

Your Ref.
Our Ref

Please Reply To Kayley Sykes
Telephone No (01924) 834912
Email kayley.sykes@ypo.co.uk
Date 27 October 2022

Chief Executive

Town Hall
Wood Street
Wakefield
WF1 2HQ

T 01924 305101; E chiefexec@wakefield.gov.uk
Typetalk calls welcome

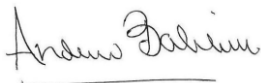
To: Members of the YPO Joint Committee Audit and Governance Sub-Committee

Dear Member

YPO AUDIT & GOVERNANCE SUB-COMMITTEE – FRIDAY, 4 NOVEMBER 2022

It is with pleasure that I write to invite you to attend a meeting of the YPO Joint Committee Audit and Governance Sub-Committee which is to be held at **10:30 am on Friday, 4 November 2022 in the YPO Headquarters** to consider the items set out in the agenda attached.

Yours sincerely



Andrew Balchin
Secretary to the Joint Committee

As a courtesy to colleagues will you please turn off your mobile phones and pagers prior to the start of the meeting.

**YORKSHIRE PURCHASING ORGANISATION
AUDIT & GOVERNANCE SUB-COMMITTEE**

Friday, 4 November 2022

AGENDA

1. Election of Chair.
2. Chair's Introduction and Welcome.
3. Acceptance of Apologies for Absence.
4. Members' Declaration of Interest.
5. To note any items which the Chair has agreed to add to the agenda on the grounds of urgency.
6. Internal Audit Progress Report. (Pages 1 - 5)
7. Yearend Closedown Timetable. (Pages 7 - 9)
8. Exclusion of the Public and Press
“That the public and press be excluded from the meeting during consideration of agenda items 9 - 10 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”.

IN PRIVATE

9. Strategic Risk Register Update. (Pages 11 - 13)
10. Treasury Management Progress Report. (Pages 15 - 27)



YPO

**AUDIT & GOVERNANCE SUB
COMMITTEE**

TO BE HELD ON

4TH NOVEMBER 2022

TITLE: PROGRESS ON THE 2022 INTERNAL AUDIT PLAN

REPORT OF: SERVICE MANAGER FOR INTERNAL AUDIT & RISK

1 PURPOSE OF REPORT

- 1.1 This report is produced by the Service Manager for Internal Audit & Risk to provide this Committee with details of Internal Audit's performance and work. Under its terms of reference, the Audit and Governance Sub-Committee is responsible for considering internal audit plans and performance to ensure the work of internal audit is planned and carries out with due regard to major risks. The purpose of this report is to give positive assurance on the initial planning work that has been completed, and that resources are in place to fulfil the 2022 Internal Audit Plan.
- 1.2 The report also gives members the opportunity to raise any additional risk areas that they may wish to be included in the plan.

2 BACKGROUND INFORMATION

- 2.1 The report, attached as Appendix A, records details of the progress against the agreed audit plan for 2022.
- 2.2 In line with agreed protocols, a further progress report will be submitted to the next meeting of the Audit & Governance Sub-Committee.

3 STRATEGIC IMPLICATIONS

- 3.1 Internal Audit's work includes involvement at a strategic level. A number of audits in the 2022 Internal Audit Plan link to various YPO strategic risks.

4 FINANCIAL IMPLICATIONS

- 4.1 There are no specific financial implications associated with this report. The cost of the audit work is met from the 2022 budget approved by YPO Members.

5 LEGAL IMPLICATIONS

- 5.1 YPO is a Joint Committee formed under the Local Authority (Goods and Services) Act 1970. As the largest formally constituted local authority purchasing consortium in the UK, YPO is governed by a management committee of elected representatives (councillors) from its owning member authorities.
- 5.2 The Statutory Finance Officer of the Lead Authority is responsible to the Management Committee for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control. It is the role of the Lead Authority's Internal Audit team to provide an independent and objective opinion on the control environment within YPO. The audit plan and subsequent findings are reported to the Directors of YPO, the Management Committee and the Audit and Governance Sub-Committee.
- 5.3 The Audit and Governance Sub-Committee has delegated authority to provide the Management Committee with a 'reasonable assurance of the efficiency and effective operation of the overall internal control environment within YPO'. One of the sources of this assurance is through the work of Internal Audit.

6 EQUALITY IMPLICATIONS

- 6.1 Equality issues are considered when considering the Organisation's key strategic risks.

7 RISK IMPLICATIONS

- 7.1 Internal Audit makes a significant contribution to providing management and Members with assurances on the Organisation's systems of internal control. Its contribution assists in identifying areas for improvement in control in the management of key risks.

8 RECOMMENDATION

- 8.1 That Members comment on and endorse the Internal Audit Progress Report attached as Appendix A to this report.

Contact Officers:

Julie Cousins, Principal Audit Manager
Telephone No: 07833 236970
E-mail address: jcousins@wakefield.gov.uk

Jason Brook, Service Manager for Internal Audit & Risk (Wakefield Council)
Telephone No: 01924 306054
E-mail address: jasonbrook@wakefield.gov.uk

Internal Audit Update Report at 31 October 2022

REPORT OF: Jason Brook, Service Manager for Internal Audit & Risk
(Wakefield Council)
Telephone No: 01924 306054
E-mail address: jasonbrook@wakefield.gov.uk

Julie Cousins, Principal Audit Manager - Internal Audit & Risk
(Wakefield Council),
Telephone no: 07833236970
Email address: jcousins@wakefield.gov.uk

PURPOSE OF REPORT

1. The purpose of this report is to present to the Audit and Governance Sub Committee, details of Internal Audit's performance and work in relation to the 2022 Audit Plan.

PROGRESS ON THE 2022 AUDIT PLAN

2. The audit plan that was agreed by Audit and Scrutiny Sub Committee on 4 March 2022 is now underway.
3. The following table provides a progress update as at 31 October 2022 against the agreed Audit Plan for 2022. A verbal update will be provided at the Audit and Governance Sub Committee meeting.

Audit Area	Type of Audit	Brief Summary	Position as at 31/10/2022
Section 151 Assurance Work			
Asset Management	Key Financial System	To gain assurance that significant assets are properly accounted for and secured and are being managed effectively, in line with the strategic objectives of the Organisation.	Audit testing is underway.
Creditors	Key Financial System	To gain assurance on the effectiveness of controls for raising orders and making payments to the suppliers for goods and services.	Audit to commence in November 2022.
Consultancy Work			
Counter-Fraud and Corruption Arrangements	N/A	To act in a 'critical friend' role for the YPO in the review of counter-fraud policies and procedures. The work will also assist Internal Audit in its development of assurance mapping for the YPO and will link with YPO's ongoing review of counter fraud and bribery.	The Counter Fraud team has offered support and advice on Counter Fraud concerns raised by colleagues at YPO and take the appropriate action in order to promote a Counter Fraud culture.
Risk Management	N/A	To act in a 'critical friend' role for the YPO in offering advice on risk management arrangements and best practice.	The risk management advice remains available.
Governance and Risk-Based Work			
Adherence to legislation	Risk Based	To provide assurance over Health and Safety risk areas ensuring compliance with key policies and legal frameworks, with a focus on the reporting of 'near misses'.	Audit to commence in November 2022.
Rebate Income	Risk-Based	To gain assurance on the adequacy of controls relating to rebate income.	Audit testing is underway.
Business Planning	Governance	The audit will cover a review of the sufficiency of business planning documentation for decision making.	Audit to commence in November 2022.

Audit Area	Type of Audit	Brief Summary	Position as at 31/10/2022
Governance and Risk-Based Work			
Implementation of High Priority Audit Recommendations	Follow Up	Focus on the high priority actions following the debtors audit in 2020 with a focus on aged debt, cash flow and financial planning.	Audit to commence in November 2022.

SUMMARY

4. All audit work will be completed in time for the annual Head of Internal Audit assurance opinion and draft Annual Governance Statement that will be presented to the Audit and Governance Sub Committee in Summer 2023.

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YPO

**AUDIT & GOVERNANCE SUB
COMMITTEE**

TO BE HELD ON

4th NOVEMBER 2022

TITLE: YEAREND CLOSE OF ACCOUNTS AND AUDIT 2022

REPORT OF: HEAD OF FINANCE

1. PURPOSE OF REPORT

- 1.1 To approve contents of the 2022 closedown timetable and agree to the arrangements for the 2022 Statement of Accounts.

2. BACKGROUND INFORMATION

- 2.1 The Y.P.O. Management Committee approved the continuation of an external audit on 18th March 2016, following a report by the section 151 officer of the Lead Authority. The decision was that "Y.P.O. continues to prepare, each year, a statement of accounts in accordance with the C.I.P.F.A. Code of Practice that is subject to an external audit"
- 2.2 Consequently, this will be a non-statutory audit meaning that compliance with the Accounts and Audit Regulations 2015 is not mandatory.
- 2.3 Following a tender exercise in 2019, Mazars have been appointed as our external auditors for the 2019 to 2023 financial years, with an option to review in years 4 and 5.
- 2.4 Following discussions with Mazars we have agreed to continue with them as the external audit providers for this coming year. Changes to the services provided include the audit for 2022 being led by their Leeds office, as opposed to their Manchester office as in previous years, whilst retaining the services of some of their key audit personnel that have been involved in previous audits.
- 2.5 At the time of writing this report introductory meetings with the Leeds office are being put in place where we will schedule the timings of work for the audit of the 2022 financial year, therefore the timetable attached at appendix 1 should be seen as provisional at this time.

3. RECOMMENDATIONS

- 3.2 That the provisional timetable mentioned in appendix 1 is approved.

SERVICE DIRECTOR: JULIE HAWLEY, EXECUTIVE DIRECTOR

YPO
41 Industrial Park
Wakefield
WF2 0XE

E-mail address: julie.hawley@ypo.co.uk

CONTACT OFFICER: MATTHEW HIRST, HEAD OF FINANCE

YPO
41 Industrial Park
Wakefield
WF2 0XE

Telephone No: 01924 821740

E-mail address: matthew.hirst@ypo.co.uk

APPENDIX

Appendix 1 - Closedown timetable 2022 and Audit plan key dates.

Appendix 1 – Closedown timetable 2022 and Audit plan key dates

Task	Deadline	Responsible
*Interim audit	Dec 22 / Jan 23	MAZARS / YPO
Close of 2022-year end	03/01/2023	YPO
Completion of 2022 Annual Governance Statement	31/01/2023	YPO / WMDC
Receipt of Pensions data	31/01/2023	YPO
*Production of Mazars working file	31/01/2023	YPO
Pre audit statement agreed with s151 officer	28/02/2023	YPO / WMDC
*Final Audit fieldwork	Mar 2023	MAZARS / YPO
*Letter of representation & report to those charged with governance	31/03/2023	MAZARS / YPO
Audited statement of accounts agreed with s151 officer	31/03/2023	YPO / WMDC
*Audit opinion and VFM conclusion	31/03/2023	MAZARS
Approval of the audited statement of accounts	07/07/2023	Audit & Governance Committee

*All audit dates are provisional at this stage as we are in the process of confirming these with Mazars

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