



Transport for the North Board Meeting - Item 5

Subject: Corporate Governance Review and Annual Governance Statement

Author: Deborah Dimock

Sponsor: Iain Craven

Meeting Date: 31 July 2019

1. Purpose of the Report:

- 1.1 The purpose of this report is for Members to consider the corporate governance review and to approve the Annual Governance Statement

2. Executive Summary:

- 2.1 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 the review in its Annual Governance Statement
- 2.2 The Annual Governance Statement is set out within Appendix 5.1

3. Discussion:

- 3.1 Under the provisions of the Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its internal systems of control and to publish a report of that review. This report, the Annual Governance Statement, was published at the end of May, as required by statute, along with the Statement of Accounts and Narrative Statement.
- 3.2 Since 2018/19 was Transport for the North's first year as a Sub-National Transport Body this is its first annual review of its systems of internal control and first Annual Governance Statement.
- 3.3 The system of internal controls is all the measures taken together which Transport for the North has put in place to ensure that it



safeguards public funds and delivers value for money. This includes 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.

- 3.4 Throughout the year we have continuously reviewed the policies and procedures that Transport for the North has put in place since its inauguration in relation to procurement, financial management and risk management in order to identify areas for improvement.
- 3.5 We have also carried out a review of the Constitution and the proposed amendments to the Constitution will improve Transport for the North's governance arrangements.
- 3.6 In carrying out the annual review Transport for the North is required to comply with the guidance issued by CIPFA in its guidance "Delivering Good Governance". The guidance sets out six principle of good governance:

A Behaving with Integrity, demonstrating strong commitment to ethical values and respect for the rule of law

B Ensuring openness and comprehensive stakeholder Engagement

C Defining outcomes in terms of sustainable economic, social and environmental benefits

D Determining the interventions necessary to optimise the achievement of the intended outcomes

E Developing the organisation's capacity including the capacity of its leaders and the individuals within it

F Managing risks and performance through robust internal control and strong public financial management

G Implementing good practices in transparency, reporting and audit to deliver effective accountability

- 3.7 The review assesses to what extent Transport for the North can demonstrate that it has acted in accordance with these principles in carrying out its functions over the year 2018/19.
- 3.8 The report of the review is set out in the Annual Governance Statement which is at Appendix 5.3. This is included within the



2018/19 Statement of Accounts which is also being considered at this meeting.

4. Conclusion:

- 4.1 The corporate governance review has demonstrated that Transport for the North has an effective system of internal controls and that it has acted in accordance with the six principles of good governance during 2018/19. The report of this review is set out in the Annual Governance Statement.

5. Recommendation:

- 5.1 It is recommended that the Board approve the corporate governance review and the Annual Governance Statement.

6. Appendices:

- 6.1 Appendix 5.3 –
Annual Governance Statement within the Annual Statement of Accounts



List of Background Documents:

There are no background papers to this report.

Required Considerations

Equalities:

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|-------------------------|-----------|
| Age | No |
| Disability | No |
| Gender Reassignment | No |
| Pregnancy and Maternity | No |
| Race | No |
| Religion or Belief | No |
| Sex | No |
| Sexual Orientation | No |

| Consideration | Comment | Responsible Officer | Director |
|----------------------|--|----------------------------|-----------------|
| Equalities | A full Impact assessment has not been carried out because the report does not propose any new strategy or service provision. | Deborah Dimock | Julie Openshaw |

Environment and Sustainability

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| Yes | No |
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| Consideration | Comment | Responsible Officer | Director |
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| Sustainability / Environment – including considerations regarding Active Travel and Wellbeing | A full impact assessment has not been carried out because the report does not propose any new strategy or service provision | Deborah Dimock | Julie Openshaw |
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Legal

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| Yes |
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| Consideration | Comment | Responsible Officer | Director |
|---------------|---|---------------------|----------------|
| Legal | The legal implications have been considered and are included in the report. | Deborah Dimock | Julie Openshaw |

Finance

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| No |
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| Consideration | Comment | Responsible Officer | Director |
|---------------|---|---------------------|-------------|
| Finance | TfN Finance Team has confirmed there are no new financial implications. | Gareth Sutton | Iain Craven |

Resource

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| No |
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| Consideration | Comment | Responsible Officer | Director |
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| Resource | TfN HR Team has confirmed there are no new resource implications. | Stephen Hipwell | Dawn Madin |
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Risk

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| No |
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| Consideration | Comment | Responsible Officer | Director |
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| Risk | A risk assessment has been carried out and the key risks are included in the report. | Deborah Dimock | Julie Openshaw |

Consultation

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| No |
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| Consideration | Comment | Responsible Officer | Director |
|----------------------|---|----------------------------|-----------------|
| Consultation | A public consultation has not been carried because the report does not propose any new strategy or service provision. | Deborah Dimock | Julie Openshaw |