

SOUTH TEES DEVELOPMENT CORPORATION (STDC) AUDIT & RISK COMMITTEE

CONFIDENTIAL

Date: Wednesday 18th December 2019

Time: 8.00am

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)
[REDACTED]	STDC	Cllr Peter Berry (RCBC)
John McNicholas (JM)	STDC	
[REDACTED]	STDC	
Gary MacDonald (GM)	TVCA	
Paul Booth (PB)	STDC Board Member	
John Baker (JB)	STDC Board Member	
Nolan Gray	STDC	
[REDACTED]	Mazars	
[REDACTED]	RSM	
Andrew Nixon	STDC	
[REDACTED]	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 st August 2019 - Agreed 22 nd November 2019 (Extraordinary meeting) – Agreed The minutes from October’s meeting have not been circulated and agreed. These need to be brought to the next meeting. Forward Plan for the Committee to be circulated for the next meeting	October minutes to be circulated Forward plan to be circulated	█ █
6.	Key Developments Update	A resolution was passed to move this item to the end of the agenda as there is confidential information contained within the update.		

7.	Audit Progress Report	<p>A Paper was circulated detailing the External Audit Progress report.</p> <p>█ 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.</p>		
8.	Internal Audit Update	<p>A Paper was circulated updating the Committee on the Internal Audit progress.</p> <p>█ advised there is not much to report since the last meeting. Auditors are on site currently.</p> <p>█ 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.</p> <p>CW asked if some additional narrative could be added to the report around the following areas:</p> <p>Page 2 – Narrative around the 20% complete and 20% in progress to detail what these projects are and the findings.</p> <p>Page 6 – The Info on risk management feels a little light. Could we include a paragraph as an exec summary for clarity?</p>	Report to be amended to detail the additional requirements	█
9.	Finance Update	<p>A Paper was circulated updating the Committee on the financial performance for the first seven months.</p> <p>█ 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.</p> <p>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.</p> <p>GM also informed the Committee he is looking at the format of reports and the cycle going forward. It is the intention to change the cycle so financial reports go to</p>		

		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	<p>█ delivered a presentation regarding Risk Appetite. He advised the presentation has been derived for information gathered at the 16th Oct workshop which was attended by ARC and B&I committee members. It is proposed to deliver the presentation to Board for agreement.</p> <p>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.</p> <p>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.</p> <p>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.</p>		
	Key Developments Update	<p>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</p> <p>DA gave an update to the Committee on key Developments</p>		

		<p>Progress has been made with the [REDACTED] and a deed of commitment has been signed. A Due Diligence exercise is planned for early in new year and this will ensure consistency with conditions set by HSE [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>		
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		 <p>It was agreed that in 2020 it will be important to look at how we deal with the issues around CPO as a committee. There will be lots of challenges arising from this and it is something that will need to be continually monitored.</p>		
11.	STDC Governance			

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 next meeting	19 th February 2020		