

Your Ref.

Our Ref

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Date 13 November 2024

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Typetalk calls welcome

To: Members of the Management Committee of the Yorkshire Purchasing Organisation Joint Committee

Chief Executive of the Constituent Authorities (for information)

Dear Councillor

**YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE MEETING
– FRIDAY, 22 NOVEMBER 2024**

You are invited to a meeting of the Management Committee of the Yorkshire Purchasing Organisation Joint Committee which is to be held at **10:30 am on Friday, 22 November 2024** at the **YPO HQ, 41 Industrial Park, Wakefield** to consider the items set out in the agenda detailed overleaf.

Yours sincerely



Tony Reeves
Secretary to the Joint Committee

PLEASE NOTE: A buffet lunch is to be provided at the conclusion of the meeting. Please contact Kayley on the details above if you have any dietary requirements.

As a courtesy to colleagues will you please turn all electrical devices to silent prior to the start of the meeting.

**YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE -
Friday, 22 November 2024**

AGENDA

1. Members' Declaration of Interest.
 2. Apologies for Absence.
 3. To note any items which the Chairman has agreed to add to the agenda on the grounds of urgency.
 4. To approve as a correct record, the Minutes of the Audit & Governance Sub-Committee meeting held on 8 November 2024 and agree the recommendations for each report contained within the minutes. (Pages 1 - 7)
 5. To approve as a correct record, the Minutes of the Audit & Governance Sub-Committee meeting held on 19 July 2024 and agree the recommendations for each report contained within the minutes. (Pages 9 - 14)
 6. To approve as a correct record, the Minutes of the Management Committee meeting held on 19 July 2024. (Pages 15 - 20)
 7. Verbal update from Chair of Audit & Governance Sub-Committee.
 8. Lead Authority Issues.
 9. In relation to reports containing exempt information to consider, and if approved, pass the following resolution:-
"That the public and press be excluded from the meeting for consideration of agenda items 10 to 13 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."
- IN PRIVATE**
10. Business Update. (Pages 21 - 33)
 11. Budget & Business Plan. (Pages 35 - 41)
 12. Non-Executive Director role - Options appraisal of term. (Pages 43 - 47)
 13. Report of Non-Executive Director. (Pages 49 - 52)
 14. Date and Time of Next Meeting.
The next meeting of the YPO Management Committee will be held on 18th July 2025.

YORKSHIRE PURCHASING ORGANISATION

AUDIT & GOVERNANCE SUB-COMMITTEE

FRIDAY, 8TH NOVEMBER 2024

Present: Councillors: Turner (Kirklees), Frost (Barnsley), Merrett (York), Rehman (Wigan).

1.	CHAIR'S INTRODUCTION & WELCOME
	Introductions took place.
2.	ACCEPTANCE OF APOLOGIES FOR ABSENCE
	Apologies for absence were received on behalf of Councillors Baker-Rogers (Rotherham), Lonergan (Knowsley), and Khurram (Bolton).
3.	MEMBERS DECLARATION OF INTEREST
	No declarations of interest were made.
4.	ELECTION OF CHAIR
	Julie Hawley requested nominations for a Chair of the Audit & Governance Sub Committee for the 2024/25 municipal year and shared that Councillor Turner has expressed an interest in the position. Resolved: (1) It was seconded and agreed by all for Councillor Turner (Kirklees) to be elected as Chair.
5.	URGENT ITEMS
	No urgent items were raised.
6.	PREVIOUS AUDIT & GOVERNANCE SUB COMMITTEE MINUTES
	The minutes of the YPO Audit & Governance Sub-Committee held on 5 th July 2024 were approved by all.
7.	YPO GOVERNANCE GROUP UPDATE REPORT
	Julie Hawley (Executive Director Finance) shared the Governance Group update report, which summarises the group's work over the last 15 months and where the group hope to add value in 2025. The group is working well and is now fully established, with the relevant people from across the business attending. Councillor Turner said the work is useful to see and thanked the group for pulling the information together. Resolved: (1) Audit & Governance Sub-Committee Members note and receive the report on the Governance Group's work over the last 15 months, and consider the work programme for 2025.

	<p>(2) Audit & Governance Sub-Committee agreed that the Governance Group report will replace the governance review report that it usually considers in July each year, as the latter is mainly a report on policy updates, and this can be provided by different means.</p> <p>(3) Audit & Governance Sub-Committee agreed that going forward, the Governance Group report will include a short commentary from the Sub-Committee itself, creating a joint officer member report to Management Committee.</p>
8.	AUDIT & GOVERNANCE SUB-COMMITTEE TERMS OF REFERENCE
	<p>Matthew Hirst (Head of Finance) shared the report. Since Audit & Governance Sub-Committee was established in its current form in 2022, CIPFA have published a new Position Statement on Audit Committees. In response, the Governance Group have reviewed the Sub-Committee's 2022/23 terms of reference against the position statement, to identify current good practice and any changes proposed to further enhance the Sub-Committee's contribution to good governance. Following on from that review the group has developed a revised draft Terms of Reference, in consultation with the Lead Authority's Monitoring Officer and S151 Officer.</p> <p>Councillor Rehman asked why the Committee cannot completely fulfil the guidelines. Gillian Marshall explained that in 2015 changes were implemented which affected joint committees, therefore there are certain aspects that YPO as a Joint Committee cannot fulfil, we are aware of this.</p> <p>It was noted that YPO choose to continue with completing an external audit due to the size of the business, although this is not a legal requirement.</p> <p>Resolved: (1) Audit & Governance Sub-Committee note the contents of Appendix 1 (Governance, Risk and Assurance extract from YPO's draft digital constitution).</p> <p>(2) Audit & Governance Sub-Committee agree their revised draft Terms of Reference (Appendix 2).</p>
9.	EXTERNAL AUDIT COMPLETION REPORT
	<p>Matthew Hirst shared the final External Audit completion report and talked through the key headlines of the report.</p> <p>Matthew explained we are bringing this report back to Committee to close the loop, now that the accounts have been fully signed off. There are no changes to the accounts since the discussion in the July Audit & Governance Sub-Committee.</p> <p>Resolved – (1) That the report be noted.</p>
10.	INTERNAL AUDIT PROGRESS UPDATE
	<p>The Service Manager for Internal Audit & Risk at Wakefield Council (Jason Brook) shared the report which provides an update to the Audit and Governance</p>

	<p>Sub-Committee on the progress being made against the completion of the Internal Audit Plan for the 2024 calendar year.</p> <p>Reviews that still need to be completed are shown in the report. Jason noted he is confident the remaining work will be completed in time to complete the Annual Head of Internal Audit Opinion for 2024, which will be submitted to the next Committee meeting.</p> <p>Jason explained he is planning to send out a survey to Members on the 'Effectiveness of the Audit and Governance Sub-Group Process' to gain feedback in this area, and any suggestions for changes or improvements. Councillor Turner noted his support in completing this survey. Jason said Internal Audit will analyse the results and feed this back to the Committee.</p> <p>Jason noted that positive assurance is provided to this Committee that:</p> <ul style="list-style-type: none"> • Work is on track to be completed in a timely manner. • There is an effective process in place between YPO and Internal Audit to manage the completion of audit work. This includes a regular meeting with the Head of Finance and the Assistant Financial Controller. <p>Councillor Rehman asked if internal audit have spent enough time at YPO to understand the requirements and be in a position to complete the audit to a good standard?</p> <p>Matthew Hirst confirmed that internal audit colleagues are in regular contact, attend the stock takes and good working relationships are in place.</p> <p>Helen Lisle confirmed that in her role as Non-Executive Director, she sits between the Committees and the YPO Board of Directors, to ensure good governance.</p> <p>Resolved – (1) That Members note the content of this update report and note the assurances from the Head of Internal Audit and Counter-Fraud that the work will be completed in time to provide a meaningful annual assurance opinion.</p>
<p>11.</p>	<p>DRAFT INTERNAL AUDIT PLAN 2025</p>
	<p>Consideration was given to the report of the Service Manager for Internal Audit & Risk (Wakefield Council) the purpose of which is to share the draft internal audit plan with the Audit and Governance Sub-Committee as part of the approval process. This will help to ensure that effective engagement has taken place throughout the planning process.</p> <p>The report also provides an update to the Committee on upcoming changes to internal audit professional standards.</p> <p>Jason Brook talked through the key headlines of the report and the proposals. This has gone through a process to determine the audit topics brought here for approval.</p> <p>Jason noted that business continuity has been identified as a gap. The options on this are: Seeking alternative assurance from YPO Management on this area, request that internal audit look at this in place of something else, or accept the risk.</p>

Julie Hawley explained we are currently in the process of reviewing our business continuity plans at the moment. A separate paper can be brought to the meeting in July with further information on that topic.

Helen Lisle raised there are two significant systems coming in over the next 12-months. At the right time it would be useful for an audit to be completed on these systems.

Councillor Rehman asked for further information on Cyber Security plans, and the risk relating to Human capital, diversity, talent management, and retention.

Julie explained that a report with further information on Cyber Security was brought to the committee in July, this can be re-circulated. We have a full programme around the Human capital, diversity, talent management, and retention risk, some of this will trigger next year. It was agreed to bring a report on this to the July Audit & Governance Sub-Committee.

It was noted that a lot of work has been put in with the objective of obtaining an ISO accreditation relating to cyber security also.

Councillor Merrett asked for further information relating to the IT systems high risk. Jason explained that some advisory work has been completed in certain areas so this will be picked up.

It was noted that a paper on the overall progress of systems, including AI aspects and a list of life expectancy of our systems would be useful to see. It was agreed to bring this back to a future meeting.

Helen explained that some debates have taken place at Board meetings recently around the use of AI. Discussions are on-going around finding a balance between IT safety, and the benefits that it can have in certain areas of the business.

It was noted the procurement act has been delayed to February 2025 currently.

Jason shared that changes to the Public Sector Internal Audit Standards (PSIAS) are due to become effective in 2025, Jason shared further information on this.

Jason explained that this introduces a new concept of 'foresight'. This is about moving from what has happened in the past (hindsight) and being in the here and now (insight), to helping an organisation prepare for the future (foresight). Providing such foresight will require good business acumen, utilising data analytics, being objective with the evidence at hand, and providing timely advice and assurance services.

A discussion was held around this, specifically relating to YPO. There are public sector rules to follow whilst also trying to compete in a commercial landscape. This is an on-going balancing act.

Helen noted that YPO's annual business planning process along with the 5-year strategy should support with the foresight element.

	<p>Resolved – (1) The Committee review and provide comments on the draft Internal Audit Plan for 2025, as set out in Table Three (Appendix A provides further detail).</p> <p>(2) That Members consider the options set out in paragraph 3.13 around a potential assurance gap on YPO’s business continuity arrangements. It was agreed for a further report on Business Continuity to be brought back to the July Meeting.</p> <p>(3) Members note the upcoming changes to internal auditing professional standards and arrangements Wakefield Council is putting in place. These have been summarised in Appendix B.</p> <p>(4) It was agreed that the Cyber Security report that was brought to the July meeting will be re-circulated with the minutes of today’s meeting.</p> <p>(5) It was agreed that a report focussing on the ‘Human capital, diversity, talent management, and retention’ risk will be brought to the July Audit & Governance Sub-Committee.</p> <p>(6) It was agreed that a report on the overall progress of systems, including AI aspects and a list of life expectancy of our systems would be useful to see. It was agreed to bring this back to the July meeting.</p>
<p>12.</p>	<p>INTERNAL AUDIT – VERBAL UPDATE TO MEMBERS</p>
	<p>The Service Manager for Internal Audit & Risk (Wakefield Council) provided a verbal update on the status of internal audit activity to Members.</p> <p>Resolved – (1) That the verbal update be noted.</p>
<p>13.</p>	<p>EXCLUSION OF THE PUBLIC AND PRESS</p>
	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 14 - 18 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>
<p>14.</p>	<p>RISK REGISTER, BRIBERY & FRAUD UPDATE</p>
	<p>Consideration was given to the report presented by the Head of Finance (Matthew Hirst) that focusses on anti-bribery measures.</p> <p>There are no proposed changes to the anti-bribery policy statement.</p> <p>Matthew shared updates following the review that has taken place.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee consider the report, including the YPO Board’s review comments, and the bribery risk register attached at Appendix 1.</p>

15.	<p>ENVIRONMENTAL DASHBOARD</p>
	<p>Matthew Hirst (Head of Finance) shared the report and shared a live demo of the dashboard. Matthew talked through the content of the dashboard and how we use this to ensure we are on track to hit our net zero targets.</p> <p>Matthew explained we are looking to breakdown the targets further to monthly, quarterly, etc. going forward.</p> <p>We are currently completing some work to raise awareness across the business. We have new recycling bins in place with clearer signage. We are continually looking at automating processes and improving the data.</p> <p>Councillor Merrett asked what YPO are doing regarding scope 3, and if this is going to lead to a full strategy on what we will be doing in future?</p> <p>Julie explained we are focussing on our own carbon footprint at the moment, but scope 3 is in the future plans and we will be looking for external support with this. We are actively working on our future strategies. We have a new Social Value Manager starting with the business very soon who will be a large part of this.</p> <p>Resolved – (1) That members note the content in this report and in the dashboard demonstration.</p>
16.	<p>HEALTH & SAFETY UPDATE</p>
	<p>Julie Hawley explained some background information on this report.</p> <p>Jacquie Lightfoot (Executive Director Operations) talked through the Health & Safety update report, which focusses on Fire Safety Legal Compliance.</p> <p>Jacquie explained that we recently commissioned a full fire risk assessment, as well as working with Wakefield council on further due diligence to identify gaps in our processes.</p> <p>The actions identified from this process are currently being completed. This is an on-going process.</p> <p>The outstanding actions are on track to be completed by the dates stated in the report.</p> <p>Resolved – (1) That the committee note the contents of the report.</p> <p>(2) It is noted that the H&S committee continue to monitor fire safety actions.</p> <p>(3) It is noted that the responsible person and Board continue to meet with the Health & Safety Manager to continue effective communication on all fire safety matters.</p> <p>(4) It is noted that YPO’s fire risk assessment will be reviewed in 2025 (this is a 3 yearly requirement).</p>

17.	<p>YEAREND CLOSEDOWN TIMETABLE</p> <p>Matthew Hirst (Head of Finance) shared the report which informed Members of the contents of the provisional 2024 Closedown Timetable.</p> <p>Matthew noted that the dates are still currently provisional with Mazars at this time, but we are working towards bringing the audited accounts to the July Committee meetings.</p> <p>Resolved – (1) That the provisional timetable shown in Appendix 1 is approved.</p>
18.	<p>TREASURY MANAGEMENT PROGRESS REPORT</p> <p>Caroline Carter (S151 Officer) talked through the Treasury Management Progress report, which provides information on treasury management activities up to 30th September 2024 and confirms that those activities comply with the 2024 Investment Strategy which was approved by this Committee on 3rd November 2023.</p> <p>Caroline explained YPO are accessing some new bank accounts which will improve the interest gained, and noted all loan re-payments are on track.</p> <p>Resolved – (1) Members note the positive assurances provided through this report in respect of treasury management for the period 1st January 2024 to 30th September 2024 in accordance with the agreed strategy.</p> <p>(2) Members considered and approve the proposed investment strategy for 2025 (as detailed at appendix 2).</p> <p>(3) Members note that the outturn report will be presented to this Committee in July 2025.</p>
19.	<p>DATE AND TIME OF NEXT MEETING</p> <p>Resolved – (1) That the next meeting of the YPO Audit & Governance Sub Committee is proposed to be held on 4th July 2025, 10.30am.</p>

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YORKSHIRE PURCHASING ORGANISATION

AUDIT & GOVERNANCE SUB-COMMITTEE

FRIDAY, 19TH JULY 2024

Present: Councillors: Turner (Kirklees), Frost (Barnsley), White (North Yorkshire), Merrett (York).

1.	<p>ELECTION OF A TEMPORARY CHAIR</p> <p>Nominations were requested for a temporary Chair of the Audit & Governance Sub Committee.</p> <p>Resolved: (1) It was seconded and agreed by all for Councillor Turner (Kirklees) to be elected as the meeting Chair.</p>
2.	<p>CHAIR'S INTRODUCTION & WELCOME</p> <p>Introductions took place.</p>
3.	<p>ACCEPTANCE OF APOLOGIES FOR ABSENCE</p> <p>No apologies for absence were received prior to the meeting.</p>
4.	<p>MEMBERS DECLARATION OF INTEREST</p> <p>No declarations of interest were made.</p>
5.	<p>URGENT ITEMS</p> <p>No urgent items were raised.</p>
6.	<p>PREVIOUS AUDIT & GOVERNANCE SUB COMMITTEE MINUTES</p> <p>Resolved – (1) The minutes of the YPO Audit & Governance Sub-Committee held on 3rd November 2023 were approved by all.</p> <p>Simon Hill explained that the energy trading report has been uploaded to the members website. This will be discussed further with Members in the informal business update session in September.</p>
7.	<p>AUDIT & GOVERNANCE SUB COMMITTEE TERMS OF REFERENCE & WORK PROGRAMME 2024-2025</p> <p>Consideration was given to the report of the Managing Director which provided members with an overview of the work scheduled for the 2024/25 committee cycle.</p> <p>The report also proposed the Terms of Reference, Principal Agenda Items, and 2024/25 Meeting Schedule.</p> <p>It was noted that since YPO established the Audit & Governance Sub-Committee in its current form in 2022, CIPFA have published a new position</p>

	<p>statement on Audit Committees in Local Authorities. In the second half of 2024 we propose to further review the sub-committee's terms of reference and work programme against the CIPFA position statement, to identify current good practice and any changes needed to further enhance the sub-committee's contribution to good governance. A report on this will be brought back to the Audit & Governance Sub-Committee meeting in November 2024.</p> <p>Resolved – (1) That the report be noted and submitted to the Management Committee for sign off by all Members.</p>
<p>8.</p>	<p>LOCAL CODE OF GOVERNANCE & ANNUAL GOVERNANCE STATEMENT 2023</p>
	<p>The Managing Director (Simon Hill) talked through the report. This is an annual report that sets out YPO's compliance with the requirements of the Accounts & Audit Regulations 2015 and CIPFA / SOLACE Delivering Good Governance in Local Government: Framework (2016) which has three key steps:</p> <ul style="list-style-type: none"> ▪ Publish a Local Code of Governance that sets out how YPO delivers the principles of the 2016 Framework (Appendix 1). ▪ Conduct an annual review of the effectiveness of our governance arrangements in practice. ▪ Report the results of the annual review in an Annual Governance Statement and publish it with the Statement of Accounts (Appendix 2). <p>Resolved - (1) The Audit & Governance Sub-Committee agree the updated Local Code of Governance and the draft Annual Governance Statement 2023.</p>
<p>9.</p>	<p>RISK MANAGEMENT FRAMEWORK</p>
	<p>Julie Hawley (Executive Director) talked through the Risk Management Framework Report and shared that the Risk Management system is now live, and risks are now managed live on the system at the YPO Board meetings as well as at all levels across the business.</p> <p>Councillor Merrett asked what we are doing now compared to previously? Julie explained that each operational area is now responsible for their own risk registers and they are reviewed on a much more regular basis.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee note progress on implementation of the new RM system and the wider benefits it has delivered to risk management across YPO.</p> <p>(2) That the Audit & Governance Sub-Committee note that the Risk Management Strategy & Framework has been reviewed and no changes are proposed at this time, with the exception of an update by the YPO Board to their Statement of Risk Appetite.</p> <p>(3) That the Audit & Governance Sub-Committee note the updated Statement of Risk Appetite.</p>

10.	PAY POLICY & LOCAL LIVING WAGE
	<p>Simon Hill (Managing Director) shared the Pay Policy and Local Living Wage report. The purpose of this report is to ask Audit and Governance Sub-Committee to note and discuss the changes to YPO's Pay Policy for Apprentices and the Local Living Wage, prior to formal ratification at full Management Committee.</p> <p>Resolved – (1) That the Audit and Governance Sub-Committee note and ratify these changes prior to this paper progressing to full Management Committee for formal ratification.</p>
11.	POLICIES & PROCEDURES REVIEW
	<p>Consideration was given to a report of the Head of Finance entitled Policies & Procedures Review.</p> <p>Resolved - (1) That Members note the contents of the table at appendix 1.</p>
12.	EXTERNAL AUDIT COMPLETION REPORT
	<p>Jordan Townend and Shaun Mullins (Mazars) shared the External Audit completion report.</p> <p>Jordan talked through the key headlines of the report and addressed the going concern, and the valuation of the building.</p> <p>Jordan talked through the table in the report that addresses the key audit items.</p> <p>Jordan noted Mazars appreciation for the work undertaken, and the positive relationship with the YPO finance team.</p> <p>Simon Hill noted that this is a non-statutory audit of the accounts, but we feel it is right we do this for assurance for our members. However, this gives us the flexibility for the changes to the way in which the accounts are presented.</p> <p>Resolved – (1) That the report be noted.</p>
13.	AUDITED STATEMENT OF ACCOUNTS
	<p>Consideration was given to the report of the Head of Finance which provided Members with the details of the Audited Statement of Accounts for 2023.</p> <p>Julie Hawley (Executive Director) talked through the report and accounts.</p> <p>Councillor Turner noted the profit of £8M is a huge achievement and noted his thanks to all YPO staff for their efforts in achieving this result.</p> <p>Councillor Merrett asked for further information on the non-recurring items. Julie Hawley explained this relates to the digital transformation investments. Simon Hill noted we are now seeing the results of the investment flowing through.</p> <p>Resolved – (1) That the outstanding audit matters, and nil impact when resolved, are noted.</p>

	<p>(2) That the Committee review and approve the accounts to be signed by the Chairperson and Chief Finance Officer at WMDC following the meeting.</p>
<p>14.</p>	<p>ASSURANCE REPORT – CLIMATE CHANGE, BIODIVERSITY, AND ENVIRONMENTAL SUSTAINABILITY</p>
	<p>This report arises from a request by the Audit & Governance Sub-Committee to follow up potential areas of risk identified in a report from Wakefield’s Service Manager for Internal Audit & Risk, to the Sub-Committee in November 2023.</p> <p>In the absence of specialist audit assurance work from IA, at the request of the Audit & Governance Sub-Committee, this report sets out what other arrangements YPO has in place to provide assurance that climate change, biodiversity and environmental sustainability risks are being identified, assessed, and mitigated effectively and considers:</p> <ul style="list-style-type: none"> • ISO 14001 – Environmental Management accreditation (including Aspects & Impacts, Legislative Obligations and Risk & Opportunities Registers). • Activity across the Social Value and Sustainability Department (including working groups). • External Support. • Risk Management at YPO. <p>Councillor Merrett asked when the environmental dashboard will be available. Julie Hawley stated this is currently available in a spreadsheet format. It was agreed to bring this spreadsheet to the next meeting.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee note the arrangements in place to identify, assess and mitigate climate change, biodiversity and environmental sustainability risk.</p> <p>(2) That the Audit & Governance Sub-Committee note the arrangements in place to seek assurance from independent third parties that climate change, biodiversity and environmental sustainability risk is being managed effectively.</p> <p>(3) That the Environmental dashboard spreadsheet be brought back to the next Audit & Governance Sub-Committee.</p>
<p>15.</p>	<p>EXCLUSION OF THE PUBLIC AND PRESS</p>
	<p>Resolved – That the public and press be excluded from the meeting during consideration of agenda items 16 - 22 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>
<p>16.</p>	<p>ASSURANCE REPORT – DIGITISATION</p>
	<p>This report arises from a request by the Audit & Governance Sub-Committee to follow up potential areas of risk identified in a report from Wakefield’s Service Manager for Internal Audit & Risk, to the Sub-Committee in November 2023.</p> <p>In the absence of specialist audit assurance work from IA, at the request of the Audit & Governance Sub-Committee, this report sets out what other</p>

	<p>arrangements YPO has in place to provide assurance that information security risks are being identified, assessed, and mitigated effectively to minimise digital disruption, and considers:</p> <ul style="list-style-type: none"> • YPO risk management arrangements • Cyber (information security) insurance cover • ISO27001 Information Security Management System (ISMS) accreditation <p>Councillors asked various questions on the report, and explanations were provided by Officers.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee note the arrangements in place to identify, assess and mitigate information security risk and the potential for digital disruption that might arise from it.</p> <p>(2) That the Audit & Governance Sub-Committee note the arrangements in place to seek assurance from independent third parties that information security risk is being managed effectively.</p>
17.	INTERNAL AUDIT ACTION UPDATE
	<p>The Head of Finance (Matthew Hirst) talked through the internal audit action update report, which provides an update on the progress made on agreed audit actions resulting from audits completed by Wakefield Council Internal Audit.</p> <p>Matthew explained that we have dedicated time planned in with internal audit and we are confident all actions will be complete by the end of this year.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee note the progress on completing Internal Audit actions.</p>
18.	ANNUAL ASSURANCE OPINION 2023
	<p>Consideration was given to the report of the Service Manager for Internal Audit & Risk (Wakefield Council) which provides Members with an update on the strength of YPO’s governance, risk management, and control environment.</p> <p>Jason Brook talked through the table contained within the report, and shared there is a good working relationship with the finance team at YPO.</p> <p>Resolved – (1) That the Internal Audit Opinion Report be noted.</p>
19.	STRATEGIC RISK REGISTER
	<p>Matthew Hirst (Head of Finance) talked through the Strategic Risk Register Report.</p> <p>Caroline Carter (S151 Officer – Wakefield) suggested that YPO may wish to include a target for risks going forward, so risks can be tracked against target levels. Matthew agreed and explained we are continuously looking at the system and improvements we can make on its usage.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee note this report</p>

	<p>and the 'Strategic Risk Score Comparison' report and identify any questions they wish to raise with risk owners (YPO Board).</p> <p>(2) That the Audit & Governance Sub-committee identify any further RM system reports that may be useful for them in performing their oversight role.</p> <p>(3) It was agreed to implement risk targets going forward.</p>
20.	WMS/ SQL UPDATE
	<p>The Executive Director – Operations (Jacquie Lightfoot) talked through the WMS / SQL update report and shared the status of the project.</p> <p>Jacquie talked through the risk implications table at appendix 1 and the timescales around this.</p> <p>Resolved – (1) That the committee agree to the recommendation to continue with the implementation date as planned.</p>
21.	FRAUD PREVENTION MEASURES UPDATE
	<p>Consideration was given to the report of the Managing Director, which shares the fraud prevention measures in place at YPO.</p> <p>Matthew Hirst (Head of Finance) shared the report and the headlines around the key pieces of work to continually improve the fraud prevention measures at YPO.</p> <p>Resolved – (1) That the Audit & Governance Sub-Committee note the measures in place across YPO to minimise the risk of fraud and to manage fraud discovery, investigation and reporting.</p>
22.	TREASURY OUTTURN REPORT
	<p>Caroline Carter (S151 Officer) talked through the Treasury Management Progress report.</p> <p>Resolved – (1) That Members note the positive assurances provided through this report in respect of treasury management for the period 1st January 2023 to 31st December 2023 in accordance with the agreed strategy.</p> <p>(2) That Members consider any potential amendments Members may wish to include in the Investment Strategy for 2025 (appendix 2).</p>
23.	DATE AND TIME OF NEXT MEETING
	<p>Resolved – (1) That the next meeting of the YPO Audit & Governance Sub Committee is to be held on 8th November 2024, 10.30am.</p>

YORKSHIRE PURCHASING ORGANISATION MANAGEMENT COMMITTEE

Friday 19th July 2024

Present:

Barnsley
Councillor Frost

Bradford
Councillor Thornton

Calderdale
Councillor Barnes

Doncaster
Councillor Cole

Kirklees
Councillor Turner

North Yorkshire
Councillor White

Wakefield
Councillor Pickersgill

York
Councillor Merrett

1:	Members Declaration of Interest
	No declarations of interest were made.
2:	Apologies for Absence
	Apologies for absence submitted prior to the meeting were accepted on behalf of Councillors Rehman (Wigan), Lonergan (Knowsley), and Baker-Rogers (Rotherham).
3:	Election of Chair
	The Monitoring Officer requested nominations for the position of Chair of the Management Committee who in turn would become the Chair of the Joint Consultative Committee/Appointments Sub-Committee for the year 2024/25. A nomination was received and seconded on behalf of Councillor Barnes (Calderdale). Councillor Barnes noted his thanks to the previous Chair of the Management Committee, Councillor Walker, for his commitment to YPO.

	<p>Resolved – (1) That Councillor Barnes of Calderdale Council be elected Chair of the Management Committee of the Yorkshire Purchasing Organisation for 2024/25.</p>
4:	<p>Election of Vice Chair</p> <p>The Chair requested nominations for the position of Vice Chair for 2024/25.</p> <p>A nomination was received and seconded on behalf of Councillor Cole (Doncaster).</p> <p>Resolved – (1) That Councillor Cole of Doncaster Council be elected as Vice Chair of the Management Committee of the Yorkshire Purchasing Organisation for 2024/25.</p>
5:	<p>Urgent Items</p> <p>No urgent items were discussed.</p>
6:	<p>Minutes of the Management Committee – 24th November 2023</p> <p>Resolved – (1) That the Minutes of the meeting of the YPO Management Committee held on 24th November 2023 be accepted as a correct record.</p>
7:	<p>Membership of the YPO Management Committee</p> <p>The Managing Director asked members to review the information contained in the report regarding Committee representation from Member Authorities.</p> <p>Resolved – (1) That the content of the report relating to Management Committee Membership be noted.</p>
8:	<p>Appointments to Sub Committees & Joint Consultative Committee</p> <p>Consideration was given to a report to receive nominations from the Constituent Authorities in relation to Membership of Sub-Committees and Joint Consultative Committee and to determine the membership for those meetings for the twelve-month period commencing July 2024.</p> <p>Simon Hill put forward a proposal for Councillor Pickersgill (Wakefield) to become a member of the Joint Consultative Committee, and all remaining Members who are not yet appointed to a sub-committee to become members of the Audit & Governance Sub-Committee.</p> <p>Resolved – (1) That the report be noted.</p> <p>(2) That the proposal around sub-committee representation was agreed by all.</p>

<p>9:</p>	<p>Terms of Reference & Work Programme 2024-2025</p> <p>Consideration was given to a report of the Managing Director which detailed the work of the YPO Management Committee and its associated Sub-Committees. The report also included the Meeting Schedule, Terms of Reference, and Principal Agenda Items for each Committee and Sub-Committee.</p> <p>Simon Hill explained the proposed principal agenda items are the minimum agenda items for each meeting, other items can be added as and when required or suggested by Members.</p> <p>Councillor Barnes explained there is also an informal business update session planned in September which is useful for Members to attend.</p> <p>Resolved - (1) That the terms of reference for 2024/25 for the Management Committee, Audit & Governance Sub-Committee and Joint Consultative Committee be agreed.</p> <p>(2) That the Principal Agenda Items for 2024/25 be agreed.</p> <p>(3) That the Meeting Schedule for 2024/25 be agreed.</p>
<p>10:</p>	<p>Annual Report 2023</p> <p>The Managing Director, Simon Hill, submitted the annual report to the Management Committee as set out in the YPO Management Agreement.</p> <p>It was explained that it was intended to circulate the Annual Report to Leaders, Chief Executives and Finance Directors of Member Authorities and also use it more widely as marketing and promotional material.</p> <p>A copy of the report was circulated to Management Committee Members prior to the meeting, and individual authority Benefits Statements will be forwarded to Members in due course.</p> <p>Simon Hill talked through the highlights of the report.</p> <p>Resolved – (1) That the report be noted.</p>
<p>11:</p>	<p>Non-Executive Director Recruitment</p> <p>Consideration was given to a report of the Managing Director to consider the future of the role of the Non-Executive Director.</p> <p>Simon Hill talked through the options appraisal, and Councillors discussed the options available.</p> <p>Councillor Turner proposed extending the current incumbent by one year. This proposal was seconded.</p>

	<p>It was also proposed to review the contract length next year, with support of the Non-Executive Director.</p> <p>Resolved - (1) That Members agreed to option of extending the current incumbent's contract for a further year to 30th October 2025.</p>
12:	Lead Authority Issues
	<p>Gillian Marshall (Wakefield) shared that we are awaiting two outstanding signed versions of the management agreement and requested that Councillors from Bradford Council and North Yorkshire Council chase this up with their legal teams for signature.</p>
13:	Exclusion of the Public & Press
	<p>Resolved - <i>That the public and press be excluded from the meeting during consideration of Agenda Items 14 to 16 on the grounds that they were likely to involve the disclosure of exempt information as described in Part 1 of Schedule 12A to the Local Government Act 1972, as amended.</i></p>
	IN PRIVATE:
14:	Business Update - (Exempt Paragraph 3)
	<p>The Managing Director (Simon Hill) presented the Business Update which provided Members with an update on activities of the organisation since the last committee and provided an overview on forthcoming activities and challenges.</p> <p>Jo Marshall (Executive Director - Commercial) talked through the Commercial update and shared the figures at the end of YPO's peak period. Jo confirmed we are the UK's largest education supplier and provided updates on the market conditions within the education sector.</p> <p>A discussion was held around competitors and market share.</p> <p>Julie Hawley (Executive Director – Finance) talked through the finance updates. Julie explained we will be completing a re-forecasting exercise post-peak. Investment into the business remains key, and this will be done in a controlled manner.</p> <p>A discussion was held around dividend payments and the timings on this.</p> <p>The project portfolio is progressing well.</p> <p>Various questions were raised by Councillors and Julie Hawley provided responses.</p> <p>Jacquie Lightfoot (Executive Director – Operations) shared the logistics update. Stock availability has been a key focus and we have not dropped below 95% product availability throughout our peak period, which is a great achievement.</p>

	<p>Jacque shared an update on our third-party logistics providers, and the current status of the contract.</p> <p>Jacque provided an update on staffing levels throughout the peak period, and where we are with warehouse automation.</p> <p>There have been no IT system issues throughout peak.</p> <p>Jacque shared an update on Health & Safety with Councillors.</p> <p>Simon Hill shared that further plans for the warehouse will be brought back to the Management Committee in November, within the business plan and budget report.</p> <p>A discussion was held around our fleet vehicles. Jacque explained we have an on-going fleet replacement programme which is continually reviewed.</p> <p>Andrea Smith (Executive Director – Procurement) shared the procurement services update. We have recently appointed a new Head of Procurement, who has had a great impact within the team so far.</p> <p>A big priority for us currently is the up-coming change to the procurement regulations, the new regulations come into place in October. We are working on ensuring we know what this means for us internally as well as our customers.</p> <p>Another main priority this year is focussing on the digital side of procurement and enabling further self-service for our customers.</p> <p>Resolved – (1) That the report be noted.</p>
<p>15:</p>	<p>Dividend Distribution – (Exempt Paragraph 3)</p> <p>Members considered a report of the Head of Finance which sought agreement on the level and method of dividend distribution for the year 2023.</p> <p>It was noted that a decision was taken last year on some changes to the proportional split of dividend in terms of risk. This decision was made in consultation with our owning member Finance Director’s.</p> <p>Resolved - (1) That the Committee approve the proposed dividend amount, distribution split, and timings.</p>
<p>16:</p>	<p>Report of Non-Executive Director – (Exempt Paragraph 3)</p> <p>Members gave consideration to a report of the Non-Executive Director which detailed her recent observations of the organisation. Helen Lisle talked through the key headlines of the report.</p> <p>Resolved - (1) That the report of the Non-Executive Director be noted.</p>

17:	DATE AND TIME OF NEXT MEETING
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	Resolved – That the next meeting of the YPO Management Committee is to be held on 22 nd November 2024.
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Exempt Information by virtue of paragraph(s) 3
of Part 1 of Schedule 12A of the Local Government Act 1972.

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