

Transport for the North Audit & Governance Committee Meeting - Item 10

Subject: Corporate Governance Review and Preparation of the Annual Governance Statement

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Sponsor: Iain Craven, Finance Director

Meeting Date: Thursday 18th February 2020

1. Purpose of the Report:

1.1 The purpose of this report is to advise Members of the progress made in carrying out the corporate governance review and for Members to consider the first draft Annual Governance Statement for the financial year 2021/2022.

2. Executive Summary:

2.1 Under Regulation 6(1) of the Accounts and Audit Regulations 2015, Transport for the North is required to carry out an annual review of the effectiveness of its system of internal controls and to publish a report of the review in its Annual Governance Statement.

2.2 This report sets out the progress the review team has made in preparing the Annual Governance Statement and a first draft is attached at Appendix 1.

3. Discussion:

3.1 Under the provisions of the Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its internal systems of control and to publish a report of that review. This report, the Annual Governance Statement, must be published before the beginning of June in each year along with the Statement of Accounts and Narrative Statement.

3.2 The system of internal controls are all the measures taken together which Transport for the North has put in place to safeguard the expenditure of public money and to ensure value for money. These include Transport for the North's financial regulations and contract procurement rules which are set out in the Constitution. It also

includes the risk management framework through which Transport for the North ensures that risks to its operations are identified and managed. The controls also include the oversight exercised by the Audit and Governance Committee.

- 3.3 In carrying out this annual review Transport for the North is required to comply with the guidance issued by CIPFA in its guidance "Delivering Good Governance". The Guidance sets out six principles of good governance:

A Behaving with integrity, demonstrating strong commitment to ethical values and respect for the rule of law

B Ensuring openness and comprehensive stakeholder engagement

C Defining outcomes in terms of sustainable economic, social and environmental benefits

D Determining the interventions necessary to optimise the achievement of the intended outcomes

E Developing the organisation's capacity including the capacity of its leaders and the individuals within it

F Managing risks and performance through robust internal control and strong public financial management

G Implementing good practices in transparency, reporting and audit to deliver effective accountability

- 3.4 We have assessed our activities against the six principles of good governance and provided evidence of the way in which Transport for the North has conducted itself in accordance with the principles:

- Identify systems processes and documentation that provide evidence of good governance
- Identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified
- Identify any issues that have not been addressed and consider how they should be addressed
- Identify the individuals responsible for carrying out any identified actions

- 3.5 An initial step in the review has been to consider the measures in place to support the Anti-fraud and Corruption Policy and a report on this is included elsewhere on the Agenda for this meeting. Further reviews are underway into the governance arrangements of Transport for the North's significant partnerships and Officer Reference Groups, which will feed into the Annual Governance Statement.

- 3.6 The review team has also considered the governance challenges identified in the Annual Governance Statement prepared for 2019/20, assessed the extent to which these challenges have been met during

the current financial year, and updated the table included in the Annual Governance Statement 2019/20.

- 3.7 The review will also need to consider the future governance challenges that are likely to arise in 21/22 and these have been included in a table in the Statement.

4 Proposed Timetable for carrying out the Review

- 4.1 The final Annual Governance Statement will be brought to the Committee for approval and recommendation to TfN Board before its publication at the end of May 2021.

5. Recommendation:

- 5.1 It is recommended that the Audit and Governance Committee receive the report and approve the draft Annual Governance Statement.

6. Appendices:

Draft Annual Governance Statement 2020/21

List of Background Documents:

Annual Governance Statement 2019/20

Required Considerations

Equalities:

Age	No
Disability	No
Gender Reassignment	No
Pregnancy and Maternity	No
Race	No
Religion or Belief	No
Marriage and Civil Partnership	No
Sex	No
Sexual Orientation	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because the report does not propose any new strategy or service provision	Deborah Dimock	Julie Openshaw

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the report does not propose any new strategy or service provision	Deborah Dimock	Julie Openshaw

Legal

Yes

Consideration	Comment	Responsible Officer	Director
Legal	The legal implications have been considered and are included in the report.	Deborah Dimock	Julie Openshaw

Finance

No

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no new financial implications.	Paul Kelly	Iain Craven

Resource

No

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no new resource implications.	Stephen Hipwell	Dawn Madin

Risk

No

Consideration	Comment	Responsible Officer	Director
Risk	There are no new risks identified as a result of this report.	Haddy Njie	Iain Craven

Consultation

Yes

Consideration	Comment	Responsible Officer	Director
Consultation	No consultation has been carried since no new policies are being proposed.	Deborah Dimock	Julie Openshaw