

YORKSHIRE PURCHASING ORGANISATION AUDIT SUB-COMMITTEE

Friday 6th November 2015

Present: The Chair: Councillor Johnson (Wakefield MDC)
Councillors Corden (Doncaster), Walker (Wigan), Waller (York)

1.	ELECTION OF CHAIR
	The Managing Director opened the meeting and requested nominations from Members for the position of Chair of the YPO Audit Sub-Committee for the forthcoming year. A nomination was received on behalf of Councillor Johnson (Wakefield MDC) and seconded.
2.	CHAIR'S INTRODUCTION & WELCOME
	The Chair, Councillor Johnson, welcomed all parties to the meeting.
3.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Pillai (Calderdale) and Councillor O'Neill (Kirklees).
4.	MINUTES – 15TH MAY 2015
	The minutes of the YPO Audit Sub-Committee held on 15 th May 2015 were approved as a correct record. These minutes are for information purposes only as the meeting was not quorate.
5.	2016 DRAFT INTERNAL AUDIT PLAN TEMPLATE
	Consideration was given to a report of the s151 Officer which provided Members with details of the 2016 Draft Internal Audit Plan Template. Resolved – (1) That the 2016 Draft Internal Audit Plan Template be noted. (2) The final 2016 Internal Audit Plan will be submitted to the next Audit Sub-Committee on 26 th February 2016. (3) That an update on the IT Programme will be provided to each Audit Sub-Committee Meeting in 2016.
6.	ANNUAL AUDIT LETTER
	Consideration was given to a report of the Financial Controller. Appendix 1 provides members with the 2014 Annual Audit Letter which summarises the findings of the KMPG ISA260 report. Lizzie Wharton (Manager, KMPG) thanked YPO officers for their support

	<p>during the process.</p> <p>Resolved – (1) That the report and appendix be noted.</p> <p>(2) That the intention to issue public notice of the closure of the audit and public inspection period be noted.</p>
7.	PROGRESS ON 2015 INTERNAL AUDIT PLAN
	<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>Full details of the audit work undertaken by Wakefield Council's Internal Audit between May – October 2015 can be found in Appendix A.</p> <p>Resolved – (1) That the report be noted.</p> <p>(2) That an appendix containing the definitions of the audit opinions to be attached to all future reports relating to the Internal Audit Plan.</p>
8.	RISK MANAGEMENT PROCESS
	<p>Consideration was given to a report of the Executive Director seeking acceptance of the following recommendations in the Risk Management Process:</p> <p>Communicate our risk culture and risk appetite to the organisation so that everyone has a common understanding of them and how they influence our risk taking and decision making. This could be in the form of a short video statement by one of the Board members on SharePoint.</p> <p>Adopt the three step process of Objectives – Risks – Controls throughout the business planning process so that we identify the most relevant risks and proportionate controls.</p> <p>Publish guidance on what to consider and what to include in the 'risk implications' section of the report template and monitor usage.</p> <p>Use the workflow option on SharePoint (once implemented across YPO) to circulate draft reports for completion of, or consultation on the 'implications' sections.</p> <p>Introduce decision risk registers to support key decisions that set out the risks of taking action and the risks of not taking action.</p> <p>Nominate a member of the Board to be the Senior Information Risk Owner (SIRO).</p> <p>Produce an over-arching Information Management Strategy and Action Plan.</p>

	<p>Produce and publish a Retention Policy and Schedule.</p> <p>Carry out a risk assessment to identify our exposure to Social Media risk.</p> <p>Offer risk workshops to project teams as a way of raising awareness and engaging people in risk management across YPO. If successful, this could be extended to other teams.</p> <p>Introduce a risk and reward matrix and supporting guidance to help recognise and take advantage of opportunity risks.</p> <p>Upload risk registers to SharePoint (with relevant security and access permissions) and work with risk owners to identify key dates and triggers for review, which are then set on SharePoint.</p> <p>Consider the use of exception reports where the status of risks changes and agree triggers e.g. escalation from a medium to a high risk.</p> <p>Introduce a ‘three lines of defence’ model to map sources of assurance to risks and report the results in the Annual Governance Statement.</p> <p>Resolved – (1) That the recommendations for the Risk Management Process be approved by the Management Committee.</p> <p>(2) That members have sight of any high rated risks in future Risk Management Process reports.</p>
9.	APPOINTMENT OF SIRO (SENIOR INFORMATION RISK OFFICER)
	<p>Consideration was given to the report of the Executive Director on the appointment of a SIRO.</p> <p>Members were informed that the Board have formally designated the Executive Director, Paul Smith, as the Senior Information Risk Owner (SIRO).</p> <p>Resolved – That the report be noted.</p>
10.	YEAR END CLOSEDOWN TIMETABLE
	<p>Consideration was given to a report of the Managing Director which informed Members of the contents of the 2015 closedown timetable.</p> <p>The KPMG report to those charged with governance issued in April 2015 stated “Management have provided good quality draft accounts for audit. With the significant changes in the senior finance team it is a great achievement to produce the accounts to such a standard”.</p> <p>It was also noted that YPO has good financial reporting processes in place and this has helped ensure a smooth audit process, the quality of the working</p>

	<p>papers was good and officers resolved audit queries promptly.</p> <p>The Organisation plans to present the Audited Statement of Accounts for approval to the Audit Sub-Committee now planned for 22nd April 2016.</p> <p>Resolved – (1) That the Year End Closedown Timetable and plan be noted.</p> <p>(2) That members note the change of date for the Audit Sub-Committee from 27th May 2016 to 22nd April 2016.</p>
11.	EXTERNAL AUDIT PLAN
	<p>Consideration was given to a report of the Executive Director on the External Audit Plan. Appendix 1 contains the full details of the External Audit Plan.</p> <p>Members were informed by KPMG of the headlines and the two focus areas for the Audit.</p> <p>Resolved – That the 2015 External Audit Plan be noted.</p>
12.	EXCLUSION OF THE PUBLIC & PRESS
	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 9 and 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.</p>
13.	RISK REGISTER
	<p>A report of the Executive Director provided details of the Strategic Risk Register for YPO.</p> <p>The report noted that a review of the risk register and risk assessment has taken place in October 2015 and there are no substantial changes at this time.</p> <p>Resolved – That the report be noted.</p>
14.	TENDER COMPLAINT REVIEW
	<p>Consideration was given to the report of the Executive Director on the Review of a Supplier Tender Complaint.</p> <p>The report noted the background information and information about the tender process and award.</p> <p>An investigation found that the tender process was fully compliant with the Public Contracts Regulations 2006 and there is clear evidence to support this with the contract notice, ITT, contract award and tender evaluation.</p> <p>The outcome of the tender is beneficial to our members, customers and the</p>

	<p>public purse overall. Customers can buy a product that they are happy with at a much lower cost than before and no complaints about the products have been received.</p> <p>Resolved – (1) That the report be noted.</p> <p>(2) That the supplier receives a copy of the minutes taken from the Audit Sub-Committee meeting for Agenda Item 16.</p> <p>(3) Members noted the importance of YPO valuing relationships with suppliers and as an organisation will take action to remind all suppliers to sign up to email notifications for tenders using the YPO e-tendering tool.</p>
15.	<p>DATE AND TIME OF NEXT MEETING</p> <p>Resolved – That the next meeting of the YPO Audit Sub-Committee will be held on 26th February 2016 at 10.00am, at YPO Headquarters.</p>