

**Audit and Governance Committee
Cavendish House, Stockton-On-Tees
24th July 2019 – 10am**

Attendees

Members

Councillor Matthew Storey (Middlesbrough Borough Council)
Councillor Stefan Houghton (Stockton Borough Council)
Councillor Brenda Harrison (Hartlepool Borough Council)
Councillor Paul Crudass (Darlington Borough Council)
Christopher White (Independent member)
Paul Bury (Independent member)

Apologies for Absence

Councillor Lynn Pallister (Redcar & Cleveland Borough Council)
Jonny Munby (Independent member)

Officers

Martin Waters (Head of Finance, Resources & Housing, TVCA)
Neil Cuthbertson (Senior Finance Manager, TVCA)
Sally Henry (Governance Officer, TVCA)

Also in Attendance

Gareth Roberts (Senior Manager, Mazars)
Rob Barnett (Head of Internal Audit, RSM)
Philip Church (RSM)

AGC 01/19	APOLOGIES FOR ABSENCE
	Apologies for absence were received from Cllr Lynn Pallister and Independent Member Jonny Munby. Introductions were made.
AGC 02/19	DECLARATIONS OF INTEREST
	There were no declarations of interest.
AGC 03/19	APPOINTMENT OF CHAIR & VICE CHAIR
	It was agreed that Councillor Matthew Storey is nominated as Chair and Councillor Brenda Harrison is nominated as Vice Chair. Resolved that the nominations of Cllr Storey as Chair and Cllr Harrison as Vice Chair be taken to TVCA Cabinet for ratification on 26 th July.

AGC 04/19	APPOINTMENT TO STDC AUDIT & RISK COMMITTEE
	<p>There were no nominations for the appointment to the STDC Audit & Risk Committee.</p> <p>In her absence it was suggested that Councillor Lynn Pallister could fulfil this role and that an officer from TVCA would contact her post-meeting. If Cllr Pallister is in agreement, the nomination would be ratified at TVCA Cabinet on 26th July. If not, the appointment would be brought to the next meeting of the Audit & Governance Committee.</p> <p>Resolved that Cllr Pallister be contacted post-meeting to discuss her appointment to the STDC Audit & Risk Committee.</p>
AGC 05/19	NOTES OF MEETING HELD 28TH FEBRUARY 2019
	<p>Gareth Roberts requested the notes from the meeting held on 28th February be amended to reflect the following:-</p> <p>Page 3 – External Audit Progress Report.</p> <ul style="list-style-type: none"> • The Committee were briefed on why it had not been possible to complete the External Audit Plan (not “charter” as stated in the notes). • Failure to submit accounts would have to be reflected in future risk assessment (not “Value for Money Statement” as stated in the notes). <p>Resolved that the notes be noted, with the amendments requested.</p>
AGC 06/19	ACTION TRACKER
	<p>Outstanding Actions were noted:-</p> <ul style="list-style-type: none"> • A briefing on the TVCA Vision & Values will be brought to a future meeting; • A formal introduction to the TVCA Audit & Governance Committee to be incorporated in to the Forward Plan. <p>Resolved that the tracker be noted.</p>
AGC 07/19	INTERNAL AUDIT PLAN
	<p>Rob Barnett from Internal Auditors RSM, provided the Committee with the Internal Audit Strategy for the Combined Authority for 2019/20.</p> <p>He advised the Committee that it is a flexible document and, as things change throughout the course of the year, he will come back to the Committee with an update.</p> <p>Independent members of the Committee who are previous members, were happy that this report addresses concerns which had previously been raised.</p> <p>Resolved that the Internal Audit Report be noted.</p>
AGC 08/19	EXTERNAL AUDIT STRATEGY MEMORANDUM
	<p>Gareth Roberts from Mazars advised the Committee that it had been the intention to present this document to the Audit and Governance Committee</p>

	<p>earlier in the year however due to the complexities surrounding the change in the group structure and no Committee in place, this was not possible</p> <p>He advised the Committee that whilst TVCA is an entity in its own right, it is now part of a Group which includes Goosepool (the airport) and STDC. This unfortunately means that the Audit Strategy is now being presented with the Audit Completion Report instead of months apart. The Committee discussed options for mitigating the risk of this happening again in the future however it was highlighted that the risks of this happening again were negligible.</p> <p>Cllr Storey suggested that the Committee could be more reactive in the future with Committees arranged on an Ad-Hoc basis if the need arose. He would like to meet with officers at TVCA to look at a strategy and discuss a forward plan for the Committee.</p> <p>Resolved that:-</p> <ul style="list-style-type: none"> • The External Audit Strategy Memorandum be noted; • Cllr Storey will meet with Officers at TVCA to discuss a Strategy/Forward Plan for the Committee.
AGC 09/19	EXTERNAL AUDIT COMPLETION REPORT
	<p>Gareth Roberts presented the External Audit Completion Report and update letter which illustrated the latest findings of the external audit currently being carried out by Mazars LLP for the financial year ended 31st March 2019.</p> <p>The Committee initially expressed concern that the final accounts would be signed off before they had sight of them however were reassured that upon completion, a revised report of final accounts would be circulated prior to sign-off.</p> <p>Resolved:-</p> <ul style="list-style-type: none"> • that the contents of the External Auditor report and update letter on the latest position regarding the audit of the statement of group accounts for the Tees Valley Combined Authority, containing a Value for Money Opinion, be noted. • A revised report of final accounts will be circulated prior to sign-off.
AGC 10/19	ANNUAL ACCOUNTS & FINANCIAL STATEMENT
	<p>The Committee were presented with the latest draft Financial Statements for 2018/19. Due to the late circulation of the accounts, the Committee agreed that, if there were any issues which needed further discussion, these could be discussed via a telecon.</p> <p>Resolved that the latest draft of the Annual Accounts Financial Statements are noted.</p>
AGC 11/19	ANTI-FRAUD POLICY

	<p>The Committee were provided with a draft TVCA's Anti-Fraud and Corruption Strategy 2019/20.</p> <p>It was requested that 2 amendments be made to the policy:-</p> <ul style="list-style-type: none"> • Section 1.1 – Should read TVCA is committed to prevent fraud rather than reduce fraud as currently stated; • Section 6.5.1 – Mazars do not have a statutory duty as stated in the strategy. <p>Resolved that with the suggested amendments, the Committee endorse the Policy.</p>
AGC 12/19	CORPORATE RISK REGISTER
	<p>The Committee considered the risk analysis as set out in the risk register. Concern was expressed that it is currently not clear when changes have been made, why they have been made.</p> <p>It was agreed that the commentary should be made clearer.</p> <p>Rob Barnett advised that RSM can advise on what Committee members should be challenging – when risks have decreased as well as increased.</p> <p>Resolved that:-</p> <ul style="list-style-type: none"> • The commentary on the corporate risk register to be expanded to give more detail;
AGC 13/19	FORWARD PLAN AND SCHEDULING OF FUTURE MEETINGS
	<p>The Committee requested a conference call be scheduled before the next meeting to discuss outstanding items from this meeting.</p> <p>The Committee agreed the draft schedule of future meetings.</p>
AGC 14/19	DATE OF NEXT MEETING
	Thursday 26 th September 2019 at 10am.