

LOWER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF A MEETING of the **Finance Committee** held at
The Boards Offices, 17 Albion Place, Maidstone, Kent
on **Wednesday 23 May 2018 at 2.00pm.**

Members of the Committee Present

Chairman: H R Neaves

S Batt
D Dewar-Whalley
S Mair

In attendance

M D Watson - Chief Executive

1. APOLOGIES FOR ABSENCE

Apologies received from J Lewis.

2. INTERNAL CONTROLS – YEAR ENDING MARCH 2018

RECEIVED a copy of the Boards Statement of Accounting Policies and the Statement of Internal Control for the year ending March 2018.

(As attached to these Minutes)

Members were given time to read the documents.

The Chief Executive explained that these documents had been reported at the last Board Meeting for members consideration and approval.

All Members present **AGREED** that the Chairman should approve the Statement of Accounting Policies and the Statement of Internal Control for the year ending March 2018.

3. ANNUAL GOVERNANCE STATEMENT – YEAR ENDING MARCH 2018

RECEIVED the Annual Governance Statement as required by the amended Accounts and Audit Regulations 2015.

(As attached to these Minutes)

The Chief Executive explained that this document is basically Section 1 of the Annual Return.

Members discussed the content of this document and no concerns were raised.

The Chairman asked Members if they were happy for him to sign this document.

All members in attendance **AGREED** that the Chairman should sign the Annual Governance Statement.

Members were then asked to consider and approve by resolution Section 1 (Annual Governance Statement) of the Annual Return.

All Members present **RESOLVED** that the Chairman should sign and date Section 1 of the Annual Return.

4. INTERNAL AUDIT

RECEIVED David Griffiths' end of year internal audit report dated 16th May 2018.

(As attached to these Minutes)

D Dewar-Whalley asked if the Internal Auditor uses a scale to rate his audit. The report mentions items are satisfactory but could they be rated higher? Members asked if clarification could be sought.

All members in attendance **AGREED**.

5. ANNUAL RETURN – YEAR ENDING MARCH 2017

RECEIVED a copy of the External Auditor Certificate and Opinion - Section 3 of the 2016/17 Annual Return.

(As attached to these minutes)

The Chief Executive explained to members that this shows no comments were raised by the External Auditor on last years accounts.

REPORTED that no matters affecting the External Auditors opinion had been raised, therefore, no action is required.

6. END OF YEAR ACCOUNTS – YEAR ENDING MARCH 2018

RECEIVED the End of Year Accounts for the year ending 31 March 2018 produced for information only.

(As attached to these Minutes)

The Chief Executive explained that these were produced for members information only and showed the true value of the Boards assets, rather than the figures that have to be reported in the Annual Return.

Members **NOTED** the End of Year Accounts.

The Chief Executive explained that a new line for the New Bells Pump Station had been added to the assets section and all the expenditure to date had made up the assets value. This will obviously increase until the final invoices have been received

7. ANNUAL RETURN – YEAR ENDING MARCH 2018

RECEIVED a copy of the IDB Annual Return for the year ending 31 March 2018.

(As attached to these Minutes)

REPORTED that the Annual Return is issued to Local Councils, Internal Drainage Boards and other Smaller Authorities in England.

Members were asked to consider and approve by resolution Section 2 (Accounting Statements) of the Annual Return.

The Chief Executive explained that the Internal Auditor had used the End of Year Accounts document in order to verify the figures reported on the Annual Return during his end of year audit and as a result was able to sign off Section 3 of the Annual Return.

All Members present **RESOLVED** that the Chairman should sign and date Section 2 of the Annual Return.

REPORTED that Section 3 relates to the External Auditor Report and Certificate and the Annual Internal Audit Report 2017/2018.

REPORTED that PKF LittleJohn LLP will complete the first page of Section 3 and this is where any comments on their findings will be made.

REPORTED that David Griffiths', the Boards Internal Auditor completed the second page of Section 3 during his audit on 16 May 2018.

8. ANY OTHER BUSINESS

- (a) The Works Supervisor had approached the Chief Executive to complain about his tax code and that it appears to change every year. His P11D form submitted

each year to HMRC includes tax on the company vehicle and a fuel benefit element. In a previous letter to him which said:-

“As long as the Board provides and pays for the business fuel and you continue to reimburse the Board (within your payslip at the HMRC current rate of 13p per mile) for your PRIVATE miles/fuel, then there is no requirement to declare the fuel element within the P11D form at the end of the financial year. You will only be taxed for the use of the CAR not the fuel.”

It appears that the above statement was correct but that this rule was not applied to your P11D form to HMRC. It appears the paperwork for the last 5 years has filled in the form and included the fuel benefit charge. As a result the Works Supervisor has been out of pocket through no fault of his own. Members **AGREED** that the Chief Executive write to him and offer to reimburse the relevant amount.

It was thought chasing HMRC for the overpaid tax would be a complicated and time consuming exercise.

- (b) **GDPR** legislation comes into force on the 25th May 2018. The Boards had decided at their last meetings to allow the Finance Committee to decide who the Board should appoint as it's Data Protection Officer. The Internal Auditor had provided some guidance on who would be appropriate and after careful consideration, on a proposition from S Mair and Seconded by S Batt, the committee **AGREED** that the Technical Engineer be given to role of Data Protection Officer.

9. **CLOSURE**

There being no further business the Chairman thanked Members for their attendance and declared the meeting closed.