

YORKSHIRE PURCHASING ORGANISATION

AUDIT & SCRUTINY SUB-COMMITTEE

FRIDAY, 14TH FEBRUARY 2020

Present: The Chair: Councillor Warburton (Bradford)

Councillors: Warburton (Bradford), Barnard (Barnsley), Barnes (Calderdale), White (North Yorkshire)

12.	CHAIR'S INTRODUCTION & WELCOME
	Councillor Warburton welcomed all parties to the meeting.
13.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Turner (Kirklees), Haslam (Bolton), Dadd (North Yorkshire), Pavlovic (York), Williams (Wakefield), and Wyatt (Rotherham).
14.	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made.
15.	URGENT ITEMS
	No urgent items were raised.
16.	PREVIOUS MINUTES (AUDIT & SCRUTINY SUB COMMITTEE)
	The minutes of the YPO Audit & Scrutiny Sub-Committee held on 1 st November 2019 were approved by all.
17.	ANNUAL GOVERNANCE STATEMENT & LOCAL CODE OF CORPORATE GOVERNANCE
	Consideration was given to a report of the Deputy Managing Director (Paul Smith), which presents the first draft of the Annual Governance Statement (AGS) 2019 for consideration. The Local Code has been reviewed and no changes are proposed at this time. Resolved - (1) That the Annual Governance Statement & Local code of corporate governance be approved.
18.	DRAFT PRE-AUDIT STATEMENT OF ACCOUNTS
	Consideration was given to the tabled report of the Head of Finance which provided Members with the details of the Pre-Audit Statement of Accounts 2019. The report will be submitted to the next meeting of the YPO Management Committee for the information to be noted by members. Resolved – (1) That the Pre - Audit Statement of Accounts 2019 are agreed to be submitted to External Audit.

19.	INTERNAL AUDIT UPDATE REPORT
	<p>Consideration was given to the report of the Service Manager for Internal Audit & Risk (Wakefield Council) which provided Members with details of audit work undertaken and reports issued, between 1st January 2019 and 28th January 2020.</p> <p>Resolved – (1) That the Internal Audit Update Report be noted.</p>
20.	INTERNAL AUDIT ACTIONS UPDATE
	<p>Consideration was given to a report which provided an update as to the progress made towards actions resulting from internal audits completed at YPO, as part of the Annual Audit Plan by Wakefield Council's Internal Audit.</p> <p>Resolved – (1) That the progress made in implementing internal audit actions be noted.</p>
21.	EXTERNAL AUDIT PROGRESS REPORT
	<p>Alastair Newall (Mazars) shared an update on the External Audit progress from Mazars, and on-going work.</p> <p>The update also outlines to Members the details of National publications.</p> <p>Neil Warren noted it may be useful to add the CIPFA Financial Management Guide self-assessment to the Audit & Scrutiny Sub committee's work programme for 2020/2021.</p> <p>Resolved – (1) That the report be noted.</p>
22.	GIFTS & HOSPITALITY
	<p>Consideration was given to the Gifts and Hospitality report presented by the Deputy Managing Director (Paul Smith).</p> <p>It was noted that as part of its Anti-Fraud and Bribery Framework, YPO maintains a Gifts and Hospitality register as part of the policy which employees must follow.</p> <p>Members were happy with the content of the Gifts and Hospitality Register.</p> <p>Resolved – (1) That the report be noted.</p>
23.	FINANCIAL PROCEDURE RULES AND STANDING ORDERS RELATING TO CONTRACTS
	<p>The Deputy Managing Director (Paul Smith) presented the Financial Procedure Rules & Standing Orders Relating to Contracts.</p> <p>The Financial Procedure Rules & Standing Orders Relating to Contracts have been reviewed to ensure compliance with the current law. Members were advised that no changes were required at this time, but this is currently being reviewed following Brexit progress.</p> <p>Resolved – (1) That the Standing Orders for Contracts and Financial Procedure Rules be noted.</p>

24.	EXCLUSION OF THE PUBLIC AND PRESS
	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 14 to 20 on the grounds that they are likely to involve the disclosure of exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972, as amended.</p>
25.	LINK UPDATE REPORT (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to the report of the Deputy Managing Director (Paul Smith), which provided Members with an update on the current project status.</p> <p>Paul Smith provided Members with a presentation, which summarised the issues faced, customer impact and the current status.</p> <p>Members raised a number of questions, and Officers provided detailed responses. It was noted that a review is currently taking place from an external consultant.</p> <p>Resolved – (1) That the update be noted.</p> <p>(2) It was agreed for a further report to be completed and circulated to all Committee Members.</p> <p>(3) It was agreed to bring a further update to the next Audit & Scrutiny Sub Committee meeting.</p>
26.	BREXIT UPDATE REPORT (EXEMPT – PARAGRAPH 3)
	<p>Simon Hill shared a report which informed Members of YPO’s plans in relation to Brexit.</p> <p>A discussion was held around the options, and forward buying of US dollars.</p> <p>Resolved – (1) That Members agreed to Option 2.</p>
27.	STOCK ADJUSTMENTS (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to a report that outlines the stock adjustments incurred during 2019.</p> <p>Members raised a number of questions and detailed responses from YPO Officers were accepted.</p> <p>Resolved – (1) That the report be noted.</p>
28.	PUBLIC SECTOR STRATEGY (EXEMPT – PARAGRAPH 3)
	<p>Resolved – (1) It was agreed this item would be deferred to the next Audit & Scrutiny Sub Committee meeting.</p>

29.	STRATEGIC RISK REGISTER UPDATE
	<p>A report of the Deputy Managing Director (Paul Smith) provided details of the Strategic Risk Register for YPO.</p> <p>The Strategic Risk Register explains to Members the risks faced by the organisation including assessment on the level of risk, the controls in place, any additional controls and risk owners.</p> <p>Paul Smith noted the Strategic risk register is an on-going document, and this will be undertaking further reviews due to the current system updates.</p> <p>Resolved – (1) That the Strategic Risk Registers for the Organisation be noted.</p>
30.	RISK MANAGEMENT STRATEGY & FRAMEWORK
	<p>The Deputy Managing Director (Paul Smith) shared the Risk Management Strategy & Framework report, the new fully revised Risk Management Strategy and Framework is attached at Appendix 1.</p> <p>Resolved – (1) That the Risk Management Strategy & Framework be approved.</p>
31.	EMPLOYEE DECLARATIONS OF INTEREST
	<p>The Deputy Managing Director (Paul Smith) shared a report detailing the Employee Declarations of Interest Policy. The Policy was fully reviewed and updated in October 2018 and no further changes are planned at this time.</p> <p>Resolved – (1) That the report be noted.</p>
32.	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Audit & Scrutiny Sub Committee is to be held on 3rd July 2020, 10.30am.</p>