

YORKSHIRE PURCHASING ORGANISATION

AUDIT & SCRUTINY SUB-COMMITTEE

FRIDAY, 15TH FEBRUARY 2019

Present: The Chair: Councillor Warburton (Bradford)

Councillors: Warburton (Bradford), Barnard (Barnsley), Scullion (Calderdale), Cuthbertson (York), Mistry (Bolton), Cole (Doncaster), Vjestica (Rotherham), Nightingale (Doncaster), Dadd (North Yorkshire)

79.	CHAIR'S INTRODUCTION & WELCOME
	Councillor Warburton welcomed all parties to the meeting.
80.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Carter (Calderdale), Rehman (Wigan), Graham (Wakefield), Wiseman (St Helens).
81.	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made.
82.	URGENT ITEMS
	Managing Director (Simon Hill) proposed a date change to the next meeting to accommodate YPO's all staff conference. It was agreed that the new date would be circulated electronically and any issues with the date would be raised with the Business Services Manager (Kayley Sykes).
83.	PREVIOUS MINUTES (AUDIT & SCRUTINY SUB COMMITTEE)
	The minutes of the YPO Audit & Scrutiny Sub-Committee held on 2 nd November 2019 were approved by all.
84.	ANNUAL GOVERNANCE STATEMENT
	Consideration was given to a report of the Executive Director (Paul Smith), which provided Members with the details of the Annual Governance Statement. Members welcomed the report and thanked the Board of Directors for the pleasing report. Resolved - (1) That the Annual Governance Statement be approved.
85.	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 2018, 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>Chair offered thanks to everyone that has been involved in preparing the pre-audit statement of accounts</p> <p>Resolved – (1) That the Pre - Audit Statement of Accounts 2018 are agreed to be submitted to External Audit and the public inspection notice to be issued.</p>
86.	INTERNAL AUDIT ANNUAL REPORT
	<p>Consideration was given to the report of the S151 Officer which provided Members with the Internal Audit Annual Report 2018 which details the work undertaken during January – December 2018.</p> <p>Resolved – (1) That the Internal Audit Annual Report 2018 be noted.</p>
87.	INTERNAL AUDIT PLAN UPDATE
	<p>Consideration was given to a report which detailed the Internal Audit's progress and work since the last Audit and Scrutiny Sub Committee.</p> <p>Resolved – (1) That the report be noted.</p>
88.	EXTERNAL AUDIT PLAN
	<p>Rashpal Khangura (KPMG) shared that the External Audit Plan from KPMG.</p> <p>Matthew Moore (KPMG) provided a verbal overview of the plan which sets out the proposed approach to audit the financial statements of YPO for the year ending 31 December 2018.</p> <p>The plan also outlines to Members the details of the timeline of the audit and the agreement of audit fees.</p> <p>Resolved – (1) That the report be noted.</p>
89.	GIFTS & HOSPITALITY REGISTER
	<p>Consideration was given to the Gifts and Hospitality report presented by the Managing Director (Simon Hill).</p> <p>The Managing Director explained 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>
90.	FINANCIAL PROCEDURE RULES AND STANDING ORDERS RELATING TO CONTRACTS
	<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 that no changes were required at this time.</p>

	Resolved – (1) That the Standing Orders for Contracts and Financial Procedure Rules be noted.
91.	INTERNAL AUDIT ACTION 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>
92.	EXCLUSION OF THE PUBLIC AND PRESS
	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 15 to 19 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>
93.	IT PROGRAMME UPDATE (LINK) (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to the report of the Executive Director (Paul Smith) which provided Members with an update on the current project dossier.</p> <p>The report summarised the latest progress with the IT Programme.</p> <p>Members raised a number of questions in relation to timescales and were satisfied with the responses given by Officers.</p> <p>Resolved – (1) That the report be noted.</p>
94.	RISK REGISTERS (EXEMPT – PARAGRAPH 3)
	<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>
95.	STOCK ADJUSTMENTS (EXEMPT – PARAGRAPH 3)
	<p>Consideration was given to a report that outlines the stock adjustments incurred during 2018.</p> <p>Members raised a number of questions and detailed responses from YPO Officers were accepted.</p> <p>Councillor Dadd (North Yorkshire) shared that it would be good to see where YPO sit in the market in relation to benchmarking for the right offs with perishables.</p>

	Resolved – (1) That the report be noted.
96.	OPTIONS FOR AUTOMATIC SPRINKLERS (EXEMPT – PARAGRAPH 3)
	<p>The Audit and Scrutiny Sub-Committee discussed the report of the Executive Director (Julie Wray) in relation to the options of automatic sprinklers.</p> <p>Members held a detailed discussion in relation to automatic sprinklers and long-term viability.</p> <p>Resolved – (1) That decision be put on hold pending a future report in November in relation to YPO’s property strategy.</p>
97.	DATE AND TIME OF NEXT MEETING
	Resolved – (1) That the next meeting of the YPO Audit & Scrutiny Sub Committee is proposed to be held on Wednesday 29 th May 2019, 10.30am.