

YORKSHIRE PURCHASING ORGANISATION

AUDIT & SCRUTINY SUB-COMMITTEE

FRIDAY, 16TH FEBRUARY 2018

Present: The Chair: Councillor Warburton (Bradford)

Councillors: Cole (Doncaster), Scullion (Calderdale), Mather (Kirklees), Barnard (Barnsley), Vjestica (Rotherham), Waller (York), Dadd (North Yorkshire).

29.	CHAIR'S INTRODUCTION & WELCOME
	Councillor Warburton welcomed all parties to the meeting.
30.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Gardiner (Barnsley), Byron (Knowsley), Pillai (Calderdale), Sweeney (Wigan), Nightingale (Doncaster) & Iqbal (Bolton).
31.	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made.
32.	URGENT ITEMS
	No urgent items were raised by Members.
33.	PREVIOUS MINUTES (AUDIT & SCRUTINY SUB COMMITTEE)
	The minutes of the YPO Audit & Scrutiny Sub-Committee held on 3 rd November 2017 were approved as a correct record.
34.	RISK MANAGEMENT PROCESS
	Members considered a report of the Executive Director (Paul Smith) which detailed the review of the YPO Risk Management Process. The Executive Director shared that the Board are looking at future developments and what the high risks and priorities are moving forward. Resolved – (1) That the report be noted.
35.	PRE-AUDIT STATEMENT OF ACCOUNTS
	Consideration was given to the report of the Head of Finance which provided Members with the details of the Pre-Audit Statement of Accounts 2017, attached as Appendix 1 and to inform Members of the public notice of the commencement of the audit and public inspection period. The report will be submitted to the next meeting of the YPO Management Committee for the information to be noted by members.

	<p>Resolved – (1) That the Pre- Audit Statement of Accounts 2017 are agreed to be submitted to External Audit and the public inspection notice to be issued.</p>
36.	INTERNAL AUDIT ANNUAL REPORT 2017
	<p>Consideration was given to the report of the S151 Officer which provided Members with the Internal Audit Annual Report 2017 which details the work undertaken during January – December 2017.</p> <p>Resolved – (1) That the Internal Audit Annual Report 2017 be noted.</p>
37.	DRAFT INTERNAL AUDIT PLAN 2018 - 2020
	<p>Consideration was given to the report of the S151 Officer which provided Members with the Draft Internal Audit Plan 2018 - 2020.</p> <p>The plan is the first three-year audit plan and will be submitted to the next meeting of the YPO Management Committee for formal approval in line with agreed protocols.</p> <p>Resolved – (1) That the draft Annual Audit Plan 2018 - 2020 be noted.</p> <p>(2) That the draft Annual Audit Plan 2018 - 2020 be submitted to YPO Management Committee for formal approval.</p>
38.	ANNUAL GOVERNANCE REVIEW & STATEMENT
	<p>Consideration was given to a report of the Executive Director (Paul Smith), which provided Members with the details of the Annual Governance Statement.</p> <p>Members welcomed the report and thanked the Board of Directors for the pleasing report.</p> <p>Resolved - (1) That the Annual Governance Statement be approved.</p>
39.	STRATEGIC RISK REGISTER
	<p>A report of the Executive 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>Resolved – (1) That the Strategic Risk Registers for the Organisation be noted.</p>
40.	FRAUD AND BRIBERY RISK ASSESSMENTS
	<p>A report of the Executive Director (Paul Smith) provided details of the Fraud and Bribery Risk Assessments for YPO.</p> <p>Resolved – (1) That the Fraud and Bribery Risk Assessments for the Organisation be noted.</p>

41.	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <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>
42.	<p>INTERNAL AUDIT ACTION UPDATE (EXEMPT – PARAGRAPH 3)</p> <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>
43.	<p>FINANCIAL PROCEDURE RULES & STANDING ORDERS RELATING TO CONTRACTS (EXEMPT – PARAGRAPH 3)</p> <p>The Executive 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 of minor changes.</p> <p>Resolved – (1) That the revised Standing Orders for Contracts and Financial Procedure Rules, attached as Appendix 1, be approved and used by YPO.</p> <p>(2) That the Financial Procedure Rules & Standing Orders Relating to Contracts are considered bi-annually moving forward unless there are any material changes.</p>
44.	<p>SLA COSTS FOR FINANCIAL SERVICES FROM WAKEFIELD COUNCIL (EXEMPT – PARAGRAPH 3)</p> <p>Consideration was given to the report of the Chief Finance Officer, which provided Members with a breakdown of costs made to the Lead Authority in the 2017 financial year for Finance Services.</p> <p>All services provided by the Lead Authority are provided in accordance with established Service Level Agreements.</p> <p>Resolved – (1) That the report be noted.</p>
45.	<p>IT PROGRAMME UPDATE (EXEMPT – PARAGRAPH 3)</p> <p>Consideration was given to the IT Programme Update report which provided Members with an update on the progress of the implementation of the ERP Business Case, and the associated risks.</p> <p>Members raised a number of questions and were satisfied with the responses given by Officers.</p>

	Resolved – (1) That the report be noted.
46.	COMMERCIAL STRATEGY (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to a report and presentation given by the Executive Director (Jo Marshall) regarding the Commercial Strategy 2018 – 2020.</p> <p>The Executive Director provided an update on progress over the last year and highlighted the focus areas for year three of the Commercial Strategy.</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>
47.	STOCK LOSSES (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to a report that outlines the stock losses incurred during 2017.</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>
48.	WAREHOUSE & LOGISTICS STRATEGY (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to a report & presentation given by the Head of Logistics regarding the Logistics Strategy.</p> <p>This report provided an update on progress made during the last strategy period and outlined the 2018 - 2020 approach. It outlined the challenges faced by logistics in conjunction with the priorities outlined in the Three-Year Strategy.</p> <p>Members raised a number of questions and detailed responses from YPO Officers were accepted. One particular concern was raised about clean emission zones, Officers confirmed the YPO fleet runs on Euro 6 engines which is the currently the most efficient engines. The suitability of the YPO fleet and clean emission zones will continue to remain under review within the Logistics Team.</p> <p>Resolved – (1) That the report be noted.</p>
49.	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Audit & Scrutiny Sub Committee will be held on 25th May 2018.</p>