
Meeting: Audit & Governance Committee
Subject: Preparation of the Annual Governance Statement 2024-25
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Sponsor: Paul Kelly, Finance Director
Meeting Date: Friday, 6 December 2024

1. Purpose of the Report:

- 1.1 To provide Audit and Governance Committee with an update on the progress of the draft Annual Governance Statement for Transport for the North for the financial year 2024/2025.
- 1.2 For Audit and Governance Committee to note and support the further work to be undertaken in relation to the annual review of the effectiveness of internal controls for 2024 / 2025 and that these findings will be included in the final draft of the Annual Governance Statement for 2024 /2025.

2. Recommendations:

- 2.1 That the Audit and Governance Committee considers and reviews the draft Annual Governance Statement for 2024 /2025.
- 2.2 That Audit and Governance notes and supports the further work to be undertaken in relation to the annual review of the effectiveness of internal controls for 2024 / 2025 and that the additional work on this will be included in the final draft Annual Governance Statement for 2024 /2025.

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 this review in its Annual Governance Statement. The draft Annual Governance Statement for 2024 /2025 is at Appendix 1 to this report. Significant changes have been captured in the attached draft as track changes. Minor changes, such as formatting, naming conventions and repositioning unchanged sections, have been processed to easily identify the more significant changes.
- 3.2 The Annual Governance Statement will be included in the Statement of Accounts which are published according to the legislative timetable after completion of the external audit of the accounts relevant to that year.
- 3.3 In line with guidelines, the draft Statutory Accounts, which will include the draft Annual Governance Statement, are anticipated to be published for public inspection on 31 May 2025. As has been the case in earlier years, due to the timing of meetings, the draft accounts (including the Annual Governance Statement), will be shared with the Chair prior to issue.
- 3.4 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.

- 3.5 As part of the annual review for the Annual Governance Statement 2024 /2025, further updates may be undertaken in Section 4, 5, 6 and 7, if applicable. This is a document that will change during the remaining part of the year and placeholders for such have been incorporated into the document.
- 3.6 The final version of the Annual Governance Statement for 2024 /2025 will be presented to the Committee at the next meeting on 7 March 2025. This statement will be included in the draft Statement of Accounts published by 31 May 2025 and formally approved by Transport for the North Board as part of the Statutory Accounts approval process after the external audit has been completed.
- 3.7 A number of enhancements were included in the Annual Governance Statement for 2023/2024, and these enhancements have been adopted in the 2024 /2025 statement.
- 3.8 For ease of reference, changes from the 2023/24 Annual Governance Statement are highlighted as track changes.

4. Corporate Considerations:

4.1 *Financial Implications*

There are no financial implications as a result of this report.

4.2 *Resource Implications*

There are no direct resourcing implications as a result of this report.

4.3 *Legal Implications*

The Legal implications are contained within this report.

4.4 *Risk Management and Key Issues*

Transport for the North manage a corporate risk in relation to compliance with good practice, governance and corporate processes.

4.5 *Environmental Implications*

There are no environmental implications from this report

4.6 *Equality and Diversity*

There are no equality and diversity implications arising from the preparation of the Annual Governance Statement.

4.7 *Consultations*

Legal and Finance are continuing to consult with all relevant services areas and external service providers in relation to the review of the effectiveness of its system of internal controls for Transport for the North's Annual Governance Statement for 2024 /2025.

5. Background Papers:

- 5.1 Not applicable

6. Appendices:

- 6.1 Appendix 1 – Draft Annual Governance Statement 2024 /2025