

Meeting: Transport for the North Audit & Governance Committee
Subject: Draft Statutory Accounts
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Meeting Date: Friday 19 July 2024

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 2023/24 which includes the draft Annual Governance Statement.
- 2.3 Note that the Committee will receive further report on the Accounts on or before March 2025 after the external audit has been completed and prior to approval by the Board at the end of March 2025.

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 The draft AGS was considered at the committee consultation call on 8 March 2024. The Committee noted and supported the further work to be undertaken in relation to the annual review of the effectiveness of internal controls for 2023/24 and that the additional work will be included in the final draft Annual Governance Statement.

Additional work has been undertaken and the main updates to the draft AGS are as follows:

Para 3.0 Identification of Key Governance Arrangements

- The governance structure has been amended to include all partnership arrangements.
- All partnership arrangements and a summary of these arrangements and their interaction with the TfN Board and other committees (if applicable) have been included.

Para 4.0 The Corporate Governance Framework - Further examples of evidence have been included to demonstrate compliance.

Para 5.1 Annual Review of the Effectiveness of the Governance Framework

-An annual review for 2023 /2024 has been undertaken and the results of the review are in paragraph 5.

Para 6.0 Significant Governance Arrangements

- Para 6.1 sets out the significant governance matters affecting TfN in 2023 /2024. This is a new paragraph for TfN's AGS.

- Para 6.2 provides information on the governance review undertaken in 2023 /2024.

Para 7 Governance Improvement Plan 2024 /2025 - This is a new addition for the 2024/ 2025 and sets activities which we are going to focus on in 2024 /2025.

Paragraph 8 Conclusion - We confirm and conclude that the governance arrangements provide an effective and fit for purpose governance framework.

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 Appendix 1 contains the Draft Unaudited Statement of Accounts.

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 Due to pressure in completing public sector audits Mazars will commence their audit later than normal in September 2024.

3.9 In line with guidelines, we published the draft Statutory Accounts for public inspection for a 30 day period commencing on 31 May 2024.

3.10 TfN Board will be presented with the final audited Accounts, the auditors' opinion, and the Committee's view in March 2025. 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 Item 6.1 - Draft Annual Statement of Accounts (Unaudited)