

**Summary progress against 2020-21 audits as at 17 May 2021**

**Audits 'completed' to at least draft issued stage and/or on-going advisory work/Prior year jobs**

<b><u>Ref<sup>1</sup></u></b>	<b><u>Type<sup>2</sup></u></b>	<b><u>Audit title</u></b>	<b><u>Assurance objective</u></b>	<b><u>Position @ 17 May 2021</u></b>
21-A	N/A	Continuation of work commenced in 2019-20	To complete any outstanding audits	<ul style="list-style-type: none"> <li>• Complete</li> </ul>
21-B	GO	Annual Governance Statement 2019-20	Review of the management self-assessments of assurance in the 2019-20 AGS	<ul style="list-style-type: none"> <li>• Final report issued – Substantial Assurance</li> </ul>
21-C	GO	Transition to Financial Reporting Standard 102	Preparedness for the movement from CIPFA to FRS 102 to include governance related reports supporting the financial statements	<ul style="list-style-type: none"> <li>• Final report issued - Substantial Assurance</li> </ul>
21-E	GO	Frameworks	Developing any new offerings	<ul style="list-style-type: none"> <li>• As reported previously, two pieces of advisory work completed in respect of the analysis and reworking of ESPO's Procurement Workplan for the remainder of 2020/21 in order to adjust Business as Usual activity as a result of the effect of COVID-19.</li> </ul>
21-G	RM	Warehouse	<p>Original Objective: Review of the capital investment decision process</p> <p>Revised Objective: To provide advisory through the project lifecycle (see 2021/22 plan)</p>	<ul style="list-style-type: none"> <li>• Advisory Complete for 2020/21</li> </ul>
21-H	RM	Credit Control	Review of credit control arrangements especially with export and private sector and due diligence routines	<ul style="list-style-type: none"> <li>• Final Report issued – Partial Assurance</li> </ul> <p>Control improvements identified as being required in the following areas:</p>

				<ul style="list-style-type: none"> <li>• Defined procedures</li> <li>• Credit Control Policy</li> <li>• Debt Management Policy</li> <li>• Suitably Qualified and Trained Staff adhering to policies/procedures</li> <li>• Timely Management Information</li> <li>• System Access</li> <li>• Effective link between the management of credit and the supply of goods and/or services</li> <li>• Financial regulations embedded into business processes</li> <li>• Segregation of Duties</li> </ul> <p>Remedial action to be tested prior to Management Committee in September 21 – see Job Ref 22–I in the 21/22 Internal Audit Plan.</p>
21-I	RM	Counter Fraud - NFI	Results are correctly interpretation and investigated	<ul style="list-style-type: none"> <li>• Matched reports were received in February 2021 and promptly issued to relevant ESPO Officers to review</li> <li>• Completion of investigatory work has been requested by end of May 2021</li> <li>• Further work will be undertaken therefore in 2021/22 (See Job 22-J)</li> </ul>
21-J	RM	Counter Fraud - Procurement	Specific area(s) of potential fraud are addressed	<ul style="list-style-type: none"> <li>• Draft report issued</li> </ul>
21-K	RM	Website Development	Key risks and issues are effectively identified and managed - project governance and assurance on user testing and training	<ul style="list-style-type: none"> <li>• Terms of engagement previously agreed</li> <li>• Ongoing control advice as critical friend on project board</li> <li>• Additionally, ad-hoc practitioner advice given by the ICT auditor</li> </ul>

				<ul style="list-style-type: none"> <li>Work will continue into 21/22 – See Job 22-K</li> </ul>
21-L	RM	IT Developments	Replacing e-mail servers into the cloud; future delivery methods	<ul style="list-style-type: none"> <li>All development work was incorporated into Key ICT Controls coverage for 20/21 – see Job 21-O.</li> </ul>
21-M	RM	Emerging Risks	ESPO identification and preparedness for any emerging risks e.g. climate change requirements	<ul style="list-style-type: none"> <li>Climate Change Internal Control Questionnaire issued to Leadership Team</li> <li>Further work to be undertaken in 21/22</li> </ul>
21-N	IC	General Financial Systems	To discuss with the External Auditor and Assistant Director (Finance), but typical coverage includes reconciliations; receivables; payables; payroll and stock	<ul style="list-style-type: none"> <li>Draft Report Issued</li> </ul>
21-O	IC	IT General Controls	The range of controls expected by the External Auditor are well designed and consistently applied.	<ul style="list-style-type: none"> <li>Draft Report Issued</li> </ul>
21-Q	IC	Servicing Authority	Key Performance Indicators for services provided by the Servicing Authority are adhered to	<ul style="list-style-type: none"> <li>Draft Report Issued</li> </ul>

**Substitute/Additional Jobs – All completed:**

<b><u>Ref</u></b>	<b><u>Type</u></b>	<b><u>Audit title</u></b>	<b><u>Assurance objective</u></b>	<b><u>Position @ 17 May 2021</u></b>
21-S1	IC	Contingency – Cyber Issue	To investigate a fraudulent invoice associated with an ESPO client	<ul style="list-style-type: none"> <li>Advisory - work complete (all procedures at ESPO operated correctly – the issue was at the customer end)</li> </ul>
21-S2	IC	Contingency – HR Compatibility claim	To ascertain validity of the claim and any associated lessons learned.	<ul style="list-style-type: none"> <li>Advisory Complete</li> </ul>
21-S3	IC	Contingency – IT Assurances during COVID	Adequate IT Controls are in place during the Covid-19 Pandemic.	<ul style="list-style-type: none"> <li>Substantial Assurance</li> </ul>

21-S4	IC	Contingency – Receivables and Payables Assurances during COVID	Key Receivables and Payables Assurances were maintained during the initial move to offsite working	<ul style="list-style-type: none"> <li>Advisory – work complete and no issues raised</li> </ul>
21-S5	RM	Counter Fraud Risk Assessment	'Identification of Potential Fraud Risks in accordance with the CIPFA Code of Practice on Counter Fraud (2014)	<ul style="list-style-type: none"> <li>Advisory – work complete and no issues raised</li> </ul>

### **Audits in progress**

<b><u>Ref</u></b>	<b><u>Type</u></b>	<b><u>Audit title</u></b>	<b><u>Assurance objective</u></b>	<b><u>Position @ 17 May 2021</u></b>
21-D	GO	Transition from EU	Preparedness for potential supply chain issues and workforce issues	<ul style="list-style-type: none"> <li>Self-Assessment questionnaire returned by ESPO Leadership Team – results currently being analysed</li> </ul> <p>(Note: Work purposely delayed until deal/no deal situation was known and could be factored in)</p>
21-R	IC	Overseas Travel	Post event reviews	<ul style="list-style-type: none"> <li>Report currently being compiled</li> </ul>

### **Audits not started**

None

### **Deferred Jobs**

21-F	GO	Business Growth – Strategic Alliance(s)	Business case development, review and approval	<ul style="list-style-type: none"> <li>Deferred into 21/22 (COVID has delayed some of the progress work at the ESPO end)</li> </ul>
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21-P	IC	Rebates Income	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on site visits	<ul style="list-style-type: none"> <li>Supplier visits have not been possible – deferred into 21/22</li> </ul>
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<sup>1</sup>unique reference numbers based on the financial year in question (i.e. '21-A' relates to the first entry on the approved 2020/21 audit plan)

<sup>2</sup>the three elements of the control environment (governance, risk management and internal control)

<sup>3</sup>traditionally audits where the external auditor has placed reliance on the work of internal audit

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