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**Meeting:** Transport for the North Board  
**Subject:** Appendix 5 - Statement of Accounts and Audit Opinion 2021/22  
**Author:** David Spilsbury, Interim Financial Controller  
**Sponsor:** Paul Kelly, Interim Finance Director  
**Meeting Date:** Thursday 29 September 2022

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**1. Purpose of the Report:**

- 1.1 To provide a summary of the production, audit, and scrutiny of the Statement of Accounts;
- 1.2 Note the audit completion report from Mazars which offers an unqualified opinion on the Accounts; and
- 1.3 Note the recommendation from the Audit and Governance Committee for the Board to approve the Statement of Accounts.

**2. Recommendations:**

The Board is recommended to:

- 2.1 Note that TfN's draft statement of accounts was laid open to public inspection for the statutory period without objection being raised;
- 2.2 Note the clean, unqualified audit opinion as offered by Mazars, the statutory external auditor;
- 2.3 Note the role performed by the Audit and Governance Committee supporting the Board in their approval of the Statement of Accounts for 2021/22; and
- 2.4 Approve the Statement of Accounts for 2021/22.

**3. Main Issues:**

- 3.1 In common with partner authorities TfN is required to publish an Annual Statement of Accounts, Appendix 6 and an Annual Governance Statement in compliance with statutory regulation and relevant professional standards.

Under the Transport for the North constitution the Board are 'those charged with governance.' This function requires the Board to:

- make arrangements for the proper administration of its financial affairs;
- appoint an officer to take responsibility for those affairs (the Finance Director);
- manage its affairs to secure value-for-money; and,
- formally approve the Accounts in session, within the prescribed timeline.

The Board are supported in the formation of this decision by the work of the external auditors and their findings presented through the statutory report, and also the recommendation of the A&GC following its scrutiny.

The report of the external auditor is appended to this report. Appendix 7, whilst the Annual Report of the Chair of the A&GC is also presented at this meeting, Appendix 2.

Acknowledging officer responsibilities for the veracity and proper preparation and presentation of the information within the accounts, the Finance Director, as statutory finance officer, is required to sign the Accounts.

The Chairman, as the representative of the Board, is also required to sign the accounts to certify that the Board has formally approved them. Both the Chairman and the Chief Executive, as Head of Paid Service, are also required to sign the Annual Governance Statement which forms part of the Accounts documentation.

- 3.2 The statutory finance officer approved the publication of TfN's draft Statement of Accounts on 7 July 2022. The Accounts were then laid open to public inspection from 26 July to 6 September in accordance with statutory regulation.

Whilst all supporting documentation is also available for inspection if requested, no requests for such information were made.

- 3.3 Under TfN's constitution the Accounts are reviewed by the A&GC who are then required to offer an opinion to the Transport for the North Board. TfN Board, as 'those charged with governance,' are required to approve the Accounts. Under the relevant regulations, the accounts have to be completed and approved no later than the 31 July (i.e. within four months of financial year-end). In recognition of the disruptive effect of the Covid 19 pandemic, the approval date for the 2021/22 Accounts has been extended to 30 November 2022.

The Committee are supported in this oversight by the statutory external auditors. The Committee approved TfN opting into the Public Sector Audit Appointment process, with Mazars being appointed as the external auditor.

The A&GC formally reviewed the draft accounts in sessions on the 14 July 2022 and 21 September 2022.

At the latter session Mazars provided an audit completion report which supported an unqualified audit opinion. This opinion covers both whether the accounts offer a 'true and fair view' of TfN's financial affairs over the period and whether the organisation's governance, processes, and structures support statutory value-for-money considerations.

Following the issue of the draft audit completion report and its own scrutiny, the A&GC have indicated they are content for the Board to approve the Statement of Accounts for 2021/22.

#### **4. Corporate Considerations:**

##### **4.1 *Financial Implications***

There are no financial implications within this report.

##### **4.2 *Resource Implications***

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

##### **4.3 *Legal Implications***

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

##### **4.4 *Risk Management and Key Issues***

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

##### **4.5 *Environmental Implications***

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

##### **4.6 *Equality and Diversity***

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

##### **4.7 *Consultations***

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

**5. Background Papers:**

- 5.1 Audit & Governance Committee 14 July 2022 – Draft Statutory Accounts
- 5.2 Audit & Governance Committee 16 September 2022 – Year End Statutory Accounts

**6. Appendices**

- 6.1 Appendix 6 - Statement of Accounts 2021/22
- 6.2 Appendix 7 - Audit Completion Report - Year ended 31 March 2022

<b>Glossary of terms, abbreviations and acronyms used</b>
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| a) <i>A&amp;GC</i> | <i>Audit &amp; Governance Committee</i> |
| b) <i>TfN</i>      | <i>Transport for the North</i>          |