

YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE

Friday 24th March 2017

Present:

Barnsley MBC
Councillor Barnard
Councillor Gardiner

City of Bradford
Councillor Warburton
Councillor Whiteley

Doncaster MBC
Councillor Cole

Kirklees MC
Councillor Walker

Knowsley MBC
Councillor Byron

North Yorkshire CC
Councillor Mackenzie
Councillor Trotter

Rotherham MBC
Councillor Atkin

St Helens MBC
Councillor Johnson

Wakefield MDC
Councillor Shaw (Chair)
Councillor Dagger

Wigan MBC
Councillor Walker (Vice Chair)

City of York
Councillor Mercer

43:	Apologies for Absence
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Morris (Bolton), Mather (Kirklees), Corden (Doncaster), Swift (Calderdale), Glover (St Helens), Pillai (Calderdale) and Waller (York).
44:	Members Declaration of Interest
	No declarations of interest were made by Members.

45:	Minutes of the Management Committee – 25 November 2016
	Resolved – That the Minutes of the meeting of the YPO Management Committee held on 25 November 2016 be accepted as a correct record.
46:	Minutes of the Executive Sub-Committee – 10 March 2017
	Resolved – That the Minutes of the meeting of the Executive Sub-Committee held on 10 March 2017 be accepted as a correct record.
47:	Minutes of the Audit Sub-Committee – 10 February 2017
	Resolved – That the Minutes of the meeting of the Audit Sub-Committee held on 10 February 2017 be accepted as a correct record.
48:	Minutes of the Scrutiny Sub-Committee – 10 February 2017
	Resolved – That the notes of the inquorate meeting of the Scrutiny Sub-Committee held on 10 February 2017 be accepted as a correct record.
49:	Lead Authority Issues
	<p>Tony Quail (Knowsley) & Martin Dearnley (Kirklees) introduced the Review of Lead Authority Report.</p> <p>The report outlines the conclusions of the review and reflects that the current arrangements work well and there are strong views of high regard. It was noted that good working relationships are held, particularly with Legal, Finance and Governance.</p> <p>Resolved – (1) That the Review of the Lead Authority Report be noted.</p> <p>(2) That a separate report be submitted to Audit and Scrutiny Sub Committee outlining the fees YPO pay to the Lead Authority for their work.</p>
50:	Pre-Audit Statement of Accounts
	<p>Consideration was given to the report presented by the Executive Director 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>Resolved – (1) That the Pre-Audit Statement of Accounts 2016 is noted by Members.</p>
51:	Internal Audit Annual Report
	<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 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] 2016):</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>Resolved – (1) That the Annual Audit report, as detailed in Appendix A, be accepted.</p> <p>(2) That the Internal Audit Progress report, as detailed in Appendix B, be endorsed.</p>
52:	Associate Member Proposals
	<p>A report was submitted detailing Associate Member applications for Devon County Council and London Borough of Westminster.</p> <p>Both applicants are strategic customers that fall within YPO’s key target growth geographies in London and the South West.</p> <p>Resolved: (1) That Devon County Council and London Borough of Westminster be accepted as Associate Members.</p>
53:	Internal Audit Plan
	<p>Consideration was given to the report of the S151 Officer which provided Members with the Draft Internal Audit Plan 2017.</p> <p>Resolved – (1) That the draft Annual Audit Plan 2017 be approved.</p>
54:	Standing Orders and Financial Procedure Rules
	<p>The Managing Director presented the Standing Orders and Financial Procedure Rules.</p> <p>The Contract Standing Orders and Financial Procedure Rules have been reviewed to ensure compliance with the current law. Members were advised of two changes to the document.</p> <p>Resolved – (1) That the revised Standing Orders for Contracts and Financial Procedure Rules, attached as Appendix 1, be approved and used by YPO.</p> <p>(2) That mandatory training be imparted to the organisation through a suitable delivery vehicle such as OLAS (Online Learning and Assessment System).</p>
55:	Committee Structure
	<p>The Managing Director presented the report in relation to the YPO committee structure.</p>

The report proposed a change to the YPO committee structure where the Audit Sub Committee and Scrutiny Sub Committee are merged to relieve pressure on Members.

Resolved: (1) A named recorded vote was held to seek approval of the merge and a unanimous vote (from all authorities represented at the meeting) of 11 “for” was recorded.

(2) That the Audit Sub Committee and Scrutiny Sub Committee are combined, and to be made up of 16 members, with a quorum of four Members, with meetings to be held four times per year for 12 months and then the meeting frequency reviewed.

(3) That the current Chair of Audit Sub-Committee fulfils the role of Chair of the combined Audit and Scrutiny Sub-Committee for the remainder of the current committee cycle until the Annual General Meeting in June 2017.

(4) That the Standing Orders are amended to make clear that Members can cover each others’ meeting commitments as substitutes in YPO committee meetings, and that a sentence is added to the front of the agenda packs highlighting that if a Member is unable to attend, they are requested to send a substitute to represent their authority.

(5) That the Committee Services Manager requests Members to send a substitute member in the event that they give their apologies for a particular committee meeting.

(6) That a letter be sent to the Leaders of all Founder Member authorities on behalf of the Chair of the Management Committee, reminding them of the importance of committee meeting attendance, in order to ensure effective governance of YPO.

(7) That the current Management Agreement be amended at paragraphs 4.(3), 6.(5) and 7.(1) so that it reads:

“4(3) Provide an effective internal audit service at a level agreed between the Section 151 Officer and the Audit and Scrutiny Sub-Committee of the Management Committee, including such attendance by Auditors at the Audit and Scrutiny Sub-Committee as is necessary to properly discharge this responsibility.

6(5) The Management Committee shall appoint annually from its membership those sub-committees that it considers necessary to discharge its duties and responsibilities under this Agreement, and shall include at least an Executive Sub-Committee and an Audit and Scrutiny Sub-Committee.

7(1) The Management Committee shall keep under review its code of corporate governance and associated documents, including the register of corporate risk, following recommendations by the Audit and Scrutiny Sub-Committee.”

56:	EXCLUSION OF THE PUBLIC AND PRESS
	Resolved – That the public and press be excluded from the meeting during consideration of Agenda Items 16 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.
57:	Business Update (Exempt)
	<p>The Managing Director presented the Business Update which provided Members with an update on activities of the organisation since the last Management Committee and provided an overview on forthcoming activities and challenges.</p> <p>The report included an update on the organisations operational, financial, procurement, commercial, infrastructure, workforce and strategic issues.</p> <p>Resolved: (1) That the Business Update be noted.</p>
58:	Dividend Distribution (Exempt)
	<p>Members considered the report of the Executive Director in relation to the distribution of the profits for the 2016 financial year.</p> <p>The report detailed four different options that were available to Members.</p> <p>Resolved: (1) A named recorded vote was held to seek the preferred option of the Management Committee and option D from the report received nine votes:</p> <p>Cllrs Gardiner- Barnsley, Warburton - Bradford, Cole – Doncaster, Byron - Knowsley, Mackenzie – North Yorkshire, Atkin – Rotherham, Johnson – St Helens, Shaw – Wakefield & Walker – Wigan.</p> <p>With two votes received for option A:</p> <p>Cllrs Walker – Kirklees and Mercer – York</p> <p>It was agreed that the distributable amount in option D would be used.</p>
59:	Report of the Independent Director (Exempt)
	<p>Members gave consideration to a report of the Independent Director which detailed his observation of the organisation since November.</p> <p>The Independent Director introduced his report, and noted some concerns in relation to our targets for the Limited Company.</p> <p>Resolved: (1) That the Independent Director be thanked for his report and that his observations be noted.</p>
60:	YPO Board Structure (Exempt)
	<i>Julie Wray, Assistant Director, Paul Smith Executive Director and Jo Marshall, Executive Director left the room for this item.</i>

	<p>The Managing Director presented the report on the YPO Board Structure which provided Members with an update on the current and proposed Board structure.</p> <p>Resolved: (1) That the proposed amendment to the YPO Board Structure and the introduction of a generic job description for all Executive Directors be implemented.</p> <p>(2) That an Appointments Sub-Committee, with Cllr Shaw (Wakefield), Cllr Walker (Wigan) and Cllr Barnard (Barnsley) be convened.</p> <p>(3) That HR support for the interview process is obtained from the Lead Authority to ensure separation and impartiality.</p>
61:	<p>DATE AND TIME OF NEXT MEETING</p> <p>Resolved – That the next meeting of the YPO Management Committee will be held on 23 June 2017 at 10.30am.</p>

