

## **SOUTH TEES DEVELOPMENT CORPORATION (STDC) AUDIT & RISK COMMITTEE**

## CONFIDENTIAL

Venue: Tees Valley Combined Authority (TVCA), Cavendish House

Attendees:		Apologies:
Chris White (Chair, CW)	Darlington Building Society	Professor Jane Turner (Teesside University)
David Allison (DA)	STDC	Anand Srinivasan (STDC)
	STDC	Cllr Peter Berry (RCBC)
John McNicholas (JM)	STDC	
	STDC	
Gary MacDonald (GM)	TVCA	
Paul Booth (PB)	STDC Board Member	
John Baker (JB)	STDC Board Member	
Nolan Gray	STDC	
	Mazars	
	RSM	
Andrew Nixon	STDC	
)	TVCA	



No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
1.	Welcome and introductions	The Chair opened the meeting and introductions were given.		
		Apologies were noted as detailed above.		
3.	Quorum	The meeting was noted as being quorate.		
4.	Declarations of Conflict of Interest	None		
5.	Minutes of previous meetings and Action register	21 <sup>st</sup> August 2019 - Agreed		
		22 <sup>nd</sup> November 2019 (Extraordinary meeting) – Agreed		
			October	
		The minutes from October's meeting have not been circulated and agreed. These need to be brought to the next meeting.	minutes to be circulated	_
		Forward Plan for the Committee to be circulated for the next meeting	Forward plan to be	
			circulated	
6.	Kov Dovelanments	A resolution was passed to move this item to the end of the agenda as there is	T	
0.	Key Developments Update	confidential information contained within the update.		

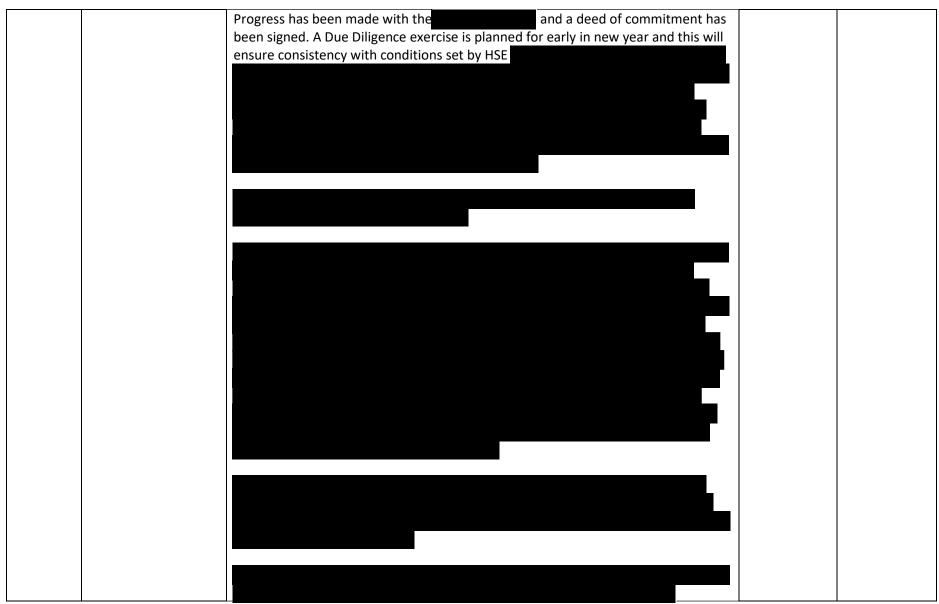


7.	Audit Progress	A Paper was circulated detailing the External Audit Progress report.		
	Report	advised there is nothing to report outside of the detail of the report, everything		
		is on track. He advised that the Audit Plan is expected to be presented at the		
		February or April meeting and will depend upon appointment of the auditor for		
		STDL. The Committee expressed that they would prefer to have the Audit Plan		
		available for the February meeting if this is possible.		
3.	Internal Audit	A Paper was circulated updating the Committee on the Internal Audit progress.		
	Update	advised there is not much to report since the last meeting. Auditors are on site currently.		
		asked if the Committee were content with the information detailed on Page 5.		
		The Committee agreed that this captures everything needed from an assurance		
		point of view.		
		CW asked if some additional narrative could be added to the report around the	Report to be	
		following areas:	amended to	
		Page 2 – Narrative around the 20% complete and 20% in progress to detail what	detail the	
		these projects are and the findings.	additional	
		Page 6 – The Info on risk management feels a little light. Could we include a paragraph as an exec summary for clarity?	requirements	
9.	Finance Update	A Paper was circulated updating the Committee on the financial performance for the first seven months.		
		explained that variances in the summary table are due to delays with the		
		roundabout build and land acquisition issues. Also, the on-site accident delayed progress.		
		GM advised he has submitted a reprofiled position on Prairie to confirm funding.		
		Indication that we won't lose the funding is positive but confirmation of this in		
		writing has been requested.		
		GM also informed the Committee he is looking at the format of reports and the		
	1	cycle going forward. It is the intention to change the cycle so financial reports go to		

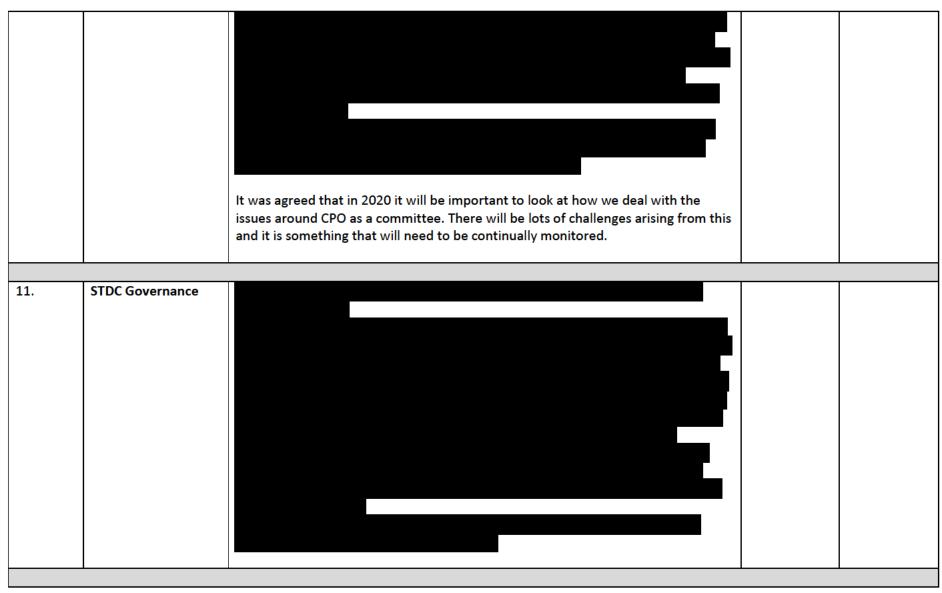


		ARC before Board. It was suggested that financial scrutiny is something that should be in place. The Chair advised that the Terms Of reference for the Committee will need to be amended if the purpose of the Committee is to provide financial scrutiny in advance of Board. GM advised he will to speak to the relevant parties and the Board to see if they are happy with this suggestion.	GM to speak to Board regarding a financial scrutiny process	GM
10.	Risk Appetite	delivered a presentation regarding Risk Appetite. He advised the presentation has been derived for information gathered at the 16 <sup>th</sup> Oct workshop which was attended by ARC and B&I committee members. It is proposed to deliver the presentation to Board for agreement.  The Committee were in agreement with the information presented but agreed that there will also be a need to look at things on a project by project basis as one size doesn't necessarily fit all.  The Committee agreed that they need to look at risk management moving forward. It was felt that the Executive team should bring projects to this committee to gain a risk appetite as to whether to proceed and if so how to then conduct the project. Risk needs to be an integral part of what we're doing and should drive the project not just sit in the background.  The Chair concluded that the presentation was useful and gave good articulation of each area. It was agreed to take this forward to Board but that this may need to be done separately to a standard Board meeting to allow for detailed information and questions.		
	Key Developments Update	A resolution was passed to exclude the press and public from the rest of the meeting as items from this point are confidential by virtue of paragraph 3 of schedule 12A of the Local Government Act 1972  DA gave an update to the Committee on key Developments		











12.	AOB	JB questioned if the risk appetite presentation needs to go to the next Board meeting. It was advised it does as it needs to be endorsed by the Board. PB expressed concern that a 2 hour board meeting isn't enough if this needs to be included as an agenda item.	
13.	Date and time of	19 <sup>th</sup> February 2020	
	next meeting		