

Meeting: Transport for the North Audit & Governance Committee
Subject: Draft Statutory Accounts
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Sponsor: Paul Kelly, Finance Director
Meeting Date: Friday 21 July 2023

1. Purpose of the Report:

1.1 This report provides an update on progress on the Annual Governance Statement and the production of TfN's Statement of Accounts.

2. Recommendations:

- 2.1 Note and approve the progress made on the production of the Annual Governance Statement.
- 2.2 Note the progress made on the production of the Annual Statement of Accounts 2022/23 which includes the draft Annual Governance Statement.
- 2.3 Note that the Committee will receive further report on the Accounts in September prior to approval by the Board at the end of September.

3. Main Issues:

Annual Governance Statement

- 3.1 The Statement of Accounts is the report in which the Annual Governance Statement ("AGS") is publicly disclosed. The draft AGS is included in the draft Statement of Accounts in Appendix 1.
- 3.2 A draft AGS was considered at the committee consultation call on 17 February 2023, when it was noted that the AGS could benefit from further revision and update prior to consideration at this meeting. The review and update has centred around simplifying the output and better reflecting the evidence that demonstrates a robust governance framework. This latter point was in part due to feedback from the review of the AGS by the A&G committee members in earlier years.
- 3.3 The revised AGS seeks to demonstrate that where appropriate, actions have been taken to improve governance. It also captures positive statements to confirm no issues in relation to the remit of statutory officers. In addition, it demonstrates that no disciplinary action has been necessary in respect of any breaches of the codes of conduct for members and officers
- 3.4 The Chair of the Committee has been kept informed with revision process and output.

Narrative Statement and Financial Statements

- 3.5 In line with other local government bodies, TfN is required by statute to prepare an annual Statement of Accounts and for those accounts to be audited by an external body.
- 3.6 In connection with the statutory accounts, this report is accompanied by two appendices:

1. The Draft Unaudited Statement of Accounts; and
2. A supporting presentation that provides explanation on the content of those accounts.

These documents are presented to encourage review and scrutiny from Committee members.

- 3.7 The Statement of Accounts must include a Narrative Report which, in addition to a review of financial performance in year, must include information on the forward plans and financial sustainability of the organisation.
- 3.8 Mazars commenced their audit in July.
- 3.9 In line with guidelines, we published the draft Statutory Accounts for public inspection for a 30-day period commencing on 31 May 2023.
- 3.10 TfN Board will be presented with the final audited Accounts, the auditors' opinion, and the Committee's view on 27 September 2023. TfN Board – as 'those charged with governance' – will be asked to approve the accounts.

4. Corporate Considerations

4.1 *Financial Implications*

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

4.2 *Resource Implications*

There are no resource implications within this report.

4.3 *Legal Implications*

Legal implications are addressed within the report.

4.4 *Risk Management and Key Issues*

There are no material risks to be considered within this report.

4.5 *Environmental Implications*

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

4.6 *Equality and Diversity*

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

4.7 *Consultations*

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

5. Background Papers

- 5.1 None

6. Appendices

- 6.1 1 - Draft Annual Statement of Accounts (Unaudited)
- 6.2 2 - Draft Annual Statement of Accounts Supporting Presentation