

# Transport for the North Board Meeting

## Item 5.3

**Subject:** Statement of Accounts and Audit Opinion 2018/19

**Author:** Gareth Sutton, Financial Controller

**Sponsor:** Iain Craven, Finance Director

**Meeting Date:** Wednesday 31 July 2019

### **1. Purpose of the Report:**

- 1.1 This report requests the Board's approval of Transport for the North's inaugural Statement of Accounts for financial year 2018/19.
- 1.2 The report is supported by an appended report from Transport for the North's independent external auditor which provides an unqualified, clean opinion.
- 1.3 This report should be considered alongside the Annual Report from the Chair of the Audit & Governance Committee which recommends approval of the Accounts.

### **2. Executive Summary:**

- 2.1 In common with partner authorities Transport for the North is required to publish a set of annual Statements of Accounts and an Annual Governance Statement in compliance with statute.
- 2.2 Those Accounts are held open for public inspection and formally audited by an external auditor.
- 2.3 Under Transport for the North's constitution the Accounts are reviewed by the Audit & Governance Committee who are then required to offer an opinion to the Transport for the North Board.
- 2.4 Transport for the North Board, as 'those charged with governance', are required to approve the Accounts by no later than the 31 July.
- 2.5 This report provides a brief summary on the production, audit, and scrutiny of the Accounts.
- 2.6 The report concludes by noting the audit report from Mazars which offers an unqualified opinion on the Accounts, and the recommendation

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from the Audit and Governance Committee for the board to approve the Accounts.

### **3. The Accounts Process:**

- 3.1 The statutory finance officer approved the publication of Transport for the North's inaugural draft Statement of Accounts on the 31 May. The Accounts were then laid open to public inspection from the 3 June to the 12 July, in accordance with statute.
- 3.2 Whilst open to inspection Transport for the North was engaged by electors and provided access to a substantial number of primary documents to support public oversight.
- 3.3 Under Transport for the North's constitution the draft accounts are scrutinised by the Audit and Governance Committee on behalf of the Transport for the North Board.
- 3.4 The Committee are supported in this oversight by the statutory external auditors. The Committee approved Transport for the North opting into the Public Sector Audit Appointment (PSAA) process, with Mazars being appointed as the external auditor.
- 3.5 The Audit and Governance Committee formally reviewed the draft accounts in session on the 13 June and the 10 July.
- 3.6 At the latter session Mazars provided a draft audit report which issued an unqualified audit opinion. This opinion covers:
  1. whether the accounts offer a 'true and fair view' of Transport for the North's financial affairs over the period; and
  2. whether the organisation's governance, processes, and structures support statutory value-for-money considerations.
- 3.7 Following the issue of the draft audit report and following its own scrutiny, the Committee resolved to formally recommend approval of the Accounts to the Board.

### **4 Responsibilities:**

- 4.1 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, no later than the 31 July.

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- 4.2 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 Audit and Governance Committee following its scrutiny.
- 4.3 The report of the external auditor is appended to this report, whilst the Annual Report of the Chair of the Audit Committee is also presented at this meeting.
- 4.4 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 physically sign the Accounts.
- 4.5 The Chairman, as the representative of the Board, is also required to physically sign the accounts to certify that the Board has formally approved them.
- 4.6 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.

## **5. Conclusion:**

- 5.1 This report notes that Transport for the North's draft accounts were laid open to public inspection for the statutory period without objection being raised.
- 5.2 The report further notes the clean, unqualified audit opinion as offered by Mazars, the statutory external auditor.
- 5.3 The report finally notes the recommendation from the Audit and Governance Committee that the Board approve the Statement of Accounts for financial year 2018/19.

## **6. Recommendation:**

- 6.1 This report recommends that the Board approve the Statement of Accounts for financial year 2018/19.

## **7. Appendices:**

- 7.1 Appendix 1 – Statement of Accounts 2018/19
- 7.2 Appendix 2 – Independent Audit Report

### List of Background Documents:

There are no background papers to this report.

### Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report. <Delete this line from completed report.>

#### Equalities:

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

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because it is not required.	Gareth Sutton	Iain Craven

#### Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because it is not required.	Gareth Sutton	Iain Craven

#### Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	The legal implications have been considered and are included in the report.	Debbie Dimmock	Julie Openshaw

### Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	The financial implications have been considered and are included in the report.	Gareth Sutton	Iain Craven

### Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	Transport for the North HR Team has confirmed there are no resource implications.	Stephen Hipwell	Dawn Madin

### Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been carried out and the key risks are included in the report.	Gareth Sutton	Iain Craven

### Consultation

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Consultation	A consultation has not been carried out because it is not required.	Gareth Sutton	Iain Craven