

## YORKSHIRE PURCHASING ORGANISATION AUDIT SUB-COMMITTEE

Friday 26<sup>th</sup> February 2016

**Present:** The Chair: Councillor Johnson (Wakefield MDC), Councillor Pillai (Calderdale), Councillor O'Neill (Kirklees), County Councillor Trotter (North Yorkshire CC), Councillor Walker (Wigan MBC)

<b>16.</b>	<b>CHAIR'S INTRODUCTION &amp; WELCOME</b>
	The Chair, Councillor Johnson, welcomed all parties to the meeting.
<b>17.</b>	<b>ACCEPTANCE OF APOLOGIES FOR ABSENCE</b>
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Corden (Doncaster) and Councillor Waller (York).
<b>18.</b>	<b>MINUTES – 6<sup>TH</sup> NOVEMBER 2015</b>
	The minutes of the YPO Audit Sub-Committee held on 6 <sup>th</sup> November 2015 were approved as a correct record.
<b>19.</b>	<b>URGENT ITEMS</b>
	No urgent items were discussed.
<b>20.</b>	<b>ANNUAL GOVERNANCE STATEMENT</b>
	Consideration was given to a report of the Executive Director which provided Members with the details of the Annual Governance Statement.  The Managing Director provided Members with further detail in relation to the assessment scoring for the Board Assurance Statement 2015.  <b>Resolved</b> - (1) That the Annual Governance Statement be noted and approved.
<b>21.</b>	<b>PRE – AUDIT STATEMENT OF ACCOUNTS</b>
	Consideration was given to the report of the Head of Finance which provided Members with the details of the Pre-Audit Statement of Accounts 2015, attached as Appendix 1 and to inform Members of the public notice of the commencement of the audit and public inspection period.  Members were informed that during 2015 a VAT refund of £0.912m was received against the over declaration of sales on VAT on Phonics matched funding initiative.  The report will be submitted to the next meeting of the YPO Management

	<p>Committee for the information to be noted by members.</p> <p><b>Resolved</b> – (1) That the Pre Audit Statement of Accounts 2015 are agreed to be submitted to External Audit and the public inspection notice to be issued.</p>
<b>22.</b>	<b>IT PROGRAMME UPDATE</b>
	<p>Consideration was given to the report of the Head of Business Change &amp; IT which provided Members with an update on the current project dossier as of February 2016.</p> <p>Members were informed that the Board review the activity and progress on the IT Programme on a monthly basis at the Programme Board Meeting.</p> <p><b>Resolved</b> – (1) That the report be noted.</p> <p>(2) That a budget position and milestone timetable would be included in all future reports on the IT Programme.</p>
<b>23.</b>	<b>INTERNAL AUDIT ANNUAL REPORT 2015</b>
	<p>Consideration was given to the report of the Section 151 Officer which presented the draft Annual Audit Report (see attached Appendix A) for 2015, in line with the requirements of the Internal Audit Protocol and the Public Sector Internal Audit Standards (PSIAS).</p> <p>An Internal Audit Progress report covering work undertaken between November 2015 and January 2016 (see attached Appendix B).</p> <p>To receive the following Internal Audit Opinion (extract from YPO Annual Governance Statement [AGS] 2015):</p> <p>“From the work undertaken by Internal Audit during 2015, key controls were found to be adequate to manage associated risks to the required level, with no significant errors, losses or omissions identified. Senior Management has continued to strengthen overall governance arrangements throughout the year, including implementing audit recommendations to improve any areas of control weakness identified from individual Internal Audit reviews. Consequently there are no new key control improvements arising from Internal Audit work that require inclusion in Section 5 of the 2015 AGS.”</p> <p><b>Resolved</b> – (1) That the Annual Audit report, as detailed in Appendix A, be recommended to the Management Committee for formal acceptance.</p> <p>(2) That the Internal Audit Progress report, as detailed in Appendix B, be endorsed.</p>
<b>24.</b>	<b>INTERNAL AUDIT PLAN 2016</b>
	<p>Consideration was given to the report of the S151 Officer which provided</p>

	<p>Members with the Draft Internal Audit Plan 2016.</p> <p>The Plan will be submitted to the next meeting of the YPO Management Committee for formal approval in line with agreed protocols.</p> <p><b>Resolved</b> – (1) That the draft Annual Audit Plan 2016 be noted.</p> <p>(2) That the draft Annual Audit Plan 2016 be submitted to YPO Management Committee for formal approval.</p>
<b>25.</b>	<b>LOCAL AUDIT AND ACCOUNTABILITY ACT 2014 JOINT COMMITTEE</b>
	<p>Consideration was given to the report of the Section 151 Officer which provided members with information relating to the changes to the Local Audit and Accountability Act 2014 and the implications for joint committees.</p> <p>The Section 151 Officer of the Lead Authority Wakefield Council also has the Section 151 responsibilities for YPO. The Section 151 Officer strongly recommends that the YPO financial statements continue to be prepared in accordance with the CIPFA Code of Practice. This will provide stakeholders with the confidence that public money has been properly accounted for and that the organisation's financial standing is on a secure footing.</p> <p>The report detailed two options for Members:</p> <p><b>Option 1</b> - Members agree that YPO continues to prepare, each year, a statement of accounts in accordance with the CIPFA Code of Practice that is subject to external audit.</p> <p><b>Option 2</b> – Members put forward alternative proposals that would provide appropriate assurances acceptable to the Section 151 Officer and which would enable the Section 151 Officer to carry out their statutory responsibilities.</p> <p>The report will be submitted to the next meeting of the YPO Management Committee for formal agreement in line with agreed protocols.</p> <p><b>Resolved</b> – (1) That Members note the changes to the Local Audit and Accountability Act 2014 and the implications for joint committees.</p> <p>(2) That the report and the recommendation of option 1 be recommended to Management Committee for formal acceptance.</p>
<b>26.</b>	<b>EXCLUSION OF THE PUBLIC &amp; PRESS</b>
	<p><b>Resolved</b> – That the public and press be excluded from the meeting during consideration of agenda items 13 and 14 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>
<b>27.</b>	<b>INTERNAL AUDIT ACTION UPDATE</b>

	<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><b>Resolved</b> – (1) That the progress made in implementing internal audit actions, be noted.</p>
<b>28.</b>	<b>RISK REGISTER</b>
	<p>A report of the Executive Director provided details of the Strategic Risk Register, Business Planning Risk Register 2016, Business Continuity Planning Risk Assessment, Anti-Fraud Risk Assessment and Bribery Risk Assessment for YPO.</p> <p><b>Resolved</b> – (1) That the risk registers for the Organisation be noted.</p>
<b>29.</b>	<b>DATE AND TIME OF NEXT MEETING</b>
	<p><b>Resolved</b> – (1) That the next meeting of the YPO Audit Sub-Committee will be held on 22<sup>nd</sup> April 2016 at 10.30am, at YPO Headquarters.</p>