

Transport for the North

Audit & Governance Committee

Consultation Call

Agenda

Date of Meeting	Tuesday 23 June 2026
Time of Meeting	11.00 am
Venue	Microsoft Teams

Filming and broadcast of the meeting

Meetings of the Transport for the North are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Item No.	Agenda Item	Page
1.0	Welcome and Apologies The Chair to welcome Members to the meeting. Lead: Chair	
2.0	Declarations of Interest Members are required to declare any personal, prejudicial, or disclosable pecuniary interest they may have relating to items on the agenda and state the nature of such interest. Lead: Chair	
3.0	Minutes from the Previous Meeting To approve as a correct record the minutes of the Audit & Governance Committee held on 06 March 2026. Lead: Chair	5 - 12
4.0	Internal Audit Update To consider the reports from RSM Risk Assurance Services: <ul style="list-style-type: none"> • Annual Summary Report 2025-26 • Internal Audit Progress Report 2026-27 • Contract Management • IT Security Management Lead: RSM UK Consulting	13 - 64
5.0	External Audit Update	65 - 92

	<p>To consider and approve the 2026/27 external audit plan from Mazars.</p> <p>Lead: Mazars</p>	
6.0	<p>Corporate Risk Register and Risk Management Strategy Report</p> <p>To receive an update on the Corporate Risk Register.</p> <p>Lead: Rachel Ford</p>	93 - 108
7.0	<p>Date and Time of Next Meeting</p> <p>The next meeting of the Audit and Governance Committee will be held via Microsoft Teams at 11am, Friday 04 September 2026.</p>	
8.0	<p>Exclusion of the Press and Public</p> <p>The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 as amended on the grounds that the matters may be determined with the press and public excluded.</p> <p>Draft Resolution:</p> <p>That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and public interest would not be served in publishing the information.</p>	
9.0	<p>Part 2 Minutes of the Previous Meeting</p> <p>To approve the Part 2 Minutes of the meeting held on 06 March 2026.</p> <p>Lead: Chair</p>	109 - 112
10.0	<p>Update on the Transport for the North Reset</p> <p>To receive an update on the TfN reset programme.</p> <p>Lead: Katie Day</p>	Verbal Report
11.0	<p>Development of New Corporate Risks</p> <p>To consider and provide feedback on the associated corporate risks.</p> <p>Lead: Rachel Ford</p>	113 - 118
12.0	<p>Draft Statutory Accounts 2025/26</p> <p>To consider the Draft Statutory Accounts 2025/26.</p> <p>Lead: Keith Mitchell/Lisa Pitt</p>	119 - 198

Audit & Governance Committee Minutes

**Friday 06 March 2026
Via Microsoft Teams**

Present:

Attendee
Graham Bell (Chair)
Richard Thomas
Cllr Stephen Adshead

Local Authority
Independent Member
Independent Member
Greater Manchester Combined
Authority;

Partners in Attendance:

Alex Hire
Daniel Watson
Osama Rathore

RSM Internal Audit
Forvis Mazars
Forvis Mazars

Officers in Attendance:

Name	Job Title
Joanne Barclay	Head of Legal and Democratic Services and Monitoring Officer
Helen Davies	Democratic Services Officer
Joanne Barclay	Head of Legal
Martin Tugwell	Chief Executive
Keith Mitchell	Interim Finance Director and Deputy Section 151 Officer
Lisa Pitt	Interim Financial Controller and Deputy Section 151 Officer
Daniella Della-Cerra-Smith	Head of Corporate Office and Risk

**Item
No:**

Item

1. Welcome and Apologies

This meeting was a consultation call and any decisions that were made were done using the Chief Executive delegated authority, in consultation with members of the Committee.

- 1.1 Apologies had been received from Stuart Green and Councillor Joanna Baker-Rogers.

2. Declarations of Interest

2.1 There were no new declarations of interest.

3. Minutes from the Previous Meeting

3.1 The minutes of the meeting held on Friday 05 December 2025 were noted by the Committee as a correct and accurate record; this will be formally approved at the next in-person meeting of the Committee.

4. Final Audited Statement of Accounts 2024/25

4.1 Keith Mitchell introduced the item and explained that the deadline for publishing approved 2024/25 accounts had been 27 February 2026. He confirmed that whilst the accounts had been finalised and audit completed before the end of February, the timing of this Committee meeting and the Board meeting meant they would not be formally approved until mid- March. As a result, TfN would be recorded as having non-compliant 24/25 accounts by the Ministry for Housing, Communities and Local Government (MHCLG).

4.2 He confirmed that, once the Board had approved the Accounts, MHCLG would be notified so that their records could be updated. He emphasised that this short-term position was considered the most proportionate approach in the circumstances.

4.3 Daniel Watson from the external auditors, Mazars, presented the external auditor's findings which were outlined in the Auditors Completion Report (ACR), these were not in the original Committee papers but would be circulated after the meeting (post meeting action completed).

4.4 He confirmed that the auditors would be issuing an unqualified opinion on TfN's Accounts, confirming that they provide a true and fair view of TfN's financial position.

4.5 He outlined the three significant risks considered during the audit:

- 1) management override of controls (a standard national risk, with no findings identified)
- 2) valuation of the pension liability (for which a technical adjustment was made to the draft accounts by TfN following application of the asset ceiling), and
- 3) the implementation of IFRS 16 relating to the treatment of leases (for which TfN made the necessary adjustments and notes to the draft accounts).

4.6 He reported that any adjustments arising from these areas had been processed appropriately, with only a standard extrapolated pension fund timing difference noted as an uncorrected but immaterial misstatement.

4.7 He added that further minor IFRS 16 disclosures would be incorporated next year but were not material to the current opinion.

- 4.8 Councillor Adshead queried whether being included on the non-compliance list carried any long-term consequences, particularly in relation to government funding or other financial arrangements.
- 4.9 Daniel Watson advised there were no long-term or financial implications. He noted that while some authorities might require audited accounts to support major borrowing, this did not apply to TfN, which has no borrowing powers. There were therefore no funding implications.
- 4.10 The Committee noted that approximately 50 public bodies had appeared on the non-compliance list last year.
- 4.11 Daniel Watson advised that, as in previous years, the audit certificate could not yet be signed. The National Audit Office (NAO) must first confirm whether any work was required in relation to Whole of Government Accounts, which was typically received in late autumn. He confirmed this would not affect the issuing of the audit opinion following the March Board meeting.

Resolved:

That the final annual 2024/2025 accounts (Appendix 1) be endorsed for approval by the TfN Board on Monday 16 March.

5. Audit and Governance Committee Annual Assurance Report 2025/26

- 5.1 The Chair explained that the report, proposed for submission to the TfN Board on 16 March, provided a summary of the Committee's activity and visibility across its agreed scope under the Constitution.
- 5.2 He highlighted the assurance the Committee receives regarding internal and external audit work, the strong working relationships with both audit functions, and the Committee's oversight of financial reporting, including the issues discussed under the previous item. Graham Bell invited confirmation that Members were content to recommend the report for presentation to the Board for approval.
- 5.3 Richard Thomas sought clarification on the reference within the accounts to additional resources being deployed for the production of the 2025/26 accounts.
- 5.4 Lisa Pitt advised that TfN had procured external services to support the production of the draft annual accounts for 2025/26. She explained that the technical work required at year-end did not justify a dedicated in-house resource, and it was therefore more efficient to commission specialist support externally to ensure timely completion.

Resolved:

That the report be approved and recommended for submission to the Transport for the North (TfN) Board on Monday 16 March.

6. Annual Governance Statement 2025/26

- 6.1 Joanne Barclay introduced the revised draft Annual Governance Statement for 2025/26, confirming that the version presented included the changes requested by the Committee at its December meeting. The Committee noted that an executive summary had been added, along with references to the recent constitutional updates recommended by the General Purposes Committee on 4 February 2026. Joanne Barclay highlighted that Transport for the North considered its governance arrangements to be fit for purpose and proportionate to the size of the organisation and invited comments or queries from Members on the revised statement.
- 6.2 Richard Thomas confirmed he was content with the Annual Governance Statement overall but highlighted the reference to the Charging for Services Policy. He noted that introducing charges for bespoke services could require future oversight from the Committee, particularly in relation to appropriate costing and debt recovery.
- 6.3 Keith Mitchell explained that TfN was increasingly receiving requests for tailored 'Gold Offer' work from individual authorities, involving technical support from teams such as Modelling and IT. While no commissions had yet been taken forward, TfN was developing processes to ensure full cost recovery without generating profit, including incorporating overheads for management, project support, legal, finance, IT and contract management costs. He also advised that the issue of VAT was being reviewed, as TfN might need to register for VAT if activity exceeded the threshold.
- 6.4 The Chair welcomed the assurance and noted the importance of proportionality in TfN's evolving governance arrangements. He observed that organisational change could create gaps or risks as structures and processes shift and emphasised the need for continued attention to governance and risk management. He also noted that the Committee was being asked to give provisional approval to the Statement, recognising that some elements had yet to be confirmed by the Board, and that any subsequent changes would need to be fed back to Members for visibility.

Resolved:

That the Annual Governance Statement for 2025/26 be endorsed for approval to the TfN Board.

7. Plan for 2025/26 Year End Accounts and Audit

- 7.1 Keith Mitchell introduced Item 7, providing a forward view of the 2025/26 annual accounts and audit process. He explained that, reflecting on last year's resourcing challenges, TfN had commissioned an external provider to draft the statutory accounts, given the specialist and infrequent nature of the work and the organisation's limited inhouse capacity. The draft unaudited accounts were required to be published by 30 June. TfN would supply all detailed figures during April and May, with the external provider preparing the draft accounts by early June for

internal agreement. Subject to the Board approving the future funding and operating model for TfN at its meeting on 29 June, TfN planned to publish the draft accounts on a going concern basis on 30 June.

- 7.2 The Committee noted the contingency position should the funding model not be approved on 29 June. Options included revising the accounts to prepare them on a non-going concern basis, though this would require substantial recalculation, or accepting a short period of non-compliance and publishing once the TfN Board had agreed the operating and funding model for 2027/28. Keith Mitchell advised that the latter option, while not preferred, may be the more pragmatic backstop.
- 7.3 Martin Tugwell noted that the Committee's next meeting was scheduled for 17 July and proposed identifying an earlier date so that it could meet ahead of the June TfN Board meeting. Members were content for officers to work with the Chair to agree a revised date.
- 7.4 The Chair observed that the plan put in place sought to mitigate the issues experienced in the previous year and maintained flexibility to respond to the required timeline.

Resolved:

That the outlined plan be endorsed alongside the approach to completing the 2025/2026 annual accounts and audit.

8. Internal Audit Update 2025/26, Payroll Review and Internal Audit Plan 2026/27

- 8.1 Alex Hire from the internal auditors, RSM, introduced the Internal Audit progress report, noting that one audit report had been finalised as planned for this meeting and a further report on Contract Management was currently in draft and would be brought to the next meeting alongside the annual summary. She confirmed that delivery of the current year's audit plan remained on track and invited any questions or comments from Members.
- 8.2 The Chair invited any further questions on Internal Audit and encouraged Alex Hire to raise with the Committee any areas within the proposed audit plan that appeared disproportionate in scale or complexity.
- 8.3 Alex Hire then introduced the Payroll Audit report, a cyclical review covering payroll processing, starters, leavers and changes. She outlined that data analytics had been used extensively, including checks on leavers and potential duplicates, and that substantial assurance had been provided. Two low-level actions had been agreed for management action, relating to enhancing the payroll process schedule to clarify responsibilities and refining the notification form to streamline the process. Both actions were due for completion by 31 March.
- 8.4 Richard Thomas welcomed the positive report but queried the outsourcing of payroll processing to Hawsons Chartered Accountants, noting the longevity of the contract and asking whether it remained appropriate.

- 8.5 Lisa Pitt advised that an extension had been requested and confirmed that external support remained necessary due to the technical aspects of payroll calculations, with TfN supplying all required inputs.
- 8.6 Keith Mitchell added that outsourcing payroll was common among small public sector bodies, as running an inhouse payroll system would not be cost effective for an organisation of TfN's size.
- 8.7 Councillor Adshead asked whether future collaboration with other public sector bodies could be considered to achieve efficiencies.
- 8.8 The Chair noted that this would be considered as part of the new operating model for TfN for 2027/28.
- 8.9 Alex Hire then presented the Internal Audit Plan for 2026/27, which included proposals for audits of Accounts Payable and a deferred IT Security audit. The Committee noted the plan also incorporated follow up work to ensure actions agreed during 2025/26 had been implemented.
- 8.10 Richard Thomas supported the inclusion of the more specialised IT audit.
- 8.11 The Chair emphasised the importance of continuing to view assurance needs through the lens of organisational change.

Resolved: That the Internal Audit Progress Report, Payroll Report and Internal Audit Plan 2026/27 and Strategy be noted.

9. Corporate Risk Register Update

- 9.1 Daniella Della Cerra Smith presented the updated Corporate Risk Register. She reported that a comprehensive review had been undertaken given changes to TfN's internal and external working environment. Several risks had been closed, and two new risks relating to the future operating model and future funding model, were in development.
- 9.2 Work was underway with senior leaders and constituent authorities to develop options for the future operating and funding model. Further assessment of the impacts, likelihoods and mitigation actions would take place over the coming weeks.
- 9.3 Daniella also highlighted recent work on cyber security, noting discussions with the Head of IT and the extension of existing controls that related to data storage and access as part of corporate risk CR12. Penetration testing was currently underway, and an internal audit was scheduled for 2026; findings from both would inform any future reassessment of the risk level.
- 9.4 She confirmed that the next stage would involve aligning the corporate register with the 2026/27 Business Plan and capturing any additional risks emerging from the recent funding announcements.
- 9.5 Councillor Adshead asked for an indication of timescales for further development of the two new risks, emphasising the need for timely work. Daniella Della Cerra Smith confirmed that development work was taking place in parallel with that on developing the options themselves.

- 9.6 Richard Thomas commended the quality of the report and queried whether the 'recruit and retain staff' risk might now be slightly overstated, noting improved stability and positive key performance indicators (KPIs). Daniella Della Cerra Smith advised that the rating reflected both funding uncertainties and the links between workforce stability, organisational transition, and knowledge retention. The assessment would be reviewed again as part of the next risk cycle.
- 9.7 Daniel Watson stressed the importance of triangulating the risk register, the organisation's risk appetite, and the internal audit plan, noting that the assurance framework should reflect the interplay between these elements. Daniella Della Cerra Smith confirmed that the forthcoming review would ensure alignment between the business plan, audit approach and risk management processes.
- 9.8 The Chair emphasised that risks can only be understood in the context of the organisation's objectives, and that changes to the business plan would inevitably shift both the risks and the appetite for them. He reiterated the Committee's ongoing concern regarding cyber security, noting the importance of reviewing the assessment following penetration testing and upcoming audit work. He also noted the need to consider statutory obligations explicitly within the risk framework.
- 9.9 Martin Tugwell proposed that discussion on statutory duties and wider organisational implications be taken under Part 2, given the direct links to the budget and business plan. The Committee agreed.

Resolved:

That the updates to the Corporate Risk Register (CRR) be noted.

10. Date and Time of Next Meeting

- 10.1 The Committee noted that the next meeting of the Audit and Governance Committee was scheduled for 11am on Friday 17 July 2026 via Microsoft Teams.
- 10.2 However, the Chair noted that Martin Tugwell had earlier referenced the intention to bring forward the Committee's next meeting from July to June.
- 10.3 Joanne Barclay confirmed that, reflecting proportionality and the Committee's assurance role, the proposal to the Board was for three meetings per municipal year. The Chair highlighted the importance of maintaining sufficient frequency to ensure visibility across the organisation's changing landscape.
- 10.4 Martin Tugwell added that the General Purposes Committee had recommended to the Board that each constituent authority nominate a member to sit on the Audit and Governance Committee, ensuring full representation and visibility across authorities.

11. Exclusion of the Press and Public

Resolved:

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and public interest would not be served in publishing the information.

12. Part 2 Minutes of the Previous Meeting

- 12.1 The Part 2 minutes of the meeting held on Friday 05 December 2025 were noted by the Committee as a correct and accurate record; this will be formally approved at the next in-person meeting of the Committee.

13. Budget and Business Plan 2026/27

- 13.1 Item 13 (Budget and Business Plan 2026/27) and item 14 (TfN Reset) were taken as one update.
- 13.2 The Committee received a confidential update on the budget and business plan ahead of their consideration by the TfN Board. Members were briefed on the wider context, including recent developments affecting funding. The Committee noted that work was underway to align resources with the priorities identified by the TfN Board, whilst ensuring that statutory and governance obligations continue to be met.
- 13.3 The Committee discussed the high-level risks and dependencies associated with the budget cycle and the future funding model. Members noted that work was ongoing with constituent authorities and government, and that further updates would be provided as clarity develops.
- 13.4 The Committee also received assurance that appropriate governance, risk management, and consultation processes were being followed. Members thanked officers for the update and confirmed that they would continue to receive further reports as the position evolves.

14. TfN Reset

- 14.1 Items 13 (Budget and Business Plan 2026/27) and item 14 (TfN Reset) were taken as one update.

15. Executive Leadership Update

- 15.1 The Committee received an update on the Executive Leadership and senior leadership arrangements. The Chair noted the information provided and recorded thanks for the contributions made to date.
- 15.2 The Committee was also advised of forthcoming reports to the Board relating to governance and assurance matters.

Meeting:	Audit and Governance Committee	Consultation Call
Meeting Date:	Tuesday 23 June 2026	
Report Title:	Internal Audit Update	
Appendices:	Appendix 1: Annual Summary Report 2025/26 Appendix 2: Internal Audit Progress Report 2026/27 Appendix 3: Contract Management Audit Report Appendix 4: IT Security Report	
Author:	Joanne Barclay, Head of Legal and Democratic Services	
Sponsor:	Katie Day, Chief Executive (interim)	

1. Purpose of the Report

- 1.1 To enable RSM UK Risk Assurance Services LLP (RSM), Transport for the North's (TfN) Internal Auditor, to present the Annual Summary Report for 2025/26, the Internal Audit Progress Report for 2026/27 and the final Contract Management and IT Security Audit Reports.

2. Recommendations:

- 2.1 The Committee is recommended to:
- a) Note the Annual Summary Report for 2025/26, Internal Audit Progress Report for 2026/27, Contract Management Audit Report and IT Security Audit Report.

3. Feedback

- 3.1 Not applicable

4. Main Issues:

Annual Summary Report

- 4.1 The Annual Summary Report 2025/26 (Appendix 1) has been received by TfN.
- 4.2 The report provides a summary of the Internal Auditor's work delivered during 2025/26. This has included audits on our Information Governance Framework, contract management processes and payroll processes.
- 4.3 The work undertaken has been planned and delivered as a series of assignments and testing in areas at the request of TfN senior leadership and this Committee.
- 4.4 In terms of the audits undertaken in 2025/26, the Information Governance Framework Audit and Payroll Audit received a 'substantial' assurance rating, and the Contract Management Audit received a 'reasonable' assurance rating. A Strategic Fraud Risk Self-Assessment was also undertaken. No opinion was issued for this matter as it was undertaken as an 'advisory review' and not an 'assurance audit'. Management has welcomed the review; it did not raise any significant concerns and supports our work to continuously improve in this area.
- 4.5 The Annual Summary Report also highlights the progress made by TfN to implement management actions previously agreed in 2024/25. The report sets out that 54% of the actions were fully implemented, one 'low' priority management action (7%) was not implemented, and four 'low' actions and one 'medium' priority action (33%) were found to be ongoing.

Internal Audit Progress Report

- 4.6 The Internal Audit Plan for 2026/27 was approved by the Committee on 6 March 2026. The Internal Audit Progress Report (Appendix 2) has been received by TfN and provides an update on progress against the plan.
- 4.7 The Contract Management Audit Report forms the final part of the 2025/26 internal audit plan and has been issued following the Committee meeting on 6 March 2026. This report is considered in more detail below.
- 4.8 The report highlights the progress to date for 2026/27 and includes the completion of field work for the IT Security Controls. The latter report (Appendix 4) has now been issued by Internal Audit, and the report summary is at paragraph 4.14 below.

Contract Management Report

- 4.10 The Contract Management Report (Appendix 3) has been received by TfN.
- 4.11 This report was commissioned as part of the agreed Internal Audit Plan for the 2025/26 period.
- 4.12 The audit confirmed the following:
- An established Contract Management framework in place including key elements such as live contract register and policy
 - TfN's Contract Management Policy sets out guidance, roles and responsibilities and authorisation requirements
 - Commissioning authorisation / approvals via D365 system are consistently applied
 - Financial reporting is in place to support oversight of contract expenditure
 - TfN is compliant with the transparency requirements as set out in the Procurement Act 2023.
- 4.13 Internal Audit has concluded that TfN's contract management practices provide 'reasonable' assurance overall. This means that taking account of the issues identified, the TfN Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.
- 4.14 Three management actions were raised as a result of the audit, such as additional training for TfN's contract managers, and these are being actioned by the Procurement Manager by end of June 2026.

IT Security Report

- 4.15 The IT Security Report (Appendix 4) has been received by TfN.
- 4.16 This report was commissioned as part of the agreed Internal Audit Plan for the 2026/26 period.
- 4.17 The audit confirmed the following:
- TfN has demonstrated a clear understanding of its technology landscape and risk profile, with security controls aligned to a cloud-first operating model
 - Key preventative and detective controls are embedded into standard platforms and configurations, rather than relying on manual or ad hoc activities
 - Network and architectural controls are proportionate and well considered, with a deliberately minimised external attack surface, strong segmentation, and no exposure of inbound services

- Where inherent risks exist, such as reliance on cloud services or limited on-premises infrastructure, these are managed through appropriate identity, configuration, and monitoring controls
- Security activities such as patching, monitoring, back-up management, and access oversight operate as part of routine business processes and are supported by clear documentation and high-quality evidence. Control operation is proactive and sustained over time, rather than reactive or driven by audit activity
- No control weaknesses or improvement actions were identified from the work performed therefore no management actions have been agreed.

4.18 Internal Audit has concluded that TfN's IT Security measures provide 'substantial assurance' overall. This means that taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

5. Corporate Considerations

Monitoring Officer/Legal/Governance

5.1 There are no legal implications arising from this report.

Section 151 Officer/Finance

5.2 There are no financial implications as arising from this report

Resource Implications

5.3 There are no resource implications arising from this report.

Risk Management

5.4 The risks associated with the audits are detailed in the report

Equality, Diversity and Inclusion

5.5 An assessment is not required for this report.

Consultations

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

Background Papers

5.7 None.

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Meeting: Audit and Governance Committee Consultation Call

Meeting Date: 23 June 2026

Report Title: Internal Audit Update

Appendices: Appendix 1: Annual Summary Report 2025/26

Appendix 1: Annual Summary Report 2025/26

1. Background/Context

- 1.1 The Annual Summary Report 2025/26 provides a summary of the Internal Auditor’s work delivered during the 2025/26 financial year.



TRANSPORT FOR THE NORTH

Annual Summary Report 2025/26

Presented at the Audit and Governance Committee meeting of: 17 July 2026

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

INTRODUCTION AND SCOPE

RSM Risk Assurance Services LLP was appointed by Transport for the North to deliver a series of assignments, addressing areas where management and/or the Audit and Governance Committee required coverage or testing to inform their decisions and knowledge of the governance, risk and control environment.

1.1 Scope of our work

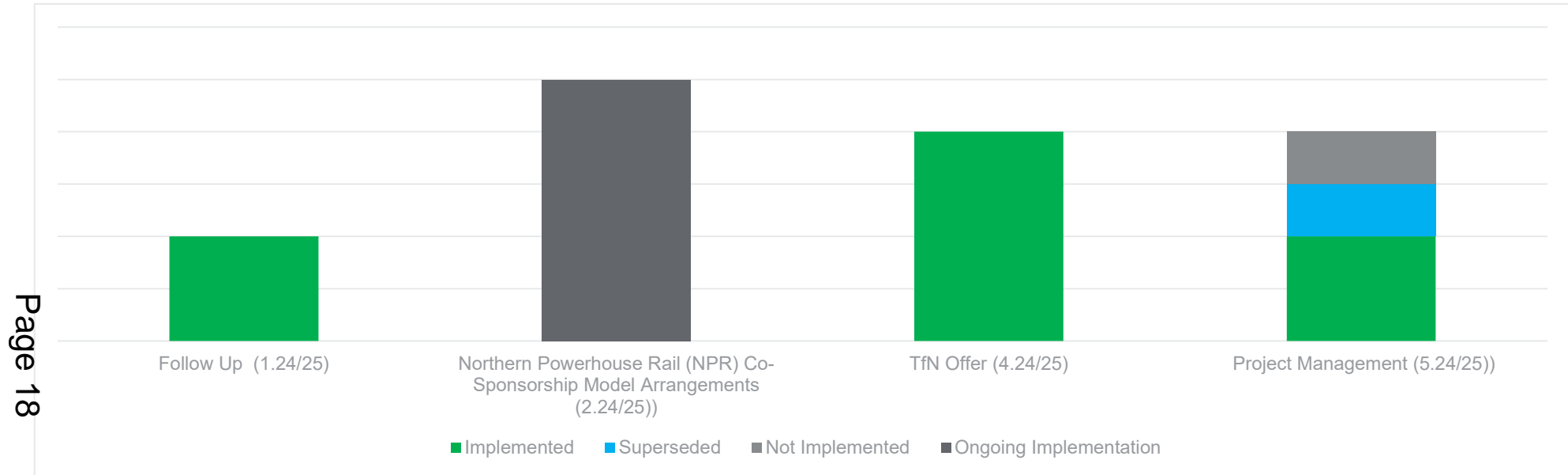
- The assignments delivered are just one of the elements of Transport for the North’s assurance framework and, if used properly, the results of our work can help management to inform and update the organisation’s risk profile.
- The purpose of this report is to provide a summary of our work delivered during the year. Our work has been planned and delivered as a series of assignments and testing in areas at the request of management and the Audit and Governance Committee.
- This report is prepared solely for the use of the Board and senior management of Transport for the North.
- This report does not provide a formal annual audit opinion that would accord with the Public Sector Internal Audit Standards and should not be taken to provide such an opinion.

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Assignment	Opinion issued	Actions agreed		
		L	M	H
Follow Up (1.25/26)	Reasonable Progress	8 of 15 actions completed		
Information Governance Framework (2.25/26)	Substantial Assurance	4	0	0
Strategic Fraud Risk Self-Assessment (3.25/26)	N/A		11	
Contract Management (4.25/26)	Reasonable Assurance	2	1	0
Payroll (5.25/26)	Substantial Assurance	2	0	0

1.2 Implementation of internal audit management actions

The graph below shows the progress made by the organisation to implement actions previously agreed to address findings from our assignments.



Testing identified that 8/15 (53 per cent) of the actions followed up in 2025/26 were fully implemented, with one 'low' priority management action (7 per cent) not implemented. A further four 'low' actions and one 'medium' priority action (33 per cent) were found to be ongoing. It was noted that one action from the Project Management (5.24/25) review had been superseded.

FOR FURTHER INFORMATION CONTACT

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rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Transport for the North and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

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Meeting:	Audit and Governance Committee	Consultation Call
Meeting Date:	23 June 2026	
Report Title:	Internal Audit Update	
Appendices:	Appendix 2: Internal Audit Progress Report	

Appendix 2: Internal Audit Progress Report

1. Background/Context

- 1.1 The internal audit plan for 2026/27 was approved by the Audit and Governance Committee at the 6 March 2026 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.



TRANSPORT FOR THE NORTH

Internal Audit Progress Report

23 June 2026

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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KEY MESSAGES

The internal audit plan for 2026/27 was approved by the Audit and Governance Committee at the 6 March 2026 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.



2025/26 Internal Audit Plan

We have issued one final report as part of the 2025/26 internal audit plan since the Audit and Governance meeting on 6 March 2026:

- Contract Management (4.25/26) which concluded that ‘reasonable’ assurance could be taken, with two ‘low’ priority actions and one ‘medium’ priority action.

A summary of the outcome of this review is provided in Section 1. This concludes our 2025/26 Internal Audit Plan and our Annual Summary is presented as a separate agenda item. [\[To discuss and note\]](#)

2026/27 Internal Audit Plan

The fieldwork for our IT Security Controls review has been completed, and a draft report will be issued shortly.

We have scoped and agreed reviews in respect of the following areas:

- Key Financial Controls: Accounts Payable; and
- Follow Up.

Details of the progress made against the 2026/27 internal audit plan is included at Appendix A. [\[To note\]](#)

1 FINAL REPORT

1.1 Summary of final reports being presented to this Committee meeting

This section summarises the report that has been finalised since the last meeting

Assignment	Opinion issued	Actions agreed			
		A	L	M	H
<p>Contract Management (4.25/26)</p> <p>Through our review, we confirmed that Transport for the North (“TfN”) has an established Contract Management framework in place. A Contract Management Policy and the wider organisational Constitution are in place, setting out defined roles, responsibilities and authorisation requirements for contract delivery, and we noted that approval workflows operating through Dynamics 365 are consistently applied. We confirmed that TfN has key elements of a contract management framework in place, including a live Contracts Register, defined performance expectations within tender documentation, and regular financial reporting to support oversight of contract expenditure. Our discussions confirmed that the Procurement Manager maintains responsibility for managing the Register, supporting budget holders, and escalating concerns where appropriate.</p> <p>However, our work identified several areas where improvements would strengthen the consistency, transparency and resilience of the contract management arrangements. In particular, updates to the Contracts Register are dependent on the Procurement Manager, with no current absence cover process. Evidence of contractor performance meetings was not consistently available, and key documentation relating to performance is not held centrally. Additionally, there is no framework or requirement for reporting non-financial contract performance information through governance routes, which may limit the visibility of benefits, risks, and wider contractual performance issues. As such, we have raised one ‘medium’ and two ‘low’ priority management actions. Refer to Section 2 of the report for more detail. Please note that our conclusion and overall audit opinion reflect the limitation that we were unable to obtain complete evidence of contract performance meetings for our sample of contracts. In recognising the size and scale of the organisation and the value of contracts in place, our recommended actions do not require TfN to establish a central repository for storing contractor performance meeting records. Instead, we propose that TfN reinforces expectations through an education piece to support Contract Managers in embedding this requirement within their roles and responsibilities.</p>	<p>Reasonable Assurance</p>	0	2	1	0

1.2 Themes arising from control observations (specific to assurance reviews only) – specific to 2025/26 audits

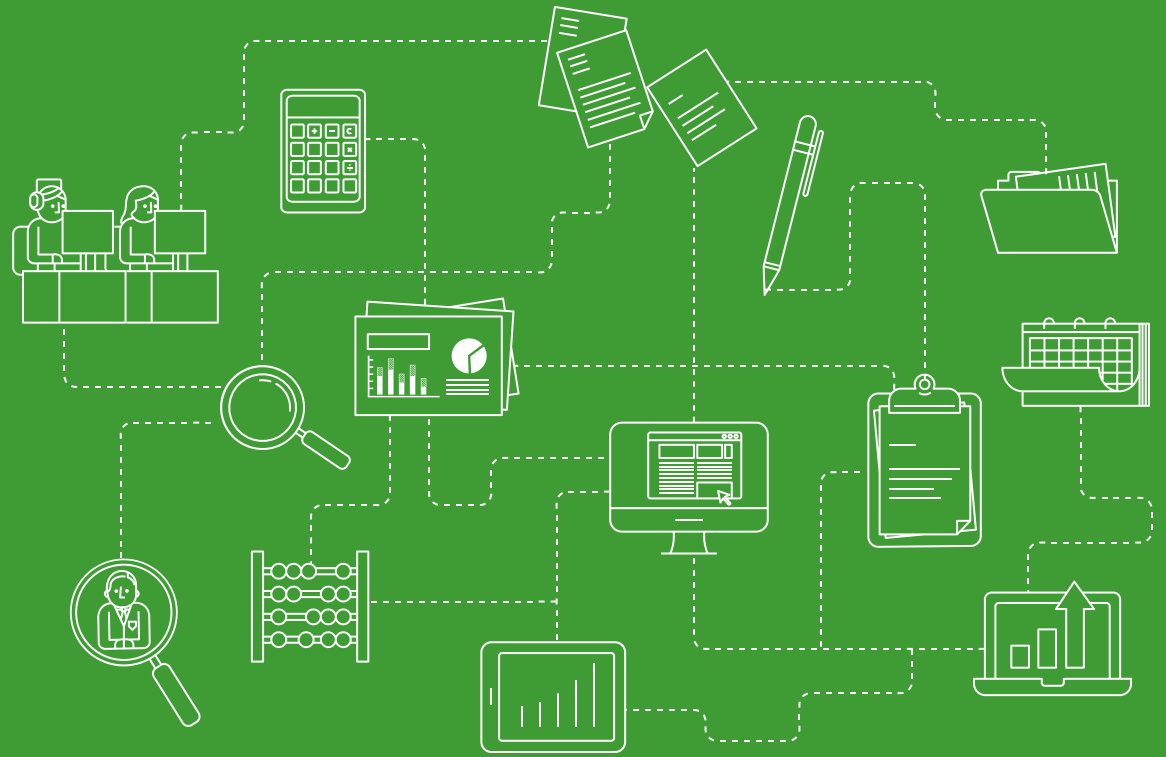
Theme	Low	Medium	High
Governance weakness	2	1	0
Design of the control framework	3	0	0
Lack of segregation of duties	1	0	0
Training/awareness for staff	1	0	0
Poor record keeping	1	0	0
Total	8	1	0

Of the control observations raised in the internal audit plan 2025/26, the category that is most common is in respect of governance weakness.

Appendices

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APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2026/27

Assignment and Executive Lead	Status / Opinion issued	Actions agreed				Target Committee meeting (as per IA plan / change controls)	Actual Committee meeting
		A	L	M	H		
IT Security Controls Danny Chapman	Fieldwork in progress					June 2026/September 2026**	
Key Financial Controls: Accounts Payable Keith Mitchell	Fieldwork to commence 3 August 2026					December 2026	
Follow Up Lisa Pitt	Fieldwork to commence 3 August 2026					September 2026	

*With the change in the timing of the July 2026 Committee, this report will be presented to the September 2026 meeting.

APPENDIX B: OTHER MATTERS

On-going liaison and other matters:

There has continued to be good ongoing communication between RSM, the Head of Legal and Democratic Services (Monitoring Officer), Interim Financial Controller / Section 151 Officer and the Interim Finance Director.

There have been no changes to the audit plan since the last meeting.

Updates, invites and briefings

- RSM Emerging Risk Radar Spring 2026 (April 2026); and
- Workforce 2026 (April 2026).

Quality assurance and continual improvement

To ensure that RSM remains compliant with the Global Internal Audit Standards we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Following the completion of each product, we include a link to a brief survey in each report we issue. We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

APPENDIX C: KEY PERFORMANCE INDICATORS (2025/26)

	Delivery				Quality		
	Target	Actual	Notes		Target	Actual	Notes
Audits commenced in line with original timescales	Yes	Yes	1	Conformance with IIA Standards	Yes	Yes	
Draft reports issued within 10days of debrief meeting	10 days	5 / 5 (100%)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 days	4 / 5 (80%)		Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	5 / 5 (100%)		Response for emergencies and potential fraud	1 working day	N/A	No instances noted.

Notes

1 - This takes into account changes agreed by management and Audit and Governance Committee during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

FOR FURTHER INFORMATION CONTACT

Alex Hire, Director

Email: Alex.Hire@rsmuk.com

Telephone: 07970 641757

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rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Transport for the North, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

Meeting: Audit and Governance Committee Consultation Call

Meeting Date: 23 June 2026

Report Title: Internal Audit Update

Appendices: Appendix 3: Contract Management Audit Report

Appendix 3: Contract Management Audit Report

1. Background/Context

- 1.1 The Contract Management Report was commissioned as part of the agreed Internal Audit Plan for the 2025/26 period.



TRANSPORT FOR THE NORTH

Contract Management

FINAL Internal Audit Report: 4.25/26

10 April 2026

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

CONTENTS

Audit outcome overview 3

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AUDIT OUTCOME OVERVIEW





In line with our scope, included at Appendix B, the overview of our findings is detailed below.

Conclusion: Through our review, we confirmed that Transport for the North (“TfN”) has an established Contract Management framework in place. A Contract Management Policy and the wider organisational Constitution are in place, setting out defined roles, responsibilities and authorisation requirements for contract delivery, and we noted that approval workflows operating through Dynamics 365 are consistently applied. We confirmed that TfN has key elements of a contract management framework in place, including a live Contracts Register, defined performance expectations within tender documentation, and regular financial reporting to support oversight of contract expenditure. Our discussions confirmed that the Procurement Manager maintains responsibility for managing the Register, supporting budget holders, and escalating concerns where appropriate.

However, our work identified several areas where improvements would strengthen the consistency, transparency and resilience of the contract management arrangements. In particular, updates to the Contracts Register are dependent on the Procurement Manager, with no current absence cover process. Evidence of contractor performance meetings was not consistently available, and key documentation relating to performance is not held centrally. Additionally, there is no framework or requirement for reporting non-financial contract performance information through governance routes, which may limit the visibility of benefits, risks, and wider contractual performance issues. As such, we have raised one ‘medium’ and two ‘low’ priority management actions. Refer to Section 2 for more detail. Please note that our conclusion and overall audit opinion reflect the limitation that we were unable to obtain complete evidence of contract performance meetings for our sample of contracts. In recognising the size and scale of the organisation and the value of contracts in place, our recommended actions do not require TfN to establish a central repository for storing contractor performance meeting records. Instead, we propose that TfN reinforces expectations through an education piece to support Contract Managers in embedding this requirement within their roles and responsibilities.

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Internal audit opinion:

				<p>Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p> <p>However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>
Minimal Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance	

Audit themes:

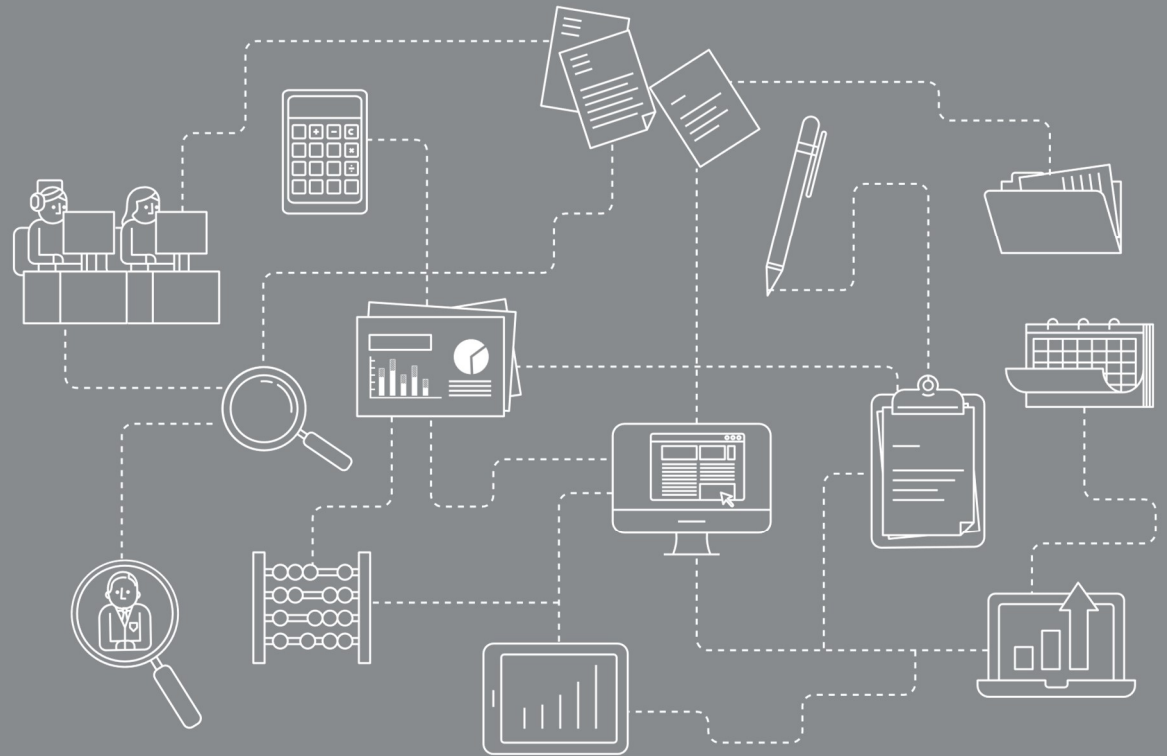
- A Contract Management Policy is in place, outlining the roles and responsibilities for contract delivery and monitoring, and makes due regard to relevant legislation such as the Procurement Act 2023. TfN also maintains an organisation-wide Constitution, which defines the governance framework, delegations, and decision-making processes. It includes the required authorisation levels for contract approval and signature. Both the Policy and Constitution are up to date and available to relevant staff via the procurement drive. Adherence to the Policy is facilitated through delivery of Contract Management training to staff by the Procurement Manager, outlining the roles and responsibilities associated with the process.

- The Procurement Manager owns and monitors a Contract Register which captures relevant contractual information, such as contract periods, associated supplier details and contract value. Staff have read-only access, with edits restricted to the Procurement Manager. While we confirmed the Register was accurate and accessible, there is currently no formal absence-cover process to ensure updates can be made when the Procurement Manager is unavailable. A management action has been raised to consider implementing a delegated arrangement to maintain continuity.
- Documentation is required to be stored on the Procurement drive, in line with the Contract Management Policy and overseen by the Procurement Manager. For a sample of nine live contracts, required documents, such as Supplier Recommendation Reports, Commissioning Forms, and Contract Modification records (where applicable) were available. However, in all cases, Company/Project Footprint Data had not been completed. Through query with management, we noted that the requirements had not been built into the contracts because some had been awarded under waivers, meaning the conditions were not included as they would normally be during a full tender process. Other contracts were tendered before the requirement existed, and therefore it had not formed part of the original documentation. One contract had recently been extended, so TfN was not yet in a position to request the information. In addition, none of the contracts in the sample had reached their end date, so Contract Close checklists were not yet due, and this was not considered an issue.
- TfN uses the Dynamics 365 (D365) system to manage approval workflows for procurement activity and contract authorisations. For our sample of contracts, approvals had been obtained from the Procurement Manager and, where required, the Finance Director and relevant functional director, in line with the authority thresholds set out in the Constitution.
- Supplier Recommendation Reports and Commissioning Forms are required to document spend proposals and financial justification for the contract award. For our sample, these forms had been completed and authorised in accordance with the prescribed signing thresholds. Contracts were also signed by the Head of Legal and, where applicable, the Senior Lawyer.
- We reviewed published contract transparency notices for procurements undertaken under the Procurement Act 2023 and confirmed inclusion of the required information, such as procedure type and estimated contract value. At the time of our review (December 2025), TfN had conducted only one above-threshold procurement, and the associated supplier has not appeared on the debarment list.
- Monthly financial reporting is well established; however, non-financial elements of contract performance, such as risks, benefits, and KPIs, are not routinely reported through TfN's governance structure. This limits organisational oversight of contract delivery. The Contract Management Policy also does not reference wider risk reporting requirements. A management action was raised to strengthen reporting processes and update the Policy accordingly.
- From our sample review, evidence of contractor performance monitoring was unavailable in several cases, and documentation is not stored centrally. Although some contracts require minimal ongoing management, the overall inconsistency in retaining performance evidence limits assurance over supplier delivery and creates inefficiencies for the Procurement Manager when sourcing documentation. A management action was raised to clarify expectations and standardise performance monitoring and record-keeping.

Summary of Actions for Management

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SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High

Immediate management attention is necessary.

Medium

Timely management attention is necessary.

Low

There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	Management will consider the benefits of introducing a formal absence-cover process to ensure that responsibility for updating the Contracts Register is appropriately delegated during periods when the Procurement Manager is unavailable. Editing rights should be extended to legal colleagues to facilitate this.	Low	Emily Molden, Procurement Manager	30 June 2026
2	Management will ensure that a targeted education exercise is delivered to Contract Managers, reinforcing their roles and responsibilities for consistently undertaking, documenting and retaining evidence of contractor performance monitoring. This will include reiterating the requirement to save performance reports and supporting documents in the designated contract management folder, and the importance of timely escalation to the Procurement Manager and Contracts Lawyer where concerns or potential breaches are identified.	Low	Emily Molden, Procurement Manager	30 June 2026
3	Management will ensure that the Contract Management Policy is updated to include appropriate reporting requirements for non-financial aspects of contract performance, including, benefits, and KPI outcomes (where applied). Management will also ensure that reporting mechanisms are strengthened so that decision-makers receive complete and timely oversight of contract delivery.	Medium	Emily Molden, Procurement Manager	30 June 2026

* Refer to Appendix B for more detail

Detailed Findings and Actions

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DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

Background / Why we did the audit

As part of the agreed internal audit plan (2025/26), we have undertaken a review in order to evaluate the systems and processes in place within TfN for reviewing and approving contracts with external parties.

TfN enters into a wide range of contracts to support the delivery of its organisational objectives, making strong contract approval and management arrangements essential. This audit was commissioned to provide assurance over the adequacy and effectiveness of TfN's processes for reviewing, approving, storing, and monitoring contracts. TfN utilise Dynamics 365 (D365) to facilitate contract approval workflows, including automated escalation to the Financial Controller and Finance Director in accordance with TfN's financial approval limits. All contracts require legal review and sign off prior to execution, ensuring appropriate scrutiny of contractual terms. As part of the review, we assessed whether these workflow controls operate consistently and are in line with the Constitution. We also considered the effectiveness of TfN's arrangements for maintaining an accurate Contracts Register, recording contract documentation, overseeing contract amendments and contractor performance.

The introduction of the Procurement Act 2023 brings a strengthened transparency and performance regime, including mandatory publication of KPIs and annual Contract Performance Notices. These requirements form part of a broader set of new obligations around contract performance reporting. The audit therefore assessed whether TfN has responded to these new post award requirements where relevant, recognising that these obligations apply to procurements commenced under the new regime. As of January 2026, TfN has 100 live contracts with external parties, totalling £13,029,582.30 in contract value. As part of our review, we selected a sample of nine live contracts to test whether they are being managed in line with the TfN's Contract Management Policy and Constitution. Based on figures reported to the Operating Board Team in January 2026, TfN's actual versus budget by area is as follows:

Area	Actuals (£'000)	Budget (£'000)	Variance (£'000)
Analytical Support	3,785	4,224	439
Rail North Partnership	1,197	1,356	159
Hosted Services	4,982	5,580	597
Rail, Modelling, Legal and Comms	2,801	2,672	(129)*
Strategy and Roads	1,210	1,289	79
Operational Areas	4,011	3,961	(50)*
Support Functions	1,492	1,467	(25)*
Total	10,486	11,009	523

*Figures in parentheses are expressed as negatives.

Area: Contracts Register

Control	A Contracts Register is in place which includes relevant information such as the associated supplier, start and end date, contract period, lead officer and value. The Register is owned by the Procurement Manager who is responsible for ensuring information is correct and remains up to date. Renewals and tenders are tracked manually by the Procurement Manager, who also manages retenders and renewals added to the Pipeline. The Contracts Register is a live document, held as a 'read only' Excel sheet via the procurement drive to staff, while edit functionality is restricted to the Procurement Manager.	Assessment:		
		Design	✓	
		Compliance	x	
Findings / Implications	We obtained a copy of the Contract Register, presented in excel format. Upon discussions with the Procurement Manager, we noted that the Register is a live document for the purpose of facilitating the use of most up to date contractual information. By review of the Register, we noted key areas are documented, such as exit, notice or renewal provisions.			
<p>Upon discussions with the Procurement Manager, we were informed that back-end edit access of the Register is restricted to the Procurement Manager only, and all other staff have read only access. For instances in which the Procurement Manager may be absent, there is currently no defined formal process or delegation for making updates to the Register. There is a potential risk that without an established absence cover process, TfN becomes dependent on a single individual to maintain the Contracts Register. We noted also that the Procurement Manager does not currently oversee a procurement team however the Procurement Manager is a member of the Legal and Democratic Services Team and works closely with and has support of legal colleagues to ensure the key risks identified are minimised. We have raised a management action for management to consider the availability and benefits of embedding a more formal process but in the event the Procurement Manager was absent, TfN's IT and Information Team would be able to provide legal colleagues with back-end edit access of the Register.</p>				
Management Action 1	Management will consider the benefits of introducing a formal absence-cover process to ensure that responsibility for updating the Contracts Register is appropriately delegated during periods when the Procurement Manager is unavailable. Editing rights should be extended to legal colleagues to facilitate this.	Responsible Owner: Emily Molden, Procurement Manager	Date: 30 June 2026	Priority: Low

Area: Performance Management

Control	Performance expectations are defined within tender and contractual documentation, including key milestones and deliverables against which suppliers are measured. Contract Managers monitor supplier performance in line with these requirements and hold contractor performance meetings as stipulated in the contract. Any concerns, such as potential breaches of contract, are escalated to the Procurement Manager and Legal Team in accordance with TfN's procedures.	Assessment:		
		Design	✓	
		Compliance	x	
Findings / Implications	<p>As of the time of our review (December 2025 - January 2026), we were advised that no contracts within our sample have been subject to a breach. Through query with the Procurement Manager, we noted that breaches (instances in which the supplier fails to meet one or more key agreed terms) which prevent complete delivery of contracts include the refusal of delivering contractual obligations and non-compliance with key terms. In such instances, a breach may result in partial or complete termination of contracts, the award of damages or a settlement agreement. Where Contract Managers believe that suppliers are in breach, they are required to inform the Procurement Manager and Contracts Lawyer.</p> <p>We selected a sample of nine contracts in place at TfN from the Contract Register as of December 2025 and performed testing to identify whether contractor performance meetings are undertaken for the purpose of tracking performance.</p>			

Area: Performance Management

Testing identified that, in 4/9 cases, while we were informed by the Procurement Manager that contractor performance monitoring is undertaken at the budget holder-level, we were unable to obtain evidence to support this (as at the time of our review, January 2026). It should be noted that two of these contracts were data licences and membership fees, of which minimal or no contract management is required.

We noted that key documentation, such as evidence of performance management, was not held centrally, requiring the Procurement Manager to obtain information from Contract Managers. The Contract Management Policy however does make it clear that it is the responsibility of the Contract Manager to save reports and performance documents and gives the option to save these in the contract management folder should they wish.

Additionally, we noted that key documentation, such as evidence of performance management, was not held centrally, requiring the Procurement Manager to obtain information from various teams, including Legal and individual budget holders. TfN may wish to consider a more centralised and holistic approach to its contract management framework, including clearer allocation of roles and responsibilities, to promote greater consistency and efficiency across the process.

Management Action 2	Management will ensure that a targeted education exercise is delivered to Contract Managers, reinforcing their roles and responsibilities for consistently undertaking, documenting and retaining evidence of contractor performance monitoring. This will include reiterating the requirement to save performance reports and supporting documents in the designated contract management folder, and the importance of timely escalation to the Procurement Manager and Contracts Lawyer where concerns or potential breaches are identified.	Responsible Owner: Emily Molden, Procurement Manager	Date: 30 June 2026	Priority: Low
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Area: Monitoring and Reporting

Control	<p>For each contract, monthly reports are produced by the Finance Team to facilitate the monitoring of the financial performance of contracts. The reports detail the financial reporting of each contract, including actual, budgeted (base) and variance analysis for both the year to date and financial year.</p> <p>On a monthly basis, year-to-date Finance result plus Budget / Virement update reports are presented at the Operating Board Team (OBT).</p>	Assessment:
		<p>Design ✓</p> <p>Compliance ×</p>

Findings / Implications	<p>For our sample of contracts, we obtained copies of the most recent (as of November 2025) monthly finance reports produced by the Finance Team. By review, we noted the inclusion of a comprehensive review of financial performance and contractual commitments.</p> <p>Whilst we confirmed, through review, that a range of financial information at a contract level is produced by the Finance Team and monthly reports are presented to OBT, we noted that there is currently no framework by which the non-financial elements in relation to contract performance are reported through its governance structure. There is a potential risk that TfN may lose oversight of contract delivery and fail to identify emerging issues, however there are safeguards in place to mitigate unmanaged performance risks, missed benefits, and reduced assurance over whether contracted outcomes are being achieved. The Contract Management Policy outlines the process that Contract Managers should follow in the event of poor performance/breach of contract. An example of how this process works in practice was evident in one of the sample contracts. The supplier was experiencing difficulties in delivering to the timescales and through discussions with the Procurement Manager and the Legal Team, the Contract Manager was able to liaise and agree a way forward with the supplier.</p>
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Area: Monitoring and Reporting

In regard to risks, these are managed through meetings with the Risk Manager and the individual teams.

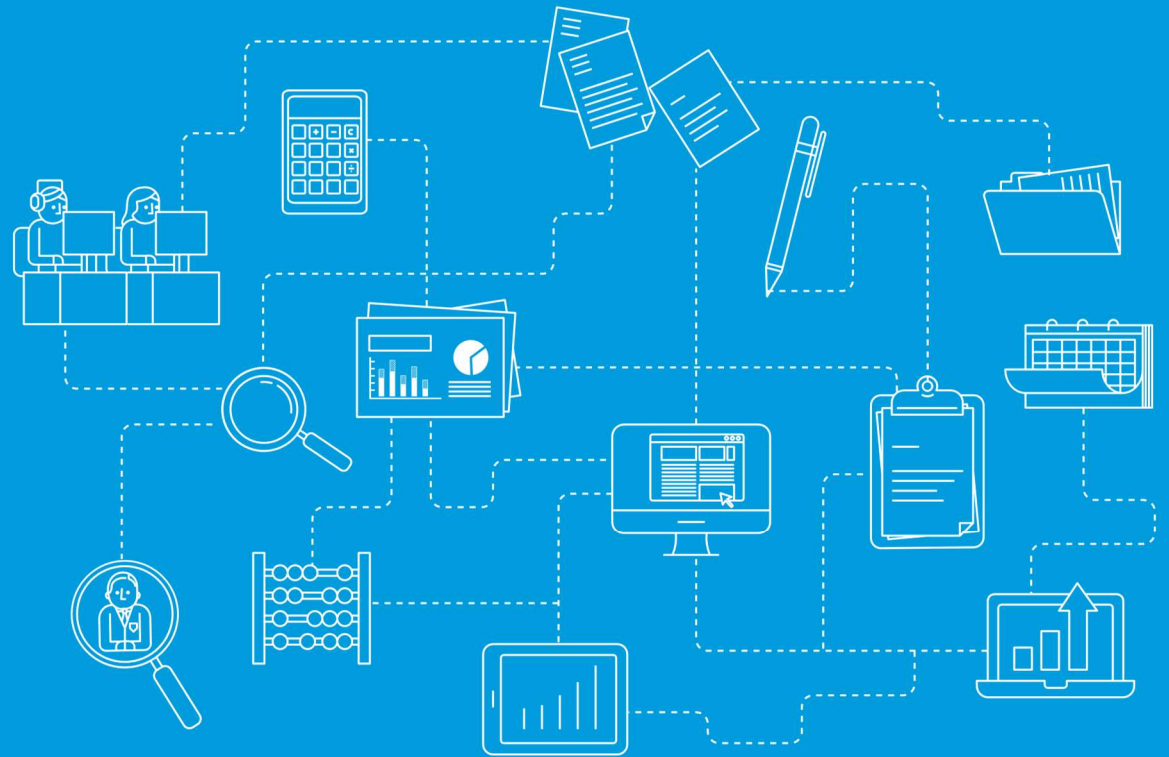
The Policy does not outline wider discussions and appropriate reporting requirements and we have therefore raised a management action in this area.

Management Action 3	Management will ensure that the Contract Management Policy is updated to include appropriate reporting requirements for non-financial aspects of contract performance, including, benefits, and KPI outcomes (where applied). Management will also ensure that reporting mechanisms are strengthened so that decision-makers receive complete and timely oversight of contract delivery.	Responsible Owner: Emily Molden, Procurement Manager	Date: 30 June 2026	Priority: Medium
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Appendices

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APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low

There is scope for enhancing control or improving efficiency.

Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

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Area	Control design not effective	Non-compliance with controls	Agreed actions		
			Low	Medium	High
Contract Management	3	0	2	1	0
Total			2	1	0

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risk.

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
<p>We will undertake a review to evaluate the systems and processes in place within TfN for reviewing and approving contracts with external parties. As part of the review, we will test a sample of contracts to identify whether appropriate individuals have reviewed and approved the contracts and that their roles / responsibilities and accountabilities are consistent with the level of approval limits.</p> <p>We will also review the level of contractor performance management undertaken across TfN. This will include the processes in place for recording, storing and maintaining contract documentation, and consideration of how contract amendments are managed and expiry dates are monitored.</p>	<p>TfN activities do not deliver value for money.</p>	<p>Corporate Risk Register</p>

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When planning the audit, the following were agreed:

Areas for consideration:

- A Contract Management Policy/Procedure is in place, is up to date and available to all staff. Roles and responsibilities for contract delivery and monitoring of contracts have been defined. Training/support has been provided to members of staff in regards to roles and responsibilities.
- There is a Contract Register in place which is up to date, including relevant information including but not limited to: supplier, start and end date, contract period, lead officer from TfN, value, purpose, framework and extension details.
- There is a formal process in place for storing contracts and recording contract information. This will include sample testing of a sample of contracts to ensure recorded information is correct and in-date.
- The processes for ensuring contracts are appropriately approved/signed-off by all relevant parties in line with the Contract Management Policy and procedures. This will include sample testing of a sample of contracts to ensure approvals have been sought and captured in line with Policy.
- Processes for oversight and monitoring of specific contract requirements/terms and conditions.
- Contract performance management arrangements have been established and are being carried out in practice. For our sample of contracts, we will test to ensure any defined performance management is being completed, with any underperformance identified and remedial actions established.
- The reporting framework in place in relation to contract management.

-
- How TfN has responded to the requirements of the Procurement Act specifically in regards contracts including but not limited to:
 - Contract award notices;
 - Contract performance including the setting of key performance indicators;
 - Poor performance and corrective actions; and
 - Debarment procedures.

Limitations to the scope of the audit assignment:

- The scope of the work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review.
- We will undertake an assessment of the adequacy of aspects of the control framework and we will undertake limited testing to confirm its operation in practice.
- Conclusions are based on our assessments made through discussions with management, assessment of the current framework of controls and review of relevant documentation made available.
- We will not comment on the suitability of contracts selections made or comment on the contracts from a legal perspective.
- We will not comment on the accuracy of any data reported to Senior Management or Board.
- We will not comment on the adequacy of other systems used by TfN.
- We will not comment on whether contracts undertaken will achieve TfN's strategic objectives or that value for money is achieved.
- We will not comment on whether the contracts entered into will ensure the financial viability of the TfN.
- We will not review controls in relation to the raising of invoices in line with contracts, payment schedules or the income collection within the scope of this review. Any testing undertaken during the audit will be performed on a sample basis only.
- We will not review the tendering process or procurement activity as part of our review.
- We will not comment on whether TfN is compliant with the new Procurement Act, only that evidence is available to demonstrate that TfN has responded and taken action where considered necessary (specifically in regards to contracts).
- We will not provide assurance that goods and services provided are fit for purpose.
- We will not comment on whether the appropriate contractors are being utilised, only that the correct contractor was awarded the contract based on the organisation's guidelines and tender compliance.
- We will provide assurance that financial regulations have been complied with only for the sample tested. Testing will be completed on a sample basis from transactions within the current year.
- We will not review the accuracy of reported KPIs.
- We will not provide an opinion on whether the organisation complies with procurement law and regulations.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

Please note that the full scope of the audit can only be completed within the audit budget if all the requested information is made available at the start of the audit and the necessary key staff are available to assist the audit process. Delays in meeting our information requirements may lead to delays in any proposed timetable, which in turn may cause us to incur additional costs; we reserve the right to raise a supplementary invoice for any such additional fees. We will notify you as soon as it is apparent that there are delays with meeting our information requirements and any consequent changes to the timetable.

To minimise the risk of data loss and to ensure data security of the information provided, we remind you that we only require the specific information requested. In instances where excess information is provided, this will be deleted, and the client sponsor will be informed.

Debrief held	23 January and 18 February 2026
Draft report issued	30 January 2026
Revised draft report issued	24 February 2026
Responses received	9 April 2026
Final report issued	10 April 2026

Internal audit Contacts	Alex Hire, Consulting Director
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Client sponsor Distribution	Joanne Barclay, Head of Legal and Monitoring Officer Joanne Barclay, Head of Legal and Monitoring Officer
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We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

FOR FURTHER INFORMATION CONTACT

Alex Hire, Risk Assurance Director

Email: Alex.Hire@rsmuk.com

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rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Transport for the North, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

Meeting: Audit and Governance Committee Consultation Call

Meeting Date: 23 June 2026

Report Title: Internal Audit Update

Appendices: Appendix 4: IT Security Report

Appendix 1: IT Security Report

1. Background/Context

- 1.1 The Internal Audit Report on IT security within Transport for the North. This report presents the findings of an Internal Audit review of IT security arrangements within Transport for the North.



TRANSPORT FOR THE NORTH

IT Security

FINAL Internal Audit Report: 1.26/27

9 June 2026

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix C, the overview of our findings is detailed below.

Background / Why we did the audit

Transport for the North (TfN) relies on a combination of cloud based services, managed end user devices, and a limited on premises estate to support its strategic objectives, operational delivery, and information management responsibilities. These systems underpin critical functions and hold organisational and stakeholder information, making effective IT security controls essential to protect against cyber attack, data loss, and service disruption. The increasing scale and sophistication of cyber threats, alongside continued reliance on digital services and remote working practices, heightens the importance of maintaining appropriate preventative, detective, and responsive security controls. In this context, Transport for the North requires confidence that key IT security controls are suitably designed and operating to manage risk in line with its operating model and risk appetite.

This review was undertaken as part of the approved Internal Audit Plan to provide independent assurance over selected IT security controls. The objective of the review was to assess, at a high level, whether controls are in place to help protect the organisation from cyber attack, data loss, and operational downtime. The scope of the review focused on selected controls across architecture and configuration, vulnerability management, data security, and logging and monitoring. These areas were chosen to provide coverage of key preventative and detective controls, including network security arrangements, standard device builds, patching practices, protection against malware, data backup and disposal processes, and the monitoring and retention of security logs.

Our work involved review of relevant policies, procedures, system configuration evidence, and monitoring reports, supported by discussions with management to understand how controls operate in practice. Testing was performed on a sample and walkthrough basis only and was limited to the specific areas examined. The review did not constitute a comprehensive assessment of all IT or cyber security controls, nor did it include independent technical testing, such as penetration testing or vulnerability scanning.

Conclusion:

The review concluded that Transport for the North (TfN) has established well-designed IT security controls environment across the areas within scope which are operating consistently in practice to manage the risks of cyber attack, data loss, and operational disruption.

TfN has demonstrated a clear understanding of its technology landscape and risk profile, with security controls aligned to a cloud-first operating model. Key preventative and detective controls are embedded into standard platforms and configurations, rather than relying on manual or ad hoc activities. This includes standardised secure device builds, automated patch deployment, centrally managed malware protection, comprehensive data scanning, and layered identity-based monitoring.

Network and architectural controls are proportionate and well considered, with a deliberately minimised external attack surface, strong segmentation, and no exposure of inbound services. Where inherent risks exist, such as reliance on cloud services or limited on-premises infrastructure, these are managed through appropriate identity, configuration, and monitoring controls.

Background / Why we did the audit

Security activities such as patching, monitoring, backup management, and access oversight operate as part of routine business processes and are supported by clear documentation and high-quality evidence. Control operation is proactive and sustained over time, rather than reactive or driven by audit activity.

No control weaknesses or improvement actions were identified from the work performed therefore no management actions have been agreed.

Internal audit opinion:



Minimal Assurance



Partial Assurance



Reasonable Assurance



Substantial Assurance

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

Audit themes:

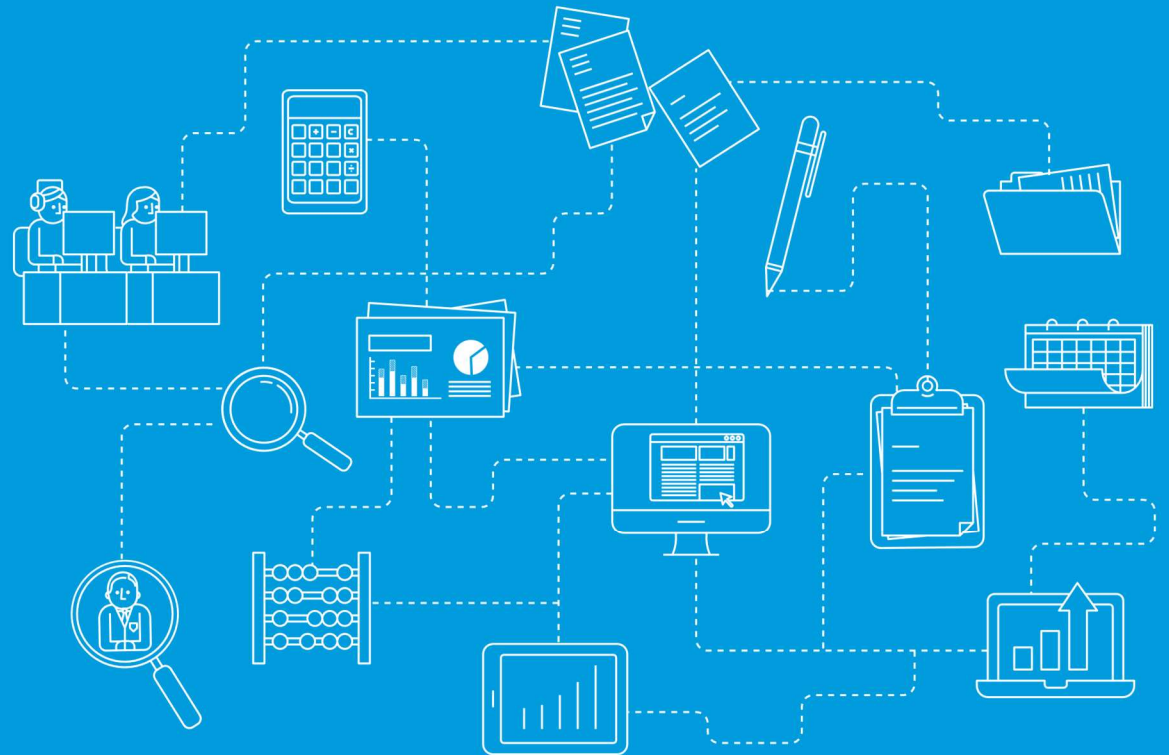
- Controls are designed around a cloud-first, Software as a Service architecture, with emphasis on identity, endpoint security, configuration management, and platform-native monitoring.
- Documented procedures are in place covering patch management, baseline configuration, backup arrangements, data disposal, logging, and monitoring, providing clarity over expected activities and operational standards.
- Evidence demonstrated traceability between policy requirements, technical configuration, and day-to-day operation.
- TfN does not expose inbound services, operates outbound-only firewall rules, and enforces network segmentation through VLANs. This reduces exposure to external threats and demonstrates effective perimeter protection.
- Identity-based monitoring and alerting is used as the primary detection mechanism, which is appropriate for TfN's reliance on cloud platforms and limited on-premises footprint.
- End user devices are provisioned using Microsoft Autopilot with a standard secure baseline applied at enrolment. Virtual machines are built from approved gold images, promoting consistency and reducing configuration drift. Configuration and compliance policies are used to identify non-compliant devices and deviations from baseline builds, enabling proactive management of security posture.
- Software installation is restricted to the IT team or requires explicit approval, with enforcement delivered through centrally managed endpoint configuration.

Background / Why we did the audit

- Patching responsibilities, deployment approaches, monitoring arrangements, and exception handling are formally defined, demonstrating a structured approach to vulnerability reduction.
- Patches are deployed automatically with compliance dashboards used to monitor status and identify devices that fail to update, supporting timely remediation.
- Annual external penetration testing is undertaken with defined scope and documented outcomes, providing independent validation of security controls alongside internal processes.
- Microsoft Defender is deployed across the device estate with real-time protection, automatic definition updates, and tamper protection enabled, preventing user interference.
- Inbound, outbound, and data-at-rest scanning is implemented across email and collaboration platforms using anti-phishing, anti-malware, and data loss prevention controls.
- Use of removable media is restricted through endpoint configuration and supported by policy, with access constrained in line with business need.
- Data is backed up on nightly, weekly, and monthly schedules, with monitoring in place to confirm successful completion of backup jobs.
- Backup restore testing is performed on a scheduled basis and documented, providing assurance that data recovery processes operate effectively in practice.
- Azure sign-in monitoring and risky sign-in alerts provide visibility of failed sign-ins, high-risk authentication attempts, privileged role changes, and break glass account usage.
- Infrastructure-level alerts are generated for the on-premises environment, supporting detection of abnormal system behaviour and operational issues.
- Log retention requirements and responsibilities are documented, with arrangements in place to retain authentication logs beyond default platform limits.
- Responsibility for security activities such as patching, monitoring, access control, and backup management is clearly understood within the IT function, supporting accountability.
- Security activities operate as part of normal business processes rather than being triggered only by incidents or audit activity, indicating mature control operation.

Appendices

01



APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low

There is scope for enhancing control or improving efficiency.

Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

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Area	Control design not effective	Non-compliance with controls	Agreed actions		
			Low	Medium	High
IT Security	0	0	0	0	0
Total			0	0	0

APPENDIX B: INTERNAL AUDIT ASSIGNMENT OPINIONS



Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Reasonable Assurance

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Partial Assurance

Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Substantial Assurance

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to objective:

Objective of the review

To provide assurance at a high-level that controls are in place to help protect the organisation from cyber attack, data loss and operational downtime.

When planning the audit, the following were agreed:

Areas for consideration:

1. **Architecture and configuration**
 - Perimeter protection, including application of firewalls, firewall rules settings and change management.
 - Application of intrusion detection and prevention.
 - Standard baseline builds of managed devices.
2. **Vulnerability management**
 - Software update strategy for managed devices.
 - Vulnerability management procedures, including prioritisation of critical vulnerability remediation.
3. **Data security**
 - Restrictions on use of removable media.
 - Use and upkeep of anti-malware software.
 - Use of file scanning.
 - Backup policies and procedures.
 - Data disposal process (hardware).
4. **Logging and monitoring**
 - The monitoring, alerting and reporting processes.
 - Log retention policy and procedures.
 - Access controls to logs.
 - Monitoring of Active Directory Activity.

Limitations to the scope of the audit assignment:

- The scope of our work will be limited only to those areas that have been examined and reported and is not to be considered as a comprehensive review of all aspects of IT/cyber security.
- The approach taken for this review will be to validate the design of selected key controls and will not include all monitoring controls.

- We will be testing only selected key controls and on a sample or walkthrough basis only.
- We will not perform penetration tests and vulnerability assessments.
- Technical/ automated controls will not be tested.
- The information provided in the final report should not be considered to detail all errors or risks that may currently or in the future exist within the IT environment, and it will be necessary for management to consider the results and make their own judgement on the risks and the level of specialist computer audit coverage they require in order to provide assurance that these risks are minimised.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

Debrief held 8 May 2026
Draft report issued 19 May 2026
Responses received 9 June 2026

Internal audit Contacts Alex Hire, Director, Internal Audit (IA)
 Anna O’Keeffe, Director, Technology Risk Assurance (TRA)
 Refiloe Chaka, Principal Consultant (TRA)

Final report issued 9 June 2026

Client sponsor Danny Chapman, Head of IT and Information
Distribution Danny Chapman, Head of IT and Information

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

FOR FURTHER INFORMATION CONTACT



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Meeting:	Audit & Governance Committee
Meeting Date:	Tuesday 23 June 2026
Report Title:	External Audit Strategy for the 2025/26 accounts
Appendices:	Appendix 1: Forvis Mazars Audit Strategy Memorandum 2026
Author:	Keith Mitchell, Interim Finance Director
Sponsor:	Katie Day, Chief Executive (interim)

1. Purpose of the Report

- 1.1 To present the Audit Strategy Memorandum from Forvis Mazars (Mazars) for the annual statutory accounts for the year to 31 March 2026 (Appendix 1).

2. Recommendations:

- 2.1 The Committee is recommended to:

Consider and endorse the Audit Strategy Memorandum (ASM) from Mazars for the 2025/26 annual accounts.

3. Main Issues:

- 3.1 Transport for the North (TfN) is required to produce annual statutory accounts that are fully compliant with all relevant legislation and reporting requirements, including the latest Chartered Institute of Public Finance and Accounting Code of Practice on Local Authority Accounting in the UK (the CIPFA Code) and Standards.
- 3.2 TfN is required to produce a full set of public sector accounts for 2025/26, as in previous years, and to have a full public sector audit.
- 3.3 Mazars is TfN's appointed external auditor for the 2025/26 financial accounts. In preparation for the audit work, Mazars has identified the significant audit risks and have planned their audit activities to address these risks. This planning is contained in the ASM attached as Appendix 1.
- 3.4 The ASM is presented to the Committee for their consideration and endorsement, as per the Committee Terms of Reference. We would welcome views/ input from Committee members on two specific matters:
- Whether there are any other potential risks (e.g. business, laws & regulation, fraud, going concern) that may result in material misstatements within the financial statements.
 - If there are any matters that warrant particular attention during the audit and/ or any areas where additional procedures could be undertaken.

4. Background

- 4.1 The draft financial accounts for 2025/26 have been prepared and are planned to be published as unaudited draft accounts on 30 June 2026.
- 4.2 Mazars plan to commence their external audit work on the draft 2025/26 accounts in July 2026, after publication.

5. Corporate Considerations

Monitoring Officer/Legal/Governance

- 5.1 There are no direct legal implications from the report, but proper scrutiny from the Committee is essential to meeting TfN's statutory obligations and maintaining good governance.

Section 151 Officer/Finance

- 5.2 The cost of the resources required to deliver the 2025/26 external audit outlined in this report was included in the budget for 2026/27.

- 5.3 There are no other financial implications of this report.

Resource Implications

- 5.4 There are no direct resource implications as a result of this report.

Risk Management

- 5.5 The risk associated with the audits are detailed in the Audit Strategy Memorandum.

Equality, Diversity and Inclusion

- 5.6 An Equality Impact Assessment (EqIA) is not required for this report.

Meeting:	Audit and Governance Committee	Consultation Call
Meeting Date:	Tuesday 23 June 2026	
Report Title:	External Audit Update	
Appendices:	Appendix 1: Audit Strategy Memorandum	

Appendix 1: Audit Strategy Memorandum

1. Background/Context

- 1.1 The Audit Memorandum provides an overview of the planned scope and timing of the external audits, including the significant and enhanced audit risks that have been identified.



Pag

Audit Strategy Memorandum

Transport for the North - Year ending 31 March 2026

June 2026

Transport for the North
Level 6, Town Hall Extension4 Piccadilly Place
Lloyd Street
Manchester
M2 5DB

23/06/2026

I am pleased to present our Audit Strategy Memorandum (“ASM”) for Transport for the North for the year ended 31 March 2026. This document will be presented at the Audit and Governance Committee meeting on 23rd June 2026. If you would like to discuss any matters in more detail, please contact me on daniel.watson@mazars.co.uk.

This report provides an overview of the planned scope and timing of our audit, including the significant and enhanced audit risks we have identified. In addition, as it is a fundamental requirement that we are, and are seen to be, independent of Transport for the North (TfN) this report also summarises our considerations and conclusions on our independence.

Two-way communication with you is key to a successful audit and is important in:

- Reaching a mutual understanding of the scope of our audit and our respective responsibilities,
- Sharing information to assist each of us with fulfilling our respective responsibilities,
- Providing you with constructive observations arising during our audit, and
- Ensuring that we gain an understanding of your attitude and views in respect of the risks facing the entity which may affect our audit, including the likelihood of those risks materialising and how they are monitored and managed.

This report, which we have prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach.

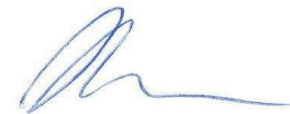
Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations.

During the meeting, we would be grateful for your views/ knowledge on the following specific matters:

- Whether you have identified any other risks (business, laws & regulation, fraud, going concern, etc.) that may result in material misstatements in the financial statements.
- If there are any matters that you consider warrant particular attention during our audit and/ or any areas where you would like additional procedures to be undertaken.

Subject to our prior written agreement or as required by any applicable law or regulation, this report is considered confidential and is intended solely for [Those Charged With Governance] and should not be disclosed to any other party, used or quoted for any other purpose.

Yours faithfully,



Daniel Watson, Partner
Forvis Mazars LLP

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Your audit team



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Audit scope, approach, and timeline



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Audit risks and other significant matters

Significant risks

In this section, we have set out the significant and enhanced audit risks we have identified and our planned response. If we identify additional risks or change our risk assessment during our audit, we will report this to you. Refer to Appendix A for definitions. We have also set out in this section of the report any other significant matters that we consider should be brought to your attention.

Risk	Description	Our planned response
<p>Valuation of Net Defined Benefit Pension Liability</p>	<p>The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.</p> <p>The TfN accounts contain material liabilities relating to the local government pension scheme ('LGPS') administered by the Greater Manchester Pension Fund ('GMPF'), which had its last triennial valuation as at 31 March 2025.</p>	<p>In relation to the valuation of the net defined benefit pension liability we will:</p> <ul style="list-style-type: none"> • Critically assess the competency, objectivity and independence of the LGPS actuary, Hymans Robertson ('Hymans'); • We will review the arrangements in place to ensure the completeness and accuracy of member data submitted to the pension fund actuary for the triennial valuation. • Liaise with the auditors of the LGPS, GMPF, to obtain confirmation that the controls are designed and implemented appropriately. This will include the processes and controls in place to ensure data provided to the actuary for the purposes ensuring the valuation is complete and accurate; • We will evaluate management's approach to assessing the applicability of any asset ceiling on the defined benefit pension asset/liability. This will include reviewing supporting calculations, assumptions, and consistency with actuarial advice and considering whether appropriate technical expertise has been applied to ensure compliance with accounting requirements. • Review the appropriateness of the pension asset and liability valuation methodologies applied by Hymans, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PwC, consulting actuary engaged by the NAO; and • Agree the data in the IAS 19 valuation reports provided by Hymans for accounting purposes to the pension accounting entries and disclosures in the financial statements.

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Audit risks and other significant matters

Significant risks- Continued

In this section, we have set out the significant and enhanced audit risks we have identified and our planned response. If we identify additional risks or change our risk assessment during our audit, we will report this to you. Refer to Appendix A for definitions. We have also set out in this section of the report any other significant matters that we consider should be brought to your attention.

Risk	Description	Our planned response
Management override of controls	<p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Due to the unpredictable way in which such override could occur, we are required by auditing standards to identify a significant risk of management override of controls on our audit.</p>	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.

Audit risks and other significant matters

Enhanced risks

Risk	Description	Our planned response
IFRS16 Leases	The financial statements contain material entries for both Right Of Use Asset and Lease Liability Balances. The calculation of these figures, both assets and liabilities, were subject to estimation and judgement. In the Prior Year material errors were found and so is an enhanced risk for the current year audit.	We plan to address the risk of material misstatement by testing the right of use asset balance and lease liability balance, as well as evaluating the corresponding journal entries and classification under IFRS16.

Audit risks and other significant matters

Other significant matters

Matter	Description	Our planned response
Other considerations	<p>In consideration of ISA (UK) 260 Communication with Those Charged with Governance, we would like to seek your views/ knowledge of the following matters:</p> <ul style="list-style-type: none"> •Did you identify any other risks (business, laws & regulation, fraud, going concern etc.) that may result in material misstatements? •Are you aware of any significant communications between Transport for the North and regulators? •Are there any matters that you consider warrant particular attention during the course of our audit, and any areas where you would like additional procedures to be undertaken? 	We plan to do this by formal letter to the Audit and Governance Committee which we will obtain prior to completing our audit.
Significant difficulties encountered during the course of audit	<p>In accordance with ISA (UK) 260 Communication with Those Charged with Governance, we are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include matters such as:</p> <ul style="list-style-type: none"> •Significant delays in management providing information that we require to perform our audit. •An unnecessarily brief time within which to complete our audit. •Extensive and unexpected effort to obtain sufficient appropriate audit evidence. •Unavailability of expected information. •Restrictions imposed on us by management. •Unwillingness by management to make or extend their assessment of an entity's ability to continue as a going concern when requested. 	We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor's report).
Internal audit function	Based on our assessment of the extent to which the internal audit function's organisational status and relevant policies and procedures support the objectivity of the internal auditors, the level of competence of the internal audit function, and whether the internal audit function applies a systematic and disciplined approach, including quality control, we do not expect to use the work of the internal audit function for the purpose of our audit.	Nonetheless, we will obtain a copy of the reports issued by internal audit relating to the financial period under audit determine whether any findings will have an impact on our risk assessment and planned audit procedures

Materiality

We consider Gross expenditure at surplus/deficit on the provision of services to be the key focus of the users of the financial statements. We have therefore determined our initial materiality levels using gross revenue expenditure at surplus/deficit on the provision of services as the benchmark.

We expect to set financial statement materiality as 2% of gross revenue expenditure at surplus/deficit on the provision of services.

Based on currently available information we anticipate setting our financial statement materiality and performance materiality at the levels set out in the table adjacent.

We will continue to monitor materiality throughout our audit to ensure it is set at an appropriate level.

We will accumulate misstatements identified during our audit that are above the reporting threshold set out in the table adjacent, i.e., any misstatements that we identify that are above the reporting threshold will be reported to you and management. Any misstatements that we identify that are below that amount would not need to be reported because we expect that the accumulation of such amounts would not have a material effect on the financial statements. If you have any queries about our reporting threshold, please raise these with me.

Each misstatement above our reporting threshold that we identify will be classified as **adjusted** (corrected by management), or **unadjusted** (not corrected by management). We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to you as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on the financial statements and our audit opinion

Misstatements also cover qualitative misstatements and quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

We also consider whether there are any financial statement areas or disclosures where a misstatement of an amount lower than overall materiality could reasonably be expected to influence the economic decisions of users of the financial statements. Our assessment of the financial statements and/or disclosures to which this applies and the specific materiality level we have set is included in the table below.

	2025-26 £'000s	2024-25 £'000s
Overall materiality	322	322
Performance materiality	241	257
Clearly trivial	9.6	9.6
Specific materiality	5	5

Fees

Audit fees and other services provided by Forvis Mazars LLP

Our fees (exclusive of VAT and disbursements) for the audit of the financial statements for the year ended 31 March 2026 by Forvis Mazars LLP in the period, are outlined in the table adjacent.

Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit. In the current year we have planned efficiency gains through the Data Ingestion Tool and Signals Communication Software.

The proposed fee reflects the scale fee determined by PSAA and information on how the scale fee is set can be found on PSAA's website. Where an auditor is required to undertake substantially more or less work to deliver their responsibilities a fee variation may be proposed which is subject to approval by PSAA. Examples compiled by PSAA of circumstances that may trigger a fee variation are available on the PSAA [website](#).

Any threats to our independence arising from the provision of non-audit services and the associated safeguards we have identified and/ or put in place are set out on the in the 'Our Independence' section of this report.

Nature of service	2025-26 proposed fee	2024-25 actual fee
PSAA scale fee	£125,066	£121,661
Additional fees in respect of significant weaknesses in Transport for the North's arrangements for securing value for money	-	£ 8,868
Additional fees in respect of auditing the Transport for the North's pension asset ceiling adjustment.	-	£4,222
Additional fees in respect of the implementation of new accounting standard on leases – IFRS 16.	-	£5,765
Total audit fees	TBC	£140,516

Our independence

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships that we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that, in our professional judgement, there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the context of the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

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- All partners and staff are required to complete an annual independence declaration and complete annual ethics training,
 - All new partners and staff are required to complete an independence confirmation,
 - Rotation policies covering audit engagement partners and other key members of the audit team, and
 - Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that Forvis Mazars LLP, the engagement team and others in the firm as appropriate, are independent and comply with relevant ethical and independence requirements. However, if at any time you have concerns or questions about our integrity, objectivity, or independence, please discuss these with me in the first instance.

We have not identified any threats to our independence in connection with the services we have provided to Transport for the North. As indicated on the previous slide, we do not anticipate that we will be providing any non-audit services in the current audit period. We will update our independence assessment if this changes and inform you of the outcome as part of subsequent reporting to you.

Value for money

The framework for Value for money work

We are required to form a view as to whether Transport for the North has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

We undertake our VFM work in accordance with the 2024 Code of Audit Practice (the Code). Our responsibility, under the Code, is to be satisfied that Transport for the North has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the entity's arrangements in the Auditor's Annual Report.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

- Financial sustainability** – how the entity plans and manages its resources to ensure it can continue to deliver its services;
- Governance** – how Transport for the North ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness** – how the entity uses information about its costs and performance to improve the way it manages and delivers its services.

Our approach

Our work falls into three primary phases as outlined opposite. We gather sufficient evidence to support our commentary on Transport for the North's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified, we are required to report these to the entity and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle, and we are not expected to wait until issuing our overall commentary to do so.

Planning	<p>Obtaining an understanding of the entity's arrangements for each specified reporting criteria. Relevant information sources will include:</p> <ul style="list-style-type: none">• NAO guidance and supporting information• Information from internal and external sources including regulators• Knowledge from previous audits and other audit work undertaken in the year• Interviews and discussions with staff and members
Additional risk- based procedures and evaluation	<p>Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.</p>
Reporting	<p>We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements which forms part of the Auditor's Annual Report.</p> <p>Our commentary will also highlight:</p> <ul style="list-style-type: none">• Significant weaknesses identified and our recommendations for improvement; and• Emerging issues or other matters that do not represent significant weaknesses but still require attention from Transport for the North

Value for money

Our work to follow-up on previous recommendations

As part of our audit work in previous year we identified significant weaknesses in the TfN's arrangements. The table below sets out the significant weaknesses identified, our previous recommendations and the work we intend to carry out as part of our 2025/26 audit.

Previously identified significant weakness in arrangements	Relevant reporting criteria	Our 2024-25 recommendations	Planned procedures for 2025-26
<p>Financial reporting Transport for the North has faced significant challenges in preparing its draft Statement of Accounts for 2024/25. Transport for the North published their accounts by the 30 June 2025 deadline, however the version published contained incomplete disclosures relating to the implementation of IFRS 16 and required a material adjustment relating to the application of an asset ceiling to the defined benefit pension liability. The draft statement of accounts was signed off by the s151 Officer as giving a true and fair view of Transport for the North's financial position despite being aware of these issues.</p> <p>We consider the findings to be evidence of a significant weakness in the body's arrangements for governance, specifically ensuring appropriate processes and systems are in place to support its statutory financial reporting requirements.</p>	Governance	<p>We recommend TfN take steps to improve and support its statutory financial reporting duties, including;</p> <ul style="list-style-type: none"> The body should review and improve its financial accounts preparation processes to ensure they are appropriate to support timely and accurate financial reporting. Review the capacity within the body's Finance team to build resilience into the accounts production and financial reporting processes. 	<p>TfN have outsourced the preparation of the financial statements to a third-party accounting firm. We will continue to monitor the quality of the financial statements in 2025/26.</p> <p>We will assess whether the organisation has implemented strengthened governance arrangements over the financial reporting process, acknowledging future changes to TfN's operating model.</p>

Appendix A: Other communications

Audit scope and approach

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements. Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are driven primarily by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud), we develop our audit strategy and design audit procedures to respond to the risks we identify.

If we conclude that appropriately designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or if we decide that it would be more efficient, we may take a wholly substantive approach to our audit testing if, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence.

Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required by UK auditing standards to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the '*Materiality*' section of this report.

Appendix A: Other communications

Responsibilities

We are appointed to perform the external audit of Transport for the North for the year to 31 March 2026. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: [Statement of responsibilities of auditors and audited bodies from 2023/24](#). Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the CIPFA Code of Practice on Local Authority Accounting. Our audit does not relieve management or the Audit and Governance Committee, as those charged with governance, of their responsibilities. The Interim Finance Director is responsible for the assessment of the entity's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- whether a material uncertainty related to going concern exists, and
- the appropriateness of the Interim Finance Director's use of the going concern basis of accounting in the preparation of the financial statements.

Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Transport for the North's internal control.

Value for money

We are also responsible for forming a view on the arrangements that the entity has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in the 'Value for Money' section of this report.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting. As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the entity and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom. We also report to the NAO on the consistency of Transport for the North's financial statements with its Whole of Government Accounts (WGA) submission.

Appendix A: Other communications

Required communications

This section of our report sets out the matters that we are required to report to you by UK auditing standards, including which form of our communications satisfy, or will satisfy, those requirements.

Required communication	Where addressed
Our responsibilities in relation to our audit of the company’s financial statement and the responsibilities of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of our audit, including any limitations (specifically with respect to significant risks and key audit matters, if applicable).	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion, • The effect of uncorrected misstatements related to prior periods, • A request that any uncorrected misstatement is corrected, and • In writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • Inquiries with you to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the company, • Any fraud that we have identified or information we have obtained that indicates that fraud may exist, and • A discussion of any other matters related to fraud. 	Audit Completion Report and discussion at Audit and Governance Committee meeting(s), audit planning meeting(s), and audit clearance meeting(s)
Significant matters arising during our audit in connection with the entity’s related parties including, when applicable: <ul style="list-style-type: none"> • Non-disclosure by management, • Inappropriate authorisation and approval of transactions, • Disagreement over disclosures, • Non-compliance with laws and regulations, and • Difficulty in identifying the party that ultimately controls the entity. 	Audit Completion Report

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Appendix A: Other communications

Required communications

Required communication	Where addressed
<p>Significant findings from our audit, including:</p> <ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices, including accounting policies, accounting estimates, and financial statement disclosures, • Significant difficulties, if any, encountered during our audit, • Significant matters, if any, arising from our audit that were discussed with management or were the subject of correspondence with management, • Written representations that we are seeking, • Expected modifications to our auditor’s report, and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified during our audit that we believe are relevant to those charged with governance in the context of fulfilling their responsibilities. 	<p>Audit Completion Report</p>
<p>Significant deficiencies in internal controls identified during our audit.</p>	<p>Audit Completion Report</p>
<p>Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.</p>	<p>Audit Completion Report</p>
<p>Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and inquiry of you into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that you may be aware of.</p>	<p>Audit Completion Report and Audit and Governance Committee meeting(s)</p>
<p>With respect to going concern, events or conditions identified that may cast significant doubt on the company’s ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the event or condition constitutes a material uncertainty, • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements, and • The adequacy of related disclosures in the financial statements. 	<p>Audit Completion Report</p>

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Appendix A: Other communications

Required communications

Required communication	Where addressed
<p>Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm’s system of quality management team completes, as part of an ongoing and iterative process, key steps to assess and conclude on our firm’s system of quality management, including:</p> <ul style="list-style-type: none"> • Ensuring there is an appropriate assignment of responsibilities, • Establishing and reviewing quality objectives each year, ensuring our firm’s quality objectives align with our strategies and priorities, • Identifying, reviewing, and updating quality risks each quarter, taking into consideration multiple input sources (such as FRC/ ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.), • Identifying, designing, and implementing responses to strengthen our firm’s internal control environment and overall quality, and • Evaluating our quality responses and remediating control gaps or deficiencies. <p>We perform an evaluation of our system of quality management on an annual basis. We publish the details of our annual evaluation, and our conclusion, in our Transparency Report, which can be accessed on our website at: https://www.forvismazars.com/uk/en/who-we-are/corporate-publications/transparency-reports.</p>	<p>Audit Strategy Memorandum (the communication adjacent satisfies this requirement)</p>
<p>We are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include:</p> <ul style="list-style-type: none"> • Significant delays in management providing information that we require to perform our audit. • An unnecessarily brief time within which to complete our audit. • Extensive and unexpected effort to obtain sufficient, appropriate audit evidence. • Unavailability of expected information. • Restrictions imposed on us by management. • Unwillingness by management to make or extend their assessment of the company’s ability to continue as a going concern when requested. <p>We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor’s report).</p>	<p>Audit Completion Report, discussion at Audit and Governance Committee meeting(s), and audit clearance meeting(s)</p>

Appendix A: Other communications

Definitions

Term	Definition
Materiality	<p>An expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.</p> <p>We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to the company. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to you (reporting threshold). Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.</p> <p>An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:</p> <ul style="list-style-type: none"> • Have a reasonable knowledge of business, economic activities, and accounts, • Have a willingness to study the information in the financial statements with reasonable diligence, • Understand that financial statements are prepared, presented, and audited to levels of materiality, • Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events, and • Will make reasonable economic decisions based on the information in the financial statements. <p>We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors. When planning our audit, we make judgements about the size of misstatements we consider to be material. This provide a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks. We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.</p> <p>The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.</p>

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Appendix A: Other communications

Definitions

Term	Definition
Significant risk	A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. A fraud risk is always assessed as a significant risk (as required by UK auditing standards), including management override of controls and revenue recognition.
Enhanced risk	<p>An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to:</p> <ul style="list-style-type: none"> • Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement, and • Risks relating to other assertions and arising from significant events or transactions that occurred during the period.
Standard risk	A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.
Key audit matter	<p>A matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement (whether due to fraud or error) we identified, including those which had the greatest effect on our overall audit strategy, the allocation of resources in our audit, and directing the efforts of our engagement team.</p> <p>It is important that you understand and have the opportunity to discuss with us why something is being communicated as a key audit matter and the way it is described. This report highlights which of the significant and other risks are expected, at this stage, to be determined as key audit matters. It should be noted, however, that other audit areas may be determined as key audit matters during our audit.</p>

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Appendix A: Other communications

Definitions

Term	Definition
Key audit partner	<p>(a) An individual who is eligible for appointment as a statutory auditor and who is designated by our firm for a particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of our firm.</p> <p>(b) In the case of a group audit, any of the following: (i) an individual who is eligible for appointment as a statutory auditor and who is designated by our firm as being primarily responsible for carrying out the statutory audit of the consolidated accounts of the group on behalf of our firm; (ii) an individual who is eligible to conduct the audit of the accounts of any subsidiary undertaking determined by us to be a 'material subsidiary' and who is designated as being primarily responsible for that audit.</p> <p>(c) An individual who is eligible for an appointment as a statutory auditor and who signs the audit report.</p>

Appendix B: Current year updates, forthcoming accounting & other issues

HM Treasury changes to non-investment asset valuation

Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the “Code”)

Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to its requirements for the valuation frequency, valuation methodology and classification of non-investment property assets. The changes are effective from 1 April 2025 as set out in the 2025-26 Code and include:

- A change to the requirements regarding revaluation frequency. Rather than adhering to paragraph 34 of IAS 16 which requires an asset to be revalued whenever its carrying value differs materially from its current value, entities will be required to revalue assets on a quinquennial basis, i.e. every five years, supplemented by annual indexation in the intervening years. This requirement can be adhered to either as part of a full revaluation or as part of a rolling programme. The Code requires bodies to use the best index available to them. Should management determine that there is no appropriate index to use, then the quinquennial valuation is supplemented by a valuation in the third year.
 - Revaluations carried out prior to 2025/26, in line with former requirements of the Code, remain valid throughout the transition period (being 1 April 2025 to the date the next revaluation is due for a given asset). During the transition period, the maximum period between revaluations must not exceed five years.
 - The requirement to consider indicators of impairment under IAS 36 remains, so management will still be required to undertake an annual assessment of whether there are indicators of impairment, and where these are present, it may be necessary to undertake valuations outside of the 5-yearly valuation programme.
- Whilst management will no longer need to consider annually whether it is necessary to revalue non-investment assets, they will need to be satisfied that they have appointed a suitably qualified valuer to undertake the valuation of assets whenever they fall due either as part of a full valuation or a rolling programme. If local indices are used, management will need to have sufficient evidence to demonstrate these indices are appropriate and relevant to the entity’s circumstances, and to provide this evidence to the auditor.

Appendix B: Current year updates, forthcoming accounting & other issues

Effective for accounting periods beginning on or after 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements

The standard was UK-adopted in December 2025, and the date of incorporation into the Code is not confirmed, though expected to be within the 2028/29 financial year. It is not yet confirmed what interpretations and adaptations HMT will determine are necessary for implementation in the public sector. We have provided an outline of the main changes arising from IFRS 18 as unadapted and without interpretation and will provide an update on the expected impact on Transport for the North as and when detail is available as to when and how the standard is incorporated into the Code.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) is a new standard that replaces IAS 1 Presentation of Financial Statements. The new standard aims to increase the comparability, transparency and usefulness of information about companies' financial performance. It introduces three key new requirements focusing on the presentation of information in the statement of profit or loss and enhancing certain guidance on disclosures within the financial statements.

New categories and subtotals for inclusion within the statement of profit or loss

- Income and expenses are to be classified into three new defined categories: operating, investing and financing, in addition to the income taxes and discontinued operations categories.
- All companies are to present new defined subtotals – operating profit and loss, and profit or loss before financing and income taxes.

New reporting requirements on Management Performance Measures (MPMs)

- New requirements are introduced for management-defined performance measures (MPMs), which may also be called Alternative Performance Measures (APMs). These are described as subtotals of income and expenses that an entity: (a) uses in public communications outside financial statements; (b) uses to communicate to users of financial statements management's view of an aspect of the financial performance; and (c) are not listed within IFRS 18 or specifically required to be presented or disclosed by another IFRS Accounting Standard.
- All MPMs are required to be disclosed in a single note in the financial statements setting out:
 - an explanation of why the MPM is reported, and
 - a reconciliation to a directly comparable GAAP measure within IFRS 18 or another IFRS Accounting Standard.

Enhanced requirements for aggregation & disaggregating information

- Enhanced requirements are set out for the aggregation and disaggregation of items based on similar and dissimilar characteristics. Items that have dissimilar characteristics must be disaggregated when the resulting information is material. Guidance is also included on how to describe items within the financial statements, requiring an entity to label items presented or disclosed as 'other' only if a more informative label cannot be found.
- New guidance is provided on whether information should be reported in the primary financial statements or the notes. This includes guidance on presentation and disclosure of expenses classified in the operating category, alongside introducing more prescribed requirements for an entity that classifies expenses by function as well as the requirement to disclose expenses by nature in a single note for certain amounts - depreciation, amortisation, employee benefits, impairment and write-downs of inventories

Many principles and requirements have been brought forward from IAS 1 to IFRS 18 such as frequency of reporting, comparative information, offsetting, capital disclosures and the requirements for the statement of financial position and for the statement of changes in equity.

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Meeting:	Transport for the North Audit and Governance Committee	Consultation Call
Meeting Date:	Tuesday 23 June 2026	
Report Title:	Corporate Risk Register Update	
Appendices:	Appendix 1: Corporate Risk Register – June 2026	
Author:	Rachel Ford, Strategy and Corporate Services Director (interim)	
Sponsor:	Katie Day, Chief Executive (interim)	

1. Purpose of the Report

- 1.1 To inform the Audit and Governance Committee of updates and changes to the Corporate Risk Register (CRR), appended to this report, and to provide assurance that efficient and effective risk management practices and processes are in place.

2. Recommendations:

- 2.1 The Committee is recommended to:
- a) Note, consider, and provide feedback on the updates to the CRR.

3. Feedback

- 3.1 Feedback from the Audit and Governance Committee will be reported to the TfN Board on 29 June 2026.

4. Main Issues:

- 4.1 Our CRR has been revised to reflect our changing operating environment. Throughout the TfN reset, we have committed to developing new operating and funding models and we have identified two new risks and associated mitigations to reflect this. These risks are currently assessed as very high:
- a) TfN is unable to establish an appropriate operating model for 2027/28 and future years (CR13)
 - b) TfN is unable to establish an appropriate funding model for 2027/28 and future years (CR14).
- 4.2 The risk relating to cyber security (CR12), has been updated to include data management and security which was previously captured at functional risk level, and has been brought together for efficiency purposes. The CRR also provides an update on the recent independent cyber penetration test, the results of which have been incorporated into the risk mitigations and controls.

5. Background

- 5.1 Our corporate risks stem from our annual business plan and factors within our internal/external operating environments, some of which are beyond our direct control. The challenges and uncertainties faced by TfN create both threats that need to be addressed and opportunities that can potentially be exploited.

6. Corporate Considerations

Monitoring Officer/Legal/Governance

- 6.1 The legal implications are detailed within individual risks, where applicable.

Section 151 Officer/Finance

6.2 The financial implications are detailed within individual risks, where applicable.

Resource Implications

6.3 The resource implications are detailed within individual risks, where applicable.

Risk Management

6.4 The Corporate Risk Register forms part of this report.

Equality, Diversity and Inclusion

6.5 A full impact assessment is not required for this report.

Consultations

6.6 N/A

Background Papers

6.7 N/A

Meeting:	Audit and Governance Committee	Consultation Call
Meeting Date:	Tuesday 23 June 2026	
Report Title:	Corporate Risk Register Update	
Appendices:	Appendix 1: Corporate Risk Register	

Appendix 1: Corporate Risk Register

1. Appendix Purpose:

- 1.1 This appendix contains the Corporate Risk Register.

Transport for the North

Corporate Risk Register

June 2026

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1. Executive Summary

1.1 Context

Transport for the North (TfN) was established in 2018 and provides pan-Northern strategic leadership for transport across the North of England. TfN brings together the North's 11 combined authorities, political leaders, businesses and delivery partners. Collaboration is central to our role, enabling us to bring the North together around shared strategic transport ambitions.

As the region continues to evolve, so too must the organisations that serve it. TfN is continuing to reset and renew its offer in response to a rapidly changing landscape, supporting the transition towards a more devolved, locally led transport environment. This marks a new chapter for TfN as we become a more agile and responsive organisation, shaped by the needs of our Board, members and partners.

The reset is ongoing and, as such, this Corporate Risk Register is evolving to reflect the different operating and funding environments we are in for 2026/27, and how we will need to use the year ahead of transition to new arrangements from 2027/28 onwards.

1.2 TfN Risk environment and emerging risks

Our Corporate Risk Register has been revised to reflect our changing operating context. Throughout the TfN reset, we have committed to developing new operating and funding models and we have identified two new risks and associated mitigations to reflect this. These risks and the associated controls are identified below (CR13 and CR14).

The risk relating to cyber security (CR12) has been updated to include data management and security, which was previously captured at functional risk level. An independent cyber penetration test, carried out in March 2026, identified one medium and three low-risk vulnerabilities. Remediation activity has been completed, with residual risks formally accepted where configurations are required to meet business operational needs.

Corporate Risk Dashboard



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ID	Corporate risks, by highest current score	Current Score	Target Score	Risk Owners
CR13	TfN is unable to establish an appropriate operating model for 2027/28 and future years.	20	15	Chief Executive Officer
CR14	TfN is unable to establish an appropriate funding model for 2027/28 and future years.	20	15	Chief Executive Officer
CR2	Given the interdependencies of the significant investment in the North's railway network that is underway/planned, TfN is unable to effectively represent the North's views to inform investment choices, which limits achievement of desired outcomes by constituent authorities.	18	18	Chief Executive Officer
CR4	TfN is unable to recruit and retain suitable staff to deliver the 2026/27 business plan and medium to long term TfN objectives.	17	17	Head of Human Resources
CR6	The North's role in the rail industry following rail reform could result in a suboptimal outcome in supporting sustainable and inclusive growth	15	15	Chief Executive Officer
CR8	Inappropriate disclosure of confidential information and/or information captured by GDPR may create a legal/financial liability and compliance or reputational impact.	15	15	Chief Executive Officer
CR10	TfN fails to comply with applicable law, good practice, constitutional requirements, and organisational governance or corporate processes, including the potential to act beyond the organisation's lawful powers.	11	11	Chief Executive Officer
CR12	Cyber attacks, system disruption, inappropriate access to confidential information, or inadequate staff compliance could compromise the confidentiality, integrity, or availability of TfN information and technical infrastructure.	10	10	Head of IT

Key impacts across risks:

Recruitment and retention of staff/ Organisational culture could be impacted.
 Existing powers and influence with current arrangements could be diminished for TfN and partners.
 TfN reputational damage/ loss of credibility/ relationships with constituent authorities could be adversely affected.
 TfN unable to deliver statutory duties, enable effective delivery of pan-Northern priorities and support mayors/leaders in their ambitions.

Level of control – Risk Mitigation Actions/Controls

Low: TfN has very limited control over the mitigation actions.
 Medium: TfN has some control over the mitigation actions.
 High: TfN has direct control over most of the mitigation actions.

Risk Treatment Definitions

Mitigation Actions - Specific actions to reduce the possibility of the risk event occurring. Actions should have an agreed completion date.
 Controls - Ongoing 'business as usual' activities, which are embedded into processes, procedures, systems, projects, or programmes. Ongoing but reviewed to ensure they remain appropriate.
 Fallback Plans - If the risk does occur, a fallback plan will define how to minimise the impact after the event. Fallback plans should be captured for all very high risks.

Qualitative risk analysis of corporate risks

Below is a detailed analysis of each risk, the mitigating actions/controls that have been adopted, and the mitigation level of control, as it is important to understand the extent to which we are able to influence or control the risk outcomes.

ID	Risk Description	Owner	Current Score	Target Score	Trend
CR13	TfN is unable to establish an appropriate operating model for 2027/28 and future years.	Chief Executive Officer	20	15	↔
ID	Control Level and Action/Control Description	Owner			Due
CM70	Regular engagement with constituent authorities, partners and DfT to consider transition arrangements, and future options for how TfN operates and how it could be funded, building on work by the TfN Executive Board on the pan-Northern functions necessary to support political leaders in delivering their ambitions and investment priorities.	Chief Executive Officer			Sept 26
CM71	Transition board in place to develop options for funding/operating models.	Chief Executive Officer			Sept 26
CM72	Internal workstream in place to review ways of working to ensure appropriate for TfN operations.	Chief Executive Officer			Mar 27

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ID	Risk Description	Owner	Current Score	Target Score	Trend
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CR14	TfN is unable to establish an appropriate funding model for 2027/28 and future years.	Chief Executive Officer	20	15	↔
ID	Control Level and Action/Control Description	Owner			Due
CM73	Regular engagement with constituent authorities, partners and DfT to consider transition arrangements, and future options for how TfN operates and how it could be funded, building on work by the TfN Executive Board on the pan-Northern functions necessary to support political leaders in delivering their ambitions and investment priorities.	Chief Executive Officer			Sept 26
CM74	Transition board in place to develop options for funding/operating models.	Chief Executive Officer			Sept 26
CM75	Reviewing TfN offer pipeline to consider long term service opportunities.	Chief Executive Officer			Mar 27
CM76	Review how overhead costs are funded, charged and delivered to support efficiency and proportionate delivery.	Chief Executive Officer			Sept 26

ID	Risk Description	Owner	Current Score	Target Score	Trend
CR2	Given the interdependencies of the significant investment in the North's railway network that is underway/planned, TfN is unable to effectively represent the North's views to inform investment choices, which limits achievement of desired outcomes by constituent authorities.	Chief Executive Officer	18	18	↔
ID	Control Level and Action/Control Description	Owner			Due
CM5	Medium Action - Secure TfN membership at all relevant programme boards to influence decisions/investment choices of pan-Northern significance.	Chief Executive Officer			Jun 26
CC6	Medium Control - TfN continue to chair the TRU Stakeholder Forum as a mechanism for ensuring the North's views are represented into the programme	Chief Executive Officer			In progress

CC7	Medium Control - TfN using its role on the North of England Integration Steering Group to ensure alignment of benefits and working with member authorities to influence industry decisions.	Chief Executive Officer	In progress
CM8	Medium Action – Following the NPR announcement TfN is exploring appropriate governance arrangements with DfT and constituent authorities.	Chief Executive Officer	Jun 26
CF9	Medium Control - TfN to work with the Government, Network Rail and constituent authorities to determine the best deployment of funding in a coherent manner, informed by data and insights.	Chief Executive Officer	In progress
CC10	Medium Control - Continue to develop the State of Play to identify issues and propose actions.	Chief Executive Officer	In progress

ID	Risk Description	Owner	Current Score	Target Score	Trend
CR4	TfN is unable to recruit and retain suitable staff to deliver the 2026/27 business plan and medium to long term TfN objectives.	Head of Human Resources	17	17	↔
ID	Control Level and Action/Control Description	Owner			Due
CC15	High Control - Update People Strategy (People Management Framework) and underlying policies and procedures as necessary, aligned to the outcomes of the ongoing change agenda and timescales. This may include, reward, workforce/skills planning, exit interviews, succession planning, recruitment and selection, talent, and performance management.	Head of Human Resources			In progress
CC16	High Control - To continue to brief and update staff through regular bulletins, all staff briefings (TfN huddles), intranet, Employee Forum and senior leadership meetings, with additional/special staff engagement sessions during TfN reset.	Head of Human Resources			In progress
CC17	High Control - Full and proper consultation with UNISON - to continue through regular formal meetings.	Head of Human Resources			In progress

CC18	High Control - Leaver's process in place to capture and retain essential organisational knowledge, ensuring key processes and procedures remain understood and accessible. All leavers (internal or consultants) to produce clear handover documentation and discuss outstanding work with managers through regular catch ups	Head of Human Resources	In progress
CC19	High Control - Recruitment of temporary consultants to ensure delivery of the business plan if required.	Head of Human Resources	In progress
CC20	High Control - Regularly undertake employee engagement survey action plan.	Head of Human Resources	In progress
CC21	High Control - Fostering the right culture for TfN's success and ensure integrity within organisational values through all members of SLT.	Chief Executive Officer	In progress
CC22	High Control - All individuals that participate in recruitment processes to either be CIPD qualified or have carried out TfN recruitment and unconscious bias training.	Head of Human Resources	In progress
CC23	High Control - TfN to maintain relevant accreditations including disability confidant employer, GM employment charter and CIHT equality/diversity charter.	Head of Human Resources	In progress

ID	Risk Description	Owner	Current Score	Target Score	Trend
CR6	The North's role in the rail industry following rail reform could result in a suboptimal outcome in supporting sustainable and inclusive growth	Chief Executive Officer	15	15	↔
ID	Control Level and Action/Control Description	Owner		Due	
CC28	Medium Control - TfN is engaging with DfT, constituent authorities and shadow GBR to ensure that the North's arrangements are optimised, learning from and/or building upon on the current level of devolution.	Chief Executive Officer		In progress	
CF29	Medium Control - Engaging with DfT on the Railways Bill to protect the North's existing powers/functions in relation to the industry during transition to new arrangements.	Chief Executive Officer		In progress	

CM30	Medium Control - Working with the Rail North Committee, through Executive Board, to develop a proposal for the North under rail reform and greater devolution to mayoral strategic authorities.	Chief Executive Officer	Sept 26
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ID	Risk Description	Owner	Current Score	Target Score	Trend
CR8	Inappropriate disclosure of confidential information and/or information captured by GDPR may create a legal/financial liability and compliance or reputational impact.	Chief Executive Officer	15	15	↔
ID	Control Level and Action/Control Description	Owner			Due
CC34	High Control - TfN has confidentiality agreements with local partners in place to set parameters for data usage, data protection, and responsibility for compliance. These are refreshed periodically.	Head of Legal			In progress
CC35	High Control - The Codes of Conduct for Members of Constituent Authorities state the circumstances in which information may be disclosed.	Head of Legal			In progress
CC36	High Control - TfN processes seek to restrict disclosure of confidential data via induction training and disciplinary procedures for deliberate or accidental data misuse.	Head of Legal			In progress
CC37	High Control - TfN contracts with suppliers and other third parties contain the necessary confidentiality clauses within them. Should the third-party breach those confidentiality obligations, they will be in breach of contract.	Head of Legal			In progress
CC38	High Control - Information Governance Framework in place and includes GDPR Policy and procedures, refresher training to all employees required for UK GDPR to raise awareness and compliance with ICO guidance.	Head of Legal			In progress
CC39	High Control - IT and Data Policies to be maintained in line with laws, regulations and Acts. Training for TfN staff performed on new policies.	Head of IT			In progress
CC40	High Control - On-going security updates performed to user devices and software services. In addition, monitoring and compliance checks performed.	Head of IT			In progress

CC41	High Control - TfN has an appointed Senior Information Risk Owner (SIRO) who is responsible for managing information risks across the organisation.	Chief Executive Officer	In progress
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ID	Risk Description	Owner	Current Score	Target Score	Trend
CR10	TfN fails to comply with applicable law, good practice, constitutional requirements, and organisational governance or corporate processes, including the potential to act beyond the organisation's lawful powers.	Chief Executive Officer	11	11	↔
ID	Control Level and Action/Control Description	Owner			Due
CC45	High Control - TfN has suitably qualified senior officers, including all statutory roles (Head of Paid Service, S151 Officer, and Monitoring Officer), supported by an in-house legal team.	Head of Legal			In progress
CC46	High Control - Ongoing organisational training on legal and regulatory requirements is in place, with the legal team acting as trusted advisors across all functional areas.	Head of Legal			In progress
CC48	High Control - TfN has a robust governance and approval process in place to ensure appropriate review and sign off of all reports going to the TfN Board and committees.	Head of Legal			In progress
CC49	High Control - TfN may seek external legal advice on matters that are outside the core capability of our legal in-house team or may significantly affect TfN operations.	Head of Legal			In progress
CC50	High Control - Statutory Officers review & confirm that insurance arrangements are fit for purpose. TfN holds employer's liability, public liability, and professional indemnity insurance to mitigate any financial exposure.	Head of Legal			In progress
CC51	Medium Control - Audit and Governance Committee supports legal compliance and best practice, through oversight of governance risks and internal controls.	Head of Legal			In progress

CC52	High Control - TfN has a fully documented Management System which provides assurance that there are clear and well documented processes and procedures in place.	Chief Executive Officer	In progress
CC53	High Control - The legal team monitors legislative changes and assesses their implications for TfN, ensuring timely action where required.	Head of Legal	In progress
CC54	High Control - Ensure staff have relevant induction, regular reminders and, annual training on key policies.	Chief Executive Officer	In progress
CC55	High Control - Functional areas to monitor and assure teams adherence to internal polices, processes and procedures.	Chief Executive Officer	In progress

ID	Risk Description	Owner	Current Score	Target Score	Trend
CR12	Cyber-attacks, system disruption, inappropriate access to confidential information, or inadequate staff compliance could compromise the confidentiality, integrity, or availability of TfN information and technical infrastructure	Head of IT	10	10	↔
ID	Control Level and Action/Control Description	Owner			Due
CC57	High Control - IT and Data Policies are in place (including data classification DLP), reviewed, and updated in line with known cyber threats.	Head of IT			In progress
CC58	High Control - Training to all TfN staff on new policies and best practice guides produced on the usage of SharePoint, OneDrive and other file transfer options.	Head of IT			In progress
CC59	High Control - Clear incidents response and communications plan in place for regular updates to employees when required.	Head of IT			In progress
CC60	High Control - Annual cyber penetration testing and monitoring and compliance checks performed (e.g. phishing attacks and device management software).	Head of IT			In progress
CC61	High Control - On-going/monitoring security updates performed to user devices and software services.	Head of IT			In progress

CC62	High Control - Business Continuity Plan checks, system reviews and restoration timescales regularly assessed.	Head of IT	In progress
CC63	High Control - Insurance cover in place for cyber for 2026/27, reviewed annually.	Head of IT	In progress
CC64	High Control – Ensure multifactor authentication in place for all TfN accounts.	Head of IT	In progress
CC68	High Control - TfN restricts all data-storage access to approved VPN-connected users with justified and authorised access.	Head of IT	In progress
CC69	High Control - TfN governs SharePoint external sharing through Microsoft 365 guest access controls.	Head of IT	In progress



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