

Meeting: Transport for the North Board

Subject: Appendix 1 - Corporate Governance Review and Annual Governance Statement

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Meeting Date: Thursday 29 September 2022

1. Purpose of the Report:

- 1.1 The purpose of this report is for Members to consider the Corporate Governance Review and to approve the Annual Governance Statement.

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 The Annual Governance Statement is set out within the Annual Statement of Accounts at Appendix 6.

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, was published as a draft in August, as required by statute, along with the Statement of Accounts and Narrative Statement.
- 3.2 The system of internal controls is all the measures taken together which Transport for the North has put in place to ensure that it safeguards public funds and delivers value for money. This includes 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.
- 3.3 Throughout the year we have continuously reviewed the policies and procedures that Transport for the North has put in place since its inauguration in relation to procurement, financial management and risk management in order to identify areas for improvement.
- 3.4 In carrying out the 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

3.5 The review assesses to what extent Transport for the North can demonstrate that it has acted in accordance with these principles in carrying out its functions over the year 2021/22.

3.6 The report of the review is set out in the Annual Governance Statement which is included within the 2021/22 Statement of Accounts in Appendix 6.

4. Conclusion:

4.1 The corporate governance review has demonstrated that Transport for the North has an effective system of internal controls and that it has acted in accordance with the six principles of good governance during 2021/22. The report of this review is set out in the Annual Governance Statement.

5. Corporate Considerations:

Financial Implications

5.1 There are no financial implications within this report.

Resource Implications

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

Legal Implications

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

Risk Management and Key Issues

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

Environmental Implications

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

Equality and Diversity

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

Consultations

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

6. Background Papers:

6.1 None

7. Appendices:

7.1 Appendix 6 - The Annual Governance Statement is included within the Annual Statement of Accounts.

Glossary of terms, abbreviations and acronyms used:

a) CIPFA *Chartered Institute of Public Finance & Accountancy*