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**Meeting:** Transport for the North Board

**Subject:** Annual Governance Statement, Statement of Accounts and Audit Opinion 2021/22

**Author:** David Spilsbury, Interim Financial Controller

**Sponsor:** Paul Kelly, Interim Finance Director

**Meeting Date:** Thursday 29 September 2022

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**1. Purpose of the Report:**

- 1.1 This report requests the Board's approval of Transport for the North's Annual Governance Statement and Statement of Accounts for financial year 2021/22.
- 1.2 The report is supported by an appended report from Transport for the North's independent external auditor that provides an unqualified, clean opinion.
- 1.3 This report should also be considered alongside the Annual Report from the Chair of the Audit & Governance Committee which recommends approval of the Accounts.

**2. Recommendations:**

The Board is recommended to:

- 2.1 Approve the corporate governance review and the Annual Governance Statement.
- 2.2 Note that TfN's draft statement of accounts was laid open to public inspection for the statutory period without objection being raised.
- 2.3 Note the recommendation in the Annual Progress Report of the Audit & Governance Committee to approve the Statement of Accounts for 2021/22.
- 2.4 Approve the Statement of Accounts for financial year 2021/22.

**3. Main Issues:**

- 3.1 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. The Board is required to approve the Annual Governance Statement. The Annual Governance Statement Report is set out within Appendix 1. The Annual Governance Statement is included in the Statement of Accounts at Appendix 6.
- 3.2 In common with partner authorities Transport for the North is required to publish a set of annual Statements of Accounts and an Annual Governance Statement in compliance with statute. Those Accounts are held open for public inspection and formally audited by an external auditor.
- 3.3 Under Transport for the North's constitution the Accounts are reviewed by the Audit & Governance Committee who are then required to offer an opinion to the Transport for the North Board. The Annual Progress Report of the Audit & Governance Committee is included at Appendix 2.
- 3.4 The Transport for the North Board, as 'those charged with governance,' is required to approve the Accounts and the Chairman of the Board is required to sign the Statement of Accounts. Under the relevant regulations, the accounts normally have

to be completed and approved no later than the 31 July (i.e. within four months of financial year-end). In recognition of the disruptive effect of the Covid 19 pandemic and the pressures placed on external audit, the approval date for the 2021/22 Accounts has been extended to 30 November 2022. Appendix 5 provides a summary of the production, audit, and scrutiny of the Accounts and concludes by noting the audit completion report from Mazars which offers an unqualified opinion on the Accounts, and the recommendation from the Audit and Governance Committee for the Board to approve the Accounts.

- 3.5 The Transport for the North Statement of Accounts for 2021/22 is included at Appendix 6. The Audit Completion Report of Transport for the North's independent external auditor, which provides an unqualified, clean opinion on that Statement of Accounts, is included at Appendix 7.

#### **4. Corporate Considerations:**

##### **4.1 *Financial Implications***

There are no financial implications within this report.

##### **4.2 *Resource Implications***

There are no direct resource implications as a result of the report.

##### **4.3 *Legal Implications***

The legal implications have been considered and are included in the report.

##### **4.4 *Risk Management and Key Issues***

There are no risks associated with the content of this report.

##### **4.5 *Environmental Implications***

A full impact assessment has not been carried out because it is not required for this report.

##### **4.6 *Equality and Diversity***

A full impact assessment has not been carried out because it is not required for this report.

##### **4.7 *Consultations***

A consultation has not been carried out because it is not necessary for this report.

#### **5. Background Papers:**

5.1 Audit & Governance Committee 14 July 2022 – Draft Statutory Accounts

5.2 Audit & Governance Committee 16 September 2022 – Year End Statutory Accounts

#### **6. Appendices :**

6.1 Appendix 1 – Corporate Governance Review and Annual Governance Statement Report

6.2 Appendix 2 – Annual Progress Report of the Audit & Governance Committee

Appendix 3 – Audit & Governance Committee Terms of Reference

Appendix 4 – Audit and Governance Committee Terms of Reference Activity

6.3 Appendix 5 – Annual Statement of Accounts Report

Appendix 6 - Annual Statement of Accounts Appendix

Appendix 7 – Independent Audit Completion Report

#### **Glossary of terms, abbreviations and acronyms used**

a) *TfN*                      *Transport for the North*