

## Audit & Governance Committee Agenda

**Date:** Thursday 20<sup>th</sup> January 2022 at 10am

**Venue:** Tees Valley Combined Authority, Cavendish House, Teesdale Business Park,  
Stockton TS17 6QY

**Membership:**

Councillor Paul Crudass - Chair (Darlington Borough Council)  
Councillor Barry Woodhouse (Stockton-On-Tees Borough Council)  
Councillor Mike Lockwood (Redcar and Cleveland Borough Council)  
Councillor Tom Feeny (Hartlepool Borough Council)  
Councillor Brian Hubbard (Middlesbrough Borough Council)  
Jonny Munby (Independent Member)  
Angus Kidd (Independent Member)  
James Stewart (Independent Member)

### AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**  
Attached
3. **Appointment of Vice Chair**  
Verbal
4. **Minutes of meeting held on 1<sup>st</sup> December 2021**  
Attached
5. **Action Tracker 2021-2022**  
Attached
6. **Creative Place Deep Dive**  
Presentation
7. **Group Update**  
Attached
8. **External Audit Progress Report**  
Verbal
9. **Internal Audit Update**  
Attached
10. **STDC/TIAL Update**  
Attached

**11. Update on GDPR**

Attached

**12. Forward Plan**

Attached

**13. Risk Register Update**

Attached

Under the terms of paragraph 3 of schedule 12a Local Government Act 1972, the presentation which will be provided during the meeting is confidential.

**14. Date and Time of Next Meeting:**

TBC

**15. FOR INFORMATION**

**Group Governance Structure**

Attached

**Members of the Public - Rights to Attend Meeting**

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A (4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact: Nicola Dean by e-mail at [nicola.dean@teesvalley-ca.gov.uk](mailto:nicola.dean@teesvalley-ca.gov.uk)

**Tees Valley Combined Authority (TVCA) Audit and Governance  
Committee**

**Wednesday 1 December 2021 at 10.00am**

These Minutes are in draft form until approved at the next Audit & Governance Committee meeting and are therefore subject  
to amendments.

<b><u>PRESENT</u></b>
<b>Members</b> Councillor Paul Crudass, Chair (Darlington Borough Council) Councillor Barry Woodhouse (Stockton-on-Tees Borough Council) Councillor Michael Lockwood (Redcar and Cleveland Borough Council) Jonny Munby (Independent Member) Angus Kidd (Independent Member) James Stuart (Independent Member)
<b>Apologies for Absence</b> Julie Gilhespie (Group Chief Executive, TVCA)
<b><u>IN ATTENDANCE</u></b>
<b>Officers</b> Gary Macdonald (Group Director of Finance & Resources, TVCA) Peter Judge (Group Chief Legal Officer, TVCA) Natalie Robinson (Group Risk Manager, TVCA) Ruth Callaghan (Governance Officer, TVCA)
<b>Also in Attendance</b> Cameron Waddell (Mazars – External Auditors) Michael Gibson (RSM – Internal Auditors) Councillor Heather Scott (Transport Portfolio Lead)

<b>AGC 27/21</b>	<b>APOLOGIES FOR ABSENCE</b>  Apologies for absence were submitted as detailed above.
<b>AGC 28/21</b>	<b>DECLARATIONS OF INTEREST</b>  No declarations of interest were received.
<b>AGC 29/21</b>	<b>APPOINTMENT OF CHAIR</b> JS nominated PC as Chair and no other nominations were received. The appointment was approved by consensus.

<p><b>AGC 30/21</b></p>	<p><b>APPOINTMENT TO THE SOUTH TEES DEVELOPMENT CORPORATION AUDIT &amp; RISK</b></p> <p>It was noted that Cllr Lockwood had been appointed to represent Redcar and Cleveland Borough Council, replacing Cllr Gallacher on the Committee. As it had previously been agreed that the RCBC representative would be the link member with the STDC Audit and Risk Committee, Cllr Lockwood had observed at the ARC meeting on 25<sup>th</sup> November and undertaken the induction and site visit. Members were asked if there were any objections to nominate and ratify Cllr Lockwood as the link member on the STDC ARC and no objections were received.</p> <p>Cllr Lockwood was nominated, and members voted to ratify his membership to both audit committees.</p>
<p><b>AGC 31/21</b></p>	<p><b>MINUTES OF MEETING HELD ON 21<sup>st</sup> SEPTEMBER 2021</b></p> <p>The minutes of the previous meeting were agreed as a true record.</p>
<p><b>AGC 32/21</b></p>	<p><b>ACTION TRACKER 2021-2022</b></p> <p>Gary Macdonald, Group Director of Finance and Resources, updated Members that the actions were up to date or that updates were to be provided on agenda items within the meeting.</p>
<p><b>AGC 33/21</b></p>	<p><b>EXTERNAL AUDIT PROGRESS REPORT AND LETTER</b></p> <p>CW provided an update on external audit progress. He noted that only 10% of audits nationally had been completed on time due to Covid delays. He noted that they had needed to tweak their approach when dealing with the STDC accounts. GM thanked CW and the Mazars team stating that they had worked closely with the finance team.</p> <p>CW set out that the audit letter had been published and that there had been no objections from members of the public. He noted that this was encouraging given the unique nature of the group and that its involvement in commercial activities was unusual within the public sector.</p> <p>GM advised that the audit reports would be circulated to members when they are available.</p>
<p><b>AGC 34/21</b></p>	<p><b>DEEP DIVE TRANSPORT</b></p> <p>Tom Bryant, Head of Transport at TVCA, provided a presentation on the Transport programme. Cllr Heather Scott attended in her capacity as portfolio lead for Transport. The following points were raised in the presentation:</p> <ul style="list-style-type: none"> <li>• The programme has the key aims of improving transport across the Tees Valley area and removing barriers to employment.</li> <li>• Rail system improvements also includes improvements to the freight capacity to help with the connectivity of the Freeport.</li> <li>• Rail improvements are underpinned by the aim of improving service frequency to a minimum of every 30-minutes at all stations. Research evidence suggests that this improves the attractiveness of rail travel.</li> </ul>

	<ul style="list-style-type: none"> <li>• JM asked about plans to extend the rail network into more residential areas. It was noted that the aim was to make necessary improvements to the existing network first.</li> <li>• JS asked about plans to electrify the network. TB explained the plans to facilitate the uptake of hydrogen and electric vehicles.</li> <li>• TB set out the relationship between road network improvements and sustainable growth. Some proposed road improvements had the aim of improving the road capacity and connectivity of the Freeport.</li> <li>• A number of walking and cycling schemes were in progress which also promoted health benefits.</li> <li>• The National Bus Strategy was discussed, and the challenges presented by reduced passenger numbers post-Covid. There is work to improve the seamless transition between bus and rail travel. There is a challenge to develop new bus routes to help people access employment (for example running a service for staff at Teesport around the shift patterns). These approaches are subsidised and there are challenges in making those services financially viable in the long-term.</li> <li>• The Tees Valley has been designated as a national hydrogen transport hub which will include hydrogen production, storage, and distribution.</li> <li>• There were plans to roll out electric charging points especially in areas where people have no off-street parking.</li> <li>• Members asked about the targets for reducing the carbon emissions within the Tees Valley area. They discussed the development of metrics to assess the impact of each project. TB explained that there was more work to do to undertake a carbon appraisal for each project and work closely with partners to understand their decarbonisation plans. Targets for decarbonisation will need to be backed up with delivery plans.</li> <li>• It was noted that Chris Beck had been recently appointed as Director with responsibility for Clean Growth and Innovation.</li> <li>• TB explained that TVCA had a role in influencing investment to support others to decarbonise. There is a role to use collective resources to make improvements to do something transformational.</li> <li>• BW asked questions about electric charging points. He noted that Billingham has 15000 cars and 2 charging points. TB confirmed that the first phase of the project was to roll out 150 new charging points across the Tees Valley area.</li> <li>• TB explained that the Tees Flex bus service had launched at the start of Covid. Passenger numbers were improving.</li> <li>• TB also set out the ongoing work on the 'Wheels to Work' scheme and the work on digital transport (i.e., app-based tools to make journey planning in Tees Valley easier).</li> <li>• Members discussed the risks around undertaking such an extensive programme at pace.</li> <li>• ML raised the transport challenges within the East Cleveland area including the sparse population and more severe weather impacts on travel. TB noted that it required a partnership approach to ensure that these known challenges were addressed.</li> </ul>
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<p><b>AGC 35/21</b></p>	<p><b>INTERNAL AUDIT PROGRESS REPORT</b></p> <p>MG provided an update on the reports provided to Members in their packs.</p>
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	<p>The audit of new starters and their inductions had been undertaken with 46 new starters in July and August. They had concluded 'reasonable assurance' and there had been one medium and one low priority action as a result. GM confirmed that these actions had been taken forward by the HR Manager.</p> <p>The findings of the Business Growth Hub report were discussed. This examined the handling of enquiries and signposting of businesses. Substantial assurance was given and concluded that the programme was well controlled. There were two low priority actions. GM confirmed that they were taking the actions forward, in particular looking at the Customer Relationship Management (CRM) software.</p> <p>MG set out the findings of the Covid-19 recovery report. This had examined how TVCA had helped support local businesses recover. They had concluded 'reasonable assurance' and had recommended one medium level and 4 low priority actions.</p> <p>MG presented the Follow-up of previous audit actions report. Members asked whether it was possible to have a regular report setting out the status of open audit actions. It was agreed that this would be arranged.</p> <p>JM asked about the system of controls for the Group structure and associated bodies. It was noted that the organogram provided set out the percentage ownership of different entities within the group. He asked whether the role of Julie Gilhespie was accurately reflected in the published declarations of interest. It was advised that the Monitoring Officer would check this.</p>
<p><b>AGC 36/21</b></p>	<p><b>PROPOSALS FOR ASSURANCE UPDATES ON STDC &amp; AIRPORT</b></p> <p>Members resolved to agree the proposal to receive regular assurance updates on the Airport and STDC.</p>
	<p><b>Members approved the resolution to exclude members of the press and public.</b></p>
<p><b>AGC 37/21</b></p>	<p><b>RETENDER OF EXTERNAL AUDIT CONTRACTS</b></p> <p>A resolution was passed to exclude the press and public under paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972.</p>
<p><b>AGC 38/21</b></p>	<p><b>RISK REGISTER UPDATE</b></p> <p>A resolution was passed to exclude the press and public under paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972 for a presentation to be delivered to the Committee.</p> <p>RESOLVED that: Members noted the Risk Register and report.</p>
<p><b>AGC 39/21</b></p>	<p><b>FORWARD PLAN 2021-2022</b></p>

	<p>Gary Macdonald confirmed that the deep dive topics - Innovation and Clean Growth - would be added to the Forward Plan and covered when Chris Beck had been in post for a while. Members agreed that a Deep Dive on Creative Place would be helpful at their meeting in January 2022.</p> <p>JM asked whether the Committee had a responsibility to review its own performance. PJ noted as Monitoring Officer he would like to undertake a self-assessment exercise which would incorporate a skills audit of the Committee. It was agreed that PJ would prepare a proposal for the committee on the basis of a self-evaluation and skills audit questionnaire for Members. This process could be undertaken, once agreed, and the results to be prepared and shared for discussion at a future meeting.</p>
<b>AGC 40/21</b>	<b>DATE OF NEXT MEETING</b>  The next meeting is 20 <sup>th</sup> January 2022 at 10am.

**ITEM 5**

**TEES VALLEY COMBINED AUTHORITY AUDIT & GOVERNANCE COMMITTEE - ACTION TRACKER –2021-22**

<b>Meeting</b>	<b>Item</b>	<b>Action</b>	<b>Owner</b>	<b>Target Date</b>	<b>Update</b>
27 <sup>th</sup> September 2018	Action Tracker	Committee requested that consideration be given of a formal introduction program for committee members, detailing TVCA audit framework.	TVCA	Winter 2020/21	<b>COMPLETE</b> Took place w/c 11th Jan 2021
29 <sup>th</sup> November 2018	Any Other Business	Committee be provided with briefing on TVCA Vision and Values exercise	TVCA	Winter 2020/21	<b>COMPLETE</b> Included in induction as above.
28 <sup>th</sup> February 2019	Treasury Management Strategy	External advisors Arling Close to be invited to a future meeting of the committee to brief members on methodology used with regards to treasury management.	TVCA	Summer 2021	<b>COMPLETE</b> Added to Forward Plan for forthcoming year.
15 <sup>th</sup> October 2019	Annual Financial Statements	Members to hold conference call to discuss statements following approval from External Auditors	TVCA		<b>COMPLETE</b>
23 <sup>rd</sup> January 2020	Corporate Risk Register	Members to be provided with briefing note on TVCA ask of government with regards to the UK Shared Prosperity Fund	TVCA		<b>COMPLETE</b>
23 <sup>rd</sup> January 2020	Internal Audit Progress Report	Members to be provided with regular progress report on TVCA response to recommendations made by Internal Auditors	TVCA		<b>COMPLETE</b> Report from auditors to be presented at May meeting. Further updates to be presented by TVCA officers at future meetings of committee.
28 <sup>th</sup> May 2020	Corporate Risk Register	Members to receive update on Impact of COVID-19 on Teesside International Airport and the South Tees Development Corporation	TVCA		<b>COMPLETE</b> Added to Forward Plan as standing item
28 <sup>th</sup> May 2020	Internal Audit Update	Members to receive draft Procurement Strategy for consideration at future committee meeting.	TVCA	28 <sup>th</sup> July 2020	<b>COMPLETE</b>
28 <sup>th</sup> May 2020	Internal Audit Plan	Members to receive draft Internal Audit Plan for forthcoming year for consideration.	TVCA	28 <sup>th</sup> July 2020	<b>COMPLETE</b>

28 <sup>th</sup> May 2020	Draft Risk Framework	Members to make annual review of Risk Management Framework, with recommendation for revision to be submitted to Cabinet.	TVCA	Summer 2021	<b>COMPLETE</b> - Added to Forward Plan for forthcoming year.
21 <sup>st</sup> July 2020	Draft Annual Financial Statements	Details of Officers earning over £50k to be shared with Committee	TVCA	Winter 2020	<b>COMPLETE</b> - Detailed in Annual Financial Statements once complete. On agenda for 28 <sup>th</sup> Jan 2021 meeting.
21 <sup>st</sup> July 2020	Corporate Risk Register	Timetable for Covid Business Survey analysis to be shared	TVCA	Autumn 2020	<b>COMPLETE</b> - Shared with Committee w/c 16 <sup>th</sup> November 2020.
19 <sup>th</sup> November 2020	Appointment of Chair and Vice Chair	Confirmation to be sought of Councillor Harrison's willingness to accept the position of Vice Chair prior to seeking Cabinet approval for this nomination	TVCA	November 2020	<b>COMPLETE</b> - Confirmation received and nomination approved at TVCA Cabinet 27 <sup>th</sup> November.
19 <sup>th</sup> November 2020	Corporate Risk Register	Draft Group Assurance Framework to be brought to future Committee meetings	TVCA	Summer 2021	<b>COMPLETE</b> - Added to Forward Plan for forthcoming year when available
28 <sup>th</sup> January 2021	Action Tracker	Discussion to take place between the Chair and the Monitoring Officer on potential for periodic assurance updates from STDC/Airport Boards	TVCA	Ongoing	<b>COMPLETE</b> - Chair and the Monitoring Officer met to discuss periodic assurance updates. Paper and Indicative Timetable proposed to be produced for Committee endorsement
28 <sup>th</sup> January 2021	CEO UPDATE including COVID 19 UPDATE	Thematic Updates to be scheduled across the forthcoming year,	TVCA	Ongoing	<b>COMPLETE</b> - Added to Forward Plan for forthcoming year.
28 <sup>th</sup> January 2021	Corporate Risk Register	TVCA CSR Submission, Levelling Up Agenda response and UKSPF Consultation response to be shared confidentially with Committee	TVCA	May 2021	<b>COMPLETE</b> - Shared in advance of May Committee meeting

28 <sup>th</sup> January 2021	Corporate Risk Register	Agree mechanism for updating Committee on Brexit impacts	TVCA	May 2021	<b>COMPLETE</b> - To be shared with Members via Corporate Risk Register Updates
28 <sup>th</sup> January 2021	Forward Plan	External Audit Strategy Memorandum 2020/21 to be added to Forward Plan	TVCA	May 2021	<b>COMPLETE</b> – Added to Forward Plan for forthcoming year
25 <sup>th</sup> May 2021	STDC Regeneration Business Case Audit	Include in future meeting packs a visual structure of the Group	TVCA	July 2021	<b>COMPLETE</b> – To be a Standing Item at future meetings
25 <sup>th</sup> May 2021	Action Tracker	Freeports thematic update to be given to Members at July meeting	TVCA	July 2021	<b>COMPLETE</b> – Added to July Agenda
27 <sup>th</sup> July 2021	External Audit Strategy Memorandum	Papers be bookmarked as individual documents for ease of reference for future meetings	TVCA	Ongoing	<b>COMPLETE</b> – To be formatted in future meeting packs
27 <sup>th</sup> July 2021	Draft Annual Accounts 2020-2021 & Annual Governance Statement	Draft Group Accounts to be circulated to members when complete	TVCA	2 <sup>nd</sup> August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Draft Annual Accounts 2020-2021 & Annual Governance Statement	Analysis of reserves / ear marked reserves to be provided	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Draft Annual Accounts 2020-2021 & Annual Governance Statement	Share link to Investment Plan one year on report	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Freeports Thematic Update	Presentation to be circulated to members post meeting	TVCA	30 <sup>th</sup> July 2021	<b>COMPLETE</b>

27 <sup>th</sup> July 2021	Freeports Thematic Update	Update on skills strategy to be added to September meeting agenda – relevant officer to be invited.	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Forward Plan	Offshore Wind Thematic Update to be added to Forward Plan for September meeting	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Forward Plan	Review Risk Register format making top risks more visible and provide update at September meeting	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Forward Plan	Updated Forward Plan to be circulated	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Forward Plan	Provide TVCA Organogram	TVCA	August 2021	<b>COMPLETE</b>
27 <sup>th</sup> July 2021	Forward Plan	Pre-Meetings to be scheduled for Chair/Vice Chair and TVCA	TVCA	30 <sup>th</sup> July 2021	<b>COMPLETE</b>
21 <sup>st</sup> September 2021	Action Tracker	Produce a Paper and Indicative Timetable for the next meeting on how future updates on STDC/TIAL will be communicated in the future	TVCA	December 2021	<b>COMPLETE</b> – added to December Agenda
21 <sup>st</sup> September 2021	CEO Update	Share the Airport Trust Terms of Reference with members	TVCA	December 2021	<b>COMPLETE</b> – circulated to Members
21 <sup>st</sup> September 2021	CEO Update	Add a Transport Update and Clean Growth as deep dive areas to the Forward Plan	TVCA	December 2021	<b>COMPLETE</b> – added to Forward Plan for forthcoming year
21 <sup>st</sup> September 2021	CEO Update	Get update from Transport Team if there are plans to extend the Tees Flex outside of rural areas and share with members	TVCA	December 2021	<b>COMPLETE</b> – responses sent to Members
21 <sup>st</sup> September 2021	CEO Update	Determine if the plan is to keep Billingham Station open while the improvements are undertaken and advise members	TVCA	December 2021	<b>COMPLETE</b> – responses sent to Members
21 <sup>st</sup> September 2021	External Audit Progress Report	Circulate Audit Reports on STDC/Airport & Goosepool to members	TVCA	Ongoing	
21 <sup>st</sup> September 2021	External Audit Progress Report	Add Net Zero to the Forward Plan as a topic introduction		December 2021	<b>COMPLETE</b> – added to Forward Plan
21 <sup>st</sup> September 2021	Corporate Risk Register Update	Review the Group risk environment/systems and processes already in place	TVCA		<b>COMPLETE</b>

1 <sup>st</sup> September 2021	Corporate Risk Register Update	Condense top 10 risks & actions around them – circulate asap get feedback for going forward.	TVCA	December 2021	<b>COMPLETE</b>
21 <sup>st</sup> September 2021	Corporate Risk Register Update	Circulate presentation to members	TVCA	December 2021	<b>COMPLETE</b>
21 <sup>st</sup> September 2021	Offshore Wind Thematic Update	Circulate presentation to members	TVCA	December 2021	<b>COMPLETE</b>
1 <sup>st</sup> December 2021	Transport Deep Dive	Circulate Transport Presentation to Members	TVCA	December 2021	<b>COMPLETE</b>
1 <sup>st</sup> December 2021	Internal Audit Progress Reports	Develop an Open Audit Actions Report to be shared periodically with the Committee	TVCA & RSM	March 2022	<b>IN PROGRESS</b>
1 <sup>st</sup> December 2021	Internal Audit Progress Reports	Check whether the role of the CEO is accurately reflected in the published Declarations of Interest	TVCA	December 2021	<b>COMPLETE</b> and members notified
1 <sup>st</sup> December 2021	Forward Plan	Prepare a self-evaluation and skills audit questionnaire for Members and the results to be prepared and shared for discussion at a future meeting.	TVCA	March 2022	<b>IN PROGRESS</b>

**AGENDA ITEM 7****REPORT TO THE TEES VALLEY COMBINED AUTHORITY  
AUDIT & GOVERNANCE COMMITTEE****20<sup>th</sup> JANUARY 2022****REPORT OF THE GROUP  
CHIEF EXECUTIVE****GROUP UPDATE****SUMMARY**

This report provides a general update on the key activities of the Combined Authority since the last Committee meeting, which are not covered in other reports to this meeting.

**RECOMMENDATIONS**

It is recommended that the Tees Valley Combined Authority Audit & Governance Committee notes the report.

**DETAIL****COVID-19 RESPONSE**

1. Following the ending of national restrictions, the Combined Authority's response to Covid-19 has refocused from interventions supporting the region through the pandemic, to delivering future growth and a more sustainable, resilient, and stronger Tees Valley economy in the medium to long-term.
2. As part of Tees Valley Business's annual review with the Department of Business Energy and Industrial Strategy, the Growth Hub was recognised as strong, demonstrated in the rapid launches of new programmes and initiatives to support businesses during the pandemic.

**TEESSIDE INTERNATIONAL AIRPORT**

3. In route development, KLM Royal Dutch Airlines is set to introduce earlier flights from Teesside to Schiphol, improving onward connectivity, and Loganair has introduced a one-stop service from Teesside to Esbjerg allowing passengers to board at Teesside, stay on the plane at Aberdeen and continue to Esbjerg in Denmark. It will also introduce a route to Southampton as part of its adapted summer 2022 schedule.
4. As the airport moves into the next phase of its business plan it will begin work on its land and property assets across the wider site. A new 1,360sq m office space will be created to replace the ageing landside offices being remodelled into a Sky Bar and viewing platform. In the short-term, Combined Authority staff at Cavendish House will move there, ahead of looking at relocating to a new base in Darlington near the Northern Economic Campus.

5. The airport has partnered with the Darlington-headquartered Bannatyne Group which is investing £100,000 in a new express spa in the departures lounge, creating several jobs in the process. The airport has also partnered with Yarm-based Revelry Spirits, which will see the firm's drinks represented in the Transporter Bar & Kitchen and Goosepool Bar for the next 12 months.

## **TEESWORKS**

6. Demolition activity across the site continues, and progress is being made on the South Bank heavy-lift quay by UK contractor Graham. This was followed by an announcement that the UK Infrastructure Bank would make its first loan, of £107million, into the project.
7. Construction is continuing on the £4.5million Eston Road roundabout scheme, which will open up access to the Dorman Point area of the site, allowing for new developments including the proposed North East Energy Recovery Facility. Work has also commenced on the ground engineering phase of the Teesworks Skills Academy building, which will support the organisation in helping local people into jobs being created on the site. This is due for completion at the end of March 2022.
8. Government announced that the Net Zero Teesside project based on Teesworks, as part of the East Coast Cluster, has been selected as the premier net zero project to lead the UK's low carbon ambitions. It will receive a share of the £1billion Carbon Capture and Storage Infrastructure Fund to create the country's first decarbonised cluster in the region. The Secretary of State for Levelling up, Michael Gove MP, and Exchequer Secretary Helen Whately MP also visited the site.

## **FREEPORT**

9. At the Autumn Budget on 27th October, Teesside Freeport was confirmed. The following day, Teesside Freeport and its website were officially launched. The confirmation led to the Statutory Instrument for the Tax Land being laid on 29th October, which passed into law on 19th November.
10. The Primary Custom Zone (PCZ) was delivered by the end of October and was audited on 9th November. The PCZ was confirmed at the same time as Tax Land, confirming Teesside Freeport as the UK's first Operational Freeport.
11. Work continues with the Freeport stakeholders to finalise Custom Zones maps and the timescales for implementation and to market the Freeport. In November the Freeport was presented at IBMATA – International Borders Conference, NOF – Energy Transition and Offshore Wind North East.

## **ONE PUBLIC ESTATE (OPE)**

12. The OPE programme provides practical and technical support and funding to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners. It aims to generate efficiencies, create economic growth and deliver better, more integrated customer services. The Combined Authority is the accountable body for the OPE programme in Tees Valley.

13. A new OPE funding round (OPE9), offering c£6m of funding nationally, opened for applications in October 2021 and closed on 8<sup>th</sup> November 2021. This supports early-stage project costs for ambitious land and property projects that meet certain criteria. The Tees Valley OPE Partnership submitted one bid to the fund for the Expansion and Re-Development of the Integrated Care Centre (The Live Well Centre) in Middlesbrough, to fund feasibility and business case development.

## **BUSINESS INVESTMENT**

14. The Business Investment Team has held two webinars with the Department for International Trade's (DIT) staff in locations across Europe, Asia and North America to promote regional opportunities in Bio manufacturing. In December a session to identify potential overseas companies to target for this type of investment took place.
15. RWE has commenced enabling works for its High Voltage converter station leading to its national grid connection point at Lackenby, Redcar. The company will be bringing onshore 1.4GW of renewable energy from the Sofia Offshore Wind Farm located 120 miles off the Teesside coast. The Combined Authority will be running a supply chain event for local companies with RWE, Tees Engineering Network and NOF, in January.

## **EDUCATION, EMPLOYMENT AND SKILLS**

16. The deadline for applications to Government's Kickstart scheme came on 17<sup>th</sup> December, As of 12<sup>th</sup> November, 728 placements have been created in 145 businesses, equating to approximately £5.5m.
17. The Combined Authority is working with the Department of Education to increase the number of L3 Skills Bootcamps in Tees Valley. These will enable employer-led short courses, up to 16 weeks, to train residents for the jobs available.
18. The Combined Authority is working closely with the North East Chamber of Commerce to commence the Department of Education-approved Local Skills Improvement Plan (LSIP) trailblazer that will focus on Green Energy, Net Zero and Hydrogen sectors. This is a cross section of the overall skills plan, the trailblazer itself will only focus on one sector, and be widened out once the concept has been proven.

## **CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT**

19. As part of Spending Review 2021 it was announced that TVCA has been allocated £310m from the City Region Sustainable Transport Settlement for the five-year period from 2022/23 to 2026/27. There is now a requirement to develop a programme business case, which must be submitted by mid-January 2022.

## **CLEAN GROWTH AND INNOVATION**

20. The East Coast Cluster, made up of Net Zero Teesside, Zero Carbon Humber and the Northern Endurance Partnership, has been announced as one of two 'track 1' clusters in the Government's CCUS cluster sequencing process. TVCA has supported East Coast Cluster colleagues in this process and a second phase of this process will now proceed, with similar support being offered by TVCA.
21. The North East and Yorkshire Energy Hub, managed by TVCA, is delivering a number of Net Zero initiatives on behalf of BEIS. It organised four Flagship Events as

part of BEIS's Zero Carbon Tour across the North East and Yorkshire, including one at the Riverside Stadium. As part of the same programme of COP26 related activities it also supported 12 regional Green Zone events. The Green Homes Grant LAD2 programme run by the hub has now progressed to delivery in almost all local authority areas, including the five Tees Valley boroughs.

## **TEES VALLEY PLACE MARKETING PROGRAMME**

22. A Destination Management Plan for the Tees Valley has been developed which will underpin the new Growth Programme for the Creative & Visitor Economies. This strategic document sets out the focus for the development, promotion, and sustainable growth of tourism in the Tees Valley over the next four years.
23. Enjoy Tees Valley destination marketing campaigns were delivered in September and October to stimulate the visitor economy sector following the pandemic, using real people that live in the region, sharing their favourite things to do and demonstrating the wide variety on offer.
24. A schedule of events and festivals taking place around the region as part of The Festivals 2021 Recovery Fund were supported with Enjoy Tees Valley marketing and communications resources to raise awareness and promote with video, photography and digital marketing.

## **FINANCIAL IMPLICATIONS**

25. There are no financial implications to this report.

## **LEGAL IMPLICATIONS**

26. There are no legal implications to this report.

## **RISK ASSESSMENT**

27. This report is an update and therefore is categorised as low risk.

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# TEES VALLEY COMBINED AUTHORITY

## Internal Audit Progress Report

1 December 2021

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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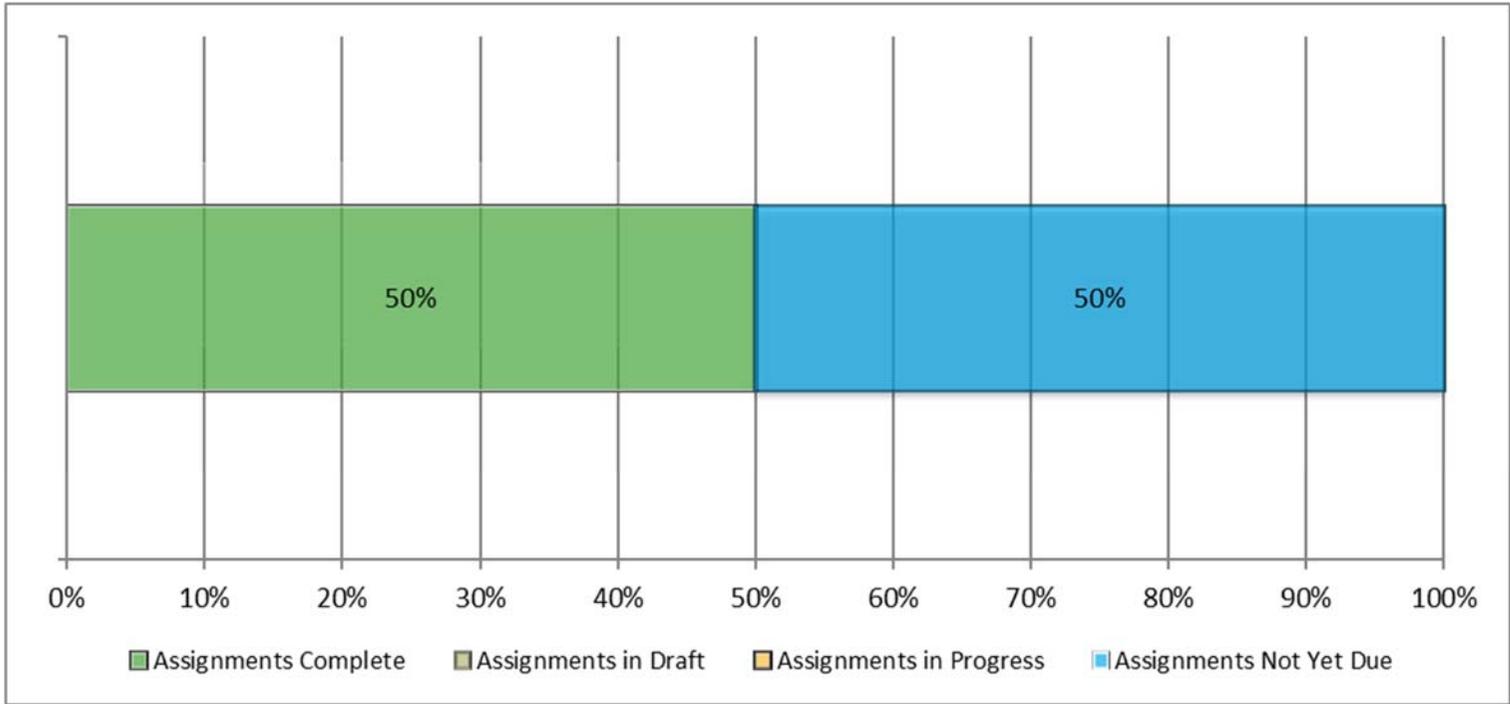
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# 1 Introduction

The internal audit plan for 2021/22 was discussed and approved by the Audit and Governance Committee on 25 May 2021.

The graphic below provides a summary update on progress against the 2021/22 plan.



## 2 Reports

### 2.1 Summary of final reports being presented to this committee

We have finalised the following report since the previous meeting and this is detailed below:

Assignment	Actions agreed		
	L	M	H

**HR: Recruitment and Selection**

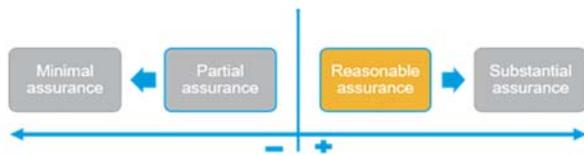
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Objective of the review:

The Authority has adequate and effective systems and processes in place to manage the recruitment and selection of new staff.

Risk: Failure to provide sufficient capacity to deliver TVCA functions.

Overall assurance rating and management actions:

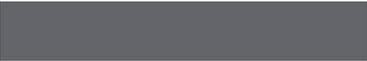


An overall assurance rating of **reasonable assurance** has been given for this review. We have raised **one medium** and **five low** priority management actions. We have summarised the medium action below:

**Documented process for the use of external recruitment agencies**

Through discussions with the Group HR Manager and the HR Administrator we confirmed that where recruitment has been unsuccessful through advertising the vacancy internally and externally, the Hiring Director will approve the use of a recruitment agency. Where the Hiring Director approves the use of an agency this is evidenced by an approved Purchase Order Request Form.

However, our review of the Recruitment Policy and Framework in place at TVCA and STDC, highlighted that it does not document the process in place for approving the use of an agency to recruit. Without detailing the process there is a risk that vacancies are recruited for through an agency without the appropriate authorisation.



Assignment	Actions agreed		
	L	M	H

For one out of a sample of four recent new starters we were unable to find evidence that a purchase order was requested and approved in respect of the use of the agency. We also identified that, in three out of four cases where a recruitment agency had been used, the post had not been advertised internally and externally prior to this in accordance with the procedure, although we recognise that, in all three cases, the vacancy arose at short notice.

Context:

Up until May 2020, recruitment activities in respect of Tees Valley Combined Authority (TVCA, “the Authority”) were outsourced to an external service provider, Xentrall, although some recruitment campaigns were still being progressed by Xentrall after this date. From July 2020 onwards this migration was completed and the TVCA HR team has acted as a shared service centre for all of the Group entities, with the exception of South Tees Site Company (STSC) which was acquired by the Group in October 2020 and continued its own HR activities until April 2021.

Our review focused on the recruitment and selection procedures at TVCA and South Tees Development Corporation (STDC). It was requested by management that our review did not include recruitment activities at Teesside International Airport Limited or South Tees Site Company. 46 new starters joined TVCA and two joined STDC between 1 July 2020 and 2 August 2021.

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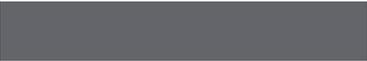
<b>Covid-19 Response</b>	4	1	0
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Objective of the review:

The Authority has adequate and effective systems and processes in place to monitor and assess the impact of Covid-19 on the local economy in order that appropriate and timely decisions can be made regarding support and investment programmes, within the overall framework of its strategic objectives.

Risk: C22: Pandemic Illness Outbreak: Impact on delivery.

Overall assurance rating and management actions:



Assignment	Actions agreed		
	L	M	H



An overall assurance rating of **reasonable assurance** has been given for this review. We have raised **one medium** and **four low** priority management actions. We have summarised the medium action below:

**Monitoring of activities**

Four decisions within our sample of 10 do not have individual monitoring of their effectiveness, and instead are to be assessed as a part of their wider programmes of which

they are a part. This creates a risk that an individual project is not delivering value for money, or is failing to achieve the Authority's goals, but its poor results are hidden by more successful projects within the programme. The Authority may wish to assess the cost effectiveness of monitoring the effectiveness of individual projects, to ensure that the effectiveness of each project is assessed accurately.

Context:

The Covid-19 pandemic had a marked effect on the Teesside economy, and as a result, the Authority undertook early analysis of impact and developed an Economic Recovery Plan (The Plan). At the time of completing the initial Plan, the on-going impact of the pandemic was unknown – including the duration and impact of lockdowns, national support interventions, public health and confidence. The Plan therefore remained a 'live' document. On-going analysis enabled the authority to understand and respond to the impacts on business and communities, and to target interventions accordingly. The Plan and on-going analysis set out the impacts or 'shocks' felt by the Tees Valley economy and identified six key themes for economic recovery.

Due to the nature of the Covid-19 pandemic, and the government response, the Authority had to make reactive, informed decisions, based on a multitude of factors including availability of new funding, allocation of existing resources, and an ever-changing economic outlook and job market. It is therefore essential that the Authority has established decision making processes in place, and that decision makers are provided with a suite of data to allow for informed decision making.

Our review was intended to determine whether there was clear data and local intelligence available to support decision making, that stakeholders had been consulted and considered, that the strategic objectives of the Authority continued to be considered, that decisions were monitored, to ensure that they are effective, and to ensure that all decisions are clearly communicated to all relevant parties.

**Business Growth Hub**

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## Assignment

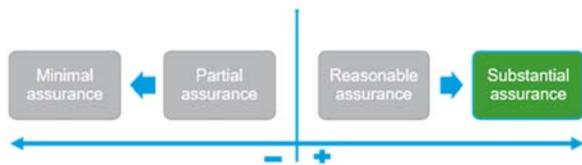
## Actions agreed

L M H

### Objective of the review:

The Authority has adequate and effective systems and process in place to ensure that it complies with national and internal requirements in handling enquiries from businesses seeking support, signposting them towards the most appropriate sources of support, and administering funding in relation to schemes provided in-house.

### Overall assurance rating and management actions:



An overall assurance rating of **substantial assurance** has been given for this review. We have raised **two low** priority management actions. We have summarised the two low actions below:

### **Documented processes**

TVCA has established an Enquiries Process Map, Business Support Lexicon and Business Support Operational Flow document to document the processes in place within the Business Growth team. However, we noted there was no overarching document which outlines key aspects of the business growth activity. This includes the overall objectives, response times for addressing enquiries, structure in place for reporting business growth activity and TVCA's obligations to the National Growth Hub, Combined Authority and Local Enterprise Partnership requirements.

### **Business enquiry response times**

It was noted that the Business Growth team aims to respond to business enquiries within two working days; however, testing a sample of 25 business enquires confirmed that it is not always feasible to respond to enquiries within two working days. Thus, where the internal response times are not attainable there is a risk, the response time for responding to enquiries is neither meaningful nor motivational.

## Assignment

## Actions agreed

L M H

### Context:

The Tees Valley Combined Authority (TVCA) was created in April 2016 with the purpose to drive economic growth and job creation across Teesside in order to improve the local economy. This requires the Authority to deliver a range of projects across development areas including infrastructure, transport and housing. The Authority set out a 10-year Investment Plan, which is reviewed on an annual basis, outlining the projects and investment programmes that the Authority will commit resources to in order to meet its strategic objectives to improve the local economy. In line with the Investment Plan was the establishment, in July 2020, of a new “Business Gateway” service, which provides local businesses with a single point of entry to a range of business support, funding and finance options available to them regardless of business size, sector or nature of need.

The purpose of our review was to provide assurance that the Authority has adequate and effective systems and processes in place to ensure that it complies with national and internal requirements in handling enquiries from businesses seeking support, signposting them towards the most appropriate sources of support, and administering funding in relation to schemes provided by the Authority.

### **Follow Up of Previous Internal Audit Management Actions**

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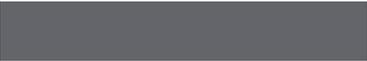
### Objective of the review:

To ensure that management actions have been implemented in accordance with the agreed timetable and that any new controls are operating effectively.

### Overall assurance rating and management actions:

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Tees Valley Combined Authority (TVCA) has demonstrated **reasonable progress** in implementing agreed management actions.

We were provided with satisfactory evidence for five actions confirmed as complete by management with one of the two remaining actions being considered partially but not fully implemented and the other as not having been implemented. The first action relates to clearly assigning owners and implementation dates for action plans as part of the new risk management framework and the action we have raised as a result of this review is considered a **low priority** action. The second action was raised as the Goosepool Board have not yet agreed which KPIs are to be reported to the Board, and which are to be disseminated throughout the Airport’s Governance Structure and is considered a **medium priority** action. There are currently a total of eight medium and 16 low actions which have passed their agreed implementation date but not marked as completed per the 2021 audit tracker.



## Assignment

## Actions agreed

L M H

### Context:

We undertook this review to follow up on progress made to implement the previously agreed management actions in respect of the following internal audit reports:

- Goosepool Financial Governance (2020/21);
- Directorate - Risk Management (2020/21); and
- Follow Up of Previous Internal Audit Management Actions (2020/21).

The focus of this review was to provide assurance that management actions previously reported as complete have been fully implemented. We have considered medium management actions that have been closed since our last follow up review in May 2021. A total of seven actions from three separate audits were reported as complete by management. All seven actions assessed were medium priority actions. Two of these seven actions were raised as a result of the findings from our previous follow up audit, but it should be noted that they were not present on the action tracker we were provided.

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## Appendix A – Progress against the internal audit plan

The current Covid-19 situation means that our clients and internal audit are working differently. We understand and recognise the organisation’s strategic objectives, and that the developments around Covid-19 will continue to impact on all areas of the organisation’s risk profile. We will continue to work closely with management to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs in the current circumstances.

Assignment	Status	Proposed reporting to the Audit and Governance Committee
TIAL Reporting	Fieldwork scheduled for week commencing 13 December 2021	January 2022
HR: Payroll	Fieldwork scheduled for week commencing 24 January 2022	May 2022
Effectiveness of Partnership Arrangements	Fieldwork scheduled for week commencing 14 February 2022	May 2022
Directorate Structure	Fieldwork scheduled for week commencing 21 February 2022	May 2022

## Appendix B – Key performance indicators (KPIs)

Delivery			Quality		
	Target	Actual		Target	Actual
Draft reports issued within 10 days of debrief meeting	10 days	4.5 days (average)	Conformance with PSIAS and IIA Standards	Yes	Yes
			Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	As and when required
Final report issued within 3 days of management response	3 days	1 day (average)	Response time for all general enquiries for assistance	2 working days	2 working days (average)
			Response for emergencies and potential fraud	1 working day	-

## Appendix C – Other matters

### Changes to the audit plan

Detailed below is the change to the audit plan:

Note	Auditable area	Reason for change
1.	Directorate Structure	As part of the internal audit plan this review was scheduled to take place in week commencing 1 November 2021 but this review will now take place in week commencing 21 February 2022.

Changes discussed at the previous Audit and Governance Committee:

Note	Auditable area	Reason for change
1	TIAL Reporting	As part of the internal audit plan this review was scheduled to take place in week commencing 27 September 2021 but, at the request of management, this review has been swapped with the Follow-Up audit and will now take place in week commencing 13 December 2021. This is to allow for more time for KPI reporting to become established.
2	Follow-Up	As part of the internal audit plan this review was scheduled to take place in week commencing 13 December 2021 but, as noted above, this review will now take place in week commencing 27 September 2021.



## For more information contact

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**rsmuk.com**

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of **Tees Valley Combined Authority**, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

**AGENDA ITEM 10****REPORT TO THE TEES VALLEY COMBINED AUTHORITY  
AUDIT AND GOVERNANCE COMMITTEE****20<sup>th</sup> JANUARY 2022****REPORT OF THE GROUP  
DIRECTOR OF FINANCE  
AND RESOURCES****SOUTH TEES DEVELOPMENT CORPORATION AND TEESIDE  
INTERNATIONAL AIRPORT ASSURANCE UPDATE****SUMMARY**

The purpose of this report is to provide the Committee with assurance updates on the progress of two key strategic Programmes within the Tees Valley Combined Authority (TVCA) Investment Plan, namely: -

1. South Tees Development Corporation (STDC) Programme
2. Teesside International Airport Limited (TIAL) Investment

The TVCA Group receives additional updates via STDC external reporting to Government as part of the delivery of the STDC Business Case and at the Goosepool Board reflecting the TVCA ownership interests in TIAL. The TVCA Group Chief Executive Officer sits on the Goosepool Board along with the Group Commercial and Delivery Director. All updates are provided on a Quarterly basis to Government and Board meetings respectively.

This separate report is prepared from the TVCA monitoring team about performance and the risks on performance against the business case and is also complimented by the Group update report by the Group Director of Finance and Resources, keeping the committee fully informed.

**RECOMMENDATIONS**

It is recommended that the TVCA Audit and Governance Committee notes the report.

**DETAIL****SOUTH TEES DEVELOPMENT CORPORATION****GOVERNANCE**

1. The STDC Business Case and associated funding is governed via a Memorandum of Understanding (MoU) between Ministry for Housing, Communities & Local Government (MHCLG), Department for Business, Energy and Industrial Strategy (BEIS) and Tees Valley Combined Authority (TVCA). This MoU provides the information and assurance requirements associated with Government funding.

2. The governance and structures for delivery have been reviewed by the STDC Board to ensure the optimum delivery arrangements to deliver the UK's largest Freeport and maximise the opportunity within the Freeport benefits periods. An update will be provided at the next meeting in respect of these arrangements.
3. The reporting requirements to Government are quarterly in arrears with the last reporting period at the time of writing relating to July to September 2021 reported in December 2021. All reporting deadlines have been met and Government have considered and approved all reports to date.

## **DELIVERY**

4. Since the last update to the Committee the Tees Valley has been announced as one of the successful bidders for Freeport status. As a large area of the proposed Freeport sits within the Teesworks Site Boundary, work is ongoing to reflect the impacts of Freeports on the wider regeneration programme to ensure best advantage is taken of Freeport incentives. In particular, tax zones, which offer a range of time limited tax incentives to eligible businesses
5. In addition to confirmation of Freeport status STDC has continued to develop a business case for additional funding linked to development of the Tees Valley Offshore Wind Hub on the South Bank area of the site. This business case has secured a further £20m of funding to support site preparation works and ensure that the site is ready to accommodate offshore wind manufacturers at the earliest opportunity. A large part of the Offshore Wind hub also forms part of the Teesside Freeport and is expected to have tax zone status. The complementary development of South Bank Quay has also received approval from the UK Investment Bank (UKIB) for £107m funding in line with the Business Case taken to the STDC Board on 29th July 2021.
6. As part of the plans for the proposed offshore wind hub, in March LM Wind (a subsidiary of GE Renewable Energy) announced plans to open and operate plant for the production of offshore wind turbine blades on the Teesworks Site and Heads of terms have been agreed. The plant is currently in the detailed design phase and is expected to open and start production in 2023 alongside the completion of the Teesworks Quay at South Bank
7. At the Autumn Budget on 27th October, Teesside Freeport was confirmed. The following day, Teesside Freeport branding was launched, and the website went live. The budget confirmation resulted in the Statutory Instrument for the Tax Land being laid on 29th October and following a 3-week review period, these will pass into law on 19th November. The Primary Custom Zone was delivered by the end of the month and has been audited by HMRC / UKBF on 9th November. Teesworks must review the remaining custom zone land in accordance with the issued guidance and confirm the areas to be included as customs sites.

## **BUSINESS CASE MILESTONES AND BENEFITS**

8. The STDC Business Case had 24 milestones expected to have been completed in Q2, 16 have been completed and a further two are early completions that were expected later in the programme. Of the eight not completed, six will be completed in 21/22 and

have a low risk on the programme. Three of these relate to works associated with the South Bank and ERF projects, which are progressing in accordance with investor target delivery dates.

9. Programme Delivery employment – the following activity has supported construction employment on the Teesworks site:
  - Land remediation work at the Dorman Point/Prairie site, Long Acres and at South Bank;
  - Ongoing demolition works at South Bank, Redcar area and the NZT site;
  - Ongoing decontamination of the COGM across the site and the South Bank Coke Ovens, focusing on priority demolition areas;
  - Construction of the highway scheme at the Dorman Point/Prairie site;
  - It is estimated that between 400-500 construction jobs have been supported.
10. Acres of Remediated land - remediation work has been ongoing during Q2 at:
  - South Bank;
  - The Dorman Point/Prairie site; and
  - Long Acres.
  - At the end of q2, approximately 450 acres of land has been, or is in the process of, remediation.
11. The current risks to the Business Case are ensuring the continued demolition and decontamination of the site to remove the COMAH status of the site as an important enabler for site development. All STDC risks are managed in line with the Programme Delivery structures with specific projects having their own risks. The recent “Deep Dive” presentation in September to Members of the Committee provide a detailed explanation of how major project management works at STDC.

## **TEESSIDE INTERNATIONAL AIRPORT**

### **GOVERNANCE**

12. The TIAL Business Plan and associated funding is governed via the funding agreement between TVCA and TIAL. The Governance arrangements and TVCA interests in TIAL are managed via the Goosepool Board which includes the Group Chief Executive Officer and the Group Commercial and Delivery Director.
13. The reporting requirements to Goosepool Board are quarterly with TIAL senior management presenting to the Board on progress since the last reporting period. All reporting deadlines have been met and Goosepool Board have considered and approved all reports to date.

### **DELIVERY**

14. TIA, like every other airport in the UK, has been significantly impacted by the global pandemic, given the extended periods of time without passengers and flights. In recognition of this impact, the Investment Plan 2019-29 Refresh report that was approved by Cabinet in July 2021 included an additional allocation to TIA of £10m over two years, to enable the airport to stay on track for its recovery plan notwithstanding the ongoing global pandemic. This compares with local authority support to other UK airports as set out in the table below:

<b>Airport</b>	<b>Financial support</b>	<b>Supporting authority</b>
Luton Airport	£139m	Luton Council
Manchester	£250m	The 10 Greater Manchester councils (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan)
Birmingham airport	£33m	Birmingham City Council, Coventry City Council, Walsall Council, and Solihull Council
Liverpool John Lennon Airport	£34m	Loan from the Liverpool City Region Combined Authority
Newcastle Airport	Suspended repayment of £68m loan from 2012/13	Northumberland, County Durham, Sunderland, South Tyneside, North Tyneside, Newcastle and Gateshead Councils

## **BUSINESS CASE MILESTONES AND BENEFITS**

15. Notwithstanding the Covid-19 pandemic, TIA has made significant progress against the targets set out in the current Business Plan. In particular: -
- A significantly increased route mix of scheduled, charter and low-cost operators has seen a total of 15 routes now launched from Teesside since the airport was acquired by TVCA. This has significantly exceeded the 10-year plan which was originally to attract 10 additional routes by 2022;
  - Low-cost carrier Ryanair commenced flights for summer 2021 and, due to the success of those, is now operating year-round;
  - Loganair commenced flights on various new routes, including London Heathrow up to three times daily, with a British Airways codeshare agreement enabling passengers to connect seamlessly to hundreds of BA destinations;
  - TUI, the UK's largest holiday company, is offering flights to Majorca beginning summer 2022, nine years after its last departures from the airport. Based on successful early sales an additional TUI flight to Antalya, Turkey has also been secured for summer 2022;
  - Successful summer 2021 schedule continued to the end of October. It has been announced that KLM Royal Dutch Airlines is set to introduce earlier flights from Teesside to Schiphol, improving onward connectivity, ahead of further positive

service changes early next year. Loganair has introduced a one-stop service from Teesside to Esbjerg allowing passengers to board at Teesside, stay on the plane at Aberdeen and continue to Esbjerg in Denmark. It will also introduce a route to Southampton as part of its adapted summer 2022 schedule.

- Passenger satisfaction responses for the last 3 months are very high - 99% of respondents were either "very happy" or "happy" with their airport experience;
- The terminal was extensively redeveloped with the airport using 18 local firms to carry out the works - carrying this out during a period of suppressed passenger traffic has minimised disruption and left the airport in the best possible condition to accommodate post-pandemic growth;
- State-of-the-art scanners were installed as part of a major renovation of the security area;
- 53 new jobs were created at the airport;
- Willis Asset Management Limited is expanding its operations at the airport as a base for carrying out maintenance, storage and disassembly of aircraft;
- As the airport moves into the next phase of its business plan it will begin to capitalise on its land and property assets across the wider airport site. A new 1,360sq m office space will be created to replace the ageing landside offices being remodelled into a Sky Bar and viewing platform. In the short-term, Combined Authority staff at Cavendish House will move there, ahead of looking at relocating to a new base in Darlington near the Northern Economic Campus;
- The airport has partnered with the Darlington-headquartered Bannatyne Group which is investing £100,000 in a new express spa in the departures lounge, creating several jobs in the process; and
- The airport has also partnered with Yarm-based Revelry Spirits, following a five-figure investment, which will see the firm's drinks represented in the Transporter Bar & Kitchen and Goosepool Bar for the next 12 months.

## **FINANCIAL IMPLICATIONS**

16. There are no financial implications associated with the recommendations in this report. The STDC Business Case and TIAL Business Plan receive funding respectively from the TVCA Investment Plan. All TVCA Investment Plan programmes/projects have financial monitoring throughout the year and are reported to Cabinet.

## **LEGAL IMPLICATIONS**

17. There are no Legal Implications associated with this report. This report provides an assurance update on strategic programmes/projects.

## **RISK ASSESSMENT**

18. The risk assessment for this report is low risk. All programme/project risks associated with the Investment Plan areas listed are managed through well-established project management and governance arrangements.

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**AGENDA ITEM 11****REPORT TO THE TEES VALLEY COMBINED AUTHORITY  
AUDIT AND GOVERNANCE MEETING****20<sup>th</sup> JANUARY 2022****REPORT OF GROUP CHIEF LEGAL OFFICER****GDPR UPDATE****SUMMARY**

This report provides the Committee with an update on TVCA Group's GDPR compliance.

**RECOMMENDATIONS**

Members are requested to consider and make comment on the progress update and proposals contained within the report.

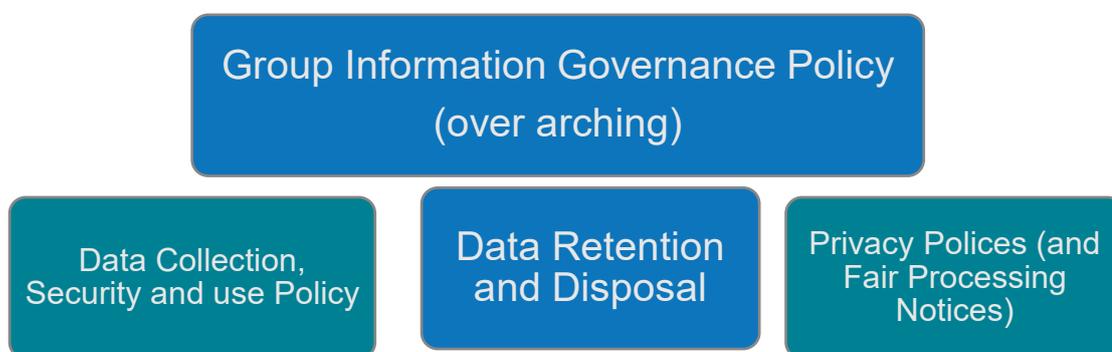
**DETAIL**

1. In January our Internal Auditors, RSM, conducted a factual 'agreed upon procedures assignment' of TVCA's processes, procedures and controls against a number of control requirements set out in the Information Commissioner Office (ICO) 12-step guide to the General Data Protection Regulation (GDPR). This report was shared with the Audit and Governance Committee on 23<sup>rd</sup> January 2020. This report is attached at Annex A. The report was factual in nature and did not provide a level of assurance or internal audit opinion.
2. In relation to TVCA Group, the audit looked at a number of areas. The table in the appendix sets out the observations made and the progress to date as well as proposed future development work. All actions identified by the Internal Auditors are considered substantially complete and an ongoing programme for further work is in place, with resource secured to support the programme's delivery.
3. Further development work in this area is planned with:
  - a. A full Information Governance policy refresh and further improved internal guidance (including more detailed advice on Privacy Impact Assessments and data collection protocols).
  - b. A full review of privacy policies (incorporating fair processing notices) across the group with the aim of further improving accessibility and transparency.
  - c. Increased engagement and training of 'Information Assets Owners' and Data Champions around the group.

- d. Increase awareness and guidance in relation to Confidentiality Agreements (NDAs) and the implications of confidential information management and the policy implications in the context of the Data Protection Act, Freedom of Information Act and the Environmental Information Regulations.

## Challenges and issues

4. TVCA has created and recruited to the role of Information and Governance Officer with a responsibility to oversee data protection compliance and development work together with other duties. There was perilously only limited capacity borrowed from the governance and legal functions on an 'as possible' basis. The function is currently carrying two senior vacancies (with the Governance and Information Officer covering the Manager's role in the interim). As a result, the full ambitions of the developmental work programme has been slower than initially hoped.
5. Two new Data Protection policy documents have been developed and now require sign off by TVCA's internal policy group and Directors, and to be embedded in practice across the Group. These are an overarching *Group Information Governance Policy* and subordinate policies on *Data Collection, Security and Use*, and *Data Retention and Disposal (destruction)*, sitting alongside the Group's Privacy Policies. The diagram below shows the relationship between the respective policies.



6. The current Data Retention and Disposal policy has a planned review and update in 2022 and further work needed to ensure that the full range of Fair Processing Notices are in place and up to date:
  - i. Employees
  - ii. Councillors/Members
  - iii. Partners and other stakeholders
  - iv. Suppliers
  - v. Grant applicants and recipients
7. We propose to specify and resource a programme of work with the following aims:

- a) An Amnesty – to allow the Group to identify anything that might have been missed to ensure we get a complete picture of what's out there in terms of obligations. tools and processes:
  - Data Protection Impact Assessments
  - Data sharing agreements
  - Consent/sign-up/unsubscribe wording
  - Data sharing breaches and reporting
- b) Prepare a work plan including the items identified at paragraph 3 above, and any remedial work to improve our documents, processes and any data sharing/handling relationships.
- c) Mapping key workstream leads/asset owners to improve data handling and strengthen the role of 'information asset owners' and 'data champions' (in departments who can recognise and signpost potential issues and enquires). This work would include:
  - Exploring options for a wider Data Protection training programme
  - Fostering 'data protection champions' across in teams with significant data handling activities.
  - Consider the implementation of an Information Asset Owner Group as
    - i) a task and finish group to comment on the new work programme; and/or
    - ii) an ongoing group meeting occasionally to review compliance and work collectively when new cross departmental data protection challenges emerge.
  - Formalising a regular information cascade to Information Asset Owners and Data Champions.
- d) Identify a set of Data Protection KPIs.

## **FINANCIAL IMPLICATIONS**

8. There are no financial implications of this report.

## **LEGAL IMPLICATIONS**

9. There are no specific legal implications from the proposal set out in this report.

## **RISK ASSESSMENT**

10. This report is categorised as low risk.

**Name of Contact Officer:** Peter Judge  
**Post Title:** Chief Legal Officer  
**Telephone Number:** 01642 527200  
**Email Address:** [peter.judge@teesvalley-ca.gov.uk](mailto:peter.judge@teesvalley-ca.gov.uk)

**Appendix – Issues identified in 2020 Report and Current status.**

Area	Status January 2020	Development work identified 2020	Status January 2021
<b>Business processes and data discovery</b>	Information asset register established.	Update and expand the register to include the number of records within information asset.	<b>Complete and Ongoing:</b> Keep register up to date and establish as the key tool for bringing GDPR issues together across the Group.
<b>Third parties</b>	Data sharing agreement template in place.	The Authority will introduce a data sharing agreement register which will detail all the agreements in place and be used to track the compliance of the agreements Data sharing agreement amnesty and develop and publish the register internally.	<b>Complete and Ongoing:</b> All data sharing agreements developed involving the Legal Team and Governance Manager. Register held in Governance Team. New Data Sharing leads to updated to the Privacy Policies.  Group has a better understanding of Data Sharing Agreements (DSAs). DSAs are now being created routinely - led by demands from a number of teams and projects especially where networks are used to support delivery.
<b>Data ownership</b>	The Authority has identified a data owner for each information asset set out in the register	The Authority will put in place training for data owners, so they are aware of their specific responsibilities.	<b>Ongoing:</b> Authority has developed the concept of Information Asset Owners (with responsibility for information asset on the Register) and will establish Data Champions (individual within teams who champion good DPA practices).  DPA Training has been implemented at induction stage for all staff (and refreshed annually). Enhanced training is available for SIRO, DPO, Governance Manager and Governance and

			<p>Information Officer (each of the Group's key DPA compliance management posts). DPO now programmed delivering training to Information Asset Owners.</p> <p>Additional Steps:</p> <ul style="list-style-type: none"> <li>Information asset owners (IAO) 'group' proposals and data champions.</li> <li>Identify additional suitable training for IAOs.</li> </ul>
<b>Data security system and level controls</b>	Password updates needed	The Authority will work with the IT provider to change the Password Policy so password requires changing every 90 days.	<b>Complete:</b> This policy has been reviewed by the Chief Digital Officer and is now considered adequate.
<b>Data storage and retention</b>	Authority has a retention schedule in place which covers the retention period for a number of different types of data.	The retention schedule will be updated and include any information reference in the Stockton Borough Council.	<p><b>Complete:</b> Data retention schedule updated to remove references to Stockton Borough Council.</p> <p><b>Ongoing:</b> Further work through IAO Group to embed the importance of ongoing DPIA as new data is captured and potentially shared.</p> <p>DPIA template now available on intranet and referenced in Governance Toolkit.</p> <p>Additional Steps:</p> <ul style="list-style-type: none"> <li>Retention and Destruction policy due for review by 31 March 2022</li> </ul>
<b>Awareness</b>	Training in place but the Authority does not require new starters to	The Authority will create posters and other forms of communication to	<b>Complete:</b> New starters are required to fully read the employee guide to data protection and return the

	<p>sign to confirm they have read the Employee Guide to Data Protection.</p>	<p>distribute around the premises to help develop more awareness of GDPR. Staff will be required to sign to confirm they have read and understood the Authority's Employee Guide to Data Protection.</p>	<p>document to confirm their understanding.</p> <p>New starters are also required to complete an online training module on GDPR with Ihasco (external training provider) and complete annually to keep knowledge refreshed.</p> <p><b>Ongoing:</b> An ongoing programme of consultation, awareness raising and more targeted training for IAOs.</p> <p>Signage will be refreshed with move to new office accommodation on 31.3.22</p>
<p><b>Data policy, roles and responsibilities</b></p>	<p>The Authority has in place a Data Protection Policy</p>	<p>The Authority will update the job description of the DPO to include more information on the responsibilities of the DPO and also allow them to report directly to Cabinet on issues relating to GDPR. The DPO will attend a relevant GDPR course. The Authority will ensure that a Cabinet member has sufficient experience and skills relating to GDPR.</p>	<p><b>Ongoing:</b> The Monitoring Officer has been appointed DPO by Cabinet. The MO is Legally Qualified.</p> <p>A new Information and Governance Officer role created and filled from September 2021.</p> <p>Previous Business Support and Business Manager postholder undertook the Advanced Certificate in GDPR Practice. That post holder has moved on to a different internal role and can be called on as needed.</p> <p>Annabel Turpin appointed as GDPR representative on LEP in December. Meeting to take place with DP lead discuss key issues and challenges.</p> <p>Enhanced training is available for SIRO, DPO, Governance Manager and Governance and</p>

			Information Officer (each of the Group's key DPA compliance management posts).
<b>Individuals' rights</b>	The Authority has in place a privacy notice that is accessible via the Authority website.	The Authority will produce a privacy notice for each individual area of consent. The Authority will update the Data Protection Policy to include information about how they will comply with subject access requests.	<p><b>Complete:</b> Overarching privacy policies in place for TVCA, STDC, Airport and Freeport. We are seeking to increase transparency to individual organisational policies and further improve internally facing policy and guidance documents.</p> <p>Data Subject Access Requests being received and responded to by HR in consultation with the Governance Team.</p> <p>Fair Usage Notices – further work is ongoing on the specific documents.</p>
<b>Consent</b>	<p>Template staff contract confirmed that it still referenced the Data Protection Act 1998.</p> <p>Limited personal data collected.</p>	The Authority will work with the HR provider and have the contract updated to reflect GDPR requirements.	<p><b>Complete:</b> Template Staff employment contracts, template standard contracts and template grant agreements all updated.</p> <p>A number of teams within TVCA regularly seek from the Governance team on how to handle the wording of data consent statements.</p> <p>A better set of resources has been developed to allow teams to address their own requirements in relation to data consents.</p>
<b>Data breaches</b>	Data Breach Procedure in place. Procedure	The Authority will update the procedure to ensure it includes	<b>Complete:</b> Data breaches register now established. Breaches number low and reports within KPI tolerance

	<p>covers the main requirements</p>	<p>information about what to do in the event of a third-party data breach. The Authority will also produce a data breach register</p>	<p>demonstrates that policy is understood and being followed correctly. No reported breaches to date have required a report to the ICO. ICO assessment tool being used to determine whether breaches are reportable.</p> <p>Data breaches to be incorporated into IAG approach.</p>
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# TEES VALLEY COMBINED AUTHORITY

## General Data Protection Regulation (GDPR) Governance

**FINAL**

**Internal Audit Report: 2.19/20**

**14 January 2020**

This report is solely for the use of the persons to whom it is addressed.  
To the fullest extent permitted by law, RSM Risk Assurance Services LLP  
will accept no responsibility or liability in respect of this report to any other party.



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<b>Debrief held</b>	18 September 2019	<b>Internal audit team</b>	Robert Barnett, Head of Internal Audit
<b>Draft report issued</b>	24 September 2019		Phillip Church, Client Manager
<b>Responses received</b>	14 January 2020		John Marshall, Lead Auditor
<b>Final report issued</b>	14 January 2020	<b>Client sponsor</b>	Gary Macdonald, Director of Finance and Resources
		<b>Distribution</b>	Gary Macdonald, Director of Finance and Resources

# 1 EXECUTIVE SUMMARY

## 1.1 Background

From 25 May 2018 the General Data Protection Regulation (GDPR) replaced the EU Directive 95/46/EC. Whilst many of the GDPR's main concepts and principles remain largely the same as those in the previous Data Protection Act, there are significant new elements and enhancements which require organisations to perform some specific compliance activities for the first time.

In particular, GDPR places greater emphasis on the documentation that data controllers must keep demonstrating accountability. GDPR and the Data Protection Act 2018 established a framework of rights and duties designed to safeguard personal data. 'Personal data' is information about an identifiable living person and can be held in a variety of forms, including electronic data, images, emails and paper documents.

We have been commissioned to perform an agreed upon procedures assignment of the current data governance processes, procedures and controls against a number of control requirements set out in the ICO 12-step guide. Our report is a factual report and we do not provide a level of assurance, or internal audit opinion, and should not be taken to provide such.

Tees Valley Combined Authority ('Authority') has recently appointed a new Data Protection Officer (DPO), with the Legal Procurement and Governance Manager now covering this role. The role had previously been conducted by the Governance Manager. We were informed that the Authority does not collect high volumes of personal data as it mainly engages with businesses and does not receive personal information from these businesses relating to the use of their grants.

## 1.2 Key finding

The key findings by exception from this review are as follows:

### **Business processes and data discovery**

- The Authority has in place an Information Asset Register that covers areas required under GDPR regulations. However, we did note that the number of information assets for each area identified was not included.

### **Third parties**

- A template data sharing agreement is in place; however, there is no central register to confirm which third parties have data sharing agreements and which do not.

### **Data ownership**

- Within the Information Asset Register it was confirmed that the Authority has identified the data owner for each information asset. It was identified that the Authority should introduce additional documentation and training to ensure that data owners are aware of their responsibilities.

### **Data security system level controls**

- The Authority receives IT services from a third party. We noted that there is an agreement in place between the two parties. However, it was confirmed that the password policy requires passwords to be changed only on an annual basis, increasing the risk that a password may be compromised for a prolonged period of time.

## **Data storage and retention**

- The Authority has in place a data retention schedule, however this has not been updated since 2018. Alongside this the schedule routinely refers to information listed within Stockton Borough Council's retention and disposal schedule, this information should be included within the Authority schedule also.

The Authority does not have a Data Protection Impact Assessment (DPIA) template in place.

## **Awareness**

- In May 2018 the Authority delivered a three-hour awareness session for staff. Since that time any new members of staff are required to be provided with the Employee Guide to Data Protection to review. However, observations at the Authority premises confirmed that there was a lack of awareness information across the office, such as posters or other materials.

## **Data policy, roles and responsibilities**

- Review of the DPO job description confirmed that there was a lack of detail regarding roles and responsibilities and did not include any information relating to their reporting to the Cabinet.

## **Individuals' rights**

- A privacy notice is communicated on the Authority website that covers the required rights of the individual under GDPR. However, there is no specific privacy notice for each area of consent they receive data from.

## **Consent**

- We were informed that the Authority does not receive a large amount of personal data as it mainly works with businesses. Review of the template staff contract confirmed that it still references the Data Protection Act 1998.

## **Data breaches**

- There is a data breach procedure in place that covers the correct requirements under GDPR. However, there is no central register that can be used to track any breaches and list the details of these.

## 2 DETAILED FINDINGS

Our internal audit findings and the resulting actions are shown below.

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
1	Business processes and data discovery	<p>We confirmed that the Authority has in place an Information Asset Register. The register contains the following details:</p> <ul style="list-style-type: none"><li>• categories of personal data;</li><li>• categories of individuals;</li><li>• lead officer;</li><li>• purpose of processing;</li><li>• categories of recipients of data;</li><li>• IT system used to manage the data;</li><li>• processes used to capture data consent;</li><li>• retention schedule;</li><li>• general description of security measures in place;</li><li>• basis for processing; and</li><li>• if there is overseas transfer and the safeguards for these.</li></ul> <p>The Information Asset Register does not include information on the number of assets for each data class. This will help to effectively manage and monitor the data.</p>	<p>The Authority will update the Information Asset Register to include the number of records within information asset.</p>	DPO	31 October 2019
2	Third parties	<p>The Authority has a template data sharing agreement that is used and then adapted for use with each third party. The agreement includes the requirements for the third party to have sufficient security and monitoring arrangements in place to effectively manage the data securely.</p>	<p>The Authority will introduce a data sharing agreement register which will detail all the agreements in place and be used to track the compliance of the agreements.</p>	DPO	31 October 2019

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
		<p>However, the Authority has not developed a data sharing agreement register. The register would list all of the third parties that the Authority share information with. Alongside this would be details of the sharing agreements in place, such as the expiry and any specific requirements to that third party. The use of a register will help to ensure greater compliance to article 28 of the GDPR requirements.</p>			
3	Data ownership	<p>Through review of the Information Asset Register it was confirmed that the Authority has identified a data owner for each information asset set out in the register.</p> <p>However, a review of the Data Protection Policy and other documentation confirmed that there is no information or guidance about how a data owner should comply with the requirements of GDPR. This is required to ensure that data is effectively managed.</p>	The Authority will put in place training for data owners, so they are aware of their specific responsibilities.	DPO	31 October 2019
4	Data security system level controls	<p>The Authority uses the Xentrall shared services team to manage all of their IT requirements.</p> <p>The Authority stores all of its information on a mixture of server and cloud-based storage. For the server storage, the servers are kept within a locked room where access is managed by access card. Alongside this, the server racks are individually locked. For the cloud storage there is two factor authentications used to monitor access.</p> <p>The Authority has a Password Policy that requires a minimum of 14 characters, must contain a special character, number, and upper and lower case letters. The password is required to be changed annually, this is not in line with best practice as we would expect to see a 90 day requirement for the password to be changed.</p>	The Authority will work with the IT provider to change the Password Policy so password requires changing every 90 days.	DPO	31 October 2019
5	Data storage and retention	The Authority has a retention schedule in place which covers the retention period for a number of different types of data. The retention period routinely references Stockton Borough Council's retention and disposal schedule as a source for more information about how the information will be held. This information should be included within the	The retention schedule will be updated and include any information reference in the Stockton Borough Council's	DPO	31 October 2019

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
		<p>Authority retention schedule so that all information is held in one central place.</p> <p>The Authority does not have a Data Protection Impact Assessment (DPIA) template in place. A DPIA should be conducted every time there is a change or new process or data source that may impact how the Authority processes data. The DPIA is used to evidence that the Authority has considered the impact and any mitigating controls that may need to be put in place to reduce risk. A DPIA would normally include:</p> <ul style="list-style-type: none"> <li>• identifying the needs of a DPIA, including a list of screening questions relating to the details of the data in question;</li> <li>• a description of the data flows;</li> <li>• identifying the privacy and related risks;</li> <li>• identifying mitigation controls for the related risks;</li> <li>• approval for the mitigating controls; and</li> <li>• how the mitigating controls will be worked into the new project/system change.</li> </ul>	<p>retention and disposal schedule as appropriate.</p> <p>The Authority will put in place a DPIA template, complete it as required and have in place a register to store them centrally.</p>		
6	Awareness	<p>Through discussions with the DPO we were informed that the Authority contracted a third party to provide a three-hour training programme, taking staff through when GDPR was implemented in May 2018. Following this any new starters are required to be provided with the Employee Guide to Data Protection to read and understand. We were informed that going forward all new starters will receive a copy of the Data Breach Procedure.</p> <p>However, the Authority does not require new starters to sign to confirm they have read the Employee Guide to Data Protection. This is a requirement of the accountability principle under GDPR.</p>	<p>The Authority will create posters and other forms of communication to distribute around the premises to help develop more awareness of GDPR.</p> <p>Staff will be required to sign to confirm they have read and understood the Authority's Employee Guide to Data Protection.</p>	DPO	31October 2019

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
		Through observations at the Authority it was noted there was no posters or other forms of communication distributed around the office.			
7	Data policy, roles and responsibilities	<p>The Authority has in place a Data Protection Policy which is available to members of staff via the shared drive. The policy covers:</p> <ul style="list-style-type: none"> <li>• regulation and legislation;</li> <li>• roles and responsibilities;</li> <li>• data asset register and privacy notices;</li> <li>• data protection impact assessments;</li> <li>• subject rights;</li> <li>• breach management; and,</li> <li>• monitoring and review.</li> </ul> <p>Review of the DPO job role confirmed that there was only one point in the description stating that the post holder would complete the requirements of the DPO and confirm compliance with the regulations. We were informed that the new DPO is currently reviewing which GDPR training course is most relevant for them to do to ensure they have the sufficient skills to effectively manage the risk associated with GDPR. This is to help ensure compliance with article 38 of GDPR.</p> <p>We noted that the associated job description did not include the following:</p> <ul style="list-style-type: none"> <li>• monitoring compliance;</li> <li>• subject access and freedom of information requests;</li> <li>• awareness;</li> <li>• reporting; and,</li> <li>• breach management.</li> </ul>	<p>The Authority will update the job description of the DPO to include more information on the responsibilities of the DPO and also allow them to report directly to Cabinet on issues relating to GDPR.</p> <p>The DPO will attend a relevant GDPR course.</p> <p>The Authority will ensure that a Cabinet member has sufficient experience and skills relating to GDPR.</p>	DPO	31 October 2019

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
		<p>The job description should also include a provision for direct reporting to the Cabinet for any GDPR related information. This is to ensure there is a level of independence. Alongside this, the Authority should ensure that a nominated member of the Cabinet has sufficient experience to help embed GDPR across the Authority. This will help ensure compliance with Article 5(2) of GDPR.</p>			
8	Individuals' rights	<p>The Authority has in place a privacy notice that is accessible via the Authority website. The privacy notice covers the require ICO areas of:</p> <ul style="list-style-type: none"> <li>• why we are able to process your information;</li> <li>• what purpose we are processing it for;</li> <li>• whether you have to provide it to us;</li> <li>• how long we store it for;</li> <li>• whether there are other recipients of your personal information;</li> <li>• whether we intend to transfer it to another country; and</li> <li>• whether we do automated decision-making or profiling.</li> </ul> <p>However, the privacy notice is very general and has not been tailored for any of the specific areas of consent. The privacy notice should be tailored so it is specific in detailing how the Authority will deal with data for each area of data. The tailoring of a privacy notice is required to help ensure that there is transparency in the processing of the data as required within article 5(1)(a) and articles 13 and 14.</p> <p><u>Subject Access Requests (SAR)</u></p> <p>The Authority procedure towards SARs is covered within the data protection section of the website. There is a short paragraph stating the time period, that it is free of charge and who to contact to submit a request. There are no further formal documents relating to SARs.</p> <p>The Authority should cover within their documents their process to comply with requests. These would include how to deal with the initial</p>	<p>The Authority will produce a privacy notice for each individual area of consent.</p> <p>The Authority will update the Data Protection Policy to include information about how they will comply with subject access requests.</p>	DPO	31October 2019

Ref	ICO Area	Findings summary	Actions for management	Responsible owner	Implementation date
		request, the requirements they have to comply with and any exemptions to the process.			
9	Consent	<p>Review of the template staff contract confirmed that it still referenced the Data Protection Act 1998 and had not been updated to reflect the new GDPR requirements. The Authority utilises a third party to issue contracts and so will have to work with them for the contract to be updated.</p> <p>We were informed that the Authority, apart from staff data, does not collect personal data relating to individuals during its normal course of business. If the Authority does receive data it is usually in the role of a data processor rather than a controller and so is not responsible for gathering the consent.</p>	The Authority will work with the HR provider and have the contract updated to reflect GDPR requirements.	DPO	31 October 2019
10	Data breaches	<p>Through review of the Data Breach Procedure it was confirmed that the procedure covers the main requirements of reporting the breach within 72 hours to the ICO if required and also notifying the data subject.</p> <p>However, there is no detail within the procedure of what to do if a third party the Authority shares data with notifies them of a breach of the Authority's data they are holding.</p> <p>Alongside this there is no data breach register, this is a document used to monitor the response and details of any breaches. This is reviewed and updated following each breach.</p>	<p>The Authority will update the procedure to ensure it includes information about what to do in the event of a third-party data breach.</p> <p>The Authority will also produce a data breach register which will list:</p> <ul style="list-style-type: none"> <li>• reference;</li> <li>• date report;</li> <li>• details;</li> <li>• where;</li> <li>• category of information;</li> <li>• risk;</li> <li>• reported to ICO; and,</li> <li>• breach found by.</li> </ul>	DPO	31 October 2019

# APPENDIX A: SCOPE

**The scope below is a copy of the original document issued.**

This document sets out the key information relating to the GDPR governance, including the dates and agreed deadlines, the assignment team and client staff to be involved, and most importantly the scope of the assignment, including the limitations to the scope.

The GDPR assignment has been scoped to provide a factual analysis of Tees Valley Combined Authority data protection controls framework against the GDPR requirements and obligations.

## Scope of the review

The scope of the assignment has been agreed by management as follows:

### 1 Business processes and data discovery

Based on the documentation and information provided inspection of the management control processes designed to identify and document all in scope data across the organisation. Related data inflows and outflows focussing in particular on:

- The existence of process and data mapping;
- Processes to classify data;
- Identification of data flows to third parties; and
- Methods of data storage and transfer.

### 2 Third parties

Based on the assessment set out at (1), we will carry out the following:

- Inspection of the methods used to identify third parties to whom the 'in scope' data is transferred.
- Identification of methods used to assess contractual data confidentiality existence and coverage.

### 3 Data ownership

- Based on the documentation and information at 1 above, note the existence of processes used to identify/allocate data owners.

### 4 Data security system level controls

- Test data security controls agreed by you over data inflow, data repository and data outflow and report results by reference to recognised good practice.

### 5 Data storage and retention

- Based on documentation and information at 1 above, comment on the existence of data retention and storage policies.

## **6 Awareness**

- Based on the documentation and information at 1 above, comment on the existence of GDPR awareness processes.

## **7 Data policy, roles and responsibilities**

- Based on the documentation and information at 1 above, comment on the existence and scope of current data policies.
- Based on the documentation and information at 1 above, comment on the existence and designation of data protection roles and responsibilities.
- Comment on current roles by reference to recognised good practice.

## **8 Individuals' rights**

- Based on the documentation and information at 1 above, comment on the existence of procedures for updating, deleting, and reporting personal data at department and organisation level.

## **9 Consent**

- Based on the documentation and information at 1 above, comment on the existence of processes in place to capture data consent.

## **10 Data breaches**

- Based on the documentation and information at 1 above, comment on processes in place for the detection, reporting and investigation of personal data breaches

### **The following limitations apply to the scope of our work:**

- The assignment is delivered as 'agreed upon procedures' and therefore will not result in a formal assurance level or opinion.
- We will not confirm compliance with GDPR and / or provide any legal or regulatory advice.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

# APPENDIX B: FURTHER INFORMATION

## **Persons interviewed during the audit:**

- Julie Prior, Data Protection Officer;
- Gary Macdonald, Director of Finance and Resources

## **Documentation reviewed during the audit:**

- Information Asset Register
- Data Sharing Agreement
- Retention Schedule
- Data Protection Policy
- DPO job description
- Authority website
- Template staff contract
- Data Breach Procedure

## FOR FURTHER INFORMATION CONTACT

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### **rsmuk.com**

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of **Tees Valley Combined Authority**, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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**Audit & Governance Committee Forward Plan 2021/22**

**Standing Items**

- Minutes from the Previous Meeting
- Action Tracker
- Group Update
- Internal Audit Progress Report
- External Audit Progress Report
- Forward Plan
- Date and Time of the Next Meeting

<b>Date</b>	<b>Venue</b>	<b>Items to be scheduled in year 2021/22</b>
March 22	Cavendish House	Annual Financial Statements External Audit - Annual Auditor's Report External Audit Completion Report Internal Audit - Portfolio Structure Member Self Evaluation and Skills Audit Proposal Internal Audit Plan 2022/23 Clean Growth Deep Dive Open Audit Actions Report STDC/Airport Assurance Update

**Municipal Year 2022/23 TBC**

**Planned Items to be scheduled in 2022/2023:**

<b>Date</b>	<b>Venue</b>	<b>Items to be scheduled in year 2022/23</b>
July 22	TBC	Deep Dive TIAL Group Governance - TBC Open Audit Actions Report Members' Self Evaluation & Skills Audit Results Review Draft Group Assurance Framework
Nov 22	TBC	Deep Dive STDC (Teesworks) Group Governance - TBC

Jan 23	TBC	Deep Dive AEB - TBC
Mar 23	TBC	Deep Dive - TBC

**AGENDA ITEM 13****REPORT TO THE AUDIT AND  
GOVERNANCE COMMITTEE****January 2022****REPORT OF THE GROUP DIRECTOR OF  
FINANCE AND RESOURCES****CORPORATE RISK REGISTER****SUMMARY**

This report presents the Tees Valley Combined Authority Corporate Risk Register as of December 2021. The risk register is reviewed on a regular basis by Risk and Action owners and sets out the key corporate risks that have been identified.

**RECOMMENDATIONS**

It is recommended that Audit and Governance Committee consider the risk analysis as set out in Risk Register.

**DETAIL**

1. This report presents the Tees Valley Combined Authority Corporate Risk Register as of December 2021. The risk register is prepared in accordance with the Combined Authority Risk Management Framework and Group Risk Management approach which is reviewed on a regular basis by senior management. The risk register sets out the:
  - key corporate risks that have been identified;
  - type of risk e.g. legal, reputational, financial;
  - consequences if the risk is realised;
  - risk owner;
  - controls or actions in place to manage the risk;
  - risk score determined by probability and impact;
  - additional controls to be put in place and tracking implementation.

**FINANCIAL IMPLICATIONS**

- 2 There are no direct financial implications arising from this report.

**LEGAL IMPLICATIONS**

3. There are no direct legal implications arising from this report.

## **RISK ASSESSMENT**

4. This content of this report is categorised as medium risk.

This report sets out a summary of Corporate Risk, as per the Corporate Risk Register (CRR). The CRR assigns named individuals for ensuring risks and their responses are monitored effectively and timely.

### **New threats**

There have been 0 new threats identified in month.

### **Avoided threats**

There have been 0 threats avoided in month.

All risks continue to be monitored in line with action plans and controls.

## **CONSULTATION**

5. External – not required.  
Internal - Any changes to risk score or remediation is done so in consultation with the Risk Owner or delegate.

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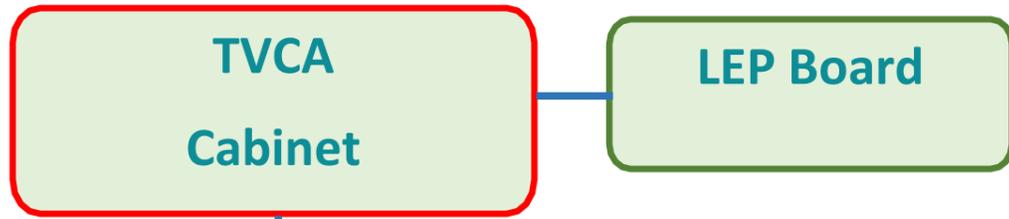


**TEES VALLEY MAYOR**

TVCA Governance

Group Entities Governance

Delivery



**KEY**

- Green Shade = (TVCA Assurance Framework)
- Amber Shade = Services provided by Group
- Blue = 75%+ JVs    Grey = 50%50% JVs
- Red outline denoted Statutory Body
- Green Outline Constitutional Body

# TEESWORKS

