

UPPER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF A MEETING of the **Finance Committee** held at
Upper North Hall, Bullen Court
on Tuesday 28 May 2024 at 10am.

Members of the Committee Present

H Rogers – Chairman
D Goff – Vice Chairman
Mr S Highwood
Mr C Wheeler

In attendance

O Pantrey - Clerk
L Carey – Responsible Finance Officer
J Schuling – Works Manager

1. **APOLOGIES FOR ABSENCE**

There were no apologies at this time.

D Goff noted that he had written to Mr P Harper six months ago concerning his non-attendance at committee meetings. No response was received.

Action: D Goff to follow up

2. **ITEMS OF INTEREST DECLARATION**

There were no items of interest declared.

3. **MINUTES**

RECEIVED a copy of the Minutes of Finance Committee on 5 December 2023.

It was **AGREED** by all Members present that the Minutes of 5 December 2023 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 15 December 2023.

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

The Clerk mentioned the meetings with Martin Hurst (Southern RFCC) and Sally Harvey (EA Regional Director) were positive and they liked that we were proactive with our stance relating to district management.

The Clerk was asked to investigate a further meeting with Wealden Council about collaboration and future efforts.

5. **INTERNAL AUDIT**

The Clerk displayed the Internal Audit from Mid Kent Audit

The Clerk stated that we would be marked down by the Auditors for publication as the date on the report had not been changed from the previous year on the report placed on the website.

The Internal Auditor agreed for us to change the date but would still mark us down for this mishap.

A question was asked who we use to do our Internal Audit, the clerk responded and informed members that it was Mid Kent Audit.

All actions that needed to be changed were fixed within 3 days.

The Internal Auditors said that our Governance was excellent and that they were impressed with the way that we managed our budgets and reserves.

Chairman asked if the Auditors investigated our investments. The Clerk said that the finance regulations of the Board do not have an investment strategy. However, when we start to invest funds, they will scrutinise us more based on the policy created.

The Responsible Finance Officer took the Board through the Audit line by line explaining to them why we must show what we spend our funds on. This is to ensure that we are transparent with not just the Board but the External Auditors as well.

The other item that was brought up by the Internal Audit was that any new staff members that are appointed must be approved by the Full Board and minuted at the Board meeting and not just the Finance Committee, along with any pay rises that are placed into effect at the beginning of the financial year, or at any other time.

The Clerk finished by thanking the RFO for all her effort and work in getting us through this year's Internal Audit, which all the members agreed to.

6. **END OF YEAR ACCOUNTS – YEAR ENDING MARCH 2024**

RECEIVED a copy of End of Year accounts for March 2024.

No questions were asked relating to the year-end accounts.

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.

The Chairman asked if the accounts were to be signed off at this meeting. It was explained that the AGAR must be signed at Full Board level which will be on the 18th June 2024 and then sent to the External Auditors by the 30th June 2024.

8. FINANCIAL RISK ASSESSMENT

The Clerk had to rewrite and reassess elements of the Financial Risk Assessment, as per the Internal Auditors request – which will then be approved at the Board meeting in June 24.

He surmised that the removal of petty cash must be indicated in the risk assessment and that we must include a column stating the subject/owner to show who is responsible for that action.

The Chairman asked if the responsibility was for the Clerk or RFO only. The Clerk explained that the overall financial management remains with the Board, as per the scheme of delegation, but that most items were the responsibility of the Clerk or RFO at a delivery level.

The Finance committee liked the way the Clerk had put a traffic light system into place, indicating where the Board was more or less likely to be at risk. They were happy that the Clerk had it all under control and that we understood the main risks.

The Chairman did ask for the risk assessment to come to the Finance Committee once a year to confirm that items have been actioned on and then to be approved by the Board at the next meeting.

On Proposal from C Wheeler and seconded by S Highwood it was **AGREED** that the Financial Risk Assessment be recommended to the Board for approval.

All policies have been reviewed and updated by the Clerk.

9. BANK STATEMENTS

	<u>Balance – 31 March 2024</u>	<u>Balance – 31 March 2023</u>
Handelsbanken <u> Paying In</u> <u>Account</u>	<u>£617.74</u>	<u>£760.84</u>
Handelsbanken <u> Paying Out</u> <u>Account</u>	<u>£172,418.80</u>	<u>£158,897.12</u>
Handelsbanken Savings Account	<u>£921,000.70</u>	<u>£929,328.73</u>
NatWest Drainage Account	£0	£10,332.93
Nat West Special Interest Bearing	£0	£9.36
Lloyds Bank Corporate Card	-£700.56	-£559.81
TOTAL	<u>£1,093,336.68</u>	<u>£1,098,769.22</u>

It was explained that these were for information, and that no questions were raised.

10. **INSURANCE REPORT**

RECEIVED Comparison report for insurance provision.

The RFO said that the comparison showed a decrease in insurance costs for the year, indicating that Professional Indemnity is lower this year due to the market and that NFU had worked hard this year to keep the costs down. It was asked, what is Private Edge and the Clerk stated that this related to data loss and that we now have another item of insurance known as Cyber Edge which is for loss against an event that our website could be lost or destroyed, by external attack.

It also indicated that our new tractors are cheaper to insure than the old ones, as they also have a much more sophisticated tracking system fitted.

The Clerk's electric car insurance was discussed. The Clerk explained that he felt this figure was too high and that he had been on a few comparison sites to demonstrate the prices. He confirmed we had asked NFU for a revised quote on that basis.

The Chairman asked if the break in at the Depot had affected the insurance premium, the Clerk informed the Finance Committee that we had not claimed for losses through the insurance company as the cost was only around £7,000 and that we would use our funds from reserves to cover this. We did report it to the Police and got a Crime Reference number in case it was needed.

The Works Manager confirmed that security has been updated by placing bollards behind the gates and the roller shutters reinforced. Most of the items stolen have now been replaced.

11. **ANY OTHER BUSINESS**

BIRKBY QUOTE – BULLEN COURT

The Chairman asked C Wheeler if he had any interest in the office/building, as we did a market test on an empty barn that he owns on Bullen Court to obtain a ball park figure as to what it would cost the Board to refurbish it. At this time he does not declare an interest.

The Clerk said we were expecting a figure of around £100,000, however Birkby came back with a figure of £150,000 which was reasonable considering it was an outline quote.

It was asked if we should be moving to a more secure compound and amalgamate the depot with the office. He said the depot is still worth approximately £300,000 - £370,000 according to Lambert and Foster Estate Agents.

The Clerk listed several options including both renting and purchasing to outline the opportunities.

It was asked if this was going to be brought up at the main Board meeting in June or were we going to leave it in the air for the time being, as flooding at the depot could become more frequent.

The committee asked that a full report be submitted ahead of the June 2025 Board meeting

Mr Wheeler did state that he would be more than happy to rent the barn to the Board in the foreseeable future.

Action: Clerk to complete a full report on options for the Board regarding its office and depot location.

INVESTMENT STRATEGY

RECEIVED Investment Strategy review May 2024

The RFO looked into various bank's interest rates to invest our funds but found that Handelsbanken had a better interest rate over a shorter period of time. To invest over 6 month's the sum of £250,000 minimum gave a far better return.

On proposal by D Goff and seconded by C Wheeler it was **AGREED** to recommend to the Board that we invest £250,000 for 6 months with Handelsbanken and then for it to be reviewed on maturity.

Action: RFO to get the investment policy in place before the Board meeting in June 2024.

Action: RFO to get new members list to all Board members.

12. **DATE OF NEXT MEETING**

The date of the next Finance Committee/Estimates meeting was confirmed as Tuesday 10th December 2024

13. **PRIVATE & CONFIDENTIAL MATTERS**

There had been a discussion between The Board Chairman, the Clerk, and the Sustainable Development Officer to increase the SDO team. This was agreed to be revisited in the December meeting.

14. **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.