



Goole Fields District Drainage Board

**Half Moon
Reedness
DN14 8ET**

Meeting Papers

Monday 25 January 2016

6:30 pm

**Shire Group of IDBs
Epsom House
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Adwick le Street
Doncaster DN6 7FE**

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Meeting Papers

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Engineer to the Board

Reviewed by Ian Benn HNC/D, Dip NEBOSH, PG Dip

H&S/Env Law, Grad IOSH, MCQI CQP.

Clerk to the Board

Purpose

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1. Governance

1.1 Apologies for Absence

1.2 Declaration of Interest

Board Members are advised to declare a pecuniary or non-pecuniary interest on any item in the Agenda.

1.3 Minutes of the Meeting held 22 June 2015

Present

Mr MPG Dougherty (Chairman)	MD
Mr J Barker	JB
Mr M Belton	MB
Mr J Oldridge	JO
Mr D McTaggart	DM

In attendance on behalf of JBA Consulting, Clerk, Engineer and Environmental Adviser:

Mr I Benn	IB
Mr C Benson	CB
Mr P Jones	PJ

Welcome to New Member

2015.12. The Chairman welcomed Douglas McTaggart to the meeting. Members agreed to co-opt him on to the Board as a replacement to Jack Parsons who had recently resigned his position as a member. Douglas had taken over Jack's role at Farmcare Ltd.

Apologies for Absence

2015.13. No apologies, all in attendance.

Declaration of Interest

2015.14. There were none.

Minutes of the Meeting held 22 June 2015

2015.15. Minutes of the last meeting circulated with the meeting papers were taken as read and JB proposed and JO seconded that the Minutes were approved for signature by the Chairman.

Matters arising

None.

Finance Report

The Financial report, copies of which had been circulated with the meeting papers, was considered and adopted by Members.

Matters arising

- 2015.16. Rating:** it was confirmed that only £39.60 remained outstanding at the year end and that this had now been settled. The drainage rates and special levy for the year ending 31 March 2016 had been issued and payments totalling £22,078.26 had been received. The current balance outstanding was at £3,328.92.
- 2015.17. Internal Audit:** The internal audit report that had been circulated with the meeting papers, was considered and adopted by the Board. Members noted that there were two cheque payments that had been processed by the Bank but had only the Chairman's signature.
- 2015.18. Annual Return: Members** were asked to consider and approve Sections 1 – Accounting Statements and Section 2 – Annual Governance Statement. Board approval was given and they agreed for the Chairman and Clerk to sign the return on behalf of the Board.
- 2015.19. List of Cheques:** The Board approved for signature by the Chairman a List of Cheques signed since the last meeting totalling £11,771.20, of which £1,989.70 were approved by the Officers only.
- 2015.20. Accounts for the Year Ending 31st March 2015:** The Board considered an Abstract of Accounts for the year Ended 31 March 2015. The Revenue Account showed a surplus of £396.01 and a balance to carry forward on that account of £22,441.88. The Board approved all the income and expenditure in the Revenue Account and it was agreed that the accounts as presented should be accepted.
- Five Year Budget Estimate:** the Board reviewed the five year budget estimate and the constant level of drainage rate over that period.

Clerk's Report

The Clerk's report was read and approved.

Matters arising

- 2015.21. Service Level Agreement:** Following discussion it was agreed to engage JBA Consulting for a further 3 years plus 2 at the existing contract rates namely, an annual cost of £4,250 plus expenses. The CEO expressed his thanks to the Board for their continued support.
- 2015.22. Board Development:** The CEO informed members of the desire of the new ADA Chief Executive, Innes Thomson, to rebrand ADA to a Water Level Management Authority. IDBs would also be asked to follow suit. The Public Sector Co-operation Agreement had been amended and will give IDBs the opportunity of working on main river on behalf of the Environment Agency. The Agreements will also enable IDBs undertake works on behalf of another IDB. Member will be kept informed of any opportunities where this can be achieved to the benefit of this Board.

Engineer's Report

The Engineer's report was read and approved.

Matters arising

Cross Drain Pumping Station: The Engineer took the opportunity to record his thanks to Jack Parsons for his assistance with the issues experienced with the pipeline. A CCTV survey had been attempted through the discharge pipeline and this had been a partial success. DT informed members that he had reviewed the survey and it clearly indicated that the pipe had subsided in places. The Engineer would request the CCTV survey from the supplier to review and it was agreed for survey to be issued to all members. The

Engineer would continue to work with Farmcare Ltd to try and establish and rectify the issues with the pipeline. The flow monitoring exercise would therefore be put on hold until this was resolved. The Board thanked Farmcare Ltd for their assistance and funding of the investigations to date.

Environmental Report

The Environmental Report circulated with the Meeting Papers was read and approved.

2015.23. Eels (England and Wales) Regulations 2009: The CEO advised members that Cross Drain Pumping Station had been identified as a site affecting the passage of Eels under these regulations. The Board therefore were required to ensure this site did not restrict eel passage. It was recommended that the Board undertakes a study, during 2016, on the eel quality habitat upstream and share the results with the Environment Agency, as to the suitability of the site being designated as high priority.

Biodiversity Action Plan Implementation 2020: The Board agreed to the habitat and species targets for the period 2015-2020.

Health & Safety Report

The report which was circulated to members was read and noted by members.

Any Other Business

JO informed members that he had been contacted by a ratepayer who was unhappy that he had received a letter from the Board concerning the nesting cranes on Thorne Moors. The ratepayers comments were noted, and the Chairman, JB and MB both confirmed that they had also received the letter and that Natural England were looking for suitable habitat for the cranes and had approached the Board to request that the letter was sent out to landowners in the vicinity.

Date of next meeting

Monday 25 January 2016, Half Moon Inn

1.4 Matters Arising of the Meeting held on 22 June 2015

2. Financial Report

Recommendations

- Members note the information in the report.
- Members note the information in the Internal Audit Review meeting
- Members approve the Risk Register
- Members approve the budget estimate for the year ending 31 March 2017

2.1 Rating Report

Details of the Rates and Special Levies issued and payments received up to and including 18th December 2015:-

	£	£
Balance Brought forward at 1 April 2015		39.60
2015/2016 Drainage Rates and Special Levies		
Drainage Rates	20,183.58	
Special Levies: -		
East Riding of Yorkshire Council	5,184.00	<u>25,367.58</u>
Total Payable in Year		25,407.18
Less Paid:-		
Drainage Rates	20,223.18	
Special Levies		
East Riding of Yorkshire Council	5,184.00	<u>25,407.18</u>
Balance Outstanding as at 18th December 2015		<u>NIL</u>

2.2 Audit

2.2.1 Internal Audit

The internal audit service has been subject to a review as it had been in place for ten years and the outcome was to invite quotations from suitably qualified companies to undertake this important role. The result of this process is that the current provider will continue to provide the service for the next five years.

2.2.2 System of Internal Audit Review and Risk Register

Please find attached at Appendix A the minutes of the internal audit review meeting and the Risk Register, at Appendix B that requires formal approval by the Board.

2.2.3 External Audit

The external audit of the Board's accounting statements was completed in September. The auditor confirmed that the annual return was in accordance with proper practices and no matters had come to their attention giving cause for concern that the relevant legislation and regulatory requirements had not been met.



They advised the Board of the revised guidance with respect to the treatment of fixed assets that was to be communicated to IDBs by ADA.

2.2.4 List of Cheques

Cheques raised since those in the schedule presented to the board at the previous meeting:

DATE		CHEQUE	REF	PAYEE	DESCRIPTION	TOTAL	
		NO.				CHEQUE	
2015						£	
Jun	19th	000335	3	Brodericks GBC	Internal Audit Fee 2014-15	690.00	
		000336	6	Dempster District IDB	Precept	373.33	
		000337	4	John Canty	Maintenance	2,430.00	
		000338	5	Reedness & Swinefleet DB	Swinefleet Warping Drain - Annual Contribution	600.00	
	22nd	000339	8	Half Moon Inn	Meeting Expenses	25.00	*
Jul	3rd	000340	6	Environment Agency	Flood Defence Levy	2,453.00	
		000341	7	JBA Consulting	1/4 Salary & Expenses	1,497.00	
	13th	000342	9	Environment Agency	Waste Carrier Licence	105.00	*
Aug	14th	000343	10	Humber Nature Partnership	Annual Contribution	109.20	
		000344	11	NFU Mutual	Insurances	1,120.82	
Oct	27th	000345	13-4	JBA Consulting	Fee Accounts: -		
					1/4 Salary & Expenses	1,575.00	
					Expenses	170.40	
		000346	12	PKF Littlejohn	Audit Fee 2014-15	240.00	
		000347	15	Danvm Drainage Commissioners	IAM Membership Renewal, etc.	3.32	*
	28th	000348	17	ADA	Conference Fees	134.40	*
Nov	12th	000349	16	Doncaster East IDB	Cardnet Fees, etc.	34.83	*
Dec	15th	000350	21	ADA Northern Branch	Contribution to Show	150.00	*
		000351	18	JBA Consulting	Fee Account - BAP Implementation	176.22	
		000352	20	John Canty	Maintenance	3,877.20	
		000353	22	JP Canty	Maintenance	4,548.00	
Total Amount of all Cheques						20,312.72	
*Total Amount of Cheques sent out signed by the Clerk's						452.55	



2.2.5 Payments Made Directly from the Bank Account

DATE		CHEQUE	REF	PAYEE	DESCRIPTION	TOTAL
		NO.				CHEQUE
2015						£
Apr	30th	d/d	-	NatWest	Bank Charges	8.13
May	29th	d/d	-	NatWest	Bank Charges	13.70
Jun	30th	d/d	-	NatWest	Bank Charges	9.44
Jul	31st	d/d	-	NatWest	Bank Charges	11.46
Aug	28th	d/d	-	NatWest	Bank Charges	9.06
Sep	30th	d/d	-	NatWest	Bank Charges	6.71
Oct	30th	d/d	-	NatWest	Bank Charges	8.24
Nov	30th	d/d	-	NatWest	Bank Charges	6.00
Dec	4th	d/d	19	Information Commissioner	Data Protection Registration	35.00
	31st	d/d	-	NatWest	Bank Charges	9.95
Total Amount of all Payments						117.69

2.3 Budget Estimate for the Year Ending 31 March 2017

2015/16				2016/17	
Approved Estimate		Estimated Out-Turn		Estimate	
£	£	£	£	£	£
INCOME					
Drainage Rates on Agricultural Land:-					
20,184		20,223		18p in £ on AV of £112,131	20,184
Special Levy					
East Riding of Yorkshire Council					
5,184		5,184		18p in £ on AV of £28,800	5,184
Other Income:-					
	25,370		25,409	Bank Interest, etc.	25,370
EXPENDITURE					
2,527		2,453		Environment Agency - Flood Defence Levy	2,527
Administration:-					
4,250		4,250		Clerk and Engineer's Fees	4,250
5,000		4,500		Other Administration Expenses	5,000
Maintenance:-					
7,000		7,000		Contract Maintenance etc.	7,500
6,000		6,000		Pumping Station	6,000
1,900	26,677	1,900	26,103	Other Expenditure	1,900
	(1,307)		(694)	Surplus - (Deficit)	(1,807)
	22,783		22,441	Balance Brought Forward	21,747
	21,476		21,747	Balance Carried Forward	19,940

Previous Years Rates in the £

1995/96 : 8p - 1996/97 : 8p - 1997/98 : 8p - 1998/99 : 8p - 1999/00 : 8p - 2000/01 : 8p - 2001/02 : 12p
2002/03 : 12p - 2003/04 : 12p - 2004/05 : 12p - 2005/06 : 12p - 2006/07 : 15p - 2007/08 : 17p - 2008/09 : 18p
2009/10 : 18p - 2010/11 : 18p - 2011/12 : 18p - 2012/13 : 18p - 2013/14 : 18p - 2014/15 : 18p - 2015/16 : 18p

Penny Rate : £1,409

2.4 Five Year Budget Estimate

Revenue Account	2015/16	2015/16	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
	Approved Budget	Estimated Out-turn					
	£	£	£	£	£	£	£
Income							
Drainage Rates	20,184	20,184	20,184	21,305	21,305	21,866	22,146
Special Levies	5,184	5,184	5,184	5,472	5,472	5,616	5,688
Bank Interest, consents, etc.	2	52	2	2	2	2	2
Total Income	25,370	25,420	25,370	26,779	26,779	27,484	27,836
Expenditure							
Flood Defence Levy	2,527	2,453	2,527	2,602	2,680	2,761	2,844
Clerk & Engineers Fees	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Other Administration	5,000	4,500	5,000	5,000	5,000	5,000	5,000
Maintenance of Drains	7,000	7,000	7,500	7,500	7,700	7,700	7,900
Pumping Station	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Biodiversity Action Plan, etc.	850	850	850	850	850	850	850
Dempster IDB wayleave	350	350	350	350	350	350	350
Humber Management Scheme	100	100	100	100	100	100	103
Reedness & Swinefleet DB wayleave	600	600	600	600	600	600	600
Consents	-	50	-	-	-	-	-
Total Expenditure	26,677	26,153	27,177	27,252	27,530	27,611	27,897
Surplus/(Deficit)	(1,307)	(733)	(1,807)	(473)	(752)	(127)	(61)
Balance Brought Forward	22,783	22,441	21,708	19,901	19,427	18,676	18,548
Balance Carried Forward	21,476	21,708	19,901	19,427	18,676	18,548	18,488
Penny Rate in £	18.00p	18.00p	18.00p	19.00p	19.00p	19.50p	19.75p
Penny Rate £1,409							
Rate Av £112,131							
Levy Av £28,800							
Balance as % of expenditure	80.50%	83.00%	73.23%	71.29%	67.84%	67.18%	66.27%
Breakeven Rate	18.93p	18.52p	19.28p	19.34p	19.53p	19.59p	19.79p

3. CEO's Report

Recommendations

- **Members note the information in the report.**

3.1 Legislation

Nothing to report

3.2 Environment Agency

3.2.1 Humber Flood Risk Management Strategy

The next meeting has been arranged for February

3.3 Association of Drainage Authorities (ADA)

Your Clerk has been appointed Senior Advisor to ADA on matters of Health, Safety and Welfare. The Finance Officer has been appointed to ADA Policy & Finance Committee and the Environmental Officer appointed to ADA Technical & Environment committee.

3.3.1 Technical & Environment Committee

Your Environment Officer has been appointed to the Committee. At the meeting on 12 January discussions surrounded working groups for:

- Data and evidence
- Total catchment management
- Public sector co-operation agreements
- Biodiversity 2020
- WFD opportunities
- Water transfer and abstraction
- Planning, Suds and consenting
- Asset Management

3.3.2 Policy & Finance Committee

Your Finance Officer has been appointed to the Committee. At the meeting on 12 January discussion surrounded working groups for:

- Ratings
- Audit – Transparency Code and Fund, Practitioners' Guide
- Asset transfer and Main River demaining
- ADA Business Plan 2017-2020

3.3.3 ADA Press Statements

Included as attachments for information only.

3.4 Defra

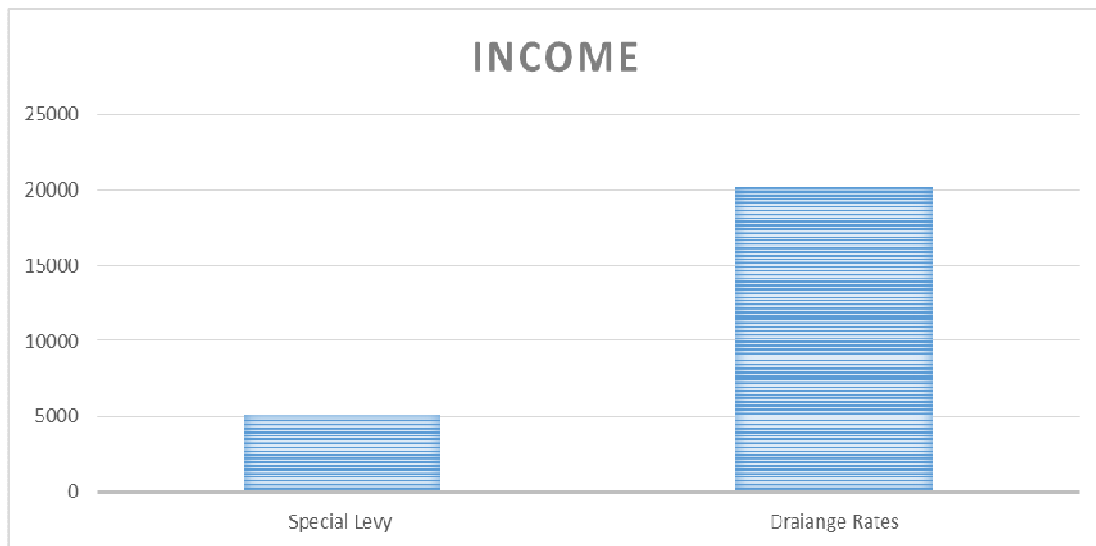
Nothing to report

3.5 Board Information

The data in this section is intended to provide background information to the constitution of the Board.

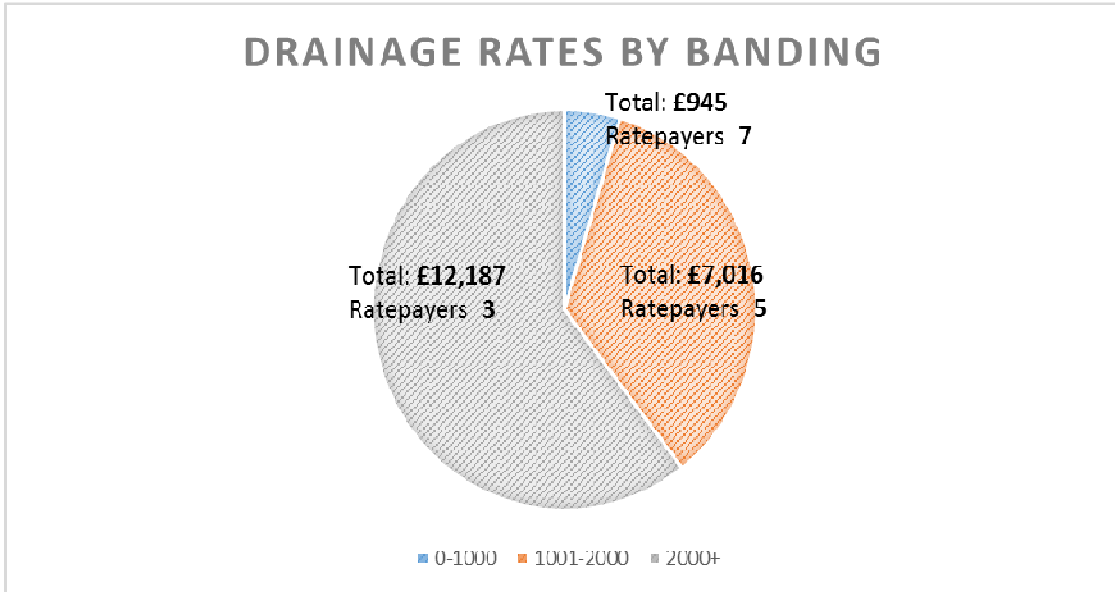
Income Split

Total income form Rates/Levies is **£25,332**, **20%** of which is made up of Special Levies. The Special Levy payment is collected by the District Council on behalf of the board.



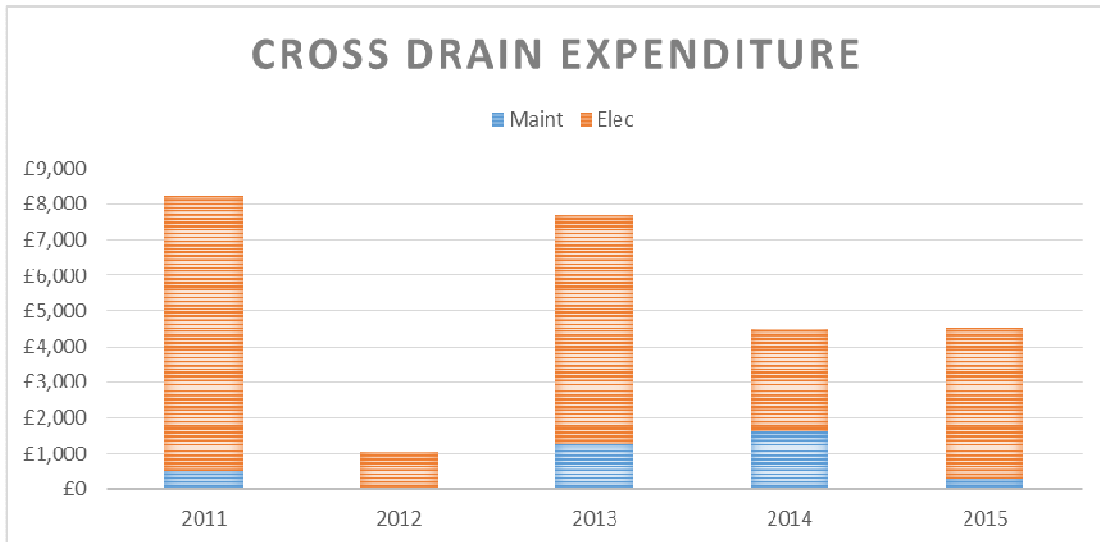
Rate Payers

A total of **£20,148** is collected from **15** Ratepayers. **3** Ratepayers contribute **60%** of all rates collected. The highest amount paid by an individual ratepayer is **£5,179**. The chart below sets out the banded drainage rates payable.



Pumping Station Information

The graph below shows total expenditure for Cross Drain pump station over a 5 year period. Average Pumping station expenditure over the period was **£4,881**



4. Engineer's Report

Recommendations

- Members note the information in the report.

4.1 Asset Management

4.1.1 Cross Drain Pumping Station

The quote from C G Pipetec Ltd. for £3,350 to trace, dig down, dewater and repair pipe was forwarded to Farmcare Ltd. in August 2015 for consideration along with an outline quotation from M.Gould (Scunthorpe) Ltd. to replace the whole length of c.300 metres of pipeline for £60,000.

We understand that Farmcare Ltd. are awaiting results of a pipe level check before arranging a site visit to discuss the way forward.

4.2 Maintenance

4.2.1 Maintained Ordinary Watercourses

No issues have been reported regarding planned maintenance activities.

4.3 Capital Works

No works are currently being undertaken by the Board.

4.4 Planning, pre-application advice and consents

4.4.1 Planning Applications

No planning applications have required comment on behalf of the Board between 5th June 2015 and 12th January 2016.

4.4.2 Land Drainage Act 1991 Section 23 and 66 (Byelaw) Consents

1no. consent has been issued on behalf of the Board between 5th June 2015 and 12th January 2016.

Applicant	Location	IDB	Proposal	Permanent / Temporary Works	Approved/R efused/ other	Date issued	Notes
Northern Powergrid	Twin Rivers windfarm to substation, Goole	GFIDB	Cable overhead crossing Swinefllet Warming Drain	Permanent	Approved	09.07.2015	Original single consent application revised to multiple application (26.05.2015) and additional detail provided to

5. Environmental Adviser's Report

Recommendations

- Members note the information in the report.

5.1 Advice on Maintenance Issues

Contractors must inform the Badger Licence Holder when works are being undertaken within 20 metres of a badger sett.

5.2 Legislation

5.2.1 Eels (England and Wales) Regulations 2009

The Board pump station has been identified as High Priority for which a timed exemption notice until 31 December 2020 has been received. There is no planned refurbishment/replacement in place. Members are requested to identify a strategy for compliance with the eels regulations as a matter of urgency.

5.2.2 Proposed Water Vole Class Licence

ADA has agreed to accept the introduction of a Water Vole Class Licence in respect of use of displacement techniques.

Legal Opinion obtained by Bedford Group, Ely Group and Water management Alliance from Queens Counsel suggests not only is Displacement an offence but potentially any Board maintenance activity cutting vegetation on drains with water vole present may constitute an offence under the Wildlife & Countryside Act. This has serious implications for IDBs, EA and other land managers. Natural England has considered the legal opinion and revised guidance will be issued.

5.3 Policy

5.3.1 Biodiversity Action Plan implementation 2015-2020

A copy of the second plan has been issued to Members, the outline of which was approved at the June meeting.

6. Health and Safety Report

6.1.1 Accidents/Incidents/Near Misses

Nothing to Report

6.1.2 New Legislation

Nothing to Report

6.1.3 HSE Incidents

Nothing to Report

7. Any other business by leave of the Chairman

8. Date of next meeting

Monday 20 June 2016

9. APPENDIX A – Minutes of the Meeting of the Audit Review Panel

**Held at JBA Consulting, Epsom House
Monday, 23 November 2015**

Present:

Mr Adrian Black	Scunthorpe & Gainsborough WMB
Mr David Hinchcliffe (standing in for Mr Martin Oldknow)	Black Drain Drainage Board
Mrs Veronica Chapman	Doncaster East IDB
Mr Andy Cane	Brodericks GBC

In Attendance on behalf of JBA Consulting:

Mr Craig Benson (Senior Financial Officer to the Shire Group of IDBs)
Mr Mark Joynes (Financial Officer to the Shire Group of IDBs)
Mr David Blake (Financial Officer to the Shire Group of IDBs)

Introductions and Apologies for Absence

Apologies for Absence were received from Christopher Day, Mr Peter Horne, Mr Steve Lomas, Mr Martin Oldknow, and Cllr. RM Sutherland.

Minutes of the Last Meeting/Matters Arising

The panel approved the minutes as a true and fair record with no matters arising.

Paperless Accounting Systems & Electronic Payment Systems

David Blake set out the work done and the position of the Shire Group officers. He explained that dealing with large volumes of paper invoices is both time-consuming and inefficient. He also set out some of the advantages of electronic filing systems, including tighter controls, better time-efficiency and a better audit trail. He advised the panel that the team had obtained quotes from various service providers and were currently preparing a business case.

David Hinchcliffe raised concerns about the use of emails to send confidential/commercially sensitive information. Craig Benson gave a brief outline of the current process, pointing out that the smaller Shire Group members still use cheques. The panel discussed whether it was worthwhile the smaller members adopting electronic payment systems. Craig Benson pointed out Lloyds bank plc are not currently charging for online banking facilities. The finance officers explained payments are made through a secure online facility, requiring passwords, pin sentries, etc. The only information sent by email are schedules of the invoices to be paid and scans of the invoices themselves, though Adrian Black pointed out that many supplier invoices contain beneficiary bank details. David Blake gave a brief description of the controls currently in place to prevent fraud and error.

Risk Register

The finance officers explained the register had been updated in November 2015 and adjustments to dates were shown as highlighted. Inserted text was shown as underlined and Craig Benson suggested new text ought to be highlighted also. The panel discussed the following items before approving the document.

Training Seminars

Adrian Black enquired whether the training seminars had proved useful. Craig Benson pointed out that DEFRA had recommended the boards carry out such training sessions and that they had indeed proved very useful. He also pointed out that the sessions were open to all members. David Hinchcliffe felt the sessions were a good idea and would like to see them rolled out to other boards including Black Drain Drainage Board. Craig Benson said the intention was to roll out the program with the possibility of joint boards, drawing attention to

the benefits of different views being heard. Veronica Chapman said the sessions were generally very good although not particularly well attended, wondering if some members felt they didn't need or want training.

Register of Members' Interests

Adrian Black enquired how often the register is updated. Craig Benson said members should advise Shire Group officers whenever there are any changes so the register may be updated. He further suggested a reminder could be included in the boards' meeting papers every year.

Internal Auditor's Report

The internal auditor reviewed the work undertaken on the 2014/15 accounts. In general, the internal auditor was satisfied with how things are running. The panel discussed the following points:

Decision Making

Once again the panel noted this issue had been raised in all eight reports, emphasising the danger of decisions being taken without appropriate input from the financiers. The auditor acknowledged it was not possible to force members to attend but expressed concern that the % split in members attending did not reflect the % split in the boards' constitutions, between elected and nominated members. Adrian Black said this was a difficult issue, and that boards could hardly throw out selected members at meetings in order to achieve a particular % split. Craig Benson said it is important to encourage members to attend. He said DEFRA are not particularly looking at this issue at the moment but it is likely to rumble on and on. David Hinchcliffe expressed concern at poor attendance and pointed out the different, important skills that elected and nominated members bring. Veronica Chapman said she had always lauded IDBs and recommended all members definitely attend, though she acknowledged that members have other meetings, engagements, etc. to consider. In summary the internal auditor remarked this was an easy matter to bring up but a difficult one to resolve.

Reserves Policy

The panel discussed the reasonableness of reserves policy. Craig Benson said they were flexible and this is an ongoing issue. Adrian Black suggested having a policy 'set in stone' is the worst thing to do. Veronica Chapman pointed out the difficulties of new bodies adopting such policies.

Unsigned Cheques

The internal auditor reported this was an issue they had closely investigated, not only authorisations on cheque payments but also online payments. David Hinchcliffe expressed concern that the bankers no longer employ stringent checks when processing cheque payments. Craig Benson said the onus was on signatories and Shire Group officers to carry out their own checks.

Future Audits

The internal auditor asked if there were any areas the panel would particularly like to be covered when planning subsequent audits. Adrian Black suggested direct debit payments could be reviewed, as the chairman doesn't generally see these items. Craig Benson said that, according to financial regulations, officers have the right to approve budgeted expenditure, but that this was contradicted elsewhere in the regulations, in that officers are restricted in the amounts they can authorise. Adrian Black pointed out the restrictions on bank mandates are also likely to prove an obstruction.

External Auditor's Report

The Annual Returns were reviewed by the panel and more specifically the External Auditors' comments. The following matters were discussed.

Treatment of Fixed Assets

The panel discussed the new practitioners' guide which sets out valuation methods for fixed assets. Members expressed concern about the creation of new revaluation reserves and the danger of this artificially increasing the boards' reserves. Andy Cane stressed new items

on the balance sheet could not be regarded as 'cash'. Craig Benson reminded the panel that detailed guidelines had not yet been published. David Hinchcliffe noted that government grants were not as available as they may have been in previous times. The internal auditor advised the boards' should not adopt a policy of depreciating their fixed assets as this would only increase the danger of users misunderstanding the financial statements, and that depreciation amounted to little more than guesswork. Adrian Black recalled the time Scunthorpe IDB used depreciation and the confusion it caused. Craig Benson recalled the Dun Drainage Commissioners' use of 'negative budgeting' in order to allow for depreciation. The panel were in agreement the boards should not depreciate their fixed assets.

Future Audits

Craig Benson advised the panel the officers will continue to work closely with the internal auditors and will continue to comply with regulations. He noted the information sent to external audits is minimal, and that the boards can incur fines for sending too much information. He wondered how an external audit can realistically carry out an audit without ever having sight of the accounts. It was assumed the external auditor places heavy reliance on the findings of the internal auditor. David Hinchcliffe noted that the nature of audit had changed much over recent years. Craig Benson informed the panel the boards will have some choice in appointing external auditors going forward, and that the Association of Drainage Authorities are currently drafting guidelines. He suggested there was no need to change auditors and recalled the time when there were five separate auditors working on Shire Group members' accounts. Adrian Black agreed more auditors could create more problems.

Any Other Business

Internal Audit Contract

Craig Benson advised the panel the contract with the current internal auditor was under review. He stressed he was very happy with the internal auditors who had submitted tenders and that a decision would be announced at the January/February 2016 board meetings.

Date of Next Meeting and Close of Meeting

The finance officers thanked members for attending and, in particular, encouraged David Hinchcliffe to attend subsequent meetings. The next meeting of the panel will be held on Monday, 28 November 2015 at 10.00am at JBA Consulting, Epsom House, Redhouse Interchange, Doncaster, DN6 7FE.

10. APPENDIX B – Risk Register

Introduction

All organisations face risks from both fraud and error. They are compelled to have in place a robust system of internal controls to prevent & detect such occurrences, thus safeguarding against these risks. The main types of risks facing the organisation are:

- Governance
- Operational
- Financial
- External
- Compliance with law and regulation

Risk Registers

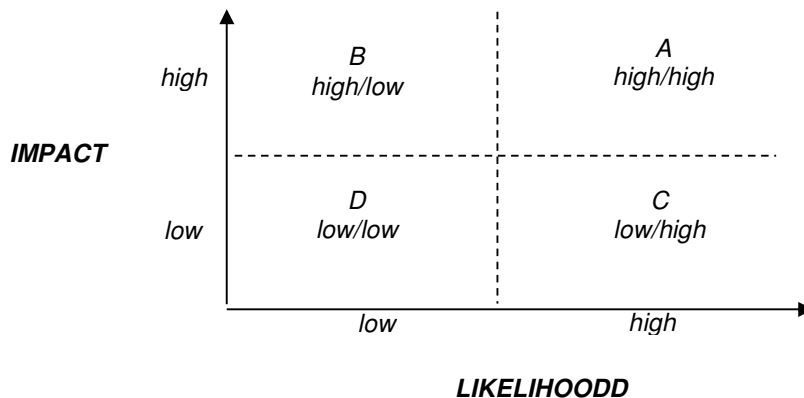
A crucial risk management tool is the Risk Register. Maintaining such a register helps an organisation operate more efficiently. It will help the organisation achieve its goals and help to ensure that undesirable events do not occur, or at least to ensure that the risk of occurrence is reduced to an acceptably low level.

The original register was drafted by the internal auditor. It is reviewed & updated by the clerks and internal auditor every year, with any changes from the previous year marked in red.

Note that the all the boards are required to approve the register individually. Any points made or queries raised by this panel will be reported to all the boards.

Risk Mapping

The areas of risk are categorised in terms of both likelihood of occurrence, and impact in the event should they occur. They are graded from A to D accordingly:



A = Immediate action

B = Consider action and have a contingency plan

C/D = Consider action or keep under periodic review

The Register

The register can be found as an attached document. It was updated in November 2015



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