

| <b>ESPO Internal Audit Plan 2022-23</b> |                                |   |  |                                  |                        |
|---|--------------------------------|---|--|----------------------------------|------------------------|
| <b>Reference</b>                        | <b>Control env't component</b> | <b>Entity</b>   | <b>The indicative audit objective is to ensure that...</b>   | <b>Risk Reg</b>                  | <b>Indicative Days</b> |
| ESPO 22/23 - A                          | Various                        | Continuation of work commenced in 2021-22                 | To complete any outstanding audits that overlap the financial year   | N/A                              | 7                      |
| ESPO 22/23 - B                          | Governance                     | Annual Governance Requirements 2021-22                    | Revised governance reporting arrangements are suitable   | 8                                | 5                      |
| ESPO 22/23 - C                          | Governance                     | Counter Fraud - Cyber Security - follow up report         | 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> ). Work will focus on ensuring the recommendations in the 21/22 report have been addressed  | 8, 20, 79                        | 10                     |
| ESPO 22/23 - D                          | Governance                     | Frameworks  | Developing any new/developed mirrored offerings/Time taken   | 8, 25, 60                        | 7.5                    |
| ESPO 22/23 - E                          | Governance                     | Procurement   | Policies and procedures in place have due regard for legislative requirements and timeliness and appropriateness of decision making  | 8, 32, 35, 37, 80                | 10                     |
| ESPO 22/23 - F                          | Risk Management                | Warehouse   | Robust Governance and Management of Risk in the delivery in respect of the additional warehouse capacity at Grove Park   | 51                               | 7.5                    |
| ESPO 22/23 - G                          | Risk management                | Counter Fraud - NFI specific                              | Ensure relevant data is extracted at 30 September 2022, uploaded in October 2022 and assessment of output reports commenced in Feb 2023 with the overall objective of results being correctly interpreted and investigated and have due regard for a segregation of duties.  | 20                               | 3                      |
| ESPO 22/23 - H                          | Risk Management                | IT Developments   | Work to be conducted in accordance with ESPO IT Key Deliverables 22/23   | 1, 5, 30, 47, 48, 71, 74, 79     | 7.5                    |
| ESPO 22/23 - I                          | Risk Management                | Key Business Supplier Controls                            | Assessment of Risk Mitigation Procedures in place e.g. credit limits, credit rating assessments, parent guarantees, monitoring and market intelligence   | 21, 37, 58                       | 7.5                    |
| ESPO 22/23 - J                          | Risk Management                | Emerging risks  | ESPO identification and preparedness for any emerging risks e.g. Legislative changes, continued adjustments as a result of existing the EU/COVID-19 requirements, material changes to the 5-Year business strategy   | Various                          | 5                      |
| ESPO 22/23 - K                          | Risk Management                | Business Continuity/Disaster Recovery                     | Risk of business inoperability is minimised and access and IT infrastructure is restored in a timely manner should a disaster occur  | 1, 5, 30, 34, 38                 | 10                     |
| ESPO 22/23 - L                          | Internal control               | 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   | 1, 6                             | 7.5                    |
| ESPO 22/23 - M                          | Internal control               | IT general controls (*)                                   | The range of controls expected by the External Auditor are well designed and consistently applied.   | 1, 5, 30, 47, 48, 34, 71, 74, 79 | 7.5                    |
| ESPO 22/23 - N                          | Internal control               | Rebates income  | Annual audit to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on site visits   | 45, 46                           | 10                     |
| ESPO 22/23 - O                          | Internal control               | Counter Fraud: Bank Mandate Fraud                         | Policies and procedures surrounding the amendment of bank accounts are robust  | 20, 79, 82                       | 5                      |
| ESPO 22/23 - P                          | Internal control               | Counter Fraud: Approval process for variations to pay     | Variations to pay are appropriately authorised in accordance with procedures   | 20, 79, 82                       | 5                      |
| ESPO 22/23 - Q                          | Internal control               | Counter Fraud: Data Analytics - Accounts Payables Vendors | Use of Data Analytics to provide assurance in respect of the accounts payables vendor database   | 79, 82                           | 5                      |
| ESPO 22/23 - R                          | Internal control               | Servicing Authority                                       | Key Performance Indicators for services provided by the Servicing Authority are adhered to   | 8                                | 5                      |
| ESPO 22/23 - S                          | Various                        | Contingency   | Unforeseen events brought to the attention of the Head of Internal Audit Service by either ESPO Leadership Team or the Consortium Officers - examples may include loss of customers/business, MTFS targets not being met, Failure to retain staff, staff sickness, energy related risks, major health & safety/legislative issue, warehouse issues, supply chain issues, adverse reputational issue, climate change, risks associated with ways of working | N/A                              | 5                      |
|   |                                | Client management   | Planning & research; progress meetings; servicing Committees; HoIAS requirements; confirming implementation of HI recommendations; External Audit liaison; advice  | N/A                              | 20                     |
|   |                                |   | <b>Total days = 150</b>  |                                  | <b>150</b>             |
|   |                                |   | <b>(*) Annual audits undertaken that may assist the External Auditor</b>   |                                  |                        |

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