

**Minutes of the meeting of the Lower Severn (2005) Internal Drainage Board
Held on Wednesday 23rd September 2020 at 2.00pm
Gables/Zooms blended meeting**

Present:

Cllr M Riddle Chairman
Cllr P Abraham
Mr M Barnes
Cllr B Behan
Cllr P Burford
Mrs F Collins
Mr J Cornock
Mr T Cullimore
Mr P Goodey
Mr R Godwin
Cllr R Griffin
Cllr F Hance
Miss R Hewlett

Mr J Hore
Cllr P Howells
Mr R Hyslop
Cllr J Jones
Mr G R Littleton
Mr I Ractliffe
Mr G Simms
Ald M Sykes
Ald C Williams
Cllr M Williams
Mr K Withers

Staff:

Kieran Warren	Principal Officer	PO
Martin Dear	Accounts Officer	AO
James Druett	Land Drainage Engineer	LDE
James Thomas	Civil Engineer	CE
Louise Reading	Minutes	

3102	<p>Welcome/Apologies The Chair welcomed everyone to the first blended Board Meeting.</p> <p>Apologies were received from Mr J Nicholls.</p>	
3103	<p>Chairman's Announcements The Chair thanked the staff and Members for their hard work in keeping operations running throughout this period.</p> <p>The Chair congratulated the LDE on his long service award.</p> <p>The Chair thanked Ms Hewlett for the donation, to the Board, for her newly published book 'The Gloucestershire Court of Sewers 1583-1642'. Members were advised to contact Ms Hewlett should they wish to purchase a copy.</p>	
3104	<p>Declaration of Members Interest None were declared</p>	
3105	<p>Matters arising and Minutes of Previous Meeting All actions were complete.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Minutes of the meeting held 22nd July 2020 be approved as a correct record. 	
3106	<p>Committee Updates <u>Governance and Probity Committee Meeting</u> Cllr Behan informed Members that a lengthy discussion took place around Members terms of service and it was resolved that the existing arrangements be re-affirmed.</p> <p>In addition, Cllr Behan advised Members that the Governance and Probity Committee had also resolved that there would be no cap on requests for rechargeable works.</p>	

Cllr Behan reported that out of hours contact arrangements had been debated with differing opinions between Members. However, Members had agreed that a 24-hour service would have to be outsourced and this would come at a significant cost to the Board. The Committee agreed that the PO would investigate this further, including considering cover for Saul pump station.

The Committee had also discussed meeting quorums due to the historical setting of the current Board meeting quorum. The PO was tasked with producing a report for the next Governance and Probity Meeting.

In respect of the Redundancy Policy, Citation had advised that the Board could adhere to ACAS guidelines and this would ensure that the policy was always current. Cllr Behan requested that this be approved by the Board.

It was resolved that

- **The adherence to the ACAS guidelines to determine redundancy policy be adopted.**

Cllr Behan informed Members that the Vice Chairman honorarium needed Board approval. The Committee recommended that this should be set at 30% of the Chairman's honorarium.

Mr Hyslop stated that he didn't feel that the Board should pay honoraria and wasn't aware of many Boards that did this.

Members supported the principle of payment.

In response to Cllr Howells' question the PO advised that the sum payable would be around £1000.

It was resolved that

- **The Vice Chairman honorarium be set at 30% of the Chairman's allowance, increasing tri-annually and with effect from November 2019.**

Cllr Behan informed Members that the Governance and Probity Committee had resolved that Member non-attendance over a 6month period be suspended in light of the current Covid Crisis as this impacted on some Members abilities to attend meetings. This would cover the period 23rd September 2020 to 6th May 2021.

Four policies had been reviewed and it was agreed that only minor word changes were required. Cllr Behan requested that the Board approve these policies.

It was resolved that

- **The Anti-Bribery Policy be approved as per Appendix A**
- **The Anti-Fraud & Corruption Policy be approved as per Appendix B**
- **The Complaints against Board Members Policy be approved as per Appendix C**
- **The Complaints procedure be approved as per Appendix D**

Cllr Behan advised that the Review of the Reserves was considered as an urgent item at the request of the Treasury Sub-Committee and Members had discussed the level of unallocated reserves being 100% of expenditure based on ADAs Good Governance Guide.

The PO confirmed that he had contacted ADA and two other Drainage Boards for further information and had received varied feedback. The PO would produce a report for review at the next Governance and Probity Committee Meeting with options including staying with the current reserve level of 30%.

Ald Williams expressed that it was an important issue as the material impact on the Board's finances could be significant.

In response to Mr Simms, Ald Williams confirmed that this was not a statutory requirement and whilst we should consider ADA good Governance the Board must also make its own judgement.

Engineering Committee – 2nd September 2020

Mr Barnes advised Members that the main topic of discussion was the Capital Programme Pump replacement.

The LDE confirmed that he was chasing the fish pass consent from the EA for Elmore Back.

Additional costs of around £80,000 had been included in the quote for Elmore Back. Mr Barnes reassured Members that this whilst all the desired works were included on the quote, on receipt of the tender the Engineering Committee would endeavour to work within budget to deliver Elmore Back pump station.

Members noted that the increase in cost included a new access road costing around £50,000 and Members were unsure if this would be an appropriate use of funds.

The LDE advised that access would be required a couple of times a year for waste removal and maintenance.

Mr Simms commented that it was very important to scrutinise any material changes and this should be done at the Engineering Committee before being passed onto the Finance and General Purposes Committee.

The Engineering Committee also requested that the Board approve an additional Term of Reference to the Engineering Terms of Reference to say

'To validate, agree and monitor the financial expenditure and deliverables of the Capital Programme, within the financial constraints of the agreed budget'

It was resolved that:

- **The Engineering Committee Terms of Reference be amended.**

In response to Miss Hewlett's question the PO advised that he was in the process of confirming a new date for the Engineering Committee Meeting presently scheduled for 21st October 2020.

Finance & General Purposes Committee Meeting

Ald Williams presented the Treasury Committee Meeting Minute's from the meeting on 26th August 2020.

Ald Williams advised Members that the Capital Financing and Reserve Policy had been reworded. The final paragraph for unallocated reserved had been changed back to the original wording as a consequence of discussion held at the Governance and Probity Committee Meeting.

It was resolved that:

- **The minutes of the Treasury Sub Committee held on 26th August 2020 be noted;**
- **The Capital Financing and Reserves Policy be approved as per Appendix E.**

In respect of the Capital Programme, Ald Williams said that the F& GP Committee had concerns over the potential overspend regarding the replacement of pumps at the Elmore Station. The F&GP Committee accepted that the LDE was considering various ways to mitigate this.

Ald Williams presented the Risk Register. This is updated annually and the Chairman said that risks had been addressed.

	<p>It was resolved that:</p> <ul style="list-style-type: none"> • The Risk Register be noted <p>Ald Williams presented the first quarters accounts, 1st April 2020 – 30th June 2020. He advised that there had been no material changes to the accounts forecast from June to date.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Management Accounts for 1st April 2020 – 30th June 2020 be approved as per Appendix F. <p>Ald Williams informed Members that, over the next five years, the cash reserves would decrease and expressed concern that should something unforeseeable occur for example; overspending on the pump replacement programme, actuarial increases regarding pension provision or continued subdued global stock markets this would have a significant financial impact on the Board.</p> <p>Mr Simms suggested that regarding the Capital Programme, it would be beneficial to instigate longer term financial planning now. Members agreed this should be progressed.</p>	
3107	<p>Land Drainage Engineer's Report</p> <p>The LDE advised Members that there was a problem with the bearings on the pump at Marshfield. The old pump at Saul, recently removed during its replacement, was the same model and it was hoped the bearings from this pump could be used to fix the Marshfield pump. Only a temporary fix was required as Marshfield was the next pump on the programme to be replaced.</p> <p>Mowing and weed cutting was currently on schedule with dredging works due to start soon.</p> <p>ClIr Burford asked the LDE if the pump station replacement figures were likely to increase.</p> <p>The Chair reminded Members that the last review was completed about 6 months ago. The CE added that the figures were a result of preliminary testing and that future testing could throw up some anomalies.</p> <p>In response to a question from the Chair, the AO advised that there would be an impact on cash flow should more detailed investigations, regarding pump replacements, take place earlier than currently scheduled in the Capital Programme. The cash flow would need to be revised once these revised timings were known, and this impact would need to be considered.</p> <p>ClIr Burford asked if an annual financial update could be provided.</p> <p>The PO advised Members that updates were regularly provided to the Finance and General Purposes Committee and Engineering Committee and were based on quantity surveyor estimates and so were much more reliable than the original figures.</p> <p>Members agreed that confidence in the figures was important and this should grow as the programme moves forward.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The report be noted. 	
3108	<p>Civil Engineer's Report</p> <p>The CE reported that Avonmouth and Severnside development had picked up slightly since the pandemic started.</p>	

	<p>The CE also updated Members on the renewal of the office telephone system. Three tenders had been received for a new system and Officers had selected the one which gave the most flexibility and functionality.</p> <p>Members agreed the video equipment purchased by the Board, being used for the first time at this meeting worked well and has provided the option for Members to attend meetings either in person or virtually.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The report be noted. 	
3109	<p>Date of next meeting Members were informed that the next - and Annual - meeting would be held on Wednesday 4th November at 2pm.</p>	
	<p>The meeting closed at 14.15 am.</p>	

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

ANTI-BRIBERY POLICY

1. Policy Statement

1.1 Bribery is a criminal offence. We do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we, or will we, accept bribes or improper inducements.

1.2 To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

1.2 We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery whether internal or external to the Board. We aim to maintain continuous anti-bribery compliance, rather than as a one-off exercise.

2. Bribery

2.1 Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage. Any such advantage is referred to as a “business advantage” in this policy. More guidance is given in Appendix 1. It is unacceptable to:

- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure.
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the Board in return.
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in activity in breach of this policy.

2.2 Anyone found guilty by a Court of committing bribery could face up to 10 years in prison and/or an unlimited fine. The Board could also face prosecution and be liable to pay a fine.

3. Policy Objectives

- 3.1 This policy provides a coherent and consistent framework to enable the Board Members and employees to understand and implement arrangements enabling compliance. In conjunction with related policies and other key documents it will also enable Board Members and employees to identify and effectively report a potential breach.
- 3.2 The Board requires that Board Members and employees, including those permanently employed, temporary agency staff, consultants and contractors:
- Act honestly and with integrity at all times and safeguard the organisation's resources for which they are responsible.
 - Comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Board operates, in respect of the lawful and responsible conduct of activities.

4. Scope

- 4.1 This policy applies to all of the Board's activities. For partners, agents and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.
- 4.2 Within the Board, the responsibility to control the risk of bribery occurring resides with all Board Members, the Principal Officer and senior managers.
- 4.3 This policy covers all Board Members and employees including those permanently employed, temporary agency staff, contractors, agents, volunteers and consultants.

5. The Board's Commitment to Action

- 5.1 The Board commits to:
- Setting out a clear anti-bribery policy and keeping it up to date.
 - Making all Members and employees aware of their responsibilities to adhere strictly to this policy at all times.
 - Training all Members and employees so that they can recognise and avoid the use of bribery by themselves and others.
 - Encouraging Members and employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.
 - Rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution.
 - Taking firm and vigorous action against any individual(s) involved in bribery.

- Provide information to all Members and Officers to report breaches and suspected breaches of this policy.
- Include appropriate clauses in contracts to prevent bribery.

6. Facilitation Payments

- 6.1 Facilitation payments are unofficial payments made to Members or employees in order to secure or expedite actions they are otherwise obliged to perform. Facilitation payments are illegal and will not be tolerated.

7. Gifts and Hospitality

- 7.1 This policy complements the requirements of our gifts and hospitality policy as detailed in the Employees Code of Conduct, the Member Code of Conduct and elsewhere

8. Public Contracts and Failing to Prevent Bribery

- 8.1 Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence or “the offence of bribery”.
- 8.2 Organisations that are convicted of “failing to prevent bribery” are not automatically barred from participating in tenders for public contracts.
- 8.3 The Board has the discretion to exclude organisations convicted of this offence.

9. Member and Employees Responsibilities

- 9.1 All Board Members and employees are required to avoid any activity that breaches this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all Board Members and Officers working for the Board or under its control.
- 9.2 Members and employees must:
- Ensure that they read, understand and comply with this policy.
 - Raise concerns as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 9.3 The Members Code of Conduct requires that where a Board Member acts as a representative of the Board he or she must not use or attempt to use their position as a Member improperly to confer on or secure for themselves or any other person, an advantage or disadvantage.
- 9.4 As well as the possibility of civil action and criminal prosecution, Board Members who breach this policy may be subject to a Code of Conduct investigation and if convicted of a criminal offence may be debarred from the Board.
- 9.5 As well as the possibility of civil action and criminal prosecution, employees who breach this policy will face disciplinary action, which could result in summary dismissal

for gross misconduct. Dismissal can still be an outcome with or without civil action or criminal prosecution.

10. Raising a Concern

- 10.1 The Board is committed to ensuring that there is a safe, reliable and confidential way of reporting any suspicious activity. It wants Members and each and every employee to know how they can raise concerns.
- 10.2 We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.
- 10.3 There are multiple channels to help Members and employees to raise concerns. Please refer to the Board's Anti-Fraud and Corruption Policy and determine your favoured course of action.
- 10.4 Preferably the disclosure will be made and resolved internally (e.g. to the Principal Officer). Where internal disclosure proves inappropriate, concerns can be raised with the External Auditor, Internal Auditor, relevant professional bodies or regulatory organisations.
- 10.5 Concerns can be reported anonymously in accordance with the Board's Whistle Blowing and Anti-Fraud and Corruption policies. In the event that an incident of bribery is reported, the Board will act as soon as possible to evaluate the situation. There is a clearly defined Anti-Fraud and Corruption policy which set out procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.
- 10.6 Members and employees who refuse to accept a bribe, or those who raise concerns can understandably be worried about repercussions. The Board aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.
- 10.7 We are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery, or because of reporting a concern in good faith.
- 10.8 If you have any questions about these procedures, please contact the Principal Officer.

APPENDIX 1: THE BRIBERY ACT

The Bribery Act

There are four key offences under the Act:

- Bribery of another person (section 1)
- Accepting a bribe (section 2)
- Bribing a foreign official (section 6)
- Failing to prevent bribery (section 7)

The Bribery Act 2010 (http://www.opsi.gov.uk/acts/acts2010/ukpga_20100023_en_1) makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

Penalties

An individual guilty of an offence under sections 1, 2 or 6 is liable:

- On conviction in a magistrates court, to imprisonment for a maximum term of 12 months, or to a fine not exceeding £5,000, or to both.
- On conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both.

Organisations are liable for these fines and if guilty of an offence under section 7 are liable to an unlimited fine.

Bribery is a serious offence against the Board and employees will face disciplinary action if there is evidence that they have been involved in this activity, which could result in summary dismissal for gross misconduct. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case. Board Members will have to resign as a Member of the Board.

Adequate Procedures

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery within the Board. It is for individual organisations to determine proportionate procedures in the recommended areas of six principles. These principles are not prescriptive. They are intended to be flexible and outcome focused, allowing for the different circumstances of organisations.

Small organisations will, for example, face different challenges to those faced by large multi-national enterprises. The detail of how organisations apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

Proportionate Procedures

An organisation's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of the organisation's activities. They are also clear, practical, accessible, effectively implemented and enforced.

Top Level Commitment

The top-level management (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

Risk Assessment

The organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

Due Diligence

The organisation applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, to mitigate identified bribery risks.

Communication (including training)

The organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and Review

The organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

This Board is committed to the proportionate implementation of these principles.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

ANTI-FRAUD AND CORRUPTION POLICY

1. Introduction

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those working in the public sector are aware of the risk of wrongdoing and the means of enforcing the rules against it. The aim of this document is to set out a policy and response plan for the organisation for suspected or detected irregularities.

2. Policy

- 2.1 The Board is committed to a culture of honesty, openness and fairness. It is therefore also committed to the elimination of any fraud and corruption and to the rigorous investigation of any such cases and the punishment of those involved.
- 2.2 The Board actively encourages anyone having reasonable suspicion of irregularities to report them. It is also the policy of the Board that no employee should suffer as a result of reporting reasonably held suspicions.
- 2.3 The Board will always seek to recover fully all losses from those responsible in proven cases of fraud or corruption including all costs incurred in the pursuit of action against them.

3. Definitions

- 3.1 There is no offence in law of Fraud but the term encompasses criminal offences involving the use of deception to obtain some benefit or be to the detriment of some person or organisation.
- 3.2 Corruption, in its broadest sense, involves the taking of decisions for inappropriate reasons – e.g. awarding a contract to a friend, appointing employees for personal reasons, or the giving or accepting of gifts as an inducement to take some course of action on behalf of the organisation.
- 3.3 The Audit Commission defines **Fraud** as – “the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”
- 3.4 **Corruption** is defined by the Commission as – “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.

4. Discovery of Financial Irregularities

- 4.1 Financial irregularities can come to light in a number of ways. They are usually discovered as a result of:-
- *Employees* becoming aware of or suspecting that management controls are not being complied with
 - Routine work, or Audit testing
 - Information (tip-off) from a third party, internal or external to the organisation
- 4.2 Any allegation, but particularly an anonymous one, should be treated with caution and discretion, because what appears to be suspicious circumstances may have a reasonable explanation. There is also a risk that some reports may be malicious.
- 4.3 Under no circumstances should information about any suspected irregularity, be passed to a third party without the **express authority** of the Principal Officer or Internal Auditor. *No information should be passed to the media without authority of either the Chairman or Principal Officer.*

5. Responsibility of Employees

- 5.1 Employees who are aware of, or suspect that a financial irregularity is taking place, or has taken place, have a duty to report their suspicions, since by doing nothing they may be implicating themselves. Employees who may feel uncomfortable referring suspicions to line managers are encouraged to contact *the Principal Officer* or the Internal Auditor. If these reporting lines are unacceptable to an employee, an alternative is available in the Board's "Whistle Blowing Policy".
- 5.2 If an employee suspects that a financial irregularity of any type has occurred or is in progress, they should immediately inform their line manager. The only exception to this rule is where the employee suspects that the line manager might be involved in the irregularity. In that event, the employee should advise the Principal Officer or Internal Auditor.
- 5.3 Employees must not attempt to investigate suspected irregularities themselves, or discuss their suspicions other than with more senior managers in accordance with the guidance above.

Examples of the types of financial irregularity that might be suspected are:-

- Theft or abuse of Board property or funds
- Deception or falsification of records (e.g. fraudulent time or expense claims)

6. Responsibilities of Managers

- 6.1 It is Management's responsibility to maintain system controls to ensure that the Board's resources are properly applied in the manner, on the activities, and within the limits approved. This includes responsibility for the prevention and detection of fraud and other irregularities.

- 6.2 Where a manager receives a report from an employee or other party of a suspected financial irregularity, they should immediately inform the Principal Officer, who in turn will notify the duly appointed Internal Auditor.
- 6.3 Line Managers should not themselves attempt to undertake any detailed investigation of the possible irregularity and should not discuss their suspicions or those reported to them, other than with the Principal Officer and the Internal Auditor.
- 6.4 In cases of suspected irregularities, it is often necessary to suspend a suspect from duty. Before an employee is suspended, advice should be sought from the Principal Officer. The purpose of suspension is to prevent any suggestion of a suspect having the opportunity to continue with the act complained of, falsify or destroy records, influence witnesses, etc. Suspension is not a punishment nor does it imply any fault or guilt on the part of the employee concerned.

7. Response Plan

- 7.1 Upon receiving a report of suspected financial irregularity, the Internal Auditor will launch an investigation and a record will be made in the Board's Fraud Log. The Log will record all reported suspicions including those dismissed as unsubstantiated, minor or otherwise not investigated. It will also contain details of actions taken and conclusions reached. Significant matters will be reported to the Board and the Chairman will be updated on the situation.
- 7.2 The Internal Auditor will confer with the Principal Officer to agree the action plan to be adopted in the light of the particular circumstances.
- 7.3 *The Internal Auditor will notify the Board's External Auditor of all frauds over £5,000 or those considered by the Board to be significant.*
- 7.4 When a prima facie case of fraud or corruption has been established, the following procedure will apply regarding referral to the Police:-

- **Minor Cases of Misappropriation of Cash, etc.**

In minor cases of suspected fraud and/or cash misappropriation by employees, as soon as reasonable evidence has been acquired and speedy action is considered imperative in order to prove fraud, the Internal Auditor may call in the Police without reference to other officers. He will however advise the Principal Officer as soon as practicable afterwards.

- **Major and More Complex Frauds:**

The Internal Auditor will discuss the case with the Principal Officer, and consultation with the Police will normally follow.

Depending upon Police advice, the case will be reviewed by the above officers who will decide if it should be referred officially to the Police for investigation. If it is decided to do so the Principal Officer will authorise the official complaint and notify the Chairman of the Board.

Following the official report to the Police, any further investigations by the Internal Auditor that are considered necessary, will be planned and executed in close co-operation with the Police, with the Principal Officer and Chairman of the Board being kept informed.

The circumstances of the particular case will dictate when the Police and External Auditors are informed, but it is recommended that the Police should be informed when:-

- There is evidence of an irregularity which needs to be confirmed by witness interview if criminal prosecution is contemplated;
- Interview of the suspect is desirable to confirm the evidence of records;
- A prima facie case of fraud has been established but the perpetrator could not be identified.

8. Involving the Police

8.1 Internal Auditors and Management may be reluctant to involve the Police in the belief that:-

- They are only interested if the alleged criminal offence is greater than a specific monetary value
- They will not be interested because of the potential complexity of the issues involved which render little chance of a successful prosecution
- The organisation prefers to deal with such incidents internally, avoiding publicity but implementing dismissal and recovery through civil action
- The Police will want hard evidence before they will pursue investigations, but when it is provided they advise that the rules of evidence have not been complied with.

8.2 Protracted internal investigations often unnecessarily delay involving the Police, thereby diminishing the value of co-operation with them. However, properly organised investigations, conducted by individuals with an inside working knowledge of the organisation, will be of great assistance to any subsequent Police enquiry, and management should therefore not be discouraged from liaising with the Police as soon as the issues are identified.

Telephone Contacts

Principal Officer: Kieran Warren

Tel: 01454 413340

Internal Auditor: Bishop Fleming

16 Queen Square

Bristol BS1 4NT

Tel: 01179 100250

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

COMPLAINTS AGAINST BOARD MEMBERS

Making a Complaint

If you wish to make a complaint against a Member of the Internal Drainage Board, you should complete the Board's Complaints Form and send it to the Principal Officer whose address is:

Waterside Buildings
Oldbury Lane
Thornbury
BRISTOL
BS35 1RF

What the Procedure Does Not Cover

It is not appropriate to use this procedure in the following cases:

- To complain about the Board's services or policies.
- Incidents which occurred before the Member was elected or appointed.
- The way in which the Board conducts or reports its meetings.
- Where the person you wish to complain about is no longer a member of the Board.
- Where the complaint relates to the Member's private life.

What Will Happen on the Receipt of a Complaint?

- A letter of receipt will be sent to the complainant within 5 working days.
- The member complained about will be notified within this period.
- The Principal Officer will consider whether the complaint appears to fall within this procedure and to demonstrate a potential breach of the Board's Code of Member Conduct. If it does not, then the complainant will be so informed and no further action will be taken.
- If the allegations are considered to be frivolous, malicious, vexatious or substantially the same as a complaint previously investigated, the Principal Officer will so inform the complainant and no further action will be taken.
- If the complainant has requested that their identity be withheld from the Member and the matter cannot reasonably be taken forward in these circumstances, the complainant will be so informed.

- No action will be taken under this procedure if the complaint was made anonymously.
- Where a complaint is considered to have merit, the Principal Officer will consider whether it can nevertheless be dealt with informally without formal investigation. Such a course of action would, for instance, probably be appropriate where only a minor infringement appears to have occurred. Informal resolution may include advising the Member about matters of conduct, arranging member training or advising the Member that an apology may be appropriate to resolve the complaint.

Formal Investigation

If the Principal Officer concludes that the complaint cannot be resolved informally and that the issues are such as to require further investigation to determine whether there has been a failure to comply with the Members Code of Conduct, the Principal Officer will investigate the complaint further (either personally or by appointing a separate investigator). A written report indicating the findings of the investigation will be produced to the Complaints Panel.

The Complaints Panel

- A Panel of 4 persons will consider the investigation report and will determine the complaint. 3 of the Panel will be Members of the Governance & Probity Committee (chosen in rotation) and the other will be an “Independent” person. The “Independent” person (as understood within the context of Local Government complaints procedures) will chair meetings of the Panel but will not have any voting rights.
- In addition to the investigation report, the Panel will consider any further representations which the complainant or the Member complained about may wish to make. These representations may be either in person or in writing.
- The Panel will decide whether or not to uphold the Complaint. If the Panel concludes that there has been no failure to comply with the Code of Member Conduct, then no further action will be taken. If however the Panel concludes that the Member concerned has failed to comply with the Code of Conduct and that a sanction should be imposed, it will make a recommendation to the Board as to what action should be taken against the Member concerned.
- Meetings of the Panel will not be open to the public.
- The Panel will aim to meet within 12 weeks of the submission of the complaint to the Board.

Possible Sanctions Available to the Board

- For the Board to formally censure the Member concerned.
- To recommend that the Member be removed from a Committee(s).
- To request the Member to apologise.
- In the case of an Appointed Member, to request the appointing Council to consider whether the Member concerned should continue to represent it.
- Where the complaint is found to be justified after a formal investigation, to publish that conclusion on the Board’s website.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

COMPLAINTS PROCEDURE

Making a Complaint

The Lower Severn Internal Drainage Board is committed to providing high quality services at all times. All our staff work hard to get things right, but sometimes things do go wrong. If you are unhappy with the level of service you have received from the Board and wish to complain, please let us know. By doing this, you will help us to improve our services.

We follow a standard procedure to ensure that we investigate your complaint fully and fairly and which enables complaints to be dealt with in a consistent way.

What is a Complaint?

A complaint is an expression of dissatisfaction with the Board, its standard of services or its staff. This may be the result of action, or lack of action, which affects an individual member of the public or other group or organisation.

If you simply wish to make an enquiry, pass on information or report a problem with the land drainage system in the Board's area (of which we may be unaware); this will not be treated as a complaint.

The Steps to Follow

There are 3 possible stages to the Board's procedure. These are set out below:

Informal

1. Some complaints can be dealt with immediately. We would like to put things right straightaway if possible, rather than involve you in filling out a form and waiting for a response. Your first step if you are not happy with the way we have dealt with you is to go back to the person at the Board who handled the matter in the first place. This can be by telephone, if you so wish.

Formal

2. If you are still not satisfied with the way your complaint has been dealt with, we will adopt a formal procedure in order to investigate it further. Please fill in the form

supplied setting out what went wrong and what you think the Board should do to put things right. Please provide as much information about your complaint as possible and include reference numbers, dates of correspondence etc.

3. We will acknowledge your complaint in writing or by phone to confirm that we have understood your concerns correctly. The Principal Officer will tell you who is dealing with the complaint and how they can be contacted. The person investigating your complaint will be an appropriate senior officer of the Board not involved with the original complaint.
4. We will investigate your complaint and where possible send a written reply to you within 15 working days of our acknowledgement (which we will send to you within two working days). If the matter requires further investigation, we will tell you the reason for the delay and when a full reply will be sent.

Review

5. If you are dissatisfied with the result of the formal investigation referred to above, you may ask the Principal Officer for the matter to be reviewed. This review will be conducted by a Panel selected by the Chairman of the Governance & Probity Committee in consultation with the Principal Officer. Those serving on the Panel will be Members of the Board who have had no previous involvement with the matter
6. The Review will normally be undertaken within 15 working days of our receiving your request to review the finding of the appropriate Senior Officer. If however the circumstances require longer, you will be so informed and told of the reason for the delay.

The Local Government Ombudsman

If you are still not satisfied with the way we have dealt with your complaint you may refer it to the Local Government Ombudsman, who works independently to the Board, and investigates allegations of maladministration causing injustice to the person who has complained. However, the Ombudsman will usually expect you to have tried to resolve your complaint with the Board first. Any complaint to the Ombudsman must involve more than a disagreement with the Board and needs to show that something went wrong and an injustice was caused.

For example it might be **maladministration** if the Board:

- Made a mistake
- Took too long to do something
- Did not follow its own rules or the law
- Broke its promises
- Treated you unfairly
- Gave you wrong information

- Did not make a decision in the right way – that is, if it
 - did not follow the right procedures when making the decision
 - did not consider all the relevant information
 - wrongly considered relevant information

You might have been caused an **injustice** by the Board’s maladministration if, for example, you:

- Did not get the service or benefit you were entitled to or there was a delay before you got it
- Suffered financial loss
- Were put to a lot of avoidable expense, trouble or inconvenience, or suffered avoidable uncertainty or stress

The Local Government Ombudsman might not investigate your complaint if they consider that the injustice is only slight or if the Board has already taken, or is willing to take, satisfactory action to resolve it.

The Local Government Ombudsman has a leaflet called “Complaint to the Council? How to Complain to the Local Government Ombudsman”. While the leaflet refers to councils, the same principles apply equally to IDBs. There is also a leaflet on the LGO website entitled “How the Ombudsman will deal with your complaint”, You can get a copy of these leaflets by telephoning their Advice line on 0845 602 1983, or downloading them from their website at www.lgo.org.uk .

Why We Want to Hear From You

Although we want to hear from you if you feel you need to complain, we like to hear any comments you have about our overall service performance. We want to provide the best possible service and your comments will help us to know what we are doing well, and also where we need to improve.

How to Complain

Print the [complaint form](#), fill it in then send them to us. [Please click here for contact details.](#)

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Capital Financing and Reserves Policy

To be approved by the Board on 23rd September 2020

Introduction

Reserves are an essential part of good financial management. They help the Board cope with unpredictable financial pressures and plan for future spending commitments. The purpose of this Reserves policy is to maintain an adequate level of funds to support the ongoing operations of the Board and to provide a source of internal funds for operational priorities such as rhine and ditch maintenance, pumping station running costs and repair, capital replacement and improvement programmes.

The Reserves policy will complement other governance and financial policies and will support the goals and strategies contained in strategic and operational plans.

Background

The Board is required to set a balanced budget annually, which broadly means that cash raised within the year correlates to the cash expended in that year. However variances to the budget will occur. This may result in surplus funds through unbudgeted income such as Developer Contributions, better values achieved on the sale of assets or additional income from grants, contributions and recharges. Expenditure might be greater than budgeted for example such as lower values achieved on sales of assets, greater maintenance costs than predicted or an increase in pump electricity usage.

There will also be the funding of major (capital) spend. Most purchases, mainly vehicles and plant, are resourced through internal funds which are then replenished through appropriate depreciation charges based upon the life of the assets.

However, there may be instances where monies need to be identified to fund larger capital spend items such as the replacement of pumps or significant flood alleviation and land drainage management schemes. When this occurs forward planning will need to take place in order to ensure that sufficient funds are available at the appropriate times.

Importantly, there is a requirement to manage cash flows to ensure that cash is available when needed.

Types of Reserve

There are two types of Reserves:

- Earmarked Reserves – funds that are set aside to meet known or future predicted future spending.

- Unallocated Reserves – funds that are working balances to manage cash flow and protect annual budgets against unplanned expenditure.

Reserves Held

Earmarked

- **Capital Account**
This reserve consists of the total net value/worth, (assets less liabilities) of the Individual Drainage Boards when they amalgamated in 2005 to become one entity, the Lower Severn (2005) Internal Drainage Board.
- **Developers Funds**
This reserve consists of sums received from Developers. A Developer will pay the Board an agreed sum, up front, for the Board to maintain agreed rhines, ditches and ponds over the lifespan of the Developers project within the Developers specified areas of responsibility.

Annually, an amount will be transferred from this Reserve to the Income and Expenditure Account, to cover the applicable income and maintenance costs in that year. Within the Income and Expenditure Account there will be an income entry showing the transfer of funds. The corresponding expenditure will be shown within the relevant expenditure headings.

- **Capital Expenditure**
This reserve is needed to regularly appropriate from the expected excess income arising annually from the Income and Expenditure Account a sum of such magnitude as to be sufficient to cover the expected cost of the Board's approved capital expenditure which is incorporated into its medium term financial plan. The major element of this reserve will be to cover the expected cost of replacing pumps at pumping stations to meet the 2009 Eel Regulations.

Subsequent to the purchase of an asset, annual depreciation will be applied at its appropriate rate and charged to the Income and Expenditure Account.

- **Pension**
This reserve is the liability, of the Board, related to the defined benefit pension scheme. Note it is a negative reserve.
- **Revaluation**
This reserve is the increase in value of land and buildings, from cost, as at 15 January 2015.

Unallocated

- **Accumulated Fund**

This reserve provides protection against unplanned expenditure. Any under spend, at the year end, is transferred to this reserve. Any over spend, at the year end, is met from this reserve.

Review of Reserves

Each reserve will be reviewed, on an annual basis by the Treasury Sub-Committee prior to review by the Board. The Board's review will form part of the annual budget setting process. Part of this review will include considering guidance published by the Association of Drainage Authorities.

Creation / Cessation of a Reserve

An earmarked reserve may be created for a specific purpose if it is agreed by the Board. Likewise the Board may close an earmarked reserve if it is no longer required. Any remaining funds in a Reserve to be closed will be transferred to another reserve.

Level of Reserves Held

The Board has no legal powers to hold reserves other than those for reasonable working capital needs, or for specifically earmarked purposes.

Earmarked Reserves will only be held for genuine and intended purposes and their levels regularly reviewed. Each Earmarked Reserve will be separately identified and enumerated.

If, at the year end, the Accumulated Fund is significantly higher than the annual Special Levies and Agricultural Rates income then an explanation will be provided by the Board. The Board's Financial Regulations state that the general provision, including a contingency, should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.

Liquidity of Reserves

Reserves will be held jointly in general cash and investment accounts of the Board.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 30 JUNE 2020

	Note	£	30/06/20 £	30/06/19 £	Variance £	31/03/20 £	Variance £
FIXED ASSETS							
Fixed Assets	1	949,047	949,047	763,056	185,991	784,420	164,627
LONG TERM ASSETS							
Investments		764,833	764,833	636,139	128,694	668,038	96,795
CURRENT ASSETS							
Stock +WiP		53,748		45,909	7,839	52,116	1,632
Trade debtors		50		5,061	-5,011	6,418	-6,368
Drainage rate debtors		3,721		3,997	-276	295	3,426
Levy Debtors		0		0	0	0	0
VAT Claim		5,431		10,595	-5,164	8,322	-2,891
Special Levies		0		0	0	0	0
Developers Funds Due		0		0	0	0	0
Prepayments		27,098		29,342	-2,244	33,535	-6,437
Cash at bank and in hand		535,026		695,901	-160,875	127,931	407,095
Short term deposits		1,009,249		1,052,340	-43,091	1,108,312	-99,063
			1,634,323	1,843,145	-208,822	1,336,929	297,394
CURRENT LIABILITIES							
Trade Creditors		-32,907		-59,982	27,075	-39,291	6,384
Other Creditors		-28,770		-28,253	-517	-27,755	-1,015
Accrued expenses		-12,129		-5,180	-6,949	-23,177	11,048
Finance Leases due within one year		0		-532	532	0	0
Prepaid Rates	2	-76,037		-72,905	-3,132	0	-76,037
Prepaid Levies	2	-335,207		-324,394	-10,813	0	-335,207
Special Levies		0		0	0	0	0
Prepaid Developers Funds		-32,754		-31,827	-927	0	-32,754
			-517,804	-523,073	5,269	-90,223	-427,581
NET CURRENT ASSETS							
			1,116,519	1,320,072	-203,553	1,246,706	-130,187
TOTAL ASSETS LESS CURRENT LIABILITIES							
			2,830,399	2,719,267	111,132	2,699,164	131,235
LONG TERM LIABILITIES							
Finance Leases		0		0	0	0	0
Pension scheme deficit		-951,000		-1,276,000	325,000	-951,000	0
			-951,000	-1,276,000	325,000	-951,000	0
NET ASSETS							
			1,879,399	1,443,267	436,132	1,748,164	131,235
FINANCED BY:							
CAPITAL ACCOUNT							
			666,569	666,569	0	666,569	0
ACCUMULATED FUND							
Balance brought forward		546,655		572,203	-25,548	572,203	-25,548
Surplus for the 3 months		106,677		81,149	25,528	258,026	-151,349
Transfer to Capital Expenditure Reserve		-56,250		-50,000	-6,250	-200,000	143,750
Additional Transfer to Capital Exp. Res.		0		0	0	-200,000	200,000
Transfer from Capital Expenditure Reserve		0		0	0	116,426	-116,426
			597,082	603,352	-6,270	546,655	50,427
Developers Funds Reserve							
Investments at cost		650,000		500,000	150,000	650,000	0
Increase in value		114,833		136,139	-21,306	18,038	96,795
Investments at current value		764,833		636,139	128,694	668,038	96,795
Cash at Bank		76,253		268,310	-192,057	119,925	-43,672
			841,086	904,449	-63,363	787,963	53,123
Capital Expenditure Reserve							
			581,079	400,314	180,765	553,394	27,685
Pension reserve							
			-951,000	-1,276,000	325,000	-951,000	0
Revaluation Reserve							
			144,583	144,583	0	144,583	0
			1,879,399	1,443,267	436,132	1,748,164	131,235

Notes

1. Fixed assets include purchases, sales and depreciation for 3 months to 30 June 2020.
 2. In all these cases the balance sheet has been adjusted to reflect
 3. This Reserve is held as cash and increases by £18,750 each month.
- There is a corresponding monthly charge in the income and expenditure account.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE 3 MONTHS TO 30 JUNE 2020

Income	Note	Actual £	Budget £	Variance £	30 June 2019 £	Variance £
Levies charged to Authorities	1	325,261	325,261	0	314,769	10,492
Agricultural Rates	1	30,107	30,107	0	29,168	939
Rechargeable works		1,533	200	1,333	592	941
Application fees		850	750	100	150	700
Consultancy Fees Recharged		0	4,500	-4,500	9,174	-9,174
Surplus on sale of assets		15,537	13,692	1,845	9,489	6,048
Miscellaneous Income		0	0	0	279	-279
Foreign Water Grant		41,835	41,835	0	41,015	820
Developers Fund Contributions	1	10,918	10,918	0	10,609	309
Interest		940	1,500	-560	1,614	-674
Total		426,981	428,763	-1,782	416,859	10,122
Expenditure						
Payroll		172,350	175,872	3,522	166,345	-6,005
Office maintenance	2	3,778	5,713	1,935	4,068	290
Maintenance	3	29,363	42,613	13,250	40,770	11,407
EA Levy		53,473	53,473	0	52,425	-1,048
Motor travel and subsistence	4	2,450	6,322	3,872	6,756	4,306
Communications		1,106	1,313	207	1,207	101
Administration	5	9,447	10,350	903	12,845	3,398
Engineering Consultancy fees		10,510	11,250	740	20,628	10,118
Legal and professional fees	6	1,359	750	-609	1,524	165
Audit and Accountancy fees		0	0	0	0	0
Depreciation		35,910	35,910	0	28,565	-7,345
Bank charges		557	750	193	577	20
Total		320,303	344,316	24,013	335,710	15,407
Surplus for 3 months		106,678	84,447	22,231	81,149	25,529
Transfer to Capital Expenditure Res.		56,250	56,250	0	50,000	6,250
Net Surplus for 3 months		50,428	28,197	22,231	31,149	19,279

The results for 3 months show a surplus of £50,428 against a budget surplus of £28,197.

The major reasons for the variances are:-

1) In all these cases the income and expenditure has been included for the 2 months irrespective of when the monies are received or paid. The appropriate adjustments are made on the balance sheet.

2) Office Maintenance -

3) Maintenance costs analysis is as follows:

	Actual	Budget	Variance	Explanation for major variances
	£	£	£	
Plant Maintenance	9,262	16,050	6,788	
Maintenance Compensator	407	250	-157	
Vehicle, Plant	12,105	18,650	6,545	
Workshop Fixtures & Fitting	1,746	2,650	904	
Pump Station Electricity	2,974	3,213	239	
Health & Safety	2,869	1,800	-1,069	
	29,363	42,613	13,250	

4) Administration -

5) Engineering Consultancy fees -

	Actual	Budget	Variance
	£	£	£
Non Rechargeable Fees	10,510	11,250	740
Rechargeable Fees	0	0	0
	10,510	11,250	740

6) Legal and Professional Fees -