

, Meeting: Audit and Governance Committee
Subject: Preparation of the Annual Governance Statement
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Sponsor: Paul Kelly, Finance Director
Meeting Date: Friday, 15 December 2023

1. Purpose of the Report:

- 1.1 To advise Audit and Governance Committee of the need for Transport for the North to prepare an Annual Governance Statement for the financial year 2023/2024 and commence the process for doing so.
- 1.2 For Audit and Governance Committee to note the proposal to include further information on Transport for the North's partnership governance arrangements in the Introduction of the Annual Governance Statement.
- 1.3 For Members to consider the effectiveness of Transport for the North's Anti-Fraud and Corruption Policy with regard to its internal organisational measures; see Appendix 1 to this report.

2. Recommendations:

- 2.1 That the Audit and Governance Committee notes this report and supports the intended timeline for preparation of the Annual Governance Statement.
- 2.2 That Audit and Governance Committee notes and supports that further information on partnership governance arrangements will be included in the Introduction of the Annual Governance Statement and will be presented to the Committee at the next meeting.
- 2.3 That the Audit and Governance Committee notes, supports and agrees that the review set out in Appendix 1 and the systems in place supports delivery of the Anti-Fraud and Corruption Policy.

3. Main Issues:

Annual Governance Statement

- 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 this review in its Annual Governance Statement.
- 3.2 The Annual Governance Statement is included in the Statement of Accounts which are published according to the legislative timetable. The approval deadline for the 2023/24 financial year will be 30 September 2024.
- 3.3 The system of internal controls comprises 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.

- 3.4 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".
- 3.5 Officers will assess Transport for the North's activities against the seven principles of good governance and provide evidence of the way in which Transport for the North has conducted itself in accordance with these principles.
- 3.6 The review will be carried out by a small team drawn from the Finance and Legal teams and the Risk Manager.
- 3.7 As part of the work programme for 2023/2024, officers will be reviewing the format and content of the Annual Governance Statement in order to make any appropriate enhancements, including providing further information on the partnership arrangements.
- 3.8 In undertaking this review, officers will take in to account best practice, and compare Transport for the North's Annual Governance Statement against other local authorities. Officers will present their findings at the next Committee meeting and take further feedback from the Committee.

Proposed Timetable for carrying out the Review

- 3.9 A draft Annual Governance Statement will be presented to the Committee for consideration and review at the next meeting on 8 March 2024. This statement will be formally approved by Transport for the North Board as part of the Statutory Accounts approval process in September 2024.

Effectiveness of the Anti-Fraud and Corruption Policy

- 3.10 Under the Terms of Reference of the Audit and Governance Committee, the Committee has a responsibility to monitor the Anti-Fraud strategy which is contained in the Anti-Fraud and Corruption Policy within the Constitution.
- 3.11 Taken together the organisational controls which Transport for the North have put in place to support the Anti-Fraud and Corruption Policy and are considered to provide reasonable assurance to the Committee that Transport for the North has put in place appropriate anti-fraud and corruption protection.

4. Corporate Considerations:

Financial Implications

- 4.1 There are no financial implications arising from this report.

Resource Implications

- 4.2 There are no additional direct resourcing implications to Transport for the North as a result of this report.

Legal Implications

- 4.3 The Legal implications are contained within this report.
- 4.4 Taken together the organisational controls which Transport for the North have put in place to support the Anti-Fraud and Corruption Policy provides reasonable assurance to the Committee that Transport for the North has put in place appropriate anti-fraud and corruption protection.

Risk Management and Key Issues

- 4.5 Transport for the North's risk management strategy supports the controls that are in place in respect of Transport for the North's Anti-Fraud strategy. Risks,

controls, and mitigations actions are reviewed regularly, with a reporting structure in place at functional and corporate level.

Environmental Implications

4.6 There are no environmental implications.

Equality and Diversity

4.7 There are no equality and diversity implications.

Consultations

4.8 Legal Services have consulted with all relevant services areas in relation to the review of the Anti-Fraud Strategy.

5. Background Papers:

5.1 Not applicable.

6. Appendices:

6.1 Appendix 1 – Review of Anti-Fraud Strategy (Anti-Fraud and Corruption Policy).

6.2 Appendix 2 – Anti-Fraud and Corruption Policy.

Glossary of terms, abbreviations and acronyms used

a) <i>TPE</i>	<i>TransPennine Express</i>
b) <i>NPR</i>	<i>Northern Powerhouse Rail</i>
c) <i>NTC</i>	<i>Northern Transport Charter</i>