

Agenda Item 9

Report to: Partnership Board –Transport for the South East

Date of meeting: 19 October 2026

By: Chair of Audit and Governance Committee

Title of report: Audit and Governance Committee Update

Purpose of report: To provide an update on the Audit and Governance Committee

RECOMMENDATION:

The Members of the Partnership Board are recommended to comment on the discussions and actions arising at the meeting of the Audit and Governance Committee.

1. Introduction

1.1 Audit and Governance Committee met on Thursday 17 September 2026. This report provides a summary of the discussions and actions to take forward.

1.2 This meeting was not quorate due to a last-minute apology. The committee asks the Board to consider an amendment to the constitution for the membership of the Audit and Governance Committee to comprise 6 members. All other provisions remain.

2. Local Government Reorganisation and Devolution

2.1 The Committee received an update on Local Government Reorganisation (LGR) and Devolution activity across the region. Members acknowledged that these developments have implications for TfSE's governance and longer-term strategic planning. TfSE will continue to work with Local Transport Authorities and Strategic Authorities, where they exist.

2.2 The Committee wishes the Board to consider an invitation to one member from each existing Strategic Authorities to attend the Board as a non-voting co-opted member.

2.3 Members also acknowledged recent announcements from MHCLG on pausing of LGR.

3. Department for Transport Update

3.1 Robert Baker, representing DfT, announced Salina Saddiqi as the new South East Lead. Robert Baker will be assisting during a period of transition.

3.2 The announcement of successful Structure Funds bids will likely take place in November / December, following the October budget.

4. TfSE Future Funding Position

4.1 Rupert Clubb reminded the committee of the DfT decision to cease funding to STBs from April 2027, noting the decision has come at a time of much disruption and uncertainty across the region when Local Authorities are seeking a degree of consistency and continuity.

4.2 The committee was assured that proposals for a sustainable local funding model are being developed and this will be brought as an agenda item to the Partnership Board for decision in October.

5. Strategic Risk Register

5.1 The Committee reviewed TfSE's risk register, which had been updated to reflect the current funding scenario for TfSE and uncertainties around LGR and Devolution.

5.2 The top risks currently are regarding funding; first is the ability to secure contributions, and the second is the long-term certainty of funding, following the DfT decision to cease STB funding.

5.3 Risk 5, devolution and structural disruption - mitigation includes engagement with DfT and constituent authorities. As suggested by The Committee, this has been updated to include Strategic Authorities as they form.

5.4 Risks 11, affordability and cost pressures, has been highlighted as internal resource pressure for Local Authorities increases due to ongoing change such as the transparency report, unplanned pressure on officers and authorities makes it challenging to contribute in a partnership space.

5.5 Risk 12, staff retention and organisational capacity, has been recorded as high risk, as the team is now a smaller, core team of experienced staff. Retention of this staff so TfSE can continue to offer everything that has been promised, is part of that risk.

5.6 Risks 15-20 are highlighted, showing a sharp fall in risk following mitigation measures. These risks refer to the quality of TfSE's technical outputs and resulting credibility. With a long-term consultancy contract in place with a strong understanding and relationship with the supplier, these risks are reduced largely compared to individual commissions with multiple suppliers.

5.7 To further track progress of mitigation implementation, milestones and time references will be added to the mitigation column.

6. Finance Update

6.1 The Committee were provided with an update on the financial position to the end of August 2026, alongside the forecasted total spend for 2026/27, and confidence ratings.

6.2 Confidence ratings for the following forecasts were upgraded from '4' to '5'; SIP Refresh; Prioritisation Tool Update; Funding and Financing; Model Development; Centre of Excellence Project Management. This is due to the projects involved in these budget lines being commissioned or nearing completion.

6.3 Confidence rating has been downgraded from '4' to '3' for Communication and Events, in the Communications and Engagement budget due to uncertainty of engagement needs as TfSE continues to understand its future status and the LGR environment.

7. Audit and Governance Work Programme

7.1 The committee discussed future work streams for this year and agreed priority is with monitoring and mitigating risks, particularly around funding and the uncertain LGR environment.

7.2 Rupert Clubb suggests that following discussions of TfSE future funding at the Partnership Board, additional input from the committee may be needed to support TfSE and provide an additional level of governance and assurance for the Board.

8. Any Other Business

8.1 The Committee reviewed the Audit and Governance Terms of Reference and suggested Paragraph 1.3.1 (*Approve TfSE's Accounts*) and 1.3.2. (*recommend approval of the annual statement of accounts for TfSE*) should be amendment and merged to "Recommend approval of TfSE's Accounts and annual statements of accounts"

9. Conclusions and recommendation

9.1 The Partnership Board is recommended to amend the membership of the Audit and Governance committee to six members to avoid future committee meetings from not being quorate due to attendance.

9.2 The Partnership Board is recommended to invite the new Strategic Authority members to the Board as co-opted non-voting members.

9.3 The Partnership Board is recommended to note and approve the amendment to merge the Audit and Governance Terms of Reference, paragraph 1.3.1 / 1.3.2.

9.4 The Partnership Board is recommended to note the discussions and actions arising at the recent meeting of the Audit and Governance Committee.

Councillor Matt Furniss

Chair

Audit and Governance Committee

Transport for the South East

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