

Summary progress against 2021-22 audits as at 25 January 2022

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

<u>Ref¹</u>	<u>Type²</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 25 January 2022</u>
22-A	N/A	Continuation of work commenced in 2020-21	To complete any outstanding audits that overlap the financial year	Complete
22-B	GO	Annual Governance Requirements 2020-21	Review of the management self-assessments of assurance in the 2020-21 AGS or any subsequent FRS equivalent	Advisory work complete
22-C	GO	Counter Fraud - Cyber Security	Adequate Cyber Security arrangements are in place in accordance with nationally issued good practice guidance and associated self-assessment <i>(note this also addresses a key potential risk highlighted in the ESPO Fraud risk assessment work undertaken in 20/21).</i>	Draft Report Issued to Client. Note: Whilst still in draft, due to the volume, nature and technicality of the potential recommendations a follow up piece of work has also been put in the 22/23 plan. This audit took significantly longer than originally budgeted.
22-H	RM	Warehouse	Robust Governance and Management of Risk in the conversion of the Business Case to a Project Initiation Document and associated timetable for delivery.	Minimal on-going advice given due to a change from the original intentions. An audit is in 22/23 draft plan to focus on Governance of the Programme for Additional Warehouse Capacity at the Grove Park Facility.
22-J	RM	Counter Fraud - NFI specific	Results are correctly interpreted and investigated	Consultancy complete – No instances of fraudulent activity were noted from the work undertaken and investigations made however a duplicate payment of £7.3k was identified and had been returned by the supplier

				concerned and a potential £14.1k duplicate payment is currently being pursued with the supplier concerned.
22-K	RM	Website Development	Post go live benefits realisation is achieved/'to be' working practices afford adequate internal control and management of risk	Ongoing control advice as critical friend on project board completed in quarter 1. Benefits realisation work is also being undertaken currently
22-M(1)	RM	Emerging risks	ESPO identification and preparedness for any emerging risks e.g. climate change requirements, continued adjustments as a result of existing the EU/COVID-19 requirements inc service recovery, Supply Chain implications & Compliance with revised procurement regulations, significant loss of business, MTFS targets not being met, Failure to retain staff, M Star framework issues	A walk through of revised expense procedures has been completed in order to enable consultancy advice to be issued in respect of control processes and procedures. (See also job 22-M2 below).
22-M(2)	RM	Emerging risks	ESPO identification and preparedness for any emerging risks e.g. climate change requirements, continued adjustments as a result of existing the EU/COVID-19 requirements inc service recovery, Supply Chain implications & Compliance with revised procurement regulations, significant loss of business, MTFS targets not being met, Failure to retain staff, M Star framework issues	The substantive testing of expenses processed through the system is at draft report stage.
22-R (1-4)	IC	Contingency	Unforeseen events brought to the attention of the Head of Internal Audit Service by either ESPO Leadership Team or the Consortium Officers - may include business growth, new legislative	Significant amount of ad hoc work in relation to: <ul style="list-style-type: none"> • 22-R(1) - Overtime Claim (An audit is planned in the draft 2022/23 Pan

				<p>to review variations to pay).</p> <ul style="list-style-type: none"> • 22-R(2) - Mandate Fraud #1 • 22-R(3) - Email Account Hack • 22-R(4) - Mandate Fraud #2 <p>For the three audits above, a cyber security audit was undertaken in 2021/22 to assess these risks</p>
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Audits in progress

<u>Ref</u>	<u>Type</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 25 January 2022</u>
22-E	GO	Frameworks	Developing any new/developed mirrored offerings/Time taken	Work commenced and will straddle two financial years
22-G	RM	Risk Management	Risk management policies and procedures are fit for purpose and being consistently applied allowing for an evaluation of ESPO's current level of risk management maturity.	Testing currently being undertaken
22-I	RM	Credit Control	Follow up recommendations from the 2020/21 report	Testing nearing completion Remaining testing being undertaken in conjunction with the General Financial Systems Audit to maximise efficiencies.
22-L	RM	IT Developments	Work to be conducted in accordance with ESPO IT Key Deliverables 21/22 (not yet published but known to include some deliverables carried over from 20/21 e.g. Replacing e-mail servers into the cloud; future delivery methods etc)	Testing currently being undertaken Work being undertaken at the same time as IT General Controls in order to maximise synergies and avoid duplication

22-N	IC	General Financial Systems (*)	To discuss with the External Auditor and the ESPO Financial Controller/Consortium Treasurer, but typical coverage includes reconciliations; receivables; payables; payroll and stock	Testing currently being undertaken Note: work was only due to commence in the final quarter i.e. Jan 22
22-O	IC	IT general controls (*)	The range of controls expected by the External Auditor are well designed and consistently applied.	Testing currently being undertaken Note: work was only due to commence in the final quarter i.e. Jan 22
22-Q	IC	Servicing Authority	Key Performance Indicators for services provided by the Servicing Authority are adhered to	Testing currently being undertaken

Audits not started

None

Deferred/Cancelled Jobs

<u>Ref</u>	<u>Type</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 25 January 2022</u>
22-D	GO	Export/ESPO International	Benefit of current developments materialise/proposed future developments are supported through robust business case sign off	To be risk assessed in 2022/23 for continued relevance taking into account the role of the board in sign off
22-F	GO	Key Projects - Strategic alliance(s)	Benefit of current developments materialise/proposed future developments are supported through robust business case sign off	To be risk assessed in 2022/23 for continued relevance taking into account the role of the board in sign off

			off	
22-P	IC	Rebates income	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on site visits	This will now be differed into the 22/23 plan to allow COVID regulations/associated employer and supplier procedures to be understood and followed.

None

¹unique reference numbers based on the financial year in question (i.e. '22-A' relates to the first entry on the approved 2021/22 audit plan)

²the three elements of the control environment (governance, risk management and internal control)

³traditionally audits where the external auditor has placed reliance on the work of internal audit

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