

SOUTH TEES DEVELOPMENT CORPORATION (STDC) AUDIT & RISK COMMITTEE

These minutes are in draft form until approved at the next Committee meeting and are therefore subject to amendments.

Date: Wednesday 24th February 2021

Time: 9 am

Venue: Microsoft Teams Meeting

Attendees:		Apologies:
Chris White (Chair - CW)	Darlington Building Society	Julie Gilhespie – Group CEO
Paul Booth (PB)	STDC Board Member	
Cllr Peter Berry (CPB) (TVCA Representative)	Redcar & Cleveland Borough Council	
John Baker (JB)	Independent Member	
Jane Turner (JT)	Teesside University	
Gary MacDonald (GM)	TVCA/STDC Group	
John McNicholas	STDC	
Mike Russell (MR)	STDC	
Natalie Robinson (NR)	STDC	
Gareth Roberts (GR)	Mazars	
Cameron Waddell (CW)	Mazars	
Cath Andrew (CA)	Mazars	
Phillip Church (PC)	RSM	
Peter Judge (PJ)	TVCA	
Sharon Jones (Secretariat)	TVCA	

No.	Agenda Item	Summary of Discussion	Actions Required	Responsibility
1.	Welcome and introductions	The Chair welcomed everyone to the Meeting.		
2.	Apologies for Absence	Apologies were given as above.		
3.	Declarations of Conflict of Interest	There were no declarations of interest		
4.	Minutes of previous meeting	The minutes of the meeting held on 16 th December 2020 were agreed as a true record.		
5.	Group Chief Executives Update	<p>A report was circulated providing an update to the Committee on Key activity within STDC since the last meeting. A risk section has been included to allow Members to see key risks impacted by the activity within the report.</p> <p>It was agreed that it would be good practice to look at further deep dives into specific projects in future. These will be added as agenda items where appropriate.</p> <p>Tees Valley Freeport application has been submitted and a decision on this is expected in the next few weeks. Guidance on next steps will be issued by Government after the application process is complete. Full governance arrangements will be implemented once this guidance is received.</p>	Offshore wind & Freeport deep dive to be brought to the next meeting if application is successful	GM

		<p>The programmed work on site has been accelerated in some areas and for the right reasons. A map can be provided showing the zones if this is helpful. This will allow Members to visualise the work that is being carried out.</p> <p>It was agreed that there is a further step to take to ensure Members are clear on risk and changes to risk moving forward. The approach to reporting the changes in the risk profile of STDC will be reviewed with any future reporting incorporated in updates to the Risk Register agenda item going forward. NR, GM & CW to meet to discuss how to move this forward.</p> <p>Resolved that the update is noted</p>	<p>Map of zones on site to be shared with members</p> <p>Arrange meeting for CW, GM & NR to discuss further</p>	<p>JM</p> <p>SJ</p>
6.	External Audit Annual Audit Letter	<p>A report on the Annual Audit letter was circulated. The Audit was concluded on 4th December 2020. Findings from the audit are set out within the report.</p> <p>Final fees are higher than the proposed fees for the year due to additional work undertaken. These were agreed in advance and STDC are comfortable with these. A Group Financial Controller is to be appointed to ensure all accounting standards are met.</p> <p>There is a link within the report to the Redmond review. If implemented this will lead to some changes within the audit process, including a change to current set deadlines. Consultation is ongoing currently regarding the proposals within the report. It was noted that half of all audits were delivered late last year, and auditors are therefore still playing catch up. It is thought to be highly unlikely that Local Government audits will be delivered by September 2021. This view has been fed back into the National Audit Office and we may see the deadline for audit pushed back again this year.</p> <p>RESOLVED that the detail of the report is noted.</p>		

7.	External Audit Progress Report	<p>A report was circulated detailing External Audit Progress.</p> <p>RESOLVED that the detail of the report is noted.</p>		
8.	Internal Audit progress Report	<p>A report was circulated detailing Internal Audit Progress.</p> <p>It was agreed that the graphic showing progress against the audit plan needs to map against the original plan so Members can see if progress is on track. This detail will be included in all future reports.</p> <p>RESOLVED that the detail of the report is noted.</p>		
9.	Follow up of previous Internal Audit Management actions	<p>A report was circulated detailing follow up against previous Internal Audit Management actions.</p> <p>RESOLVED that the detail of the report is noted.</p>		
10.	Internal Audit Actions Update	<p>A paper was circulated detailing progress against Internal Audit actions.</p> <p>It was noted that the table showing overdue actions that is usually detailed in this report is missing. Appendix 2 shows an extract of the log detailing all outstanding actions. All actions are lapsed but the reason for this is that they can only be completed when PMO is implemented. A review of the delivery timescales has resulted in a new date of end of March being set for implementation. PMO has a 2-stage implementation. Stage 1 will be complete by end of March and stage 2 by end of April.</p>		

		<p>It was agreed that the report needs to show a table of overdue actions and reasons why. The original target dates should remain and narrative can give reassurances as to the detailed plan and dates for delivery.</p> <p>It was also noted that whilst there is an ongoing process for implementation of PMO some projects are already underway and it is important that any risks associated with these are being considered. It was agreed to report back on these projects retrospectively to satisfy the Committee that all assurances are in place.</p> <p>It was agreed that it will be useful to deliver a presentation to Committee regarding PMO and its benefits. This will allow feedback to be given that can assist in shaping future reporting.</p> <p>Resolved that the detail of the report is noted</p>	<p>Table to be added back into report</p> <p>Retrospective reporting of projects to be included in report where relevant</p> <p>PMO Presentation to be added to agenda</p>	<p>MR</p> <p>MR</p> <p>JM</p>
11.	Demolition Framework Update	<p>A report was circulated providing an update on the Demolition Framework.</p> <p>It was questioned if the timing of this item coming to Committee is right. This is the first time an update on the Framework has been provided and some of the risks have already passed. It was agreed that whilst it would be good to bring all key projects to this Committee there is a logistical challenge with this due to the number of projects ongoing at any time. Where a project coincides with Committee then it can be included on the agenda but there will also be a requirement to look at some projects historically for assurance.</p> <p>Resolved that the detail of the report is noted.</p>		
12.	Risk Management Policy and Framework approval	<p>The Group Risk Management Policy and Framework was circulated.</p>		

		<p>It was questioned where the process of highlighting and documenting risks is captured. There is a Process guide to be shared in scheduled Induction training. This document will be shared with Committee.</p> <p>Resolved that the Committee approves the Group Risk Management Policy and Framework to be shared across the Group.</p>	Document to be circulated	NR
13.	Risk Register Update	<p>A resolution to exclude the press and public under paragraph 3 of schedule 12A of the Local Government Act 1972 was agreed.</p> <p>A Paper was provided detailing a risk management update.</p> <p>The Committee were advised that workforce planning is currently underway with a plan for the next 5 years. This plan needs to be signed off by STDC Delivery Group. Following this the plan can be circulated to this committee to provide assurance on capacity and planning.</p> <p>Resolved that the detail of the update is noted</p>	Workforce plan to be circulated to Committee once signed off.	GM
14.	Electricity Infrastructure Update	<p>A Report was provided updating the Committee on the procurement of the Joint Venture Partner for the Electrical Infrastructure Project.</p> <p>Resolved that the content of the report is noted.</p>		
14.	Forward Programme & Action Register	<p>The Action Register for the Committee was discussed and updated.</p> <p>The meeting schedule for the next year and forward plan for the Committee are being finalised and will be shared with Members as soon as possible.</p>		

15.	Date and Time of Next Meeting	Date of next Meeting – TBC		