North East Mayoral Strategic Authority

Annual Governance Statement – draft v3

July 2026

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Section 1: Introduction

Good governance and accountability are central to the culture and ways of working within the North East Mayoral Strategic Authority (North East MSA). The North East MSA is committed to ensuring that decision making is supported by evidence, proportionate, transparent and defensible, and works effectively to support the delivery of its ambitions for North East England.

This Annual Governance Statement (AGS) provides an overview of how the North East MSA governance and internal control arrangements operated during 25/26, including how they will be reviewed annually to ensure they remain effective. It should be read in conjunction with the North East MSA's Code of Corporate Governance that was developed in 2026 to complement the AGS.

Section 2: Scope Of Responsibility

In May 2026, the North East Combined Authority (CA) was rebranded as the North East Mayoral Strategic Authority (MSA). This change did not amend its legal name of North East Mayoral Combined Authority but reflected its status as an established mayoral strategic authority and aligned the organisation with national terminology for areas exercising strategic devolved powers.

The North East MSA has established a Single Assurance Framework which sets out the robust decision making and delivery arrangements in place within the North East MSA. This has been developed in line with the English Devolution Accountability Framework (published by Government on16 March 2023).

The Cabinet takes major strategic decisions including those that incur savings or expenditure over £5m. It is chaired by the Mayor and consists of an elected member from each of the constituent local authorities, and two non-voting members, being the Chair of the Business Advisory Council, and a representative of the Voluntary and Community Sector. The region's two Police and Crime Commissioners and a representative of Trade Unions are invited to attend as observers.

Decisions are made by the Mayor (in relation to mayoral functions) or the Mayor and Cabinet (in relation to non-mayoral functions) in accordance with the 2024 Order and the North East MSA Constitution which are subject to the provisions of the English Devolution and Community Empowerment Act 2026, together with any regulations made under that Act and any other applicable legislation (including the English Devolution and Community Empowerment Act 2026 (Consequential Amendments and Revocations) (England) Regulations 2026).

Cabinet provides the overall strategic direction and approves the Performance Management Framework, the North East MSA Investment Framework, North East MSA Corporate Plan, major strategies and the associated financial plans, which set out investment priorities.

For the 25/26 year, each member of Cabinet (other than the Mayor) was appointed as a Lead Portfolio holder against the portfolio areas set out within the North East MSA Corporate Plan. These portfolio lead roles are reviewed annually and confirmed at the North East MSA's Annual Meeting.

As outlined in the Corporate Plan and in the Performance Management Framework, the North East MSA has set a number of clear, long-term goals (missions) that focus on delivery, ensuring the MSA has real impact for the region and its people.

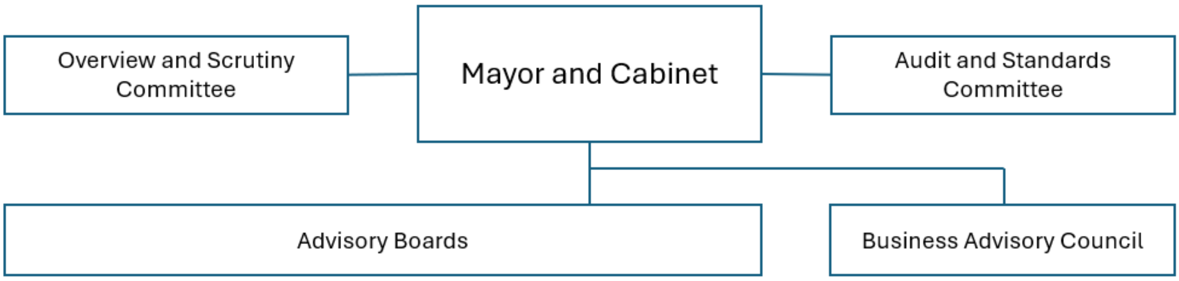
The North East MSA is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Cabinet and Statutory Officers are responsible for putting in place proper arrangements, known as a governance framework, for:

(i) the governance of its affairs; and

(ii) facilitating the effective exercise of its functions, including arrangements for the management of risk.

Figure 1, summary of the North East MSA's governance structure



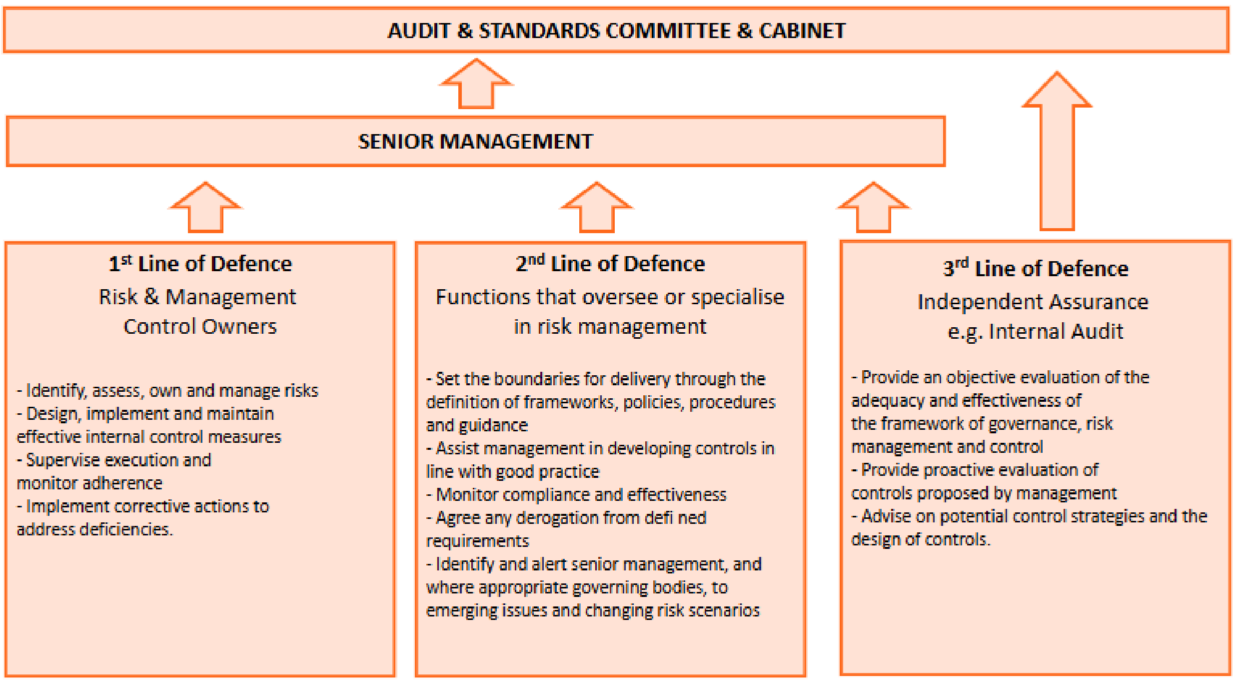
In relation to (ii), the North East MSA has developed a system of internal control designed to manage risk to a reasonable level. No system of internal control can eliminate all risk of failure to achieve aims, missions and objectives and so it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

a) identify and prioritise the risks to the achievement of our aims and objectives; and
b) evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.

Cabinet has agreed a Risk Management Framework that sets out the approach to managing risks at different levels of the organisation. Whilst risk management is dynamic and continuous, the Strategic Risk Register is formally reviewed by the Senior Leadership Team each quarter, and by Cabinet and the Audit and Standards Committee every six months. In addition to strategic level, risks are also identified for ongoing management and reporting at directorate, programme and project level.

The North East MSA applies a Three Lines of Defence model in managing risk as set out in figure 2 below.



Section 3: Purpose of the Annual Governance Statement

The North East Mayoral Strategic Authorities is accountable to the public and other stakeholders for ensuring it has a sound system of governance. It is required to prepare and publish an annual governance statement (AGS). This includes information on the governance arrangements it has in place and how those arrangements are working in practice. It is intended to be an honest and evidenced assessment of what is working well and is likely to improve the accountability and prosperity of the organisation. It also identifies where improvements could be made.

The AGS sets out the results of a review of the effectiveness of the system of internal control and provide assurance on whether the governance arrangements are fit for purpose. It also demonstrates how the MSA seeks to adhere to the seven principles of good governance set out in the 2016 framework on 'Delivering Good Governance in Local Government', prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE).

Section 4: Governance Principles

The North East Mayoral Strategic Authority (MSA) has developed a Code of Corporate Governance aligned to the principles set out in the CIPFA and SOLACE 2016 guidance, expected to be approved in July 2026. This guidance set out a revised governance framework designed to help the organisation ensure that resources are used in accordance with agreed priorities, that decision-making is robust, inclusive, and evidence-based, and that there is clear accountability for the stewardship of public funds and the achievement of outcomes for communities. The draft MSA Code of Corporate Governance complements the Constitution and the SAF as the foundation for the MSA's approach to assurance, performance, and accountability and is built around seven core principles that underpin good governance.

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
B. Ensuring openness and comprehensive stakeholder engagement
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
D. Determining the interventions necessary to optimise the achievement of intended outcomes
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
F. Managing risks and performance through robust internal control and strong public financial management
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Section 5: Governance Activities Aligned to the CIPFA and SOLACE Principles

This section includes an overview of how the North East MSA has adhered to its governance commitments as set out in the Single Assurance Framework, Constitution and relevant supporting documents. It is structured in alignment with the CIPFA and SOLACE guidance with Appendix 1 including a series of hyperlinks to sources of further information.

Principle A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

- The Constitution establishes the MSA's standing orders, financial regulations and scheme of delegations. These define how decisions are taken and the processes and controls in place to manage risks. Compliance with these allows us to demonstrate how the MSA complies with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The Monitoring Officer advises on compliance with the Constitution, ensuring that decision making is lawful, fair and ethical.

- The Constitution includes a code of conduct for members and officers, and both are required to declare interests, gifts and hospitality. A register of Members' interests (which includes gifts and hospitality) is maintained and published in the "Your Councillors' section of the North East MSA website. The Mayor's register is reviewed at least annually and updated when changes are needed, the Mayor's gifts and hospitality register is published every quarter [here].

- The Director of Finance and Investment is the designated section 73 Officer / Chief Finance Officer and responsible for ensuring effective financial management and governance arrangements are in place. These arrangements are designed to meet requirements within the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Statement on the Role of the Chief Finance Officer'.

- The Finance and Investment Board (FIB) provides strategic oversight on funding and investment to drive economic growth and long-term prosperity across the region. The FIB typically meets six times a year, providing recommendations to Cabinet in respect of investment decisions.

- The Audit and Standards Committee (ASC) is responsible for promoting and maintaining high standards of conduct by members and its committees. An annual report is presented to Cabinet for recommendation, documenting the role played by the Audit and Standards Committee in reviewing and scrutinising the Authority's financial affairs, risk management, internal control and corporate governance arrangements. The 25/26 report was presented to Cabinet on 9 June 2026 and summarised that the ASC arrangements were working well with a good level of performance against the good practice recommendations.

Principle B. Ensuring openness and comprehensive stakeholder engagement

- The MSA has clear objectives and outcomes aligned to its vision. The Corporate Plan outlines the things the MSA is doing and will do in future using the powers and resources from the Integrated Settlement and in line with the principles of the Integrated Settlement Outcomes Framework.

- The MSA has established a Whistleblowing Policy which provides for confidential reporting of concerns and protects individuals who make certain disclosures with regard to any instance of malpractice or wrongdoing and to investigate them in the public interest. In 25/26 there have been no matters relating to malpractice or wrongdoing referred to the Audit and Standards Committee.

- The MSA has established an Anti-fraud and Corruption Policy, setting out its approach to the prevention and detection of fraud and corruption and confirms it will take all action necessary to identify any occurrences if suspected. In 25/26 there have been no matters relating to fraud referred to the Audit and Standards Committee. The MSA published its annual Transparency information for 25/26 in April 2026 and stated that no fraud cases had been investigated.

- On an annual basis, the MSA works with Cabinet and wider partners and stakeholders to develop a clear set of values by which the MSA will work, which are outlined in the Corporate Plan. The 2026-30 plan was approved by the Mayor and Cabinet at its 3 February 2026 meeting.

- The North East MSA is committed to enhancing social value through initiatives aimed at addressing inequality and improving the quality of life for residents in its region. The MSA recognises its role in tackling longstanding inequalities and has set ambitious equality objectives for its operations. An Annual Equality Report summarising work in these areas (the 25/26 report was produced in May 2026) and met its statutory obligations in respect of equalities and Equality Impact Assessments which are included within the MSA's assurance framework processes.

- The Scheme of Delegations specifies those powers of Cabinet that are exercisable from time to time by officers and states the title of the officers by whom the powers are exercisable. These delegated officers are the Chief Executive (Head of Paid Service), the Directors (one of whom is the designated Section 73 Officer / Chief Finance Officer) and the Monitoring Officer. This was updated in December 2025.

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

- The Corporate Plan sets out the ambitions and roadmap for action over the period of the plan (2026-30). It captures the breadth of work to be undertaken and ensures activities are aligned, allowing for clear collaborative working. Outcomes and benefits are also detailed across a range of other strategies, frameworks and plans that are in place, including the Local Growth Plan and Local Transport Plan. The

Performance Management Framework also contains logic models identifying all outputs, outcomes, benefits and impacts against the missions.

- The North East MSA aims to be the home of the green energy revolution and put the North East at the forefront of the low-carbon economy, with the region a national leader on the path to energy security and net zero. The MSA has a wide range of commitments, outputs and outcomes to help the North East become the natural choice for new industries, encourage innovation, support green businesses to grow and ensure residents have the skills to take advantage of the immense job potential that the transition brings.

- All investment decisions on funding programmes, across all initiatives, are made in accordance with the Single Assurance Framework. A key part of this is to assess investment proposals against strategic fit with North East MSA's Investment Framework, ensuring a 'golden thread' between objectives and delivery. The Finance and Investment Board plays a key role in ensuring this occurs.

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

- The MSA's financial position and available funding dictate the resources that can be applied to interventions. The annual budget, approved by Cabinet, sets out how the MSA will utilise these resources over the financial year and the medium-term financial plan. The budget position is monitored throughout the year through quarterly reports to Cabinet.

- The MSA's scrutiny arrangements enhance accountability and transparency of decision-making, with Overview and Scrutiny Committee (OSC) able to call in decisions where there is evidence that suggests that the decision was not taken in accordance with agreed principles. No call-ins were received in 25/26. The Chair of Overview and Scrutiny Committee submits an annual report to Cabinet which sets out the work of the committee, including what pre-decision scrutiny was undertaken to shape decisions made by Cabinet. This report was presented to Cabinet in June 2026.

- Risk management is an important tool in helping the North East MSA to consider risks at varying levels across the organisation. The approach to risk management is set out in the Risk Management Framework. Effective strategic risk management supports the MSA to consider key risks which would impact on its ability to deliver its overarching vision and ability to deliver interventions, assess the likelihood of these occurring and identify appropriate mitigations to manage risks to an acceptable level.

- As part of the 2026 refresh of the Risk Management Framework, a defined level of risk appetite was determined for each risk category. Having defined levels of risk appetite will support effective decision-making and help identify any emerging risks.

Principle E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Roles and responsibilities of Cabinet, scrutiny and statutory officer functions (Head of Paid Service, Monitoring Officer, Chief Finance Officer) are established within the Constitution and the Scheme of Delegations which defines delegation arrangements.

- All staff are expected to uphold the Seven Principles of Public Life (the Nolan Principles), comply with the MSA's Code of Conduct, and demonstrate the standards of behaviour expected across the organisation.

- Cabinet works collaboratively to take forward the MSA's agenda and to consider the financial and other resource implications of decisions, as well as a range of other factors. Through considering reports and making decisions the MSA is actively assessing capacity and capability to deliver.

- All staff should have an appraisal undertaken with agreed targets and objectives linked to the MSA's work programme. Staff also receive and / or have access to training covering a range of topics, including mandatory training in information governance, information security and health and safety.

- The Talent Framework underpins the approach to leadership development, succession planning, and equipping managers with skills around organisational resilience, absence management and hiring. The Talent Framework provides a structured and inclusive pathway for leadership growth, ensuring that all leaders, regardless of grade, are equipped with the skills, behaviours, and mindset required to lead effectively in their directorates and teams. It aligns closely with the MSA's core values and behaviours, promoting integrity, collaboration, innovation, and accountability.

- In 2025/26 several key performance, legal, risk and assurance roles were established. These included heads of Policy, Planning and Performance; Technology and Transformation; Data and Analysis; in-house lawyers and a Senior Risk Manager. These experts will help strengthen and continuously improve the MSA's governance activities. They also reduce or remove the need for service level agreements (SLAs) with local councils for support in governance-related activities. In the last year, the SLAs related to risk, legal and procurement have all been adjusted to reflect the MSA's growing internal capabilities.

- In 2025/26 the MSA also made substantial progress in growing the number of employees within the organisation to support its delivery ambitions. The total number of employees grew from 193 in May 2024 to 292 in May 2026.

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

- The MSA's Risk Management Framework (RMF) sets out a robust approach to managing risks at all levels across the organisation, with risk reviewed and reported at strategic, directorate, programme and project levels.

- The RMF was updated in 2026 and included a series of enhancements. These included the adoption of a standardised risk taxonomy, an overhaul of the legacy risk scoring system and the implementation of defined levels of risk appetite for each of the risk categories listed in the risk taxonomy. The updated RMF was approved by Cabinet at the 9 June 2026 meeting.

- Strategic risks are owned by Cabinet and managed by the Senior Leadership Team on their behalf. There is a formal, quarterly review by the Senior Leadership Team and by Cabinet every six months. Audit and Standards Committee also receives updates every six months, in addition to undertaking regular 'deep dives' on specific risks, to allow it to provide independent assurance over the adequacy of arrangements. The most recent Strategic Risk update to Cabinet took place on 9 June 2026 and summarised five current strategic risks. Other levels of risk are reported in line with relevant governance arrangements as set out within the Single Assurance Framework and Risk Management Framework.

- In 2026 the MSA launched a new Performance Management Framework (PMF). The PMF was approved by Cabinet in December 2025 and sets out how the MSA will put the five missions outlined in the corporate plan at the heart of everything it does; and how it will track progress, measure success and use this data and evidence to inform future policy and investment decisions. The PMF identifies a core list of 'measures' - this data is tracked, analysed and considered by senior leaders on a regular basis. There is also regular reporting through Cabinet which also provides full transparency of progress and impact to elected members and the public. The PMF measures align with the outputs and outcomes within existing strategies, including the Local Growth Plan and the Local Transport Plan. The PMF clarifies what difference MSA investments are making to the lives of people in the North East and how successfully its strategic missions and statutory responsibilities are being delivered. It will support successful delivery of the Integrated Settlement by setting out the relationship between the outcomes delivered with this funding, and those delivered through the MSA's other investment programmes.

- Audit and Standards Committee supports and monitors the governance, risk management, external audit, internal audit and financial reporting of the North East MSA, ensuring they are managed to a high standard of openness, integrity and accountability. This provides independent oversight of these arrangements, and the Committee receives regular reports on all matters it needs to perform its duties.

- The Chair of Audit and Standards Committee (ASC), who is an independent, non-voting, co-opted member, submits an annual report to Cabinet on the work and views of the committee providing assurance on internal control. For 2025/26, the report concluded that ASC arrangements are working well with a good level of performance against the good practice recommendations and that arrangements have strengthened over the last year as they have become embedded. This outcome was reported to the March 2026 meeting of Audit and Standards Committee.

- The MSA publishes financial statements annually, which are subject to external audit. The external auditors provide an audit opinion and commentary on value for money. During 2025-26 the North East MSA has worked with external auditors to conclude the audit of the statement of accounts for the period ending 31 March 2025, the first set of annual accounts for the authority. The external auditors issued an unqualified opinion, without modification, on the financial statements, in advance of the statutory backstop date of 27 February 2026. They also concluded that there were no significant weaknesses in arrangements or recommendations to report in relation to the arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

- The MSA has a designated Senior Information Risk Owner (SIRO) and Data Protection Officer responsible for ensuring data protection and confidentiality is maintained in line with relevant legislation, i.e. the UK General Data Protection Regulation (GDPR) and Data Protection Act 2018.

- All staff must undertake data protection e-learning training annually. The programme of training and awareness for all staff and members continued during 2025/26.

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

- The Single Assurance Framework sets out the robust decision making and delivery arrangements in place and covers assurance and accountability arrangements. The framework was last updated in May 2026 and provides assurance to the Departmental Accounting Officer around how funding granted / devolved is allocated and that there are robust systems in place to ensure resources are spent with regularity, propriety and value for money.

- Audit and Standards Committee, internal audit and external audit provide independent assurance around the adequacy and effectiveness of the governance, risk and control framework and financial management arrangements.

- The Chair of the Audit and Standards Committee submits an annual report to Cabinet on the work and views of the committee providing assurance on internal control. The 2025/26 report was presented to Cabinet on 9 June 2026 and summarised that the ASC arrangements were working well with a good level of performance against the good practice recommendations.

- The Chair of Overview and Scrutiny Committee also submits an annual report to Cabinet on the work of the committee providing assurance on scrutiny. No decisions were called in; one urgent key decision was required during the year with the appropriate consents and notices obtained and published.

- All agendas, reports and minutes (unless classified as exempt under relevant legislation) considered by Cabinet and Committees are published on the MSA's website. The Forward Plan of all Cabinet and Key Decisions to be taken is also published in accordance with statutory requirements.

- The MSA published its annual Transparency information for 2025/26 in April 2026 and it can be read here. Every quarter the MSA's spend over £500 is published on this page and the annual response to the Public Contract Regulations 2015 is also published on this page.

- In the 2024/25 Annual Governance Statement, it was recognized that, whilst a range of governance documents were in place, the MSA did not have a formal Local Code of Corporate Governance. CIPFA / SOLACE guidance recommends that a local code is in place and forms the basis of the annual assessment. A Code of Corporate Governance has since been developed which is integrated with all other relevant frameworks, policies and protocols which are already in place.

Section 6: Annual Review of Effectiveness of Governance Framework

The MSA has a legal responsibility to conduct an annual review of the effectiveness of its governance framework, including the system of internal control. The review is led by officers and members of Audit and Standards Committee who provide independence and challenge.

The MSA has conducted a review for 2025/26 that confirms adequate compliance with each of the governance principles within 'Delivering Good Governance in Local Government', prepared by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE). This review has consisted of:

(a) an assessment of the Constitution, including the role and work of Cabinet and committees;

(b) the views of the Chief Internal Auditor and consideration of their annual opinion for 2025/26 [the annual opinion is being submitted to the July 2026 meeting of the ASC, this section will be updated to reflect the findings of that report];

(c) the views of statutory officers;

(d) the reports provided by external audit;

(e) the activity of the Audit and Standards Committee in providing independent oversight;

(f) the risk management process; and

(g) financial and non-financial performance information reported to Cabinet and other meetings throughout the year.

Section 7: English Devolution and Community Empowerment Act 2026 & Integrated Settlement

The North East Mayoral Strategic Authority is an accountable public body originally established under section 103 of the Local Democracy, Economic Development and Construction Act 2009. The North East Combined Authority (now North East MSA) was created in 2024, with an enhanced set of powers and functions, through the North East Mayoral Combined Authority (Establishment and Functions) Order 2024. On 16 December 2024 the Government published the English Devolution White Paper setting out proposals to widen and deepen devolution across England. In May 2026, the Authority formally acquired established mayoral strategic authority status and additional powers under the English Devolution and Community Empowerment Act 2026.

The North East MSA (then the North East Combined Authority) was confirmed in 2024 as being one of the combined authorities to be moving to an integrated settlement for the 26/27 financial year. Integrated settlements provide a more flexible, outcomes-based approach to delivering against a set of outcomes as agreed with MHCLG under an Integrated Settlement Outcomes Framework (ISOF).

The Integrated Settlement provides the MSA with flexibility to manage a consolidated, multi-year funding settlement across agreed policy areas, enabling resources to be aligned to local priorities and strategic objectives. Subject to compliance with statutory requirements, conditions of grant and the agreed

ISOF, funding may be reprofiled between funding 'pillars' and carried forward into future financial years, and there is the flexibility to convert up to 10% of capital to revenue, and up to 100% of revenue to capital.

All uses of Integrated Settlement flexibilities will be exercised in a proportionate and transparent manner, supported by appropriate governance, assurance and decision-making arrangements set out in the Single Assurance Framework, with material changes subject to the relevant approvals and reporting mechanisms. The North East MSA will manage funding virements under the Integrated Settlement through an evidence-based process embedded within its quarterly forecasting cycle and Single Assurance Framework. Virements may include reallocations between programmes or pillars, reprofiling between financial years, and limited movements between capital and revenue budgets, within Integrated Settlement limits. Proposals are identified at investment initiation or through quarterly forecasting, endorsed by Senior Responsible Owners, assessed by Finance and the Programme Assurance Team, and reviewed by the Senior Leadership Team to confirm the appropriate approval route.

All virements are approved in line with existing delegated authorities and Cabinet thresholds, recorded in a central Flexibility Register, and reported through quarterly budget monitoring and performance reporting to ensure transparency, accountability and strategic alignment. This process has been agreed by Ministry of Housing Communities and Local Government (MHCLG) as part of Investment Readiness. The use of funding flexibilities will be reported to Government through the Integrated Settlement Programme Board.

Section 8: Significant Weaknesses in governance and internal control / Areas for improvement

The system of governance (including the system of internal control) can provide only reasonable, and not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, material errors or irregularities are either prevented or would be detected within a timely period; value for money is being secured; and that significant risks impacting on the achievement of its objectives have been mitigated.

The review for 2025/26 has highlighted no significant weaknesses in governance or internal control. It is acknowledged that whilst significant progress has been made, further development is needed in some areas to further embed arrangements as the organisation matures and adapts to changes in its operating environment. These include the following:

- In the 24/25 AGS, it was recognised there was a need to formalise the MSA's performance management arrangements. A Performance Management Framework is now in place, as is a Head of Policy, Planning and Performance. The next step is implementing the programme which will provide a co-ordinated and streamlined approach to performance management. This will include the launch of the new Corporate Performance Pack, setting out what the MSA's missions are and the high level delivery plan for each of them. It will also include the implementation of quarterly performance board meetings with the Senior Leadership Team. The purpose of these meetings is to discuss performance and facilitate the reporting process for the Integrated Settlement Outcome Framework metrics to MHCLG by December.

- The Performance Management Framework will also include an enhanced corporate forecasting process. Work to enhance this process and incorporate quarterly accrual and forecast information for all strategic programmes is underway and will be implemented in the Q1 2026 reporting round with further refinements to follow.

- Both Audit and Standards and Overview and Scrutiny committees encountered quoracy issues in 2025/26. To reduce the risk of this happening in future, a series of steps have been taken: the payment of allowances to committee members, as recommended by the Independent Renumeration Panel, was agreed by Cabinet at its meeting on 9 June 2026. At the same meeting, the Chair of Audit and Standards Committee raised this as part of his presentation of the committee's annual report and urged Cabinet to encourage their members to attend these meetings to ensure the business could proceed. Quoracy at committee meetings will continue to be monitored closely going forward with issues escalated to the relevant forum as needed.

- In the last year, substantial progress has been made in enhancing the MSA's risk management programme. This includes the refresh of the Risk Management Framework, implementing quarterly risk assessments for directorates and updating the MSA's portfolio of Strategic risks. This progress enabled the legacy SLA with North Tyneside Council for providing Risk and Audit services to the North East MSA to be updated in 2026 to only focus on Internal Audit going forward. There is, however, room for further enhancements to the programme, including the adoption of IT risk software to transform key processes e.g. performing Directorate or MSA level Strategic Risk assessments.

Section 9: Conclusion

The MSA considers the governance arrangements and internal control environment operating during 25/26 provide reasonable and objective assurance that significant risks impacting on the achievement of its principal objectives will be identified and actions taken to avoid or mitigate their impact.

Mayor	**Chief Executive Officer**
Name: Kim McGuinness	**Name: Henry Kippin**
Signature:	**Signature:**
Date:	**Date:**
Chair of Audit and Standards Committee	**Chief Finance Officer**
Name: Dave Willis OBE	**Name: Mags Scott**
Signature:	**Signature:**
Date:	**Date:**

Appendix 1- Links to Key Governance Documents

Number	Artefact and Link
1	2025/26 Annual Review of Effectiveness of Audit & Standards Committee Arrangements
2	Advisory Boards
3	Annual Equalities Report
4	Anti-Fraud and Corruption Policy
5	Audit and Standards Committee
6	Careers site link
7	Constitution
8	Corporate Plan 2026-30
9	Corporate Complaints Procedures
10	Finance and Investment Advisory Board Responsibilities
11	Financial Transparency Data
12	Forward Plan
13	Local Growth Plan Transport Plan
14	Net Zero - North East Evidence Hub Home of the green energy revolution governance
15	Performance Management Framework
16	Privacy Policy
17	Risk Management Framework
18	Scheme of Delegations
19	Single Assurance Framework
20	Strategic Risk Review
21	Talent Framework
22	Whistleblowing Policy