employee had control and oversight over the system for banking levies and rates income, and no authorisation or checks by another member of the finance team were occurring. This could result in an increased risk of fraud.	<p>We recommended that a report is run at the beginning of each financial year detailing any landowners for whom the bill amount or rateable land value has changed significantly on the prior year. This report should be checked and then authorised by a different member of the finance team to ensure changes have not been made without a genuine land transfer occurring.</p> <p>We also recommended that the monthly reconciliations of the DRS system to Sage are checked and authorised by someone other than the employee responsible for the data input.</p>	<p>A report is generated from DRS on 1<sup>st</sup> April which details amounts billed per the demand notes for both the current and prior years. This is checked by the Ratings/Admin Officer who notes if any billed amounts have varied significantly. This can then be vouched to any changes in the annual value of the parcel of land. Once this is completed, the Accounts Officer reviews the report.</p> <p>Monthly reconciliations of the DRS system to Sage are completed by the Ratings/Admin Officer and reviewed by the Accounts Officer. The reconciliation for January 2019 was reviewed and no issues were identified.</p> <p>Both recommendations have been adequately satisfied and can be cleared.</p>	<div>W</div> <div>W</div>

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TEST	PRIOR CONCLUSIONS	PRIOR RECOMMENDATIONS	FOLLOW UP	OUTCOME
<b><u>Purchases</u></b> <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>order 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>payment correctly authorised</li> <li>VAT has been correctly posted to the accounting system for each transaction</li> </ul>	All order forms, invoices and payments were appropriately authorised. However quite a large number of invoices tested were attached to purchase orders with a later date than the invoice. There was also an issue of altering the date of an invoice to suit personal preferences.	We recommended that purchase orders are raised prior to the order being made for all transactions.  In addition, the dates of invoices should not be changed in order to negate the need to account for prepayments and accruals.	All purchases tested during this visit had purchase orders which were dated prior to the invoice. Therefore, comfort has been gained that purchase orders are being raised and authorised in advance of purchases being made.  There was no evidence of invoice dates being altered. Comfort has been gained that invoices are being recorded at the correct date.  Both recommendations have been adequately satisfied and can be cleared.	<div>W</div> <div>W</div>

## LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

## BALANCE SHEET AS AT 31 MARCH 2019

	Note	£	31/03/19 £	31/03/18 £	Variance £
FIXED ASSETS					
Fixed Assets	1	692,402	692,402	787,465	-95,063
LONG TERM ASSETS					
Investments		603,932	603,932	573,801	30,131
CURRENT ASSETS					
Stock +WiP		47,973		53,208	-5,235
Trade debtors		6,773		917	5,856
Drainage rate debtors		96		0	96
Levy Debtors		0		0	0
VAT Claim		5,829		5,289	540
Special Levies		0		0	0
Severnside		0		0	0
Prepayments		32,280		35,660	-3,380
Cash at bank and in hand		852,523		975,669	-123,146
Short term deposits		501,013		400,225	100,788
			1,446,487	1,470,968	-24,481
CURRENT LIABILITIES					
Trade Creditors		-38,061		-20,577	-17,484
Other Creditors		-25,341		-25,697	356
Accrued expenses		-6,685		-10,025	3,340
Finance Leases due within one year		-1,016		-886	-130
Prepaid Rates	2	-200		0	-200
Prepaid Levies	2	-1,519		-328,782	327,263
Prepaid Severnside		0		0	0
			-72,822	-385,967	313,145
NET CURRENT ASSETS			1,373,665	1,085,001	288,664
TOTAL ASSETS LESS CURRENT LIABILITIES			2,669,999	2,446,267	223,732
LONG TERM LIABILITIES					
Finance Leases		0		-1,016	1,016
Pension scheme deficit		-1,276,000		-954,000	-322,000
			-1,276,000	-955,016	-320,984
NET ASSETS			1,393,999	1,491,251	-97,252
FINANCED BY:					
CAPITAL ACCOUNT			666,569	666,569	0
INCOME AND EXPENDITURE ACCOUNT					
Balance brought forward		523,570		477,926	45,644
Net surplus for the 12 months		48,633		45,644	2,989
			572,203	523,570	48,633
Developer (Commutated Sums) Reserve			914,678	843,235	71,443
Revaluation Reserve			144,583	146,042	-1,459
Pump Station Reserve	3		371,966	265,835	106,131
Pension Reserve			-1,276,000	-954,000	-322,000
			1,393,999	1,491,251	-97,252

## Notes

1. Fixed Assets include purchases, sales and depreciation for 12 months to 31 March 2019.
  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 £14,583 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 2019**

Income	Note	Actual	Budget	Variance	31 March 2018	Variance
		£	£	£	£	£
Levies charged to Authorities	1	1,185,162	1,185,162	0	1,132,342	52,820
Agricultural Rates	1	110,299	110,299	0	106,454	3,845
Rechargeable works		33,179	20,000	13,179	27,813	5,366
Application fees		3,900	0	3,900	1,750	2,150
Consultancy Fees Recharged		21,456	0	21,456	31,230	-9,774
Surplus on sale of assets		614	-158	772	3,249	-2,635
Miscellaneous Income		0	1,200	-1,200	9,859	-9,859
Foreign Water Grant		160,841	160,641	200	157,687	3,154
Severnside drawdowns	1	41,200	41,200	0	46,000	-4,800
Interest		3,837	1,500	2,337	1,496	2,341
<b>Total</b>		<b>1,560,488</b>	<b>1,519,844</b>	<b>40,644</b>	<b>1,517,880</b>	<b>42,608</b>
<b>Expenditure</b>						
Payroll	2	689,585	673,511	-16,074	650,488	-39,097
Office maintenance		19,236	23,600	4,364	16,079	-3,157
Maintenance	3	355,228	358,500	3,272	319,662	-35,566
EA Levy		205,587	205,587	0	201,556	-4,031
Motor travel and subsistence	4	27,404	20,262	-7,142	22,116	-5,288
Communications		5,308	4,250	-1,058	5,356	48
Administration	5	33,858	34,900	1,042	35,331	1,473
Engineering Consultancy fees		46,855	45,000	-1,855	54,985	8,130
M49 culvert consultants fees		0	0	0	6,000	6,000
Legal and professional fees		5,105	6,000	895	6,674	1,569
Audit and Accountancy fees		4,550	5,000	450	6,613	2,063
Depreciation		116,744	123,174	6,430	144,348	27,604
Bank charges		2,395	2,600	205	3,028	633
<b>Total</b>		<b>1,511,855</b>	<b>1,502,384</b>	<b>-9,471</b>	<b>1,472,236</b>	<b>-39,619</b>
<b>Surplus for 12 months</b>		<b>48,633</b>	<b>17,460</b>	<b>31,173</b>	<b>45,644</b>	<b>2,989</b>



## Notes on Variances

The results for 12 months show a surplus of £48,633 against a budget surplus of £17,460.

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) Payroll - Increase due to pay awards.

3) Maintenance costs analysis is as follows:

	Actual £	Budget £	Variance £	Explanation of major variances
Plant Maintenance	79,311	72,200	-7,111	Energreen, Bomford Mower and Claas Tractor repairs. Gates, pipes, posts, fill material and fencing. Installing Flap Valves at Oldbury (£3,715 recharged).
Maintenance Compensation	1,006	1,000	-6	
Vehicle, Plant	72,905	72,500	-405	Red Diesel (Gas Oil) Purchases
Workshop Fixtures & Fittings	8,768	10,600	1,832	
Pump Station Electricity	10,480	20,000	9,520	
Health & Safety	7,758	7,200	-558	
Pump Station Reserve	175,000	175,000	0	
	355,228	358,500	3,272	

4) Motor travel and subsistence - increase due to backdated ECU and room hire and lunch for board meeting 7 November 2018.

5) Administration costs include £2,244 in respect of 2018/19 rates which are based on land holdings less than 125 AV and deemed uneconomical to collect.

Insurance Policies - 2019/20							
Insurer	Policy No	Cover	Renewal Date	Incl IPT 2019/20 Premium	Incl IPT 2018/19 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>	01/04/2019	£12,598.00	£14,046.00	Mar-19	-£1,448.00
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>	01/04/2019	£6,928.00	£9,246.00	Mar-19	-£2,318.00
<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>	01/04/2019	£2,932.13	£2,703.22	Mar-19	£228.91
<b>Total premiums</b>				<b>£22,458.13</b>	<b>£25,995.22</b>		<b>-£3,537.09</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:.....		

**MEETING: Full Board**

**MEETING DATE: 5.6.2019**

**REF: KW/HR7/2019**

**REPORT BY: Principal Officer**

**PAY AWARD FOR 2019/20**

**Introduction**

I have received notice of the nationally negotiated pay award for the current financial year. An increase of 2.7% has been agreed, effective from 1 April 2019.

**Issues for consideration**

The Accounts Officer has made appropriate provision in the budget for 2019/20 and the overall increase in the wage bill can be accommodated without impacting the Board's current and planned operations.

**Recommendation**

That the report be noted.

*Kieran Warren*

*Principal Officer*

*May 2019*

### **DEFAULT WORKS COSTS RECOVERY**

#### **Introduction**

At the F & GP Committee meeting held on 6 June 2018 Members resolved as follows:

#### **Default Works Costs Recovery**

##### **Resolved that:**

- In accordance with the Board's Standing Orders the public and/or press be excluded whilst the confidential detail of this matter was transacted.

The PO reported that following on from the judgement that was granted in favour of the Board by the County Court, in respect of this matter, the defendant had made an application to the Court to have the judgement set aside. The PO and the CE had attended the hearing at Gloucester County Court. The judge dismissed the defendant's application.

The PO asked the Committee how they wished the debt to be recovered. He had consulted a solicitor to as to the options available to the Board to recover the costs.

1. Obtain a warrant of control
2. Order an attachment to the defendant's earnings
3. Obtain a Third-Party Debt Order
4. Place a charge on the defendant's property

All the options involved extra costs.

The Committee agreed that the debt and costs awarded by the Court should be pursued as a point of principle, despite further costs being involved.

##### **Resolved that:**

- The PO to establish more detail regarding options 3 and 4 above to recover the outstanding debt and costs.
- The PO, in liaison with the Chairman to approve the most effective option.
- 

[Minute No. 2672 refers.]

#### **Progress to date**

Subsequent events transpired as follows:

- 7 June 2018 – Notice from the County Court at Bristol that the debtor has lodged an appeal
- 22 June 2018 – Notice from the same Court that the debtor has been granted until 18 July to file papers for consideration by a Circuit Judge; enforcement of the order stayed until the issue is determined
- September/October 2018 – several emails sent to Court chasing progress
- 5 December 2018 – Court confirms that the debtor has filed no papers
- 13 December 2018 – I write to enquire whether I can now pursue the debt without further reference to the Court
- 22 January 2019 – Court Order received confirming that the appeal is struck out and that the Board may enforce the judgement

- 27 March 2019 – Enquiries made with Barcan Kirby solicitors in Bristol about making a Charging Order and the likely associated costs of such action
- 3 April 2019 – Solicitors indicate likely costs of “not in excess of £1000”. Case discussed with the Chairman same day; we agreed to proceed.
- Early April 2019 – Solicitors instructed to proceed

To date, legal fees of £629.60 have been incurred. I am awaiting confirmation that the Order has been made.

NB Should Members wish to discuss the confidential details of the case then the meeting should resolve to exclude the press and public.

### **RECOMMENDATION**

That the report be noted.

*Kieran Warren*

*Principal Officer*

*June 2019*

**Annual Governance and Accountability Return (AGAR) 2018/19**

**Introduction**

For 2018/19 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) 2018/19 (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 2018/19 on page 4 and the second is Section 2 – Accounting Statements 2018/19 on page 5.

The Finance and General Purposes Committee, on 22 May 2019, considered the contents of the AGAR 2018/19 and the reconciliation of these figures to the management accounts for the year ending 31 March 2019. 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 2019;
- 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;
- The Annual Internal Audit Report;
- Section 48 notice of agricultural rates and special levies;
- Action taken following the 2017/18 External Auditors report;
- Details of Risk Management arrangements during 2018/19.

**Recommendations**

1. **To receive and note the Annual Internal Report on page 3;**
2. **To approve the Annual Governance Statement 2018/19 - on page 4 and for the Chair and Principal Officer to sign the Annual Governance Statement;**
3. **To approve the Accounting Statements 2018/19 - on page 5 and for the Chair to sign the Accounting Statements.**

*Martin Dear*

*Accounts Officer*

# Annual Governance and Accountability Return 2018/19 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:
  - 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 2018/19

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 2019**.
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):
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2019
  - 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 2018/19

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 review and is able to give an opinion on the limited assurance review, 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 2019 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 2018/19**, approved and signed, page 4
- **Section 2 - Accounting Statements 2018/19**, approved and signed, page 5

Not later than 30 September 2019 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 & 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 2018/19

- 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 (i.e. no empty highlighted boxes), 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 Annual Governance and Accountability Return 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 prior to approving the annual governance statement and before approving 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).
- 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 2018) equals the balance brought forward in the current year (Box 1 of 2019).
- 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 2019**.

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', is an explanation provided?		
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 provided?		
	Has the bank reconciliation as at <b>31 March 2019</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 2018/19

### 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 2019.

The internal audit for 2018/19 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 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
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

06/10/19 07/10/19

Name of person who carried out the internal audit

BISHOP FLEMING LLP AUDITOR

Signature of person who carried out the internal audit

Bishop Fleming LLP

Date

04/10/19

\*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 2018/19

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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 2019, that:

	Agreed		
	Yes	No*	'Yes' means that this authority:
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
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.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*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 should 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

AUTHORITY WEBSITE ADDRESS

## Section 2 – Accounting Statements 2018/19 for

### Lower Severn (2005) Internal Drainage Board

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	708,289	1,083,985	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	1,238,796	1,295,461	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	375,459	312,067	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	667,478	711,467	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
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	571,081	606,381	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,083,985	1,373,665	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	1,375,894	1,353,536	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	1,287,465	1,192,402	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 2019 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



Date

23/05/2019

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

05/06/2019

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 2018/19

In respect of

ENTER NAME OF AUTHORITY

### 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 2019; 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 2018/19

(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 2018/19

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 2019.

\*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**

Since February 2019 ground conditions have remained dry for the Operatives to continue the tree cutting/dredging programme throughout the Board's district.

**Dredging Programme 2019**

Works have been completed at Hasfield this year to finish all the vegetation clearance adjacent to the Board's adopted watercourses. Approximately 20 willow trees were also pollarded on a re-chargeable basis for a local landowner.

Vegetation and tree clearance/dredging has been carried out to approximately 600 metres of drainage channel at Pendock adjacent to the M50. The remaining length will be completed later in the year as works had to cease due to bird nesting.

Tree cutting and dredging was completed at Dymock to approximately 800m of watercourse which flows from the golf course under the B4215, and dismantled railway in an easterly direction and discharges into the River Leadon.

Works are coming to a close at Walmore Common's high level carrier channel, approx. 1,700m. Low areas of the embankment have been raised to prevent overtopping and levelled to make a stable platform for maintenance in the future when using our machinery.

Low level berms have been created at water level to provide additional aquatic habitat and create greater storage capacity when the rhine is unable to discharge into the River Severn via the flapped outfall.

Blockage removal, tree cutting and light bank re-profiling has taken place along the lower lengths of the Bideford Brook downstream of Blakeney which discharges into the Severn Estuary via Brims Pill. The amount of plastic debris in the River was concerning considering it's a rural location. (See photos Appendix 1).

At Frampton on Severn 900 meters of watercourse to the west of the Gloucester & Sharpness Canal are currently being dredged and several minor obstructions have been removed. The watercourse conveys water from the northern end of Frampton on Severn in a westerly direction to the Hock Ditch outfall into the Severn Estuary.

Part of the Drough Rhine approx. 900 meters was dredged and re-profiled at Shepperdine as it had become heavily silted in places especially close to Shepperdine Road where the road culverts were starting to block with sediment. The spoil was hauled to fill in low areas and the channel re-fenced.

Tree cutting has also taken place at Almondsbury adjacent to the Board's watercourse to allow easier access in the future. A tree plantation which is approximately 25 years old had started to encroach into the Boards maintenance strip.

The annual chemical weed control has been undertaken by our spraying contractor in areas which are inaccessible with a machine.

## **Machinery**

The Board received delivery of a new JCB Hydradig wheeled excavator at the end of April 2019 which will predominately be used in the Avonmouth/Severn Beach areas carrying out weedcutting duties. (See photos Appendix 2).

The newest tracked excavator in our fleet, a 2017 Kobelco SR135 had to be transported away for repair due to a head gasket failure. We had a machine on loan so down time was kept to a minimum and the repair was undertaken by Kobelco at no cost to the Board.

## **Operators**

The Land Drainage Engineer interviewed 3 candidates for the role of general operative and the successful candidate [REDACTED] started employment with the Board at the beginning of April.

## **Machinery Parking at Severnside**

During the past 20 years the Board have always parked machinery & fuel bowzers at weekends and evenings at the Rifle Range in Pilning, free of charge. The site has always been relatively secure and during the past 5 years we have also enjoyed the added security of CCTV being installed. Unfortunately the land owner no longer wishes us to use his facility and therefore the Land Drainage Engineer has had to look for an alternative location.

The Severside area is notorious for vandalism and theft so it is very important to have an area which is difficult to access, out of sight and monitored via CCTV.

The Land Drainage Engineer met with the owner of Washing Pool Farm at Easter Compton and has agreed annual storage for 2 machines & fuel bowser in the sum of [REDACTED] per annum. The site is not a locked compound but does offer a much safer environment than leaving the machines anywhere else in the area.

## **Pumping Stations**

Due to the difficulty we have experienced with a design & build contract and the length of time gaining consents from the Environment Agency we are now applying a different approach to the following 5 pumping stations.

The designs and obtaining the necessary consents will be undertaken separately. By the end of July 2020 we aim to have all the designs completed on the shelf. We will be in a position to send the package to build only contractors which should be easier to find more contractors who are willing to bid for the works and the tenders should be very competitive. (See appendix 3 Motion's timescale planning matrix).

## **Health & Safety**

### **Training**

The Land Drainage Engineer is in the process of ordering a new computer and email addresses for all operatives so that training can be undertaken in house at the Board's offices.

The cost to set this up is approximately £2,000 however there are many short courses which can be undertaken by the Board's operatives and staff which are accessed by the Land Drainage Engineer on Citation's web based platform.

The Land Drainage Engineer will be in a position to email various courses to employees, help if required and keep an electronic record of all training and be reminded when a refresher is due.

### **Depots Electrical Installation**

The Board's offices and workshop have been subjected to the 5 year electrical installation condition assessment and numerous upgrades have been made to the circuit breakers and general wiring. We have also replaced 2 old night storage heaters with some highly efficient wall heaters.

### **Recommendations:**

That the report be noted.

*James Druett*

*Land Drainage Engineer*





























## **CIVIL ENGINEER'S REPORT**

### **Introduction**

Below is a report compiled by the Civil Engineer. The report is mostly for information however there is one recommendation for determination.

### **Tewkesbury Borough Council Works Request**

The request attached in appendix 1 has been received from Gloucestershire County Council (GCC). In brief GCC have requested the Board examine the possibility of entering into a long-term contract to maintain a number of drainage channels around Tewkesbury Town. The works would involve a mix of vegetation clearance and de-silting as required.

The Engineers have, in recent years, at the instruction of the Board focused resources on the Boards core area. Should this proposal be accepted it would represent a shift in strategic direction in priorities for the Board.

In terms of resources it should be remembered that in 2001 the Board maintained 300km of channel with 8 operatives. Currently the Board maintain 550km of channel with 7 operatives. The Board has also committed to approach the Environment Agency with a view to de-main several rivers in the Boards area.

### **New Workshop Doors**

Following a Health and Safety issue being identified with the large workshop doors they have been replaced with rolling doors. The doors were replaced at a cost of £2,800.



## Avonmouth/Sevenside Update

The majority of Western Approaches has now been developed with the near completion of the Barberry Plot. A commuted sum of £82,450 was paid to the Board in financial year 2018/19 for the provision of maintenance to the pond shown at the bottom of the picture below.



Barberry Site shown in Red



Barberry Site Partially complete showing new pond to the bottom of the picture

There are some infill developments to come and there are some redevelopment areas between Western Approaches and the A403 as well as some smaller areas just to the west of Hallen.

The next main body of work is expected to be the 300 acre site to the east of the M49 which is expected to begin over the coming months with the completion of the new motorway junction on the M49.





### **Bridgewater to Seabank Connector**

Western Power Distribution have begun construction of a new connector through parts of the Boards area in Avonmouth. Whilst the finished works have limited impact on the drainage network numerous consents have been granted for works near watercourses and temporary access culverts. The construction works are now underway and inspections are being carried out of

### **Recommendations:**

*The Board decline the proposal from Gloucestershire County Council to maintain various water courses in the Tewkesbury area, due to lack of resources available. Should circumstances change the Board may choose to revisit the issue.*

*James Thomas*

*Civil Engineer*



# Tewkesbury watercourse maintenance for maximum resilience

Removal of silt banks near bridge (to be carried out at a later date)

Clearance of silt banks at Hardwick Bank Road / Carrant Brook / M5 junction (to be carried out at a later date)

Dredging of the Bredon Road bridge has the very real potential to increase flood risk by increasing conveyance from the larger and more powerful River Avon, back up along the smaller Carrant Brook tributary.

500m ditch clearance and de-silt. Ensuring fit & proper operation of flap valves. This will give the greatest resilience to the maximum number of residents, visitors and businesses.

Flail cutting and maintenance completed by Environment Agency and Tewkesbury Borough Council

150m ditch reinstatement to reconnect with Tile Brook. Overland flows regularly inundate the road, detaching Walton Cardiff and the wider rural communities.

Removal of two silt banks (to be carried out after the works to the

Removal of silt banks either side of the bridge (to be carried out after works to the east of the town

0 62.5 125 250 375 500 Metres

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## **PROPOSED DRAINAGE – TEWKESBURY TOWN**

### **SCHEDULE OF WORK**

#### **General**

Currently watercourses in Tewkesbury are maintained by riparian owners; Tewkesbury Borough Council is a major landowner and has an annual clearance programme for watercourses under its ownership. All agencies attending have enforcement powers to require riparian owners to carry out works as well as permissive powers to carry out works they feel are necessary on watercourses (similar to other districts in the county, Tewkesbury Borough Council is contracted by Gloucestershire County Council to do this in their area).

The main aims of the programme are to create a programme of works which:

1. Clears watercourse 'pinch points' both in and serving the town.
2. Create a high profile focus to visitors and residents, of work being carried out on watercourses in highly visible areas of the town.
3. Request financial contributions from landowners.
4. Once cleared, to encourage all parties (both public and private sector) to work together on coordinating watercourse clearance in the future.

#### **Works to be carried out:**

##### **GENERAL**

1. All work to be carried out in accordance with Tewkesbury Borough Council's General Conditions of Contract, including rules on health and safety of employees and the public
2. All site operatives to be briefed and acknowledge method statement prior to works commencing.
3. Carry out risk assessment of areas to be worked in. Allow for and pay particular attention to underground and overhead services. Allow to amend Risk Assessment where considered appropriate.
4. Allow to leave the areas worked in clean and tidy on completion.

##### **PHASE 1**

1. Flail overgrowth from ditch banks and verges at points as follows (marked in green on the attached plan):
  - a. Between A1 to E1

- b. Between A2 to C2.
  - c. Between B2 to G2.
  - d. Between D2 to E2.
  - e. Between F2 to H2
  - f. Between A4 to C4
2. Excavate and re-grade channels, down to existing inverts of culverts where applicable, within fields and bucket spread spoil along headlands, as follows (marked in green on the attached plan):
- a. Between A1 to E1.
  - b. Wide sections between points C1 and D1 and at C2
  - c. Between A2 to C2.
  - d. Between B2 to G2.
  - e. Between D2 to E2.
  - f. Between F2 to H2
  - g. Between A4 to C4 (spoil at this location to be excavated and tipped in field adjacent). Ensure that there is good clearance from silt/ground around flap valves at location C4 to enable future water to flow easily at this location (inform project manager when this work is to be carried out in order to inform all agencies to carry out complementary works shortly after).
3. Excavate and re-grade channels within fields and bucket spread spoil along headlands, between points A and B as marked in dark blue on the attached plan.
4. Flail overgrowth from ditch banks and verges, excavate and re-grade channels within fields and bucket spread spoil along headlands, between points A and B as marked in light blue on the attached plan.
5. Flail overgrowth from ditch banks and verges at points A, B and C marked in thick black on the attached plan. Excavate and re-grade channels, down to existing inverts of culverts where applicable, within fields and bucket spread spoil along headlands.

## **PHASE 2**

1. Excavate silt down to water level as per the areas marked in red on the attached plan and as shown in the attached photographs. Ensure that the silt is

removed to provide a clear passage for water through the bridge / culvert opening during high water periods. (overhanging trees will have been trimmed or removed prior to works commencing therefore this quote should not include their removal). Deposit silt as follows:

- a. At the point marked A in red on the attached plan, bucket spread silt and soil along headland adjacent.
- b. At the point marked B in red on the attached plan, excavate back to brickwork of walls and bucket spread silt and soil along headland on the east bank of the Swilgate, south of Gander Lane.
- c. At the point marked C in red on the attached plan, spread silt and soil along headland in the area to the south of the Swilgate and to the west of the footpath, through the gate.
- d. At the point marked D in red on the attached plan, spread silt and soil along ground in the area to the south of the Rails Meadow Car Park, being careful to avoid making all manholes and similar assets in that area inaccessible.
- e. At the point marked E in red on the attached plan, spread silt and soil along land to the south of the Carrant Brook.
- f. At the point marked F in red on the attached plan, bucket spread silt and soil along headlands adjacent.