

UPPER MEDWAY INTERNAL DRAINAGE BOARD



**MINUTES OF A MEETING of the Finance Committee held at
Upper North Hall, Bullen Court
on Tuesday 30 May 2023 at 10am.**

Members of the Committee Present

Cllr H Rogers - Chairman
Mr S Highwood
Mr C Wheeler

In attendance

Cllr D King – UMIDB Member
O Pantrey - Clerk
L Carey – Finance Officer

1. APOLOGIES FOR ABSENCE

Cllr Harper
D Goff

2. ITEMS OF INTEREST DECLARATION

There were no items of interest declared.

3. MINUTES

RECEIVED a copy of the Minutes of Finance Committee on 18 October 2022.

It was **AGREED** by all Members present that the Minutes of 18 October 2022 were correctly recorded and should be considered as approved.

4. ACTION LIST & MATTERS ARISING FROM PREVIOUS MINUTES

RECEIVED the Action List of the meeting held on 18 October 2022.

The Clerk said that he had no major items he wanted to update the Board on from the action list.

There was a question about the closing of the Nat West account.

The Finance Officer confirmed it was now at a stage where previous members had been removed but she felt it was best to close the account.

There was a discussion over banking options available. It was agreed that it would be discussed with the Board.

The Clerk mentioned that there was an outcome from his meeting with the Stour IDB Clerk and Chairman to potentially set up a payment page on the Board's website. He said this was cheaper and would aid us in removing paper.

Action: Clerk to set up ecommerce option on the Board's website.

5. INTERNAL AUDIT

The Clerk displayed the Internal Audit from Mid Kent Audit

The Clerk apologised for the audit report not being sent out earlier. It was noted that members had not been privy to seeing this before the meeting.

He said that in general we were continuing to do very well and he thanked the Finance Officer for her efforts in getting this audit over the line.

He said that the following recommendations were offered by the auditor.

- Appropriate accounting
 - Investment strategy would offer an opportunity for improvement but generally the Board is doing well with how it outlines spending and saving.
 - Remove petty cash references from financial regulations.
- Financial Risk Management
 - Direct costs, overhead expenses, and debts – Make it clearer by using the wording from the procurement document.
- Reserves Policy
 - Move the capital finance and reserve policy to policy section of the website.
 - Remove references to LMIDB from Capital Finance and Reserve policy.
- Assets
 - Set out location of assets as a general ruling in the asset register.
 - Suggestion that the trucks are returned to depot each night as a rule moving forward.
- Bank Reconciliation
 - Monthly bank recs need to be recognised within the main Board minutes.
 - Send the top sheet to all finance members each month.
 - Minute at each Board meeting that the top sheets were seen and signed off and any questions received.
- Bills Committee
 - Remove reference to Bills Committee from page 3 – Remuneration.
- Public Notices
 - Include a link to the full financial breakdowns from the Public Notices section.
- Accounting Basis
 - Cash accounting basis to be moved over to accruals basis.
- Section L – Transparency
 - See wma website regarding transparency for areas of improvement.
- Business Resilience and Continuity
 - Remove need for paper within our accounting processes.

UMIDB

The Clerk explained they were changing the process for the bank reconciliation and that the majority of the recommendations would be actioned by the Board meeting in June.

He finished by saying this is the best performance in an internal audit in the last 4 years.

All members wanted it to be noted that they thanked the Clerk and the Finance Officer for their efforts this year's internal audit.

Action: Clerk and Finance Officer to make alterations as per the internal audit.

Action: Clerk to add Internal Auditor recommendations to Financial Risk Assessment.

6. END OF YEAR ACCOUNTS – YEAR ENDING MARCH 2023

RECEIVED a copy of End of Year accounts for March 2023.

There was a comment regarding the format of the end of year accounts presentation with a request to ensure it was clearer to distinguish figures.

The Finance Officer said she would improve the formatting going forward.

There was a question regarding recharging internally and how the figures were laid out.

The Finance Officer explained that this is a hangover of the previous accounting and that we are now clear of this.

There was a question as to whether or not we had done any work with any other Board this year to which the answer was no.

There was a question about reserves and cash and why the money was moved.

It was explained that this was to ensure that ring fenced monies were properly accounted for and displayed.

There was a further discussion about funding of staff going forward.

The Clerk said it was vital that any further HR liabilities were covered by contracts or other self-generated income. He said that it was vital we stopped putting pressure on the levy and had a period of consolidation.

7. AGAR

RECEIVED A copy of the external audit return submission.

The Clerk said that the AGAR figures represented the same figures from within the end of year accounts and the internal audit report.

8. FINANCIAL RISK ASSESSMENT

The Clerk said this was a continuation of the request to see the conclusions of the risk assessment.

UMIDB

He explained that the internal auditor had asked for some working to be altered to be less ambiguous and that he had changed it ahead of next year.

It was asked if the financial risk assessment had the recommendations from the internal auditor.

The Clerk said it currently did not.

Action: Clerk to add the recommendations of the internal auditor the financial risk assessment.

9. **BANK STATEMENTS**

	<u>Balance – 31 March 2023</u>	<u>Balance – 31 March 2022</u>
<u>Handelsbanken Paying In Account</u>	<u>£760.84</u>	<u>£2,946.89</u>
<u>Handelsbanken Paying Out Account</u>	<u>£158,897.12</u>	<u>£232,518.74</u>
<u>Handelsbanken Savings Account</u>	<u>£929,328.73</u>	<u>£1,131,612.76</u>
<u>NatWest Drainage Account</u>	<u>£10,332.93</u>	<u>£7,144.74</u>
<u>Nat West Special Interest Bearing</u>	<u>£9.36</u>	
<u>Lloyds Bank Corporate Card</u>	<u>-£559.81</u>	
TOTAL	<u>£1,098,769.22</u>	<u>£1,374,223.13</u>

It was explained that these were for information.

10. **INSURANCE REPORT**

RECEIVED Comparison report for insurance provision.

The Finance Officer said that the comparison showed an increase in insurance costs for the year, although it was less than expected which was welcome after last year's hike.

The Clerk said the Board had allowed for another increase in the budget and were not going to be caught out like they were last year.

There was a question about Board liability for decisions.

Action: Finance Officer to confirm how Board decisions are covered under the insurance provision.

11. **RESILIENCE FUND INITIATIVE**

RECEIVED Resilience Fund Documentation and Calculator

The Clerk explained that he was asked to give the Board better opportunity to quantify applications for Board discussion. He showed the members the calculator he had created and ran the members through a scenario to explain how it worked.

He explained that the changes he presented now showed that the Board could see more clearly how much an applicant was able to apply for, including the diminishing returns available as the application request moves further and further from the Board objectives. He said that this represented the Board creating a measure for applicants and demonstrating good governance of its money.

There was a question as to why retrospective offered better outcome than pre-emptive.

The Clerk said retrospective offered less risk to the Board and offered opportunity to see tangible outcome.

He added that the Board had the final say in every instance and could pick and choose what projects it wanted to help. He said this also was a new initiative for the industry and as such would have plenty of scope for improvement, alteration, and reduction in the future.

All members **AGREED** this version now represented a better standard of governance and that this could go to the Board for full approval in June.

Action: Clerk to submit Resilience Fund Initiative to the Board as version 1.0.

12. UNBUDGETED REQUESTS

RECEIVED Report into need for new works vehicle.

The Clerk explained that with the increases in staff came a need for an increase in vehicles to transport them. He added that this vehicle was only for pool use in the depot and was not designed to offer people to use it to take home.

He demonstrated that the tractor team needed a vehicle, and the excavator team needed a vehicle. He said that the new member of staff would need a vehicle because they would be strimming, collecting, towing, and organising to ensure the plant kept moving and reduced downtime in the maintenance period.

He said that he did not want or need to buy new like we did before as that represented an expensive answer to this issue. He therefore requested that the members recommend to the Board that they open up £15,000 of savings to buy a second hand 4x4 vehicle.

All members **AGREED** to recommend the purchase to the Board.

Action: Clerk to submit recommendation to the Board for 3rd depot vehicle purchase.

There was a question raised that there might not be space in the depot with all the new kit.

The Clerk said this was a valid point and that they would likely need to install a lean-to or similar shelter at the depot in the future.

13. ANY OTHER BUSINESS

INNS Project Continuation

The Clerk explained that this represents a vital service from Medway Valley CP and that it was highly recommended that we continue to fund with this £2,000.

All members **AGREED** to continue this donation.

Action: Clerk to inform MVCP that the Board would continue this donation.

Move RFO Role from Clerk to Finance Officer

The Clerk explained that as the Board's Finance Officer, it made far more sense for her to be considered the Responsible Finance Officer and that he would instead countersign the AGAR and Finance Reports after assurance from Lorna that they were correct and appropriate.

All members agreed that this should be recommended to the Board.

The members thanked Lorna and said that she should be proud that the Clerk was willing to make this shift of title.

Action: Scheme of Delegation to be altered to reflect change of RFO.

IT Provision Market Test

The Clerk explained that they were market testing to ensure suitable provision of IT at the Board. He said that Pantec had been their provider for 20 years and that it was important to determine their suitability. He said that they would be considering utilising local companies to ensure swift response to physical problems with machines.

He added that he planned to make the entire company cloud based so that might remove the need for shifting completely to a local company.

MVCP Barn Owl Study

The Clerk said we have been asked if we would sponsor the Medway Valley CP scheme for the barn owl survey.

It was discussed and determined that it was not quite relevant enough to the current objectives of the Board.

All members **AGREED** to not fund this particular scheme but did wish it the very best.

14. DATE OF NEXT MEETING

The date of the next Finance Committee/Estimates meeting was confirmed as Tuesday 5th December.

15. PRIVATE & CONFIDENTIAL MATTERS

There was a discussion over the retirement of the Works Supervisor.

The Clerk said that he would be organising a meal at the White Horse in Bearsted.

The Clerk asked that a present be purchased with a limit of £1,000.

All members **AGREED** to the allowance of £1,000 to purchase a farewell gift.

16. CLOSE

There being no further business the Chairman of Finance thanked Members for their attendance, thanked the staff for all their work, and declared the meeting closed.