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**Code of Corporate
Governance**

YPO Local Code of Corporate Governance 2019

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YPO Local Code of Corporate Governance 2019

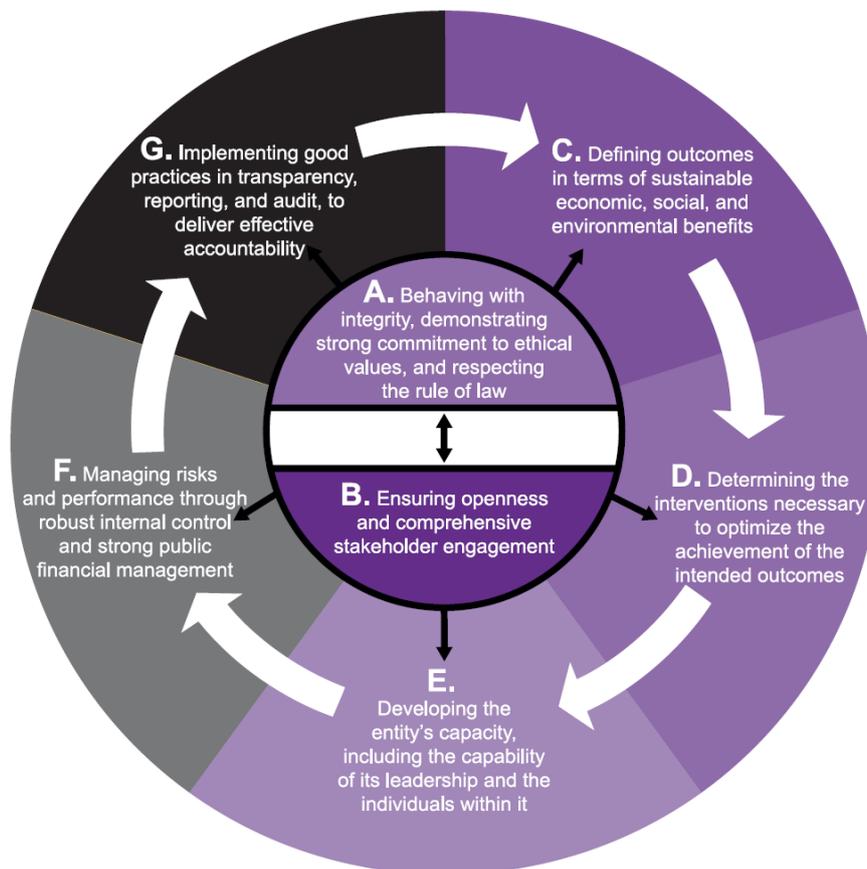
International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014) illustrates the various principles of good governance in the public sector and how they relate to each other. The aim of the governance principles is:

“Achieving the intended outcomes while acting in the public interest at all times”

The diagram below is taken from the International Framework and shows how the principles relate to each other. The International Framework notes that:

“Principles A and B permeate implementation of Principles C to G. The diagram illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.”



The International Framework defines governance as follows: “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

“To deliver good governance in the public sector, both governing bodies and individuals working for public sector organisations must try to achieve the organisation’s objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

YPO Local Code of Corporate Governance 2019

Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2016)

In 2016 CIPFA / SOLACE published Delivering Good Governance in Local Government: Framework. This document interprets the core principles and sub-principles set out in the International Framework for a local government context.

The CIPFA / SOLACE framework is applicable to all parts of local government and its partnerships, joint boards and other vehicles through which local authorities deliver their services. However the framework recognises that a one-size-fits-all approach is inappropriate as not all parts of the framework will be applicable to all organisations. It is up to each organisation to:

- Set out its commitment to the principles of good governance included in the Framework
- Determine its own governance structure, or local code, underpinned by these principles
- Ensure that it remains up to date, relevant and operates effectively in practice

Regulation 6(a) of the Accounts & Audit Regulations 2015 requires an authority to conduct a review at least annually of the effectiveness of its system of internal control and include a statement reporting the review with any published Statement of Accounts, in accordance with proper practices.

Carrying out the annual review and preparing an Annual Governance Statement in accordance with the 2016 CIPFA/SOLACE Framework fulfils this statutory requirement.

YPO's Commitment to Good Governance

YPO is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that these funds are used economically, efficiently and effectively. YPO also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

YPO acknowledges its responsibility for putting in place proper and effective governance arrangements. YPO has approved and adopted this Local Code of Corporate Governance which is consistent with the principles of the 2016 CIPFA / SOLACE Framework.

YPO will also conduct a review at least annually of the effectiveness of its systems of internal control and report the findings in an Annual Governance Statement, in accordance with the proper practice set out in the 2016 CIPFA / SOLACE Framework. This statement will explain how YPO has complied with this Local Code.

YPO Local Code of Corporate Governance 2019

Purpose of YPO's Governance Framework

Governance is about ensuring that we do the right things, at the right time, in the right way, for the right people in an open, transparent, honest and accountable manner.

YPO's governance framework comprises the systems and processes, culture and values by which we direct and control the organisation, engage with, and remain accountable to, our owners and other key stakeholders. It enables YPO to monitor the achievement of our strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of our governance framework and is designed to manage risk to a reasonable level. It helps us to identify and prioritise the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically. We cannot eliminate all risk so we can only provide reasonable and not absolute assurance of its effectiveness.

YPO Local Code of Corporate Governance 2019

How does governance work in practice at YPO?

YPO is a Joint Committee formed under the Local Authority (Goods and Services) Act 1970. As the largest formally constituted local authority purchasing consortium in the UK, YPO is governed by a management committee of elected representatives (councillors) from its owning member authorities. The Management Committee, which consists of representatives from each of the thirteen founder authorities, governs YPO policy and decision making arrangements and reflects openness, accountability and transparency. Specific procedural rules, protocols and policies are in place to govern committee functions and delegated authority. The Management Committee and all Sub-Committees have clear terms of reference that are reviewed on a regular basis.

A Scheme of Delegation is in place which enables the Board of Directors of YPO to make decisions on behalf of the Management Committee, except for certain specific matters which are reserved for the Management Committee, Sub-Committees or the statutory officers of YPO.

The Statutory Finance (S151) Officer of the Lead Authority is responsible to the Management Committee for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control. The Managing Director has a clear role, responsibility and duty as specified in the Scheme of Delegation and the Financial Procedure Rules for day to day financial management and adherence.

The Statutory Monitoring Officer of the Lead Authority is responsible to the Management Committee for ensuring that agreed procedures are followed and that all applicable Statutes and Regulations are complied with. Members of the YPO Board of Directors have clear roles, responsibilities and duties as specified in the Scheme of Delegation for day to day governance.

The YPO Board have regular meetings with the Strategic Officers Group (which is comprised of senior officers from member authorities), the Section 151 Officer and Monitoring Officer of the Lead Authority. The Lead Authorities Internal Audit team is responsible for providing an independent and objective opinion on the control environment within YPO. Their audit plan and subsequent findings are reported to the Directors of YPO, the Management Committee and the Audit Sub-Committee.



YPO Local Code of Corporate Governance 2019

Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local Government organisations are accountable for how much they spend, and how they use the resources under their stewardship. This includes outputs, positive and negative, and for the outcomes they have achieved. They have an overarching responsibility to serve the public interest in adhering to legislation and government policies. It is essential that they can demonstrate the appropriateness of their actions and have the mechanisms in place to encourage and enforce ethical values and respect for the law.

Supporting Principle – Behaving with Integrity	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the organisation’s reputation	YPO’s committees are made up of elected members from our 13 Founder Member local authorities. Members complete their own council’s induction and training and must comply with their codes of conduct, members interests policy etc. Each year, YPO’s Head of Finance reviews committee members’ declarations of interest to identify potential conflicts of interest.
Members take the lead in establishing specific standard operating principles and values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles – selflessness; integrity; objectivity; accountability; openness; honesty; leadership)	The first agenda item on all Management Committee and other member meetings is declaration of interests. All employees receive an induction pack when starting work at YPO that includes the Employee Code of Conduct There is a process in place to ensure employees and managers sign off the completed induction.
Lead by example. Use standard operating principles or values for decision making and other actions. Demonstrate, communicate and embed the standard operating principles through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.	YPO’s values are the things we believe in: they are practical, directly inform the decisions we make and actions we take, and are visibly demonstrated through employee behaviour. <ul style="list-style-type: none"> • We care • We are helpful • We don’t like waste • We are straight talking YPO’s Anti-Fraud & Bribery Framework includes <ul style="list-style-type: none"> • Anti-Fraud & Bribery Risk Assessments • Anti-Fraud & Bribery Policy • Fraud Response Plan • Employee Interests Policy & Register • Gifts & Hospitality Policy & Register • Whistle Blowing Policy

YPO Local Code of Corporate Governance 2019

Supporting Principle – Demonstrating strong commitment to ethical values	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Seeking to establish, monitor and maintain the organisation’s ethical standards and performance	As a large public sector employer YPO has a role to strengthen the communities and societies we do business in, to benefit the environment, our customers and consumers, employees, stakeholders and other members of the public.
Underpinning personal behaviour with ethical values and ensuring that they permeate all aspects of the organisation’s culture and operation	YPO is committed to high standards of Corporate Social Responsibility We are certified to the ISO14001 standard, publish a Modern Slavery Statement and are embedding UN Sustainable Development Goals in all our procurements.
Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	YPO’s Audit & Scrutiny Sub-Committee meets quarterly and plays a key role in holding the Board and Management Committee to account.
Ensuring that external suppliers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	YPO publishes a Recruitment & Selection Policy and further guidance on staff appointments. YPO’s Anti-Fraud & Bribery Policy applies to associated persons including members, suppliers and distributors, who are asked to sign up to the Policy Statement.

Supporting Principle – Respecting the rule of law	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations	Wakefield Council act as YPO’s Lead Authority and provide various governance related functions including: Section 151 Officer (Chief Financial Officer), Internal Audit, Committee Support and Monitoring Officer. The latter ensures YPO complies with all relevant regulation and statutes Report templates include a mandatory section for Legal Implications. Where appropriate, the Contracts Manager is consulted on any legal implications. Legal advice from Wakefield Council is recorded in meeting minutes.
Creating the conditions to ensure that statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	
Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	
Dealing with breaches of legal and regulatory provisions effectively	
Ensuring corruption and misuse of power are dealt with effectively	Internal Audit test YPO’s Anti-Fraud & Bribery Framework on a regular basis to provide assurance that it is working effectively in practice

YPO Local Code of Corporate Governance 2019

Principle B Ensuring openness and comprehensive stakeholder engagement

Local Government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting Principle – Openness	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness	YPO’s website is both transactional, enabling purchases, and provides information about our governance arrangements , details of our compliance with transparency requirements and access to information including our Access to Information Policy and Guide to Information.
Making decisions that are open about actions, plans, resource use, forecasts, outcomes and outputs. Presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	YPO publishes an Annual Report that sets out our performance, achievements and improvements in the past year and our plans for the year ahead.
Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	An annual timetable of meetings, reports and training is agreed with the Management Committee and other relevant committees and sub-committees each year, and adhered to. Variations to the timetable are allowed if reasons are given and agreed in advance.
Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action	YPO elected member meeting papers are published in the Governance section of our website except where they include exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972. Meetings are open to the public except when exempt information is being considered.

YPO Local Code of Corporate Governance 2019

Supporting Principle – Engaging institutional & individual stakeholders effectively	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	As a public sector procurement organisation, YPO’s key institutional stakeholders are its Founder Members, Associate Members, Strategic Partners, Suppliers, Distributors and local communities. YPO’s key individual stakeholders are its Customers and Employees.
Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	YPO engages with its owners both formally and informally, on a regular basis. Consultation and agreement on the 3 year strategy ensures that YPO’s objectives are aligned to our owners’ long term and political wishes. Regular engagement also takes place through the Strategic Officers Advisory Group (SOAG), which is comprised of senior officers from member authorities, the Lead Authority’s Monitoring Officer and Section 151 Officer.
<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> • Trust • A shared commitment to change • A culture that promotes and accepts challenge among partners <p>And that the added value of partnership working is explicit</p>	YPO engages its strategic partners, suppliers and customers through forums and events, and seeks independent customer reviews via feefo (currently a satisfaction rating of 94%)
Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	YPO engages with its staff through organisation wide updates including the Big Day, the Intranet and notice boards, team brief and consultation with the Trade Union. We encourage staff to take part in regular employee surveys, both internal and via Sunday Times Best Companies
Taking account of the interests of future generations of tax payers and service users	

YPO Local Code of Corporate Governance 2019

Principle C Defining outcomes in terms of sustainable economic, social and environmental benefits

The long term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Supporting Principle – Defining outcomes	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Having a clear vision which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions	YPO’s vision is that every single public sector organisation achieves the best possible value for money when procuring goods and services. YPO’s mission is to be the UK’s number one public sector buying organisation.
Specifying the intended impact on, or changes for, stakeholders. It could be immediately or over the course of a year or longer	We publish a 3 year strategy: for 2018 – 2020 this is called “Relevance” and sets out a strategic statement of our overall vision for the business; current business plan; medium term financial strategy; objectives and deliverables over the next three years that will be monitored to ensure achievement of our aims.
Delivering defined outcomes on a sustainable basis within the resources that will be available	Strategic objectives are reviewed annually and supported by an annual business planning cycle linked to annual budget setting. Budgets and key performance indicators are monitored monthly by the Board and Senior Leadership Team (SLT).
Identifying and managing risks to the achievement of outcomes	YPO maintains a Risk Management Policy & Strategic Framework. The YPO Board are responsible for managing the Strategic Risk Register which reflects the most significant risks to the achievement of YPO’s long term objectives and outcomes. The Strategic Risk Register is reported annually to the Audit & Scrutiny Sub-Committee.

YPO Local Code of Corporate Governance 2019

Supporting Principle – Sustaining economic, social and environmental benefits	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
<p>Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short term factors such as the political cycle or financial constraints</p>	<p>Consultation and agreement on YPO’s 3 year strategy ensures that our objectives are aligned to our owners’ long term and political wishes.</p> <p>YPO is committed to high standards of Corporate Social Responsibility We are certified to the ISO14001 standard, publish a Modern Slavery Statement and are embedding UN Sustainable Development Goals in all our procurements.</p>

Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Supporting Principle – Determining interventions	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
<p>Ensuring decision makers received objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.</p>	<p>The YPO Board and Strategic Officers Advisory Group, including the Lead Authority’s S151 Officer and Monitoring Officer meet on a regular basis and discuss information needs of members to support effective decision making.</p> <p>An annual timetable of meetings, reports and training is agreed with the Management Committee and other relevant committees and sub-committees each year, and adhered to. Variations to the timetable are allowed if reasons are given and agreed in advance.</p>

YPO Local Code of Corporate Governance 2019

	Decision making protocols are in place and supported by clear terms of reference for the Management Committee and sub committees. Report templates include mandatory sections for legal, financial and risk implications, options appraisals and reasons for recommendations.
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Supporting Principle – Planning interventions

Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	An annual timetable of meetings, reports and training is agreed with the Management Committee and other relevant committees and sub-committees each year, and adhered to.
Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	A set of commercial, financial and other key performance indicators is agreed annually, reported and monitored on a regular basis. Remedial action is identified, where necessary if performance is off track.
Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	
Ensuring capacity exists to generate the information required to review service quality regularly	
Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	The Medium Term Financial Plan forms part of the 3 year strategy and is reviewed as part of the annual business planning process.
Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at develop a sustainable funding strategy	There is a robust annual budget setting process that takes into account strategic and business planning, revenue budgets, profit projections and longer term financial investment. Once agreed, budgets are monitored monthly and forecasts updated to reflect activity.

YPO Local Code of Corporate Governance 2019

Supporting Principle – Optimising achievement of intended outcomes	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Ensuring the Medium Term Financial Strategy integrates and balances service priorities, affordability and other resource constraints	The Medium Term Financial Plan takes into account the long term priorities set out in the 3 year strategy and informs annual budget setting Budget holders are consulted on their budgets before they are finalised and provided with monthly updates against forecast.
Ensuring the budget process is all inclusive, taking into account the full cost of operations over the medium and longer term	
Ensuring the Medium Term Financial Strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	
Ensuring the achievement of social value through service planning and commissioning (The Public Services (Social Value) Act 2012 the additional benefit to the community ... over and above the direct purchasing of goods, services and outcomes	Social value is a key factor in procurement decisions. YPO is committed to high standards of Corporate Social Responsibility We are certified to the ISO14001 standard, publish a Modern Slavery Statement and are embedding UN Sustainable Development Goals in all our procurements.

Principle E Developing the organisation’s capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity of the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government is strengthened by the participation of people of many different types of backgrounds, reflecting the structure and diversity of communities.

YPO Local Code of Corporate Governance 2019

Supporting Principle – Developing the organisation’s capacity	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Reviewing operations, performance of assets on a regular basis to ensure their continuing effectiveness	Progress against achievement of objectives and deliverables set out in the 3 year strategy is monitored on a regular basis. Business planning is carried out annually.
Improving resource use through appropriate application of techniques such as benchmarking and other options to determine how the organisation’s resources are allocated so that outcomes are achieved effectively and efficiently	The Commercial Activity Plan includes an analysis of market intelligence as well as YPO performance against plan and progress is reported to the Board monthly along with financial performance reports. Where necessary external expertise is secured to review use of assets and resources with the aim of optimising them for example risk engineers and consultants for warehouse and logistics operations design and performance management
Recognising the benefits of partnerships and collaborative working where added value can be achieved	All major programmes and projects are managed by the Programme Board which meets monthly, feeds into Board meetings and 3 year strategy.
Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	YPO recognises that lack of workforce skills is a strategic risk and has put in place a Workforce Strategy, skills audits and an Apprenticeship Programme.

Supporting Principle – Developing the capability of the organisation’s leadership and other individuals	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	The relationship between YPO and its owners is set out in a Management Agreement. Terms of reference and respective roles for the YPO Board, Management Committee and other Sub-Committees are clear and reviewed regularly.
Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the organisation in implementing strategy and managing the	Financial regulations clearly set out delegated authority to YPO’s Managing Director and Board, and are reviewed annually, as are Standing Orders for Contracts.

YPO Local Code of Corporate Governance 2019

<p>delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p>	<p>The Audit & Scrutiny Sub-Committee oversee scrutiny of decision making and independent challenge and hold the Management Committee and YPO Board to account.</p>
<p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<p>Decision making processes are transparent and timely. An annual timetable of meetings, reports and training is agreed each year, and adhered to. Variations are allowed if valid reasons are given and agreed in advance by the relevant Committee or Sub-Committee to which the report would usually be made.</p> <p>YPO elected member meeting papers are published in the Governance section of our website except where they include exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972.</p>
<p>Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • Ensuring personal, organisational and system-wide development through shared learning, including lessons learned from governance weaknesses both internal and external 	<p>Elected members receive induction, training and development through their individual local authorities and receive further training at YPO on a range of topics relevant to their role, from employees and from external providers.</p> <p>All employees complete an induction when starting work at YPO and have an annual appraisal that identifies their training needs and ways to meet them.</p> <p>YPO has a dedicated Learning & Development Team that provides in-house training, maintains an eLearning platform, and oversees access to professional and other qualifications.</p> <p>YPO also provides organisation wide training in areas such as Health & Safety, fraud awareness and prevention.</p> <p>Employees are encouraged to maximise training opportunities and maintain continuing professional development through membership of professional and other bodies eg CIPS, ICS</p>
<p>Holding staff to account through regular performance reviews which take account of training or development needs</p>	<p>YPO carries out workforce and succession planning and has an established apprenticeship scheme.</p>

YPO Local Code of Corporate Governance 2019

<p>Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	<p>The Health & Safety Committee is chaired by the Managing Director and meets monthly. YPO maintains an Employee Assistance Programme that includes policies and support such as Wellbeing Days, Occupational Health, mental health awareness and access to 24/7 telephone support, advice and counselling.</p>
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Principle F Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principle – Managing risk	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
<p>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p>	<p>YPO has a risk management policy and strategic framework that sets out our approach to risk, how we categorise, score and prioritise risk. YPO maintains a Strategic Risk Register, Anti-Fraud & Bribery Risk Assessments, operational risk registers for each department. Risk registers are owned by Board and SLT members and each risk is assigned to an individual.</p>
<p>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</p>	<p>Risk management documents are reviewed annually and reported to the YPO Board and the Audit & Scrutiny Sub-Committee. Training is provided to enable Board and Sub-Committee members to scrutinise them effectively.</p>
<p>Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p>Internal Audit review YPO’s risk management arrangements and test the controls in place to manage risks to provide assurance that they are operating effectively in practice.</p>

YPO Local Code of Corporate Governance 2019

Supporting Principle – Managing performance	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	As a public sector procurement organisation, YPO's performance framework focusses on its trading and sales plans and results, and financial performance, including margin, profit, overheads
Making decisions based on relevant, clear, objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	Discussions take place between members and officers on the information needs of members to support decision making. A timetable of meeting dates, agenda items and reports is agreed annually and published on YPO/Governance Members Services are provided by Wakefield MDC and YPO's Business Services Team.
Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible	YPO's Scrutiny Sub-Committee consisted of seven elected members who were not members of the Executive Sub-Committee that met every 3 – 4 months. Since May 2017 YPO has had a combined Audit & Scrutiny Sub-Committee who with agreed Terms of Reference There is a member training programme to assist members to deliver their role.
Providing members and senior management with regular reports on service delivery plans and progress towards outcome achievement	An information pack of financial and other key performance indicators is prepared and reported to the YPO Board monthly and the Management Committee quarterly.
Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)	YPO maintains Financial Procedure Rules and Standing Orders for Contracts that are reviewed and reported annually.

Supporting Principle – Robust internal control	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Aligning the risk management strategy and policies on internal control with achieving the objectives	Internal Audit is provided by Wakefield MDC. The Head of IA presents an Annual Audit Plan for agreement by the YPO Board, Management Committee and Audit & Scrutiny Sub-Committee. Audit reports are agreed with the relevant Board or SLT member. Agreed audit actions are monitored for completion and outstanding actions are reported annually to the Audit & Scrutiny Sub-committee.
Evaluating and monitoring the organisation's risk management and internal control on a regular basis	

YPO Local Code of Corporate Governance 2019

<p>Ensuring effective counter fraud and anti-corruption arrangements are in place</p>	<p>YPO’s Anti-Fraud and Bribery Framework includes arrangements to raise and maintain fraud awareness with staff. YPO co-ordinates with Wakefield MDC for serious fraud reporting and investigation.</p>
<p>Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<p>YPO publishes a Local Code of Governance, carries out an Annual Governance Review, and reports the results in an Annual Governance Statement, which accompanies its Statement of Accounts.</p>
<p>Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> • Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment • That its recommendations are listened to and acted upon 	<p>YPO’s Audit Sub-Committee consisted of nine elected members from its founder member authorities. Since May 2017 YPO has had a combined Audit & Scrutiny Sub-Committee that operates in accordance with agreed Terms of Reference The member training programme includes audit and risk management training.</p>

Supporting Principle – Managing data	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
<p>Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<p>YPO’s data management framework includes:</p> <ul style="list-style-type: none"> • Data Protection Policy and Guidance • Retention Policy • Privacy Impact Assessment Guidance • Information Security Incident Reporting • Access to Information Policy • Guide to Information <p>YPO’s statutory Data Protection Officer function is provided by Calderdale Council under an SLA</p>
<p>Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p>	
<p>Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring</p>	

Supporting Principle – Strong public financial management	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
<p>Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance</p>	<p>The Lead Authority’s Section 151 Officer is responsible for ensuring the Management Committee receive proper financial advice, records and accounts.</p>

YPO Local Code of Corporate Governance 2019

<p>Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls</p>	<p>YPO’s financial management supports the delivery of services and transformation change as well as good stewardship and includes:</p> <ul style="list-style-type: none"> • Treasury Management Policy • Medium Term Financial Strategy • Annual budget setting process that takes into account projected income / profit needs as well as annual business planning requests • Monthly budget monitoring reports and meetings between budget holders and Finance Business Partners • Integrated financial and performance reporting • Budget Holder Responsibility Policy
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Principle G Implementing good practices in transparency, reporting and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both internal and external audit contribute to effective accountability.

Supporting Principle – Implementing good practice in transparency	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
<p>Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p>	<p>YPO's Website is both transactional and publishes details of our governance, reporting, and transparency arrangements which sets out our commitment to Freedom of Information and provides links to our Access to Information Policy and Guide to Information and the data we publish to comply with the requirements of the Local Government Transparency Code 2015</p>
<p>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	

YPO Local Code of Corporate Governance 2019

Supporting Principle – Implementing good practice in reporting	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Reporting at least annually on performance, value for money and the stewardship of its resources	YPO publishes an Annual Report . YPO publishes its Financial Statements including an audited Statement of Accounts (although as a Joint Committee it is no longer required to do so).
Ensuring members and senior management own the results	Copies of meeting agendas, reports and minutes for YPO Management Committee and other sub-committees including the Audit & Scrutiny Sub-Committee are published on the YPO website.
Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (AGS)	YPO publishes an Annual Governance Statement each year with the audited Statement of Accounts, that reports the results of our annual governance review against the arrangements set out in this Local Code of Governance in accordance with the good practice set out in the CIPFA/SOLACE Framework 2016

Supporting Principle – Assurance and effective accountability	
Behaviours and actions that demonstrate good governance in practice	How we demonstrate this at YPO
Ensuring that recommendations for corrective action made by external audit are acted upon Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	YPO's External Auditors are appointed using a competitive process every 3 years: the current external auditors are KPMG. They carry out both interim and final audits and publish an opinion on the Statement of Accounts. Internal Audit is provided by YPO's lead authority, Wakefield Council, under an SLA.
Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	All audit actions are assigned to individuals, recorded and monitored for completion. Outstanding actions are reported to the Audit & Scrutiny Sub-Committee annually. In 2017 there were no outstanding audit actions
Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the AGS	