

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 22 May 2019 at 2.00pm.**

Members of the Committee Present

Chairman: S Mair

S Batt
J Lewis
J Mair

In attendance

M D Watson - Chief Executive
J Williams – Finance Assistant

1. APOLOGIES FOR ABSENCE

No apologies for absence received.

2. INTERNAL AUDIT

RECEIVED David Griffiths' end of year internal audit report carried out on 8th May 2019.

(As attached to these Minutes – Appendix 1)

The Chief Executive went through the report and highlighted the 2 main items that had been given an amber warning.

The first item was insurance, this was a future concern due to the Boards £3m Fidelity Insurance cover and the Boards have a current combined bank balance of £3m. The Chief Executive had received a quote to raise the cover to £4m making the total premium around £4600.

Members **AGREED** this should be paid and can be reviewed at a later date.

The second item highlighted was the potential risk with the new system of internet banking. The auditor felt the CEO being an inputter and authorised signature was a potential risk, so to give the Board and CEO the comfort of removing the risk adding

another member of staff to input payments and simply having the CEO is an authorised signature.

The Chief Executive had taken this recommendation on board and arranged for the bank mandates to be changed accordingly. Members present signed the new Mandate.

3. ANNUAL RETURN – YEAR ENDING MARCH 2018

RECEIVED a copy of the External Auditor Certificate and Opinion - Section 3 of the 2017/18 Annual Return.

(As attached to these minutes - Appendix 1)

Members noted the comments.

4. INTERNAL CONTROLS – YEAR ENDING MARCH 2019

RECEIVED a copy of the Boards Statement of Accounting Policies and the Statement of Internal Control for the year ending March 2019.

(As attached to these minutes - Appendix 2)

Members were given time to read the documents.

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 2019.

5. ANNUAL GOVERNANCE STATEMENT – YEAR ENDING MARCH 2019

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

(As attached to these minutes - Appendix 3)

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.

6. END OF YEAR ACCOUNTS – YEAR ENDING MARCH 2019

RECEIVED the End of Year Accounts for the year ending 31 March 2019 produced for information only.

(As attached to these Minutes - Appendix 5)

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.

REPORTED that the document is produced from the figures contained within the end of year trial balance and the figures are then used to compile the Annual Return.

7. ANNUAL RETURN – YEAR ENDING MARCH 2019

RECEIVED a copy of the IDB Annual Return for the year ending 31 March 2019.

(As attached to these Minutes - Appendix 6)

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 2018/2019.

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 14 May 2019.

8. ANY OTHER BUSINESS

a) Governance Documents List

RECEIVED the new Governance Documents List.

(Copy attached – Appendix 7)

b) Website

The Chief Executive mentioned to members the new website was up and running.

9. CLOSURE

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