

**South Tees Development Corporation Notice of Response to
the Section 24 Schedule 7(2) Local Audit and Accountability
Act 2014 recommendations issued by EY on 12 May 2025**

Recommendation	Comments	Accountable Officer
<p>1. We recommend that the Corporation works with the Tees Valley Combined Authority to review the support it receives from group functions and ensure that this is sufficient to support the breadth of its activities, including supporting the internal and external audit work programmes, and meet its statutory reporting obligations.</p> <p>Agreed In progress</p>	<p>STDC receives group support services (including Financial Services) from TVCA in addition to in-house resources. TVCA have advised that the proposed approach to delivering further capacity and ensuring the appropriate level of capability across the Group Support Service teams has short, medium and long-term stages of activity and encompasses all team resources.</p> <p>The first is short term Group Finance team resource needs to support the next 6-7 months of activity, which will incorporate additional interim resources to support the team through the financial year end period and provide project support to operational service areas. The second is medium term resource requirements that will be assessed and benchmarked as part of a review of all the Group Support Service teams capacity and capability to ensure a sustainable solution that meets current and forecast future demands to support the objectives of STDC. The third is the long-term embedding of this capacity and capability to ensure a high-performing finance function including services such as Internal Audit.</p>	<p>Group Director of Finance & Resources and S151 Officer</p>
<p>2. We recommend that the Corporation should consider how it evaluates the sufficiency and appropriateness of the support it receives from the Tees Valley</p>	<p>The Development Corporation will undertake a review between June 2025 and September of the Group Finance Teams capacity and capability and is proposed to be undertaken to provide the necessary evidence base to assess the level of resources across the team to support all support services provided by the Combined Authority to STDC,</p>	<p>Group Director of Finance & Resources and S151 Officer</p>

<p>Combined Authority, including how it assesses whether such support is meeting the needs of the Corporation and how it identifies and assesses where additional actions by the Corporation to supplement this support may be appropriate.</p> <p>Agreed In progress</p>	<p>including all statutory compliance obligations for reporting and management of activities.</p> <p>The scope of this work is to ascertain the appropriate level of resource to meet support services requirements for the breadth of Corporation activities. The current teams have a range of experience, skills and commitment to their roles and provide a valuable resource to the Development Corporation. The purpose of this review to ensure they have the necessary support and capacity and capability across the team to enable them to deliver the required services to the Development Corporation as required.</p> <p>The scope of this capacity and capability review will take account of the recently published CIPFA publication on “Local Government finance workforce action plan for England”. This provides the context for assessing capacity and capability of the Finance Team.</p>	
<p>3. We recommend that the Corporation reviews its processes around the public inspection period to ensure that it fully understands the statutory requirements of the inspection period and has arrangements to ensure that these requirements are satisfied.</p> <p>Agreed In progress</p>	<p>The Development Corporation has reviewed all the legislative provisions in respect of the public inspection period for accounts and the internal processes within the organisation to ensure compliance with all public inspection periods going forward.</p> <p>This work has led to the production of a plan providing detail of the legislative provisions and the accompanying internal processes.</p> <p>A full timetable for the 2024/25 financial year public inspection of accounts period has been produced. This is based on the 2024/25 year-end timetable to ensure all steps are fully understood and have</p>	<p>Group Director of Finance & Resources and S151 Officer</p>

	<p>accountable officers within the organisation for delivery.</p> <p>This timetable is set to meet the commencement of the public inspection period by the statutory deadline of the 1 July 2025.</p>	
<p>4. We recommend that the Corporation sets out a clear timetable for production of its 2024/25 Statement of Accounts, including the Annual Governance Statement, which supports commencement of the public inspection period by the statutory deadline of 1 July 2025, and support for the audit of those statements which concludes no later than 30 November 2025, and puts in place the resources necessary to support this timetable.</p> <p>Agreed In progress</p>	<p>The 2024/25 year-end timetable has been updated to reflect the feedback from External Auditors and the first stage review of internal capacity and resources within the Finance Team as set out in response to recommendation 1.</p> <p>Following this work, a robust timetable for production of the 2024/25 Statement of Accounts, including the Annual Governance Statement has been produced.</p> <p>The 2024/25 timetable will support the commencement of the public inspection period by the statutory deadline of 1 July 2025 and support the audit of those statements, which must conclude no later than 30 November 2025.</p>	<p>Group Director of Finance & Resources and S151 Officer</p>

Documents in relation to the meeting of STDC Board on 10 June 2025 are open for public inspection.