

YORKSHIRE PURCHASING ORGANISATION

AUDIT & GOVERNANCE SUB-COMMITTEE

FRIDAY, 7TH NOVEMBER 2025

Present: Councillors: Rose (York), Church (Doncaster), White (North Yorkshire), Judge (Calderdale).

1.	CHAIR'S INTRODUCTION & WELCOME
	Introductions took place.
2.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence were received on behalf of Councillors Anderson (Wigan), and Lonergan (Knowsley).
3.	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made.
4.	URGENT ITEMS
	No urgent items were raised.
5.	PREVIOUS AUDIT & GOVERNANCE SUB COMMITTEE MINUTES
	The minutes of the YPO Audit & Governance Sub-Committee held on 4 th July 2025 were approved by all.
6.	YPO GOVERNANCE GROUP REPORT
	<p>Simon Hill (Managing Director) shared the Governance Group update report, which summarises the group's work since June 2025.</p> <p>The group's main focus currently is on policy management and review, to track progress and establish timelines for policy updates.</p> <p>The YPO digital constitution is also being worked on. This will bring all YPO's governance documents together in one accessible place on the YPO website. This mirrors the process that is undertaken in Local Authorities.</p> <p>Simon explained that the Terms of Reference for the Audit & Governance sub-committee have been amended following recommendations from internal audit and are attached as an appendix to the report.</p> <p>Councillors asked for clarity on certain aspects of the reports and Officers provided appropriate responses.</p> <p>Resolved: (1) Audit and Governance Sub-Committee receive the report and approve the amended Terms of Reference for the sub-committee (Appendix 1).</p>

	(2) Audit & Governance Sub-committee note the updated Terms of Reference for the Governance Group (Appendix 2).
7.	ANNUAL GOVERNANCE STATEMENT PROGRESS REPORT
	<p>Simon Hill (Managing Director) shared the Annual Governance Statement progress report. At its meeting in July 2025 the Audit & Governance Sub-Committee considered a report on the Annual Governance Statement (AGS) 2024. It was proposed and agreed that an update on the progress of matters noted in the section headed ‘Significant Governance Issues’ would be brought back to this meeting. It should be noted that almost all of the issues reported reflect continuous improvement and strengthened governance arrangements and therefore many are not signed off as fully complete.</p> <p>Simon confirming that the most challenging area us currently is information security and AI. It is a challenging balance between the advantages and efficiency improvements this can offer us, compared with the risks if correct controls are not in place, particularly around GDPR and confidentiality. We are trying to work through this quickly as possible to get the benefits for the business.</p> <p>Cllr Rose asked if we have internal expertise around the carbon capture and accounting piece. Matthew explained we have a Social Value manager who does have experience of completing this type of work from previous roles. We are also evolving the and expanding the team going forward to ensure this area is well covered.</p> <p>Resolved: (1) Audit & Governance Sub-Committee noted the report.</p>
8.	ASSURANCE REVIEW & UPDATE REPORT
	<p>Simon Hill shared the report which provides Members with an update on the Assurance review.</p> <p>In the Annual Governance Statement (AGS) 2024 which the Audit & Governance Sub-Committee considered at its meeting in July 2025, YPO made a commitment to review its assurance arrangements. YPO has used a ‘three lines of defence’ model for several years and this is included in our Risk Management Strategy & Framework. Many of the individual sources of assurance that we rely on are also reported in the AGS itself. However, we could enhance our approach in response to recent developments in three (or four) line models and by fully implementing assurance mapping to provide a visual representation of risks, sources of assurance, and any gaps, overlaps or duplication.</p> <p>Andrea Hirst-Gee confirmed the assurance map will provide us with further clarity going forward. Our current risk management system is able to be developed to include assurance mapping in future.</p> <p>Cllr White asked if adding more complexity to the framework could have a risk of untended consequences of making things more difficult for us? Simon noted that due YPO being a commercial operation that takes more risk in the marketplace than other public sector bodies, we feel it is beneficial to ensure assurance and oversight is in place to keep up with best practice and give Members added levels of assurance.</p>

	<p>Helen Lisle noted that YPO has done well previously with accommodating SMEs within tenders. This is now part of the law under the new regulations, however YPO have been consistently good at this prior to the new regulations coming into place.</p> <p>Resolved – (1) Audit & Governance Sub-Committee note the proposals to refresh our ‘Three Lines’ approach to governance, and to develop more robust assurance mapping.</p>
9.	DRAFT INTERNAL AUDIT PLAN 2026
	<p>Consideration was given to the report of the Head of Internal Audit & Counter Fraud (Wakefield Council) the purpose of which is to share the draft internal audit plan with the Audit and Governance Sub-Committee as part of the approval process. This will help to ensure that effective engagement has taken place throughout the planning process.</p> <p>Julie Cousins (Head of Internal Audit & Counter Fraud - Wakefield Council) explained that the objectives and priorities of YPO, findings from previous audits, and risk areas to focus on have all been considered when setting this plan.</p> <p>YPO’s strategic priorities from 2026 onwards and any high/ very high risks from risk register have been key focus areas.</p> <p>Simon noted that YPO work in a collaborative way with internal audit to agree the plan.</p> <p>It was noted if things evolve it can be picked up with internal audit. The audits are broadly enough scoped that things can be amended if required.</p> <p>Resolved – (1) The Audit and Governance Sub-Committee reviewed and provided comments on the draft Internal Audit Plan for 2026, as set out in Table Four (Appendix A provides further detail).</p>
10.	INTERNAL AUDIT – VERBAL UPDATE TO MEMBERS
	<p>The Head of Internal Audit & Counter Fraud (Wakefield Council) provided a verbal update on the status of internal audit activity to Members.</p> <p>Julie Cousins shared the 2025 audit is currently ongoing. One audit is concluded, one is in draft report, and one has commenced.</p> <p>All other remaining audits have been scoped out, and testing and planning meetings are booked in. Julie confirmed she cannot foresee any issues to completing the 2025 audit, and the Head of Internal Audit annual opinion will be brought to the July committee meeting.</p> <p>Resolved – (1) That the verbal update be noted.</p>
11.	EXCLUSION OF THE PUBLIC AND PRESS

	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 12 - 16 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>
<p>12.</p>	<p>ANTI-BRIBERY POLICY STATEMENT AND RISK ASSESSMENT</p>
	<p>Consideration was given to the report presented by the Head of Finance (Matthew Hirst), the purpose of which is to provide assurance to the Audit & Governance Sub-committee that anti-bribery and corruption arrangements are in place and working effectively. The Sub-Committee will receive a separate report on counter-fraud measures at this meeting.</p> <p>Matthew explained there are no significant changes to the anti-bribery policy since it was last brought to committee for review.</p> <p>Matthew shared the key headlines of the latest assessment, and shared the issues flagged as amber within the assessment. This assessment has been reviewed by the YPO Board.</p> <p>It was noted that we follow best practice relating to the gifts & hospitality policy. The policy is reviewed on an annual basis, declaration forms are completed, and there is a process in place for auditing these.</p> <p>Cllr Church asked if we have any evidence of any activity that has raised concern? Matthew confirmed we have not had anything concerning recently.</p> <p>Andrea Hirst-Gee explained that we had an incident a few years ago which was thoroughly investigated with internal audit. We now have a process in place to ensure all international suppliers sign up to our YPO anti-bribery policy.</p> <p>Helen Lisle noted that as part of the introduction of the new procurement regulations, there will be a government central database to capture activity, and new ways of removing companies from tendering processes if issues arise.</p> <p>Resolved – (1) The Audit & Governance Sub-Committee considered the report, including the YPO Board’s review comments, the updated Anti-Bribery Policy Statement 2025 (Appendix 1), and the bribery risk register (Appendix 2).</p>
<p>13.</p>	<p>COUNTER-FRAUD FRAMEWORK</p>
	<p>Matthew Hirst (Head of Finance) shared the Counter-Fraud framework report.</p> <p>It was noted that new legislation provides a good opportunity for YPO to undertake a more in-depth review of its Counter Fraud measures. The starting point for this is to bring all current measures together under a new Counter Fraud Strategy (attached at Appendix 1).</p> <p>In keeping with best practice, we will also develop a Counter Fraud Plan of work to be done to further improve our resilience to fraud and bring this Plan back to future Audit & Governance Sub-Committee meetings for input and oversight. The starting point for this is the FFCL 2020 checklist, which has been completed and attached at Appendix 2.</p>

	<p>Cllr Rose asked if we feel we have an appropriate level of internal expertise in this area?</p> <p>Andrea Hirst-Gee explained we have good levels of support from internal audit at Wakefield, who have a counter-fraud specialist team. We are able to use this team if required which works well.</p> <p>Resolved – (1) Audit & Governance Sub-Committee considered the report, the Counter Fraud Strategy, and the completed FFCL checklist that will form the basis of the Counter Fraud Plan.</p>
14.	BUSINESS CONTINUITY UPDATE
	<p>Matthew Hirst (Head of Finance) talked through the Business Continuity Update Report.</p> <p>It was noted that following the review work done in 2024 and 2025 we are now developing an online solution for BCM on Smartsheet which will help us to realise a number of benefits. These are summarised in the report and expanded on in Appendix 1.</p> <p>It was noted that scenario testing has taken place with Board & SLT Members.</p> <p>Cllr Rose asked if there is anything we know we need to improve, beyond how we manage and capture things?</p> <p>Andrea Hirst-Gee explained the process is strong now, especially since the plans and scenario planning have taken place. It was noted that the IT team have their own way of dealing with things and plans in place.</p> <p>The aim of the business continuity plans is to provide a framework that would enable us to work as efficiency as possible if there was an issue, and is designed to keep the business going in the event of a physical loss or situation where we would be without IT.</p> <p>Cllr White asked if we are confident that if a system issue was to occur, we would be comfortable with dealing with this based on previous learnings we have made?</p> <p>Simon confirmed we have changed the way in which we do things relating to big business changes based on lessons learned from previous instances. This includes introducing a business change function made up of project managers. This provides independent oversight relating to projects.</p> <p>Cllr Rose noted the work completed around business continuity is impressive and good to see and thanked the team for the work on this.</p> <p>Resolved – (1) That Audit & Governance Sub-Committee note progress on BCM arrangements and the development of a BCM system on SmartSheet.</p>
15.	YEAREND CLOSEDOWN TIMETABLE

	<p>Matthew Hirst (Head of Finance) shared the report which informed Members of the contents of the provisional 2025 Closedown Timetable and preparation of accounts.</p> <p>Matthew explained that YPO are not legally obliged to complete an external audit, however we do this in line with CIPFA best practise in order to provide additional assurance to members.</p> <p>External audit services are provided by Forvis Mazars.</p> <p>Matthew confirmed the audited accounts are planned to be submitted to the Management Committee in July for sign off.</p> <p>It was noted that the timings for the yearend closedown mirror what has taken place in previous years.</p> <p>Resolved – (1) That the provisional timetable shown in Appendix 1 is approved.</p>
16.	TREASURY MANAGEMENT PROGRESS REPORT
	<p>Saf Nawaz (S151 Officer) talked through the Treasury Management Progress report, which provides information on treasury management activities up to 30th September 2025, and confirms that those activities comply with the 2025 Investment Strategy which was approved by this Committee on 8th November 2024.</p> <p>Saf Nawaz noted that the Wakefield Council loan has been paid in full. The draft 2026 investment strategy remains unchanged.</p> <p>Matthew Hirst shared that now the loan has been fully paid, this allows us to work with Wakefield to complete investments to get the best returns from our cash reserves, and this is working well.</p> <p>Cllr Rose noted we are currently in an interesting position regarding interest rates. Do we see our approach changing on how we manage cash?</p> <p>Matthew explained we are fairly comfortable with where we are. Moving forward, our focus is on our investments alongside managing the risk. We are ensuring that anything we do is not to the detriment of our operations.</p> <p>Resolved – (1) Members noted the positive assurances provided through this report in respect of treasury management for the period 1st January 2025 to 30th September 2025 in accordance with the agreed strategy.</p> <p>(2) Members considered and approved the proposed investment strategy for 2026 (as detailed at appendix 2).</p> <p>(3) Members note that the outturn report will be presented to this Committee in July 2026.</p>
17.	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Audit & Governance Sub Committee is to be held on 3rd July 2026, 10.30am.</p>