

Item 8.2: APPENDIX 2

Audit and Governance Committee (extract from TfN Constitution)

Statement of purpose

The Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place.

Membership comprises:

- a) six members of the TfN Board (not the Chair, or Vice Chair) appointed by TfN; and,
- b) four Independent members (to be recruited on the basis of relevant skills);

A representative of DfT (Department for Transport) will be invited to attend meetings.

The Constitution places responsibility on the Audit and Governance Committee 'to oversee the effectiveness of TfN's risk management arrangements.' The Constitution also makes the Finance Director responsible for discharging the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2015, including ensuring risk is appropriately managed.

Terms of Reference

The core functions of the Authority's Audit and Governance Committee are to:

- a) approve Accounts;
- b) recommend Approval of the annual statement of accounts for TfN;
- c) governance, risk, and control;
- d) review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;
- e) review the Annual Governance Statement (AGS) prior to approval to ensure it properly reflects the risk environment and supporting assurances;
- f) monitor the effectiveness of arrangements to secure value for money;
- g) be satisfied that the assurance framework adequately addresses risks and priorities including governance arrangements in significant partnerships;
- h) monitor TfN's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map;
- i) consider reports on the effectiveness of internal controls;
- j) monitor the anti-fraud strategy, risk-assessment, and any actions.