

These minutes are in draft form until approved at the next Committee meeting and are therefore subject to amendments.

**TEES VALLEY COMBINED AUTHORITY  
AUDIT AND GOVERNANCE COMMITTEE**

**Cavendish House, Teesdale Business Park, Stockton-On-Tees TS17 6QY**

**Wednesday 25<sup>th</sup> July 2018 at 10.00am**

**MEETING**

ATTENDEES

Members

Cllr Nicola Walker (Chair)	Middlesbrough Borough Council	MBC
Cllr Barry Woodhouse	Stockton Borough Council	SBC
Cllr Charles Johnson	Darlington Borough Council	DBC
Cllr Ann Marshall	Hartlepool Borough Council	HBC
Cllr Bob Norton	Redcar & Cleveland Borough Council	R&CBC
Paul Bury	Independent Member	
Christopher White	Independent Member	

Officers

Sally Henry	Governance & Personnel Officer	TVCA
Andy Bryson	Finance Manager	TVCA
Martin Waters	Head of Finance Resources, & Housing	TVCA
Wendy Starks	Adult Skills Lead Officer	TVCA

Also in Attendance

Mark Kirkham	Partner	
Gareth Roberts	Senior Manager	Mazars LLP
		Mazars LLP

Apologies

	Independent Member	
Jonny Munby	Interim Managing Director	
Julie Gilhespie		

<p><b>AGC 01/18</b></p> <p><b>AGC 02/18</b></p>	<p><b>INTRODUCTIONS</b></p> <p>Introductions from Committee members and officers were made.</p> <p><b>DECLARATIONS OF INTEREST</b></p> <p>There were no interests declared.</p>	
<p><b>AGC 03/18</b></p>	<p><b>MINUTES</b></p> <p>Consideration was given to the minutes of the meeting held on 31st May 2018.</p> <p>Paul Bury commented that he had submitted apologies for the meeting however they were not minuted.</p> <p>Chris White noted his comments on the internal audit plan had not been minuted. He had challenged the value of the internal audit plan to the Combined Authority as it appeared focused on compliance issues rather than business risks.</p> <p>The Committee Resolved that the minutes be amended to reflect the changes requested and then be confirmed and signed as a correct record.</p>	
<p><b>AGC 04/18</b></p> <p><b>AGC 05/18</b></p> <p><b>AGC 06/18</b></p>	<p><b>ACTION TRACKER</b></p> <p>Consideration was given to the Action Tracker. The Chair requested that more detail be included in future and that an update be provided for each outstanding action</p> <p><b>Resolved:</b> The Action Tracker will provide more detail of all outstanding Actions.</p> <p><b>ELECTION OF CHAIR</b></p> <p>Martin Waters invited nominations for the position of Committee Chair for the forthcoming civic year.</p> <p>Cllr Nicola Walker was nominated by Cllr Charles Johnson, with the nomination seconded by Cllr Bob Norton.</p> <p><b>Resolved:</b> Cllr Walker be elected as Chair of the Committee</p> <p><b>ELECTION OF VICE CHAIR</b></p> <p>Cllr Barry Woodhouse was nominated by Cllr Nicola Walker, with the nomination seconded by Cllr Bob Norton.</p>	

<p><b>AGC 07/18</b></p>	<p><b>Resolved:</b> Cllr Woodhouse be elected as Vice Chair of the Committee.</p> <p><b>EXTERNAL AUDIT – COMPLETION REPORT &amp; VALUE FOR MONEY OPINION</b></p> <p>Consideration was given to a report which illustrates the findings of the external audit completed by Mazars for the financial year ended 31<sup>st</sup> March, 2018. A letter was tabled which provided members with updates on those matters which had been marked as outstanding within the Audit Completion Report dated 16<sup>th</sup> July, 2018. These matters were:-</p> <ul style="list-style-type: none"> <li>• Consolidation;</li> <li>• Pension-related entries;</li> <li>• Review &amp; Closure processes, including checking the amended version of the financial statements produced by finance as a result of our audit; Review of Events after the Balance Sheet date;</li> <li>• Review of Events after the Balance Sheet date.</li> </ul> <p>After presenting the report, Gareth Roberts expressed his gratitude to the finance staff at both the Combined Authority and Stockton BC for their full commitment to this work.</p> <p><b>Resolved:</b> The Committee noted the contents of the External Auditor report.</p>	
<p><b>AGC 08/18</b></p>	<p><b>ANNUAL FINANCIAL STATEMENTS 17/18 – APPROVAL AFTER AUDIT</b></p> <p>The Committee were presented with the final Financial Statements for 2017/18 following their external audit. The Committee were advised that the Authority is required to produce an Annual Statement of Accounts that sets out the financial position for that period. For the first time, the financial statements incorporate the South Tees Development Corporation to form group accounts for the Combined Authority. The Accounts have been audited by Mazars LLP.</p> <p>The Committee were advised by Mark Kirkham that there are no issues which would impact on their ability to approve the accounts.</p> <p><b>Resolved:</b> The Committee noted the Annual Financial Statements.</p>	
<p><b>AGC 09/18</b></p>	<p><b>ANNUAL GOVERNANCE STATEMENT</b></p> <p>The Committee were presented with a report which provides the Annual Governance Statement for 2017/18. All Authorities are required to conduct a review at least once a year of the effectiveness of its governance framework. The report is to be</p>	

	<p>presented to the Combined Authority Cabinet on 27<sup>th</sup> July. The work acknowledges the Tees Valley Combined Authority's responsibility for ensuring that proper arrangements are in place around the governance of its affairs.</p> <p>There was a discussion surrounding the relationship between STDC and the Combined Authority with the Committee requesting clarity on their audit and governance role within the context of The Group, TVCA and STDC. It was agreed that a paper be provided to the next meeting.</p> <p><b>Resolved:-</b></p> <ul style="list-style-type: none"> <li>• The Committee note the Draft Annual Governance Statement;</li> <li>• A paper be provided to the September Audit &amp; Governance meeting that provides clarity on the audit and governance role within the context of The Group, TVCA and STDC.</li> </ul>	
<p><b>AGC 09/18</b></p>	<p><b>ADULT EDUCATION BUDGET</b></p> <p>The Committee were provided with the Adult Education Budget project Risk Register for comment. The risk register is currently in development stage. The register will be updated and submitted to the Committee on a regular basis throughout the transitional year. The Committee commented that many of the items listed were due to be reviewed before the meeting and requested an up to date version of the register be circulated post-meeting.</p> <p>The Committee further commented that there were many acronyms and abbreviations included which were not explained fully and it was requested that a summary of these be included in future versions.</p> <p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>• The Committee noted the report;</li> <li>• The Register be updated and re-circulated post-meeting;</li> <li>• A summary of acronyms and abbreviations be included in the future.</li> </ul>	
<p><b>AGC 10/18</b></p>	<p><b>FORWARD PLAN</b></p> <p><b>Resolved that:-</b></p> <ul style="list-style-type: none"> <li>• Additional items discussed at the meeting to be added to the current forward plan;</li> <li>• The forward plan was noted.</li> </ul> <p><b>DATE OF NEXT MEETING</b></p> <p>The date of the next meeting to be held at Cavendish House on 27<sup>th</sup> September 2018 is noted.</p>	

