

Title of Paper	Minutes of the Board Meeting - 28 May 2014 - Ballykeel Depot
To be presented by	Chair
Purpose of paper (approval/information)	For the Board to agree the minutes of its meeting for subsequent internet publication.
Significant Issues	None

Present:	Sean Hogan	Chairman
	Kevin Steele	Non Executive Director
	Don Price	Non Executive Director
	John Rae	Non Executive Director
	Jim Stewart	Non Executive Director
	Sara Venning	Chief Executive
	Ronan Larkin	Finance & Regulation Director
	George Butler	Asset Management Director
In attendance:	Mark Ellesmere	General Counsel & Company Secretary
	Alec McQuillan	Interim Customer Service Delivery Director (Observer)
	Pauline Sterling	EA/CEO
	Cheryl Robinson	Business Consultancy Services (Observer)
Apologies:	Deep Sagar	Non Executive Director

There were no conflicts of interest declared at the beginning of the meeting with the exception of the Director of Asset Management who declared conflict in relation to Item Number 6.

1. Draft Board Minutes - 30th April 2014

The draft minutes of the meeting on 30th April 2014 were approved.

Board Actions - 30th April 2014

All actions were complete or in progress. It was agreed that the update report setting out benefits and outputs delivered under the CWP would come to the June meeting and that the action in relation to the resource profile within the PC15

Watermains Project would come back at an appropriate time in due course. In relation to the approval for the replacement of cassettes at Ballyclare WwTW it was noted that an approval request had been made to DRD.

(The Head of Safety, Quality and Compliance joined the meeting for Item 2)

2. Health and Safety Update

It was noted that the attendance rate for the month of April was slightly above the 14/15 KPI target and that there had been one contractor RIDDOR incident in the period. The Chief Executive provided a verbal update in relation to the recent incident in Ardoyne where a contractor lorry was destroyed. All contractors and staff had been withdrawn from work in that area and the Watermains Rehabilitation Project would be reprogrammed to take that into account. It was noted that the Company was proactive before commencing work of this nature. There then ensued a discussion in relation to the responsibility for Health and Safety with Contractors. The Board noted that a consistent approach was taken with all contractors and Non-Executive Directors would be invited to attend the next Annual Health and Safety Seminar for Contractors.

[ACTION: Asset Management Director]

It was noted that all reasonable steps were currently taken by the Company to ensure that Contractors trained their own staff appropriately in relation to Health and Safety matters. The Board then discussed the recent Internal Audit Assurance Report in relation to Health and Safety training. It was agreed that other areas of mandatory training would be considered by Management including those driving NIW vehicles.

[ACTION: Chief Executive]

3. Main Board Report

The Chief Executive confirmed an overall positive start to the new financial year across all KPIs. The amber rating relating to nominated capital outputs was because of phasing issues. A number of queries and clarifications had been received from the Utility Regulator in relation to the Draft Business Plan. The Board discussed the likely focus of the Utility Regulator in terms of capital efficiencies within the Draft Determination. The FOM Project continued to make good progress

and Senior Managers were being briefed in a further workshop the following afternoon. Kevin Steele noted that DRD Representatives had been discussed and understood the need for future external support at a recent Departmental Audit Committee. The Board also noted that debrief letters had been issued in relation to the CBC Contract, the adjudication decision on the PPP Prudent Operator Claim was anticipated on the 2nd June and that the HR Strategy would come back to the Board for consideration in June.

In relation to customer matters the Interim Director of Customer Service Delivery noted a positive start to the year. Management intended to close out the outstanding EPIC billing issues actions by the end of June. The External Auditors were content with the organisations approach to this matter.

A recent letter from DRD advised that going forward NIW should not use its current VER/VS scheme as changes would be required to this scheme in line with wider public sector changes. Further engagement with DRD on this matter continued. There would be further discussion on this point at Agenda Item 6.

The Finance and Regulation Director confirmed a positive start to the year. A discussion ensued in relation to Management and General underspend within the capital budget and the wider efficiency of capital expenditure by the organisation. It was noted that the Executive Committee was engaged in managing capital expenditure across all areas including M&G and that appropriate challenges were being raised with budget holders in order to test the business case for expenditure and to ensure more realistic phasing across certain areas of spend. In terms of capital efficiency it was noted that this would be evident from the report from Action Point 1 and it would be helpful to have a trend analysis across a number of years in relation to capital expenditure.

[ACTION: Director of Asset Management]

Compliance targets were on track for delivery. A discussion then ensued in relation to assurance around delivery of nominated outputs. The Board was assured that the Executive Committee was managing delivery of these outputs and, in particular those areas currently showing at amber or red.

Workshops were on-going in relation to assessing the Risks and Opportunities Register for 14/15. Good progress continued to be made across Business Improvement and in particular in relation to the service and cost improvement portfolio.

4. PPP Exceptions Report

The update report was noted. Kevin Steele confirmed that the Departmental Audit Committee was content with the current approach in relation to provisions and accruals.

5. No Surprises Report

The No Surprises Report was noted - there were no material changes since last month's report.

(Asset Management Director and Cheryl Robinson left the meeting for Item 6 and Peter Johnston, F&R and John Livesey, Mercers joined the meeting for Item 6)

6. NIW Pension Reform Update

The Board received an update on the Pension Reform Project.

(Director of Asset Management and Cheryl Robinson re-joined the meeting and Head of Internal Audit joined the meeting for Item 7)

7. Annual Internal Audit Update

The Board received a presentation on the Annual Internal Audit Update. The Annual Internal Audit opinion for 13/14 was satisfactory for the third year in a row. The Board welcomed this result and acknowledged the comfort that the Board and the External Auditors took from the work done by the Internal Audit Team.

(Head of Operations Contract Management Centre and Senior Category Manager joined the meeting for Item 8)

8. C692 - Water Meter Installation, Maintenance and Associated Services

The Board considered and approved the award of C692 based upon the information provided within the report.

9. Review of IT Policies

The Board considered and approved the revised IT Policies based upon the information provided and on the basis that there were no material changes to any of the policies.

10. Year End Assurance Statement

The Board approved the Year End Assurance Statement upon the recommendation of the Accounting Officer. It was agreed that a full copy of the statement be circulated to all members.

[ACTION: General Counsel and Company Secretary]

11. Subsidy Assurance Statement

The Subsidy Assurance Statement was approved based upon the information provided within the report.

12. Annual Report and Accounts - Progress Update

The Annual Report and Accounts Progress Update was noted and there were no material issues arising to date in relation to the external audit.

13. Procurement Activity Report

The Procurement Activity Report was noted. There was one retrospective purchase order for a significant amount which management was currently looking into.

14. Joint Risk/Audit Committee Update

The Chairman of the Audit Committee provided an update on the Joint Risk and Audit Committee on the 16th May 2014. The Committee received an internal audit performance self-assessment including the results of a Senior Management survey of EC and Audit Committee members. Both Committees considered the Internal Audit Annual Assurance Statement and the Year End Assurance Statement in detail. In relation to the PAC report on Invoice Slicing the Committee noted that all actions within NIW's control had been completed. The recommendations from the PAC report were for consideration by DFP. NIW would provide input via DRD to those recommendations going forward.

The Chairman of the Audit Committee noted that DRD Officials were very supportive of the organisation at the recent Departmental Audit Committee.

15. Weather Forecast

The short term weather forecast was noted.

16. Forward Look

Forward Look was noted.

17. Any Other Business

- i. The General Counsel and Company Secretary advised of a successful first prosecution under the Water and Sewerage Services Order 2006 for an illegal connection. The Defendant admitted the offence and was given a conditional discharge but was ordered to pay £1200 costs. He would also be pursued for the costs of fixing the damage to the network. NIW was intending to arrange some publicity around this in order to prevent further illegal connections.
- ii. The Board noted that DRD would be consulting shortly in relation to amendments to the Water and Sewerage Services Order 2006. The main amendment related to an extension to the subsidy arrangement to March 2017. There were other amendments for consideration. The Board would be kept updated in this regard.