

YORKSHIRE PURCHASING ORGANISATION

AUDIT & SCRUTINY SUB-COMMITTEE

FRIDAY, 5TH MARCH 2021

Present: The Chair: Councillor Barnard (Barnsley)

Councillors: Barnard (Barnsley), Barnes (Calderdale), Nightingale (Doncaster), Wyatt (Rotherham), Turner (Kirklees), Lomas (York), Williams (Wakefield), White (North Yorkshire), Haslam (Bolton), Prescott (Wigan), Walsh (Knowsley).

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| 13. | ELECTION OF A TEMPORARY CHAIR |
| | The Managing Director requested nominations for the position of temporary Chair of the Audit & Scrutiny Sub Committee for today's meeting. A new permanent Chair will be elected in the Management Committee. |
| | Resolved – (1) That Councillor Barnard be elected as temporary Chair for today's meeting. |
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| 14. | CHAIR'S INTRODUCTION & WELCOME |
| | Councillor Barnard welcomed all parties to the meeting. |
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| 15. | ACCEPTANCE OF APOLOGIES FOR ABSENCE |
| | Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Cole (Doncaster). |
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| 16. | MEMBERS DECLARATION OF INTEREST |
| | No declarations of interest were made. |
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| 17. | URGENT ITEMS |
| | The Managing Director (Simon Hill) requested to provide an update on an operational issue under the private section of the meeting. |
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| 18. | PREVIOUS MINUTES (AUDIT & SCRUTINY SUB COMMITTEE) |
| | The minutes of the YPO Audit & Scrutiny Sub-Committee held on 6 th November 2020 were approved by all. |
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| 19. | ANNUAL GOVERNANCE STATEMENT & LOCAL CODE OF CORPORATE GOVERNANCE |
| | The Managing Director (Simon Hill) shared the report of the Head of Finance which presents the first draft of the Annual Governance Statement (AGS) 2020 for consideration. The Local Code has been reviewed and no changes are proposed at this time. |
| | It was noted the AGS will be updated to reflect the correct dates required. |

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| | Resolved - (1) That the Annual Governance Statement & Local code of corporate governance be approved. |
| 20. | REVIEW OF FINANCIAL PROCEDURE RULES |
| | <p>Consideration was given to the Review of Financial Procedure Rules.</p> <p>The Financial Procedure Rules have been reviewed to ensure compliance with the current law, and no changes are currently proposed.</p> <p>Resolved – (1) That the Review of Financial Procedure Rules be noted.</p> |
| 21. | DRAFT PRE-AUDIT STATEMENT OF ACCOUNTS |
| | <p>Consideration was given to the report of the Head of Finance which provided Members with the details of the draft Pre-Audit Statement of Accounts 2020.</p> <p>The report will be submitted to the next meeting of the YPO Management Committee for the information to be noted by members.</p> <p>Resolved – (1) That the Draft Pre - Audit Statement of Accounts 2020 are agreed.</p> |
| 22. | 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 2nd October 2020 – 31st January 2021.</p> <p>The Service Manager for Internal Audit & Risk noted the Link audit is now underway.</p> <p>Resolved – (1) That the Internal Audit Update Report be noted.</p> |
| 23. | 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>The Head of Finance (Matthew Hirst) provided assurances that we are confident the actions will be completed in a timely manner in 2021.</p> <p>Resolved – (1) That the progress made in implementing internal audit actions be noted.</p> |
| 24. | EXTERNAL AUDIT UPDATE REPORT |
| | Craig Maxwell (Mazars) shared the External Audit Update report. |

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| | <p>Craig noted the impact and management of Covid-19 will be a key focus in this audit. Mazars will work with YPO management on the detail of reporting on this.</p> <p>Resolved – (1) That the report be noted.</p> |
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| 25. | GIFTS & HOSPITALITY |
| | <p>Consideration was given to the Gifts and Hospitality report presented by the Managing Director.</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> |
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| 26. | EMPLOYEE INTERESTS |
| | <p>The Managing Director 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> <p>(2) Simon Hill to share an update on any outstanding declarations of interest.</p> |
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| 27. | CIPFA FINANCIAL CODE SELF-ASSESSMENT |
| | <p>Consideration was given to the report presented by the Head of Finance. YPO has carried out a self-assessment of financial management and this has been reviewed independently by Wakefield Council.</p> <p>The Head of Finance (Matthew Hirst) noted two key focus areas have been identified, including continued finance involvement in any decision making, and ensuring that any medium – long term financial strategies are synced into the wider organisations three-year strategy.</p> <p>Matthew noted that progress will be shared on this in the next meeting of the Audit & Scrutiny Sub Committee.</p> <p>Resolved – (1) That the report be noted.</p> |
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| 28. | EXCLUSION OF THE PUBLIC AND PRESS |
| | <p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 17 - 19 on the grounds that it is 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> |

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| | <p>URGENT ADDITIONAL ITEM:</p> <p>Simon Hill provided Members with an update on an operational issue which has arisen this week and could provide a risk to the organisation.</p> <p>Simon shared the possible implications of this with Members.</p> <p>Councillors asked several further questions on this and were satisfied with the responses provided from Officers.</p> <p>Resolved: (1) It was agreed to undertake a review of YPO's contractual arrangements including the notice periods and bring this report back to the next Audit & Scrutiny Sub Committee.</p> <p>(2) It was agreed that a verbal update on this issue will be provided to the Executive Sub Committee next week, and a detailed report to be brought to the Management Committee on 26th March.</p> |
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| 29. | LINK UPDATE REPORT (EXEMPT – PARAGRAPH 3) |
| | <p>Consideration was given to the report of the Managing Director (Simon Hill), which provided Members with an update on the Link system.</p> <p>Simon noted we are monitoring progress against the lessons learnt review and shared the status of the actions.</p> <p>Resolved – (1) That the update be noted.</p> |
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| 30. | PUBLIC SECTOR UPDATE (EXEMPT – PARAGRAPH 3) |
| | <p>Simon Hill shared the report of the Head of Public Sector (Gavin Rimmington) which provides details of the on-going work within the Procurement services team at YPO.</p> <p>Resolved – (1) That the update be noted.</p> |
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| 31. | STRATEGIC RISK REGISTER UPDATE (EXEMPT – PARAGRAPH 3) |
| | <p>A report of the Head of Finance 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>Resolved – (1) That the Strategic Risk Registers for the Organisation be noted.</p> |
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| 32. | DATE AND TIME OF NEXT MEETING |
| | Resolved – (1) That the next meeting of the YPO Audit & Scrutiny Sub Committee is to be held on 2 nd July 2021, 10.30am. |
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