

# YORKSHIRE PURCHASING ORGANISATION AUDIT SUB-COMMITTEE

Friday 10<sup>th</sup> February 2017

**Present:** The Chair: Councillor Trotter (North Yorkshire CC)

Councillors: Mather (Kirklees MBC), Pillai (Calderdale MBC)  
Observing: Walker (Wigan MBC), Warburton (Bradford MDC) and  
Barnard (Barnsley MBC)

<b>1.</b>	<b>ELECTION OF CHAIR</b>
	<p>The Monitoring Officer requested nominations to the position of Chair for the Audit Sub Committee. A nomination was received and seconded on behalf of Councillor Trotter (North Yorkshire CC).</p> <p><b>Resolved</b> – (1) That Councillor Trotter of North Yorkshire CC be elected as Chair of the Audit Sub Committee.</p>
<b>2.</b>	<b>CHAIR'S INTRODUCTION &amp; WELCOME</b>
	<p>Councillor Trotter welcomed all parties to the meeting.</p>
<b>3.</b>	<b>ACCEPTANCE OF APOLOGIES FOR ABSENCE</b>
	<p>Apologies for absence submitted prior to the meeting were accepted on behalf of Councillor Dagger (Wakefield MDC).</p>
<b>4.</b>	<b>MINUTES</b>
	<p>There were no meeting minutes to review as the previous meeting was not quorate.</p>
<b>5.</b>	<b>URGENT ITEMS</b>
	<p>No urgent items were discussed.</p>
<b>6.</b>	<b>COMMITTEE STRUCTURE</b>
	<p>Consideration was given to a report provided by the Managing Director.</p> <p>Members debated the options available in relation to the quorum of the Sub-Committees.</p> <p>Concerns were noted regarding the lack of attendance from Members.</p> <p>Members considered the implications of the report of the Managing Director and discussed recommending the combination of the sub-committees.</p> <p>Members agreed that many authorities do run their Audit Committees alongside other Committees and the Monitoring Officer advised that the agenda of the newly constituted Sub-Committee could include all the agenda items of the current Sub-Committees.</p>

	<p><b>Resolved</b> - (1) That the Managing Director prepare a report for the Management Committee explaining that the Members' recommendation was to recommend that the Audit Sub and Scrutiny Sub Committee are combined, and be made up of ten members, with a quorum of four Members and meetings to be held a minimum of four times per year in future.</p> <p>(2) That the Standing Orders are amended so that Members can cover each others' meeting commitments at YPO.</p> <p>(3) That a sentence is added to the front of the agenda packs highlighting that if a Member is unable to attend, could they please send an alternate to represent.</p> <p>(4) That the Committee Services Manager asks Members if they can send a substitute member when they give their apologies.</p> <p>(5) That a letter be sent to the Leader of all authorities by the Managing Director reminding them of the importance of committee meeting attendance.</p>
<b>6.</b>	<b>ANNUAL GOVERNANCE STATEMENT</b>
	<p>Consideration was given to a report of the Executive Director which provided Members with the details of the Annual Governance Statement.</p> <p>The Managing Director provided Members with further detail in relation to the assessment scoring for the Board Assurance Statement 2016.</p> <p><b>Resolved</b> - (1) That the Annual Governance Statement be approved.</p>
<b>7.</b>	<b>EXTERNAL AUDIT PLAN</b>
	<p>Consideration was given to the KPMG External Audit Plan. Members raised a number of questions with KPMG and Officers and were satisfied with the responses.</p> <p><b>Resolved</b> – (1) That the External Audit Plan be noted.</p>
<b>8.</b>	<b>PRE AUDIT STATEMENT OF ACCOUNTS</b>
	<p>Consideration was given to the report of the Head of Finance which provided Members with the details of the Pre-Audit Statement of Accounts 2016, attached as Appendix 1 and to inform Members of the public notice of the commencement of the audit and public inspection period.</p> <p>The report will be submitted to the next meeting of the YPO Management Committee for the information to be noted by members.</p> <p><b>Resolved</b> – (1) That the Pre Audit Statement of Accounts 2016 are agreed to be submitted to External Audit and the public inspection notice to be issued.</p>
<b>9.</b>	<b>INTERNAL AUDIT ANNUAL REPORT 2016</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 2016, in line with</p>

	<p>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 2016 and January 2017 (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 2016, 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 2016 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>10.</b>	<b>INTERNAL AUDIT PLAN 2017</b>
	<p>Consideration was given to the report of the S151 Officer which provided Members with the Draft Internal Audit Plan 2017.</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 2017 be noted.</p> <p>(2) That the draft Annual Audit Plan 2017 be submitted to YPO Management Committee for formal approval.</p> <p>(3) That a benchmarking table on Internal Audit costs be provided to Members at the next Audit Sub Committee.</p>
<b>11.</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 14 and 15 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>12.</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.</p>

	<p>The report summarised the major risks and mitigation for each project and 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>
<b>13.</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>14.</b>	<b>DATE AND TIME OF NEXT MEETING</b>
	<p><b>Resolved</b> – (1) That the next meeting of the YPO Audit Sub Committee is to be confirmed following a recommendation to Management Committee in relation to the committee structure.</p>