

**Tees Valley Combined Authority (TVCA) Audit and Governance  
Committee  
Cavendish House, Stockton-On-Tees  
15<sup>th</sup> October 2019 – 10am**

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

**Attendees**

**Members**

Councillor Matthew Storey (Middlesbrough Borough Council)  
Councillor Barry Woodhouse (Stockton Borough Council)  
Councillor Brenda Harrison (Hartlepool Borough Council)  
Councillor Paul Crudass (Darlington Borough Council)  
Paul Bury (Independent member)

**Apologies for Absence**

Christopher White (Independent member)  
Jonny Munby (Independent member)

**Officers**

Gary Macdonald (Director of Finance & Resources, TVCA)  
Andrew Nixon (Monitoring Officer, TVCA)  
John Hart (Governance Manager, TVCA)

**Also in Attendance**

Gareth Roberts (Mazars – External Auditor)  
Cameron Waddell (Mazars – External Auditor)  
Philip Church (RSM – Internal Auditor)  
Julie Prior (Legal & Commercial Manager, TVCA)  
Gareth Alexander (Senior Media Relations Officer, TVCA)  
Councillor Peter Berry (Redcar & Cleveland Borough Council)

<b>AGC 15/19</b>	<b>APOLOGIES FOR ABSENCE</b>
	<p>Apologies for absence were received from independent members Christopher White and Jonny Munby.</p> <p>Introductions were made, with John Hart, Governance Manager for the Tees Valley reporting that as Redcar &amp; Cleveland Borough Council had yet to formally approve a representative for the current civic year, nominee Cllr Peter Berry, was attending the meeting as a non-voting observer.</p>
<b>AGC 16/19</b>	<b>DECLARATIONS OF INTEREST</b>
	There were no declarations of interest.

	The Governance Manager requested that members yet to submit a Declaration of Interest form do so as quickly as possible.
<b>AGC 17/19</b>	<b>APPOINTMENT OF CHAIR &amp; VICE CHAIR</b>
	<p>The Governance Manager took the Chair for this item.</p> <p>Cllr Matthew Storey was nominated as Chair by Cllr Brenda Harrison and seconded by Cllr Paul Cruddas. No other nominations being forthcoming Cllr Storey was unanimously elected Chair.</p> <p>Cllr Brenda Harrison was nominated as Vice Chair by Cllr Paul Cruddas and seconded by Councillor Barry Woodhouse. No other nominations being forthcoming Cllr Harrison was unanimously elected Vice Chair.</p> <p><b>RESOLVED that the nominations of Cllr Storey as Chair and Cllr Harrison as Vice Chair of the TVCA Audit &amp; Governance Committee be presented to TVCA Cabinet for ratification on October 25<sup>th</sup> 2019.</b></p>
<b>AGC 18/19</b>	<b>APPOINTMENT TO SOUTH TEES DEVELOPMENT CORPORATION (STDC) AUDIT &amp; RISK COMMITTEE</b>
	<p>Members recommended that this position be held by the member representing Redcar &amp; Cleveland Borough Council and agreed to defer this appointment until this nomination had been ratified by that authority's full council.</p> <p><b>RESOLVED that the decision be deferred until a representative of Redcar &amp; Cleveland Borough Council be formally nominated to the committee.</b></p> <p>Cllr Barry Woodhouse departed the meeting on the completion of this item.</p>
<b>AGC 19/19</b>	<b>MINUTES OF MEETING HELD ON JULY 24<sup>TH</sup> 2019</b>
	The minutes were agreed as a true record.
<b>AGC 20/19</b>	<b>ACTION TRACKER</b>
	<p>The Governance Manager introduced committee members to the outstanding items on the Action Tracker, inherited from the previous committee.</p> <p>Members agreed that the previously requested report on Cyber Security would be more effectively dealt with under the periodic Internal Audit items but requested that all other items be retained.</p>
<b>AGC 21/19</b>	<b>ANNUAL FINANCIAL STATEMENTS</b>
	Gary Macdonald, Director of Finance & Resources for the Combined Authority, reported that due to the complexities surrounding the change in the group structure following the acquisition of Teesside International Airport immediately prior to the annual reporting deadline it had not been possible for the annual financial statements to be agreed by the External Auditors ahead of the

	<p>deadline of July 31<sup>st</sup> 2019. Committee members agreed that they would address this item by conference call following receipt of the approved statements.</p> <p>Paul Bury asked if there were any consequences for the deadline being missed. Cameron Waddell of Mazars, the Combined Authority’s appointed External Auditors, stated that there were no consequences, and that in his understanding in the region of 40% of local authorities had missed this deadline.</p> <p>Members acknowledged the unavailability of the delay.</p> <p><b>RESOLVED that members to hold a conference call on the Annual Financial Statements following their approval by External Auditors.</b></p>
<p><b>AGC 22/19</b></p>	<p><b>CORPORATE RISK REGISTER</b></p>
	<p>The Director of Finance &amp; Resources introduced the recently-updated Corporate Risk Register and invited questions from members.</p> <p>Paul Bury requested further details relating to the funding from Government for the operation of the South Tees Development Corporation. The Director of Finance and Resources stated that a Business Case had been presented to government and that early feedback had been receptive.</p> <p>Cllr Story asked what proportion of remediation costs for the STDC site would be funded by the government. The Director of Finance and Resources stated that this was dealt with in the Business Case and that officials had been receptive to Combined Authority proposals in this area.</p> <p>Paul Bury asked if a change in government would impact on the ability of the Combined Authority to secure sufficient resources to fund proposed activity related to STDC. The Director of Finance and Resources stated that although it would be impossible to fully rule this out all necessary steps at mitigating this risk would be undertaken and that Civil Service officials were aware of the need to appropriately resource the project and would make this case to any incoming government.</p> <p>Cllr Storey asked if Britain’s scheduled departure from the European Union would have an impact on the financing of TVCA projects in terms of the loss of European Social Funding. The Director of Finance &amp; Resources stated that all items in the Investment Plan were based on committed and guaranteed funds. He continued by stating that the design of the government’s proposed Shared Prosperity Fund, intended to replace current European Structural Funding, was still awaited.</p> <p>Cllr Storey asked if Teesside International Airport would be affected by risk to “Transport Specific Funding”. The Director of Finance and Resources stated that resources allocated to airport were detailed in the Investment Plan and were not derived from specific government programmes.</p> <p><b>RESOLVED: Members noted the updated Corporate Risk Register.</b></p>

<b>AGC 23/19</b>	<b>INTERNAL AUDIT PROGRESS REPORT</b>
	Phillip Church of RSM, TVCA's Internal Auditors, introduced an Internal Audit Progress Report, stating that the auditors held a positive opinion of the Combined Authority's risk management processes and procedures at this time.  <b>RESOLVED: Members noted the report.</b>
<b>AGC 24/19</b>	<b>FORWARD PLAN AND SCHEDULING OF FUTURE MEETINGS</b>
	The Committee agreed the draft schedule of future meetings and Forward Plan, with the Chair inviting members to suggest any additional items for discussion through himself or the Governance Manager.
<b>AGC 25/19</b>	<b>DATE OF NEXT MEETING</b>
	Thursday January 23 <sup>rd</sup> 2020 at 10am.