

UPPER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF THE MEETING of the **Finance Committee** held at
the Boards Offices, 17 Albion Place, Maidstone, Kent
held on **Tuesday 21 May 2019**

Members of the Committee Present

C Wheeler - Chairman

D Goff
H Rogers

In attendance

M D Watson - Chief Executive
J Williams – Finance Assistant

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from C Stewart.

2. INTERNAL AUDIT

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

(As attached to these Minutes)

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.

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 201 produced for information only.

(As attached to these minutes - Appendix 4)

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.

Three lines of the Income and Expenditure sheet didn't make sense to Members so they asked the Finance Assistant to clarify and explain the figures. The spreadsheet will be checked and if necessary altered and sent to members for their records prior to the next Board meeting.

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 5)

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 were unable to agree to sign and date Section 2 of the Annual Return until the new End of Year Accounts figures had been amended and approved by the Internal Auditor.

All Members present **RESOLVED** that the Chairman should sign and date Section 2 of the Annual Return after the relevant figures had been amended. This was done and the Chairman signed this off on 29 May 2019.

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 8th May 2019.

8. ANY OTHER BUSINESS

a) Governance Documents List

RECEIVED the new Governance Documents List.

(As attached to these minutes – Appendix 6)

b) Website

The Chief Executive reminded members that's the Board new website is up and running. The Boards Policies, minutes of meetings and copies of the Annual Return for the last 8 years.

c) Replacement for D Aikman

The Chief Executive asked members to consider a replacement on the committee for D Aikman and now C Stewart. Both are authorised signatories on the bank accounts and therefore taking them off the mandate and finding a replacement is necessary.

9. CLOSURE

The Chairman thanked Members for their attendance and declared the meeting closed.