

South Tees Development Corporation  
Audit & Risk Committee  
4<sup>th</sup> meeting

6 July 2018

Room 4, Cavendish House, Teesdale, TS17 6QY



Agenda

Time	Item	Lead	Papers
8am	1. Welcome & Introductions	Colin Fyfe	
	2. Quorum	Colin Fyfe	
	3. Declaration of conflicts of Interest	Colin Fyfe	
	4. Key points and actions from meeting 3 and the Extraordinary meeting on risk	Colin Fyfe	4.1 & 4.2 Ex1.1 & Ex1.2
	5. Final draft of Risk Framework documentation (including review of the Risk Register) - update		
	6. Review of Risks discussed at STDC Board on Transition Plan; Thai Banks & Tata Steel	John McNicholas	4.3
	7. Deep dive into key risk area - CPO	Jonathan Bretherton	4.4
	8. Update on: a) Internal Audit b) External Audit c) Award for IA services for 2018-20	Julie Gilhespie Julie Gilhespie John McNicholas	4.5 4.6
	9. Emerging and Horizon Risks	Colin Fyfe	
	10. Forward Programme		4.7
	11. Items to report to STDC Board	Colin Fyfe	
	12. AOB	Colin Fyfe	
10am	Meeting closes		

Future meeting dates

5	24/7/18	8-10am	Conference Room 2, TMO, Redcar, TS10 5QW
6	24/10/18	8-10am	Conference Room 2, TMO, Redcar, TS10 5QW
7	19/12/18	8-10am	Conference Room 2, TMO, Redcar, TS10 5QW
8	20/2/19	8-10am	Conference Room 2, TMO, Redcar, TS10 5QW

South Tees Development Corporation  
Audit & Risk Committee  
4<sup>th</sup> Meeting  
Friday 6 July 2018  
Cavendish House, Teesdale

Key Points and Actions

**Attendees:**

Colin Fyfe (CF)	Independent Chair
John Baker (JBa)	STDC
Julie Gilhepsie (JG)	STDC/TVCA
Sue Jeffrey (SJ)	STDC/Redcar & Cleveland Council
Paul Booth (PB)	TVCA/STDC/STSC
Anand Srinivasan (AS)	STDC (by telephone)
Jonathan Bretherton (JBr)	STDC/STSC
John McNicholas (JMc)	STDC
[REDACTED]	STDC
[REDACTED]	STDC
[REDACTED]	Gowlings (for Item 7)
[REDACTED]	STDC – secretariat

**Apologies:** Ben Houchen, Steve Gibson, Jane Turner and [REDACTED]

**Item 1 – Welcome and introductions – Chair**

1.1 The Chair welcomed everyone to the meeting and apologies were noted.

**Item 2 – Quorum**

2.1 It was noted that the meeting was quorate.

**Item 3 – Declaration of Conflicts of Interest - Chair**

3.1 SJ declared an interest as Redcar Council owns some of the land within the STDC boundary.

**Item 4 – Key Points & Actions from meeting no.3 & Extraordinary meeting on Risk - Chair**

4.1 Both sets of minutes were approved. All actions were complete, ongoing or on the agenda today.

**Item 5 – Final Draft of Risk Framework Documentation – Paper 4.3**

5.1 [redacted] advised the Framework documentation is with the Senior Management Team for review along with the Risk Register. The Framework and Risk Register will be one document. CF expressed concern over the length of time being taken before this is presented to the Board. [redacted] was requested to prepare the final documents for sign off by senior management, by 17 July, ahead of circulation to the Board.

**Action 1:** Framework and Risk Register document to be finalised, (by 17 July), for sign off by Senior management ahead of circulation to the Board. [redacted]

5.2 SJ requested CF to attend the next STDC Board meeting on 25.7.18 (it was subsequently noted that CF is attending that meeting for the approval of the final accounts)

**Item 6 – Review of Risks Discussed at STDC Board on Transition Plan; Thai Banks & TATA Steel – Paper 4.3**

6.1 ~~JMc~~ <sup>keep in</sup> advised that the 3 risk assessments will be revisited as we continue with the Transition. He advised that we are now focusing our efforts on the critical points. Issues with RBT are becoming more pertinent with regard to the Thai Banks.

6.2 TATA land purchases are progressing as planned.

6.3 During discussion it was proposed that SSI land acquisition risk scores should be marked as red and not amber. SJ advised asked if we are being over optimistic about the impact of our mitigation measures.

**Action 2:** SSI land acquisition risk scores to be marked as red rather than amber. JMc

6.4 It was agreed that an update on the risk register be delivered at every meeting and noted that detailed project plans for each of these risks are being developed within the overall Risk Register and programme. It was also noted that Nigel Fletcher will be coming in to progress work on this plan.

6.5 JG advised that there is a briefing session arranged for the 19 July, with both STSC and STDC Boards, to discuss the business case. CF to be invited.

**Action 3:** CF to be invited to the meeting about the business case for Government on 19 July. [redacted]

**Item 7 – Deep Dive into Key Risk Area – CPO – Paper 4.4**

7.1 [REDACTED] from Gowlings dialled into the meeting at this point. JBr went into detail on the CPO risks. He advised that a paper will be submitted to the DC board for the meeting on the 25 July. However, the issue will not be ready to be submitted to the TVCA Cabinet for a decision on the 27 July. It will be prepared for an Extraordinary meeting to take place in late August.

7.2 VF detailed the process for CPO and Land Referencing [REDACTED] confirmed that Requisitions for Information have been issued with the first draft of the plans and more are to be issued. Responses are being received and outstanding ones are being pursued. The estimated completion date for this exercise is 24 August 2018.

7.3 JBr advised that he will email STDC board members in regard to the current situation with Greybull. JBr will also forward feedback to the Committee following the meeting on Monday 9 July with KPMG.

**Action 4:** An email will be issued to the STDC Board updating on the current situation with Greybull. JBr.

7.4 JBr discussed in detail the red risks on the CPO Risk Register. During discussion A&RC members raised concerns regarding the interdependency in each risk category and recommended that management should employ a full-time project planner/co-ordinator to augment the wider delivery team.

**Action 5:** A full time project planner/co-ordinator to be employed to augment the wider delivery team. JBr.

**Item 8 – Update on Internal & External Audit – Papers 4.5 and 4.6**

8.1 JG advised that the new 'Head of Finance' started with STDC today, [REDACTED] and one of his task will be to monitor the recommendations from the Internal Audit report.

8.2 On External Audit it was noted that work is ongoing and they will attend the next A&RC meeting for the final accounts.

8.3 The work on the tender process for future Internal Audit (Paper 4.6) was noted and the appointment of RSM was endorsed, subject to the proposed meeting.

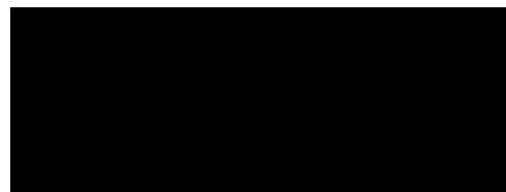
**Item 9 – Emerging and Horizon Risks**

**Agenda Item 4**

**Confidential**

**9.1** JG noted that the announcement regarding increases in the NHS budget will impact on all Business Cases submitted to Government.

The meeting closed at 10am



Chairperson