UPPER MEDWAY INTERNAL DRAINAGE BOARD

MINUTES OF THE FINANCE COMMITTEE
held at Bullen Court, East Peckham
on Tuesday 19th May 2026 at 10am

Members of the Committee in Attendance
H Rogers – Chair of Committee
D Goff – Chair of Board
W Thompson
S Highwood
Cllr M Summersgill
O Pantrey – Clerk
L Carey – Finance Officer
J Schuiling – Works Manager

1. Apologies
No apologies for absence were received.

Our Chairman of the Board Mr David Goff would like to officially thank Cllr. Mike Summersgill for his attendance and comments at the Finance Board meetings as this was his final one before stepping down.

2. Items of Interest Declaration
No declarations of interest were made.

3. Minutes of Previous Meeting
The Minutes of the Finance Committee meeting held on 17 March 2026 were reviewed and confirmed as a true and accurate record.
No matters arising were identified that were not otherwise covered within the agenda.

4. Meeting Topic – Internal Audit
The Committee received Katherine Woodward and Emma Jones of Mid Kent Audit to review the Internal Audit Report for 2025/26.
Katherine Woodward advised that Mid Kent Audit had provided audit opinion to the Board for the previous three years and noted that the Board had demonstrated continual year-on-year improvement in governance and compliance arrangements. The Committee was advised that the Board continued to follow the JPAG guidance appropriately and that the overall audit outcome remained satisfactory with no significant concerns identified regarding the organisation's operation.

The Committee noted that the audit findings were all categorised as low risk and primarily related to procedural clarity and consistency. The findings discussed included:

- approval of the investment policy to be explicitly recorded within meeting minutes;
- updates to terminology within the financial risk assessment;
- improved commentary and explanation of budget variances within monitoring reports;
- inclusion of probationary periods within salary contracts;

- amendment of accounting policy wording relating to the de minimis approach to tangible assets;
- naming of the Data Protection Officer within relevant policies.

Officers confirmed that the majority of recommendations had already been actioned or were in progress. The Committee noted specifically that:

- the financial risk assessment had been updated;
- the Data Protection Officer had been named within the relevant policies;
- the de minimis wording had been amended;
- a publication scheme had been prepared for Board approval; and
- improvements to variance reporting would be implemented going forward.

The auditors commended the work of officers and advised that the limited number of findings reflected positively on the organisation.

Board Performance and Governance Review

The Committee discussed methods of undertaking a review of overall Board performance and governance arrangements. Katherine Woodward advised that CIPFA guidance and self-assessment material used by local authority audit committees could provide a useful basis for the Board to adapt to its own constitutional and governance framework.

Members agreed that receiving and reviewing the self-assessment guidance would assist the Board in evaluating its governance arrangements and committee effectiveness.

Financial Oversight and Training

The auditors advised that member training represented the most effective means of strengthening financial oversight and governance awareness. Members discussed the need for further understanding of Board finances, audit responsibilities and scrutiny processes.

The Committee noted that guidance and training materials relevant to audit and finance committees could be shared with members for consideration.

Monthly Financial Scrutiny Process

The Committee discussed the current rota system for member sign-off of monthly financial reports and considered whether additional oversight arrangements were required.

Emma Jones advised that effective scrutiny depended upon communication, accountability and appropriate questioning of variances and unusual expenditure. Members discussed introducing an additional operational practice whereby the Chairman of the Finance Committee would also review and confirm monthly reports electronically to provide continuity and month-to-month oversight.

Members further discussed ensuring that questions raised during monthly scrutiny were recorded and reported back to the Committee to evidence ongoing financial oversight and challenge.

Previous Audit Arrangements

Members discussed historical audit arrangements and acknowledged that current audit scrutiny was significantly more comprehensive than in previous years. Katherine Woodward confirmed that the current audit process was thorough and aligned with required standards and noted that the Board should focus on continued improvement going forward.

The auditors also advised that they were exploring opportunities to reduce overall audit days whilst maintaining the required level of assurance and avoiding complacency.

The Committee thanked Mid Kent Audit for their attendance, advice and ongoing support.

5. Action List & Matters Arising from Previous Minutes

The Committee reviewed the Action List from the previous meeting.

Officers confirmed that all actions were either completed, in progress, or ongoing.

The Committee noted:

- future meeting venue arrangements were likely to move to a vacant office space at Bullen Court Business Centre at no charge;
- the proposed inclusion of the plant replacement strategy within the June Board appendices;
- revised treatment and presentation of surface water development contribution within budget reporting;
- ongoing review of ADA membership costs and value for money; and
- discussions regarding future finance officer succession planning and possible alternative accounting support arrangements.

Members considered ADA membership to remain a valuable service and strategic asset to the Board. However, concerns were raised regarding the proportional cost of membership relative to the Board's scale and level of use. The Clerk advised that discussions would be undertaken with ADA to explore whether any reduction in fees or revised regional arrangement may be achievable.

Members discussed succession planning for the Finance Officer role and noted that options would be considered further at a meeting scheduled for 2 June 2026, with proposals to be presented to the Board in June.

6. Holdings, Budget and Top Sheet Update

The Committee received an update on holdings, budget monitoring and financial reporting arrangements. Lorna Carey presented the current financial top sheet and explained the operation of the Board's accounts and reserve allocations.

The Committee reviewed income generated through rechargeable and PSCA works, particularly contracts undertaken for Kent County Council and the Environment Agency. Officers advised that rechargeable works were undertaken on a cost-plus basis and that associated material costs were coded appropriately to ensure accurate identification of surplus generated.

Members discussed the financial presentation of:

- surface water development contributions;
- interest received;
- reserve transfers; and
- budgeted versus variable income streams.

Officers advised that future budget reports would record reserve transfers as full transferred amounts and that the reporting format was being redesigned to improve clarity and distinction between:

- budgeted income;
- variable income;
- reserve transfers; and
- capital expenditure.

Members requested that future reports:

- distinguish clearly between variable and budgeted figures; and
- remove pence values to improve readability.

The Committee discussed opportunities to increase rechargeable work margins whilst remaining cost-effective compared with external contractors.

7. Any Other Business

The Committee noted that the £250,000 investment was due for renewal in July 2026.
Members confirmed their agreement for the previously delegated investment renewal process to continue, subject to formal minute recording at both Finance Committee and Board meetings.

The Committee also noted that:

- the tree winch had now been purchased for £10,500 plus VAT; and
- the asset had been added to the fixed asset register.

8. Date of Next Meeting

The next meeting of the Finance Committee will be held on 13 October 2026 at 10:00am at Bullen Court Business Centre, East Peckham.

9. Close

There being no further business, the Chairman thanked everyone for attending and closed the meeting.

Action List – 19th May 2026

- Record formal approval of the Investment Policy within meeting minutes
- Improve variance commentary within budget monitoring reports
- Update employment contracts to include probationary periods
- Share governance self-assessment and committee guidance documentation with members
- Consider implementation of enhanced member financial training resources
- Implement operational practice for Chairman electronic confirmation within monthly scrutiny process
- Redesign budget reporting format to distinguish budgeted and variable income clearly
- Record reserve transfers within budget reports as full transferred amounts
- Discuss ADA membership costs with ADA and explore potential fee reductions or revised arrangements
- Present succession planning options for finance support arrangements to the Board