



Date: 26 January 2021  
My Ref: CT/ESPO  
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To: Members of the ESPO Finance and Audit Subcommittee

Dear Member,

### **ESPO FINANCE AND AUDIT SUBCOMMITTEE**

A meeting of the Finance and Audit Subcommittee will be held at on Wednesday, 3 February 2021 at 10.30 am via Microsoft Teams.

Yours faithfully,

Cat Tuohy  
for Consortium Secretary

### **AGENDA**

<u>Item</u>		<u>Pages</u>
1.	Appointment of Chairman.	
2.	Minutes of the meeting held on 20 May 2020.	(Pages 3 - 6)
3.	Declarations of interest in respect of items on the agenda.	
4.	To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
5.	Internal Audit Service - Progress Against the 2020-21 Internal Audit Plan.	(Pages 7 - 14)
6.	Annual Internal Audit Plan 2021-2022.	(Pages 15 - 20)



7. Date of next meeting.

The next meeting is scheduled to take place on 26 May 2021 at 10.30am as a Microsoft Teams meeting.

8. Exclusion of the Press and Public.

The public are likely to be excluded during consideration of the remaining items in accordance with Section 100(A)(4) of the Local Government Act 1972 (Exempt Information).

9. Forecast Outturn 2020/21 and Draft MTFS 2021/22-2024/25.

(Pages 21 - 22)

10. Any other items which the Chairman has decided to take as urgent.



Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield, Leicestershire on Wednesday, 20 May 2020.

PRESENT

Cllr. M. Howell – Cambridgeshire County Council (in the Chair)

Cllr. P. S. Birdi  
 Dr. K. Feltham CC  
 Cllr. S. Rawlins  
 Cllr. D. Seaton

Warwickshire County Council  
 Leicestershire County Council  
 Lincolnshire County Council  
 Peterborough City Council

Apologies

Apologies were received from Cllr S. Clancy on behalf of Norfolk County Council.

In Attendance:

ESPO

Mr. K. Smith – Director  
 Mr. C. Pitt – Assistant Director  
 Mr. D. Godsell – Assistant Director  
 Mr. M. Campbell – Assistant Director  
 Mr. M. Selwyn-Smith – Assistant Director

Leicestershire County Council

Mr. D. Keegan – Assistant Director, Strategic Finance and Property on behalf of the Consortium Treasurer  
 Mr. M. Seedat – Head of Democratic Services  
 Mr. N. Jones – Head of Internal Audit Service  
 Mr. M. Davis – Audit Manager  
 Ms. C. Tuohy – Democratic Services Officer

82. Minutes.

The minutes of the meeting held on 12 February 2020 were taken as read, confirmed and signed.

83. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

84. Urgent Items..

There were no urgent items for consideration.

85. Internal Audit Service Annual Report 2019-20.

The Subcommittee received a report of the Consortium Treasurer outlining the Internal Audit Service Annual Report 2019-20. A copy of the report, marked 'Agenda Item 4', is filed with these minutes.

Arising from the discussion the following points were noted:-

- i) The Head of Internal Audit Service (HoIAS) for Leicestershire County Council informed members that despite Covid-19 only two of the planned audits had not been completed. Members were pleased to note the completed audits gave positive opinions on all three components of the 'control environment' i.e. the framework of governance, risk management and control.
- ii) The Annual Governance Statement would be reviewed by a 'governance group' comprising the Director of ESPO, Assistant Director (Finance), the Consortium Secretary, Consortium Treasurer and Leicestershire County Council's Democratic Services Officers and HoIAS before it is presented to the Management Committee in September. The Statement would also take into account potential impacts of Covid-19.
- iii) Members were pleased to note that all nine 'assurance' audits undertaken returned with 'substantial assurance', the top rating possible. In view of this members queried why, despite the high ratings, ESPO's was rated overall as only having 'reasonable assurance'. The HoIAS advised that whilst it was possible to provide 'substantial assurance' for individual audits as there were clear measures to review against, it was much harder to do so for ESPO as a whole unless another 30 to 40 audits were undertaken, which would require significant additional resources. The HoIAS agreed to expand on the rationale for the overall opinion in the report to the Management Committee.
- iv) There were no high importance recommendations to report to Members.

RESOLVED:

- a) That the Internal Audit Service Annual report be noted;
- b) That the HoIAS be asked report to the Management Committee on the rationale for the decision to give an overall rating of 'reasonable assurance'.

86. Close Down of 2019-20 and Progress Against the 2020-21 Internal Audit Plans.

The Subcommittee received a report of the Consortium Treasurer outlining the close down of the 2019-20 and progress against the 2020-21 Internal Audit Plans. A copy of the report, marked 'Agenda Item 5' is filed with these minutes.

Arising from the discussion the following points were noted:-

- i) No outstanding high importance audits from the 2019-20 audits or previous years had been identified.
- ii) During 2019-20 ESPO voluntarily submitted payroll and creditor data into the 'National Fraud Initiative'. No instances of fraudulent activity were noted. Members were assured that no financial controls had been relaxed as a result of Covid-19 and that financial standards continued to be maintained.
- iii) Members were pleased to note that despite Covid-19 the Internal Audit Team had completed a significant portion of the 2019/20 work through remote working and thanked them for their work.

RESOLVED:

That the progress against the Internal Audit Plan be noted.

87. Date of next meeting.

It was noted that the next meeting of the Subcommittee would take place in early 2021.

88. Exclusion of the Press and Public.

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the remaining item of business on the grounds that it will involve the likely disclosure of exempt information during the consideration of the following items of business as defined in paragraphs 3 and 10 of Schedule 12A of the Act, and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

89. Draft Outturn 2019/20.

The Subcommittee considered an exempt report of the Director and Consortium Treasurer outlining the draft Outturn for 2019-20. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

The exempt report was not for publication as it contained information relating to the financial or business affairs of a particular person (including the authority holding that information).

The Director updated the Subcommittee regarding the impact of Covid-19 on ESPO and its draft outturn. ESPO were anticipating and experience changing demand across its customer base and were looking at how they could continue to supply them appropriately. ESPO were working closely with Leicestershire County Council in regard to staffing and health and safety of its workers.

Arising from the discussion the following points were noted:-

- i) ESPO had been featured on BBC East Midlands in regards to the key work it undertook to support local PPE distribution.

- ii) The proposal that £400,000 would be allocated to building reserves was a yearly occurrence and was intended for future building replacements at end of life.
- iii) Members considered the timing of the dividend payment for 2019/20 to the Member Authorities. Following a detailed discussion, the Subcommittee agreed that it be discussed in further detail at the ESPO Management Committee on 24<sup>th</sup> June 2020.

RESOLVED:

That the 2019/20 forecast outturn be noted and that the Management Committee be recommended to:-

- a) Agree the £400k allocation to Building Reserves in line with previous years.
- b) Note the capital programme update.
- c) Consider timing the payment of the dividend for 2019/20 in terms of cash later in the year.

10.30-11.57  
20 May 2020

CHAIRMAN



## **ESPO FINANCE AND AUDIT SUBCOMMITTEE – 3 FEBRUARY 2021**

### **INTERNAL AUDIT SERVICE - PROGRESS AGAINST THE 2020-21**

#### **INTERNAL AUDIT PLAN**

#### **REPORT OF THE CONSORTIUM TREASURER**

##### **Purpose of the Report**

1. To provide a summary of Leicestershire County Council Internal Audit Service's (LCCIAS) work to the Subcommittee and highlight any audits where high importance (HI) recommendations have been made and the position against implementing actions required.

##### **Background**

2. The Consortium Treasurer (the Treasurer) is responsible for the proper administration of ESPO's financial affairs. In accordance with ESPO's Financial Regulations Rule 15, specific responsibility for arranging a continuous internal audit is delegated to the Treasurer. Under its terms of reference, the Finance and Audit Subcommittee (the Subcommittee) should receive and review audit and governance reports. The Subcommittee also monitors the adequacy and effectiveness of the internal audit service provided to ESPO. To achieve this, the Subcommittee is provided with periodic progress reports.
3. The audits undertaken are based on the Annual Internal Audit Plan (the Plan). Variations to the Plan can occur but need to be considered with and agreed by the Treasurer and the Director of ESPO.
4. The 2020-21 Plan was discussed at Finance and Audit Sub Committee on 12 February 2020 and subsequently approved by Management Committee on 4 March 2020. The scope of the audits and progress against them is shown in the Appendix.

##### **Summary of Progress**

##### **Audit Opinion:**

5. Where audits undertaken are an 'assurance' type i.e. the auditor is able to objectively examine evidence for the purpose of providing an independent

assessment, then an 'opinion' can be given i.e. the level of assurance that material risks are being managed. The sum of individual engagement opinions assists the Head of Internal Audit Service (HoIAS) to form an annual opinion on the overall adequacy of ESPO's control environment, comprised of its governance, risk management and internal control framework. There are four levels of assurance: full; substantial; partial; and little. A report that has a high importance (HI) recommendation would not normally get an opinion above partial assurance. Exceptions would be where the controls are sound but there is a high importance efficiency recommendation.

6. Consulting/advisory audits do not result in an opinion but are taken into account in the HoIAS annual opinion.

### High Importance Recommendations

7. There have not been any high importance recommendations from our 2020-21 coverage to date.

### Virements:

8. Two audits will not be undertaken in 2020-21 and those relate to Business Growth and rebates. Both of these audits have been included in the 2021-22 Internal Audit Plan though.
9. An additional five audits have been added into the plan and subsequently completed and these are detailed in the end of the appendices (Ref 21-S 1-5).

### 2020-21 Progress to date

10. A summary of progress is as follows: -

<u>Type</u>	<u>Number</u>	<u>Opinion</u>	<u>Reference</u>
Current year completed work/on-going consultancy work	13	1 x Prior Year 2 x Substantial Assurance 3 x Draft Reports i.e. Opinion TBC 8 x Advisory	21-A 21-C & 21S-5 21-B, 21-H & 21J 21-E, 21-G, 21-I, 21-K, 21S-1, 21S-2, 21S-4 & 21S-5.
Work in progress	7	N/A	21-D, 21-L, 21-M, 21-N, 21-O, 21-Q & 21-R
Deferred Jobs	2	N/A	21-F & 21-P



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11. Of the eight jobs that are currently work in progress, five are required to be undertaken in the final quarter for various reasons and one is delayed until physical evidence can be obtained from ESPO.
12. The Appendix summarises progress against the 2020-21 plan. Audit reference numbers (in the sequence of the agreed internal audit plan) and type (governance, risk management and internal control) have been added to track each audit's progress.

### **Recommendation**

13. That the contents of the report be noted.

### **Equal Opportunities Implications**

14. There are no discernible equal opportunities implications resulting from the audits listed.

### **Background Paper**

Report to ESPO Management Committee 4 March 2020 – Annual Internal Audit Plan 2020-21

### **Officer to Contact**

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### **Appendix**

Summary progress against 2020-21 audits as at 25 January 2021

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**Summary progress against 2020-21 audits as at 25 January 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 @ 25 January 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>• Draft report issued</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 audit opinion</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>• Draft report issued</li> </ul>

21-I	RM	Counter Fraud - NFI	Results are correctly interpretation and investigated	<ul style="list-style-type: none"> <li>ESPO has successfully uploaded all relevant data sets to the NFI web portal. Creditors data was uploaded directly, whilst Pensions and Payroll data was uploaded by the servicing authority (Leicestershire County Council).</li> <li>Subject to the uploaded data passing NFI data quality checks, no further activity is anticipated until matched reports are received back in February 2021. Final terms of engagement agreed</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>

**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 @ 25 January 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	Adequate IT Controls are in place during the Covid-19 Pandemic.	<ul style="list-style-type: none"> <li>Substantial Assurance</li> </ul>

		Assurances during COVID		
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

<u>Ref</u>	<u>Type</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 25 January 2021</u>
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 currently being compiled</li> </ul> <p>(Note: Work purposely delayed until deal/no deal situation was known and could be factored in)</p>
21-L	RM	IT Developments	Replacing e-mail servers into the cloud; future delivery methods	<ul style="list-style-type: none"> <li>Work is being incorporated into Key ICT Controls coverage and more in-depth coverage is anticipated post COVID-19 restrictions when originally intended ESPO IT Key Deliverables can be resumed.</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 currently being complied</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>Final terms of engagement issued</li> <li>Testing due to start in December 2020 but deferred to February 2021 at request of ESPO</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>• Testing well under way</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>• Testing commenced – likely to straddle two financial years in order to review all work provided to 31 March 21</li> </ul>
21-R	IC	Overseas Travel	Post event reviews	<ul style="list-style-type: none"> <li>• Report currently being compiled (delayed as awaiting some additional information that has been hard to access due to COVID)</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>
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>

<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



**ESPO FINANCE & AUDIT SUBCOMMITTEE – 3 FEBRUARY 2021**

**REPORT OF THE CONSORTIUM TREASURER**

**ANNUAL INTERNAL AUDIT PLAN 2021-22**

**Purpose of Report**

1. The purpose of this report is to provide information on the work undertaken to create the annual internal audit plan 2021-22.

**Background**

2. The Consortium Treasurer (the Treasurer) is responsible for the proper administration of ESPO's financial affairs and has a specific responsibility for arranging a continuous internal audit of those affairs.
3. The Treasurer arranges for Leicestershire County Council's Internal Audit Service (LCCIAS) to provide internal audit for ESPO. LCCIAS must conform to the Public Sector Internal Audit Standards (the PSIAS) which were last revised in April 2017.
4. The PSIAS require the Head of Internal Audit Service (HoIAS) to form an annual opinion on the overall adequacy and effectiveness of ESPO's control environment (its framework of governance, risk management and control). In order to form an opinion, the scope of internal audit work needs to be wide. The PSIAS require the HoIAS to prepare a risk based internal audit plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
5. The HoIAS' opinion helps to inform either the traditional Annual Governance Statement (a requirement under the Accounts and Audit Regulations 2015, which apply to the Member Authorities comprising ESPO), or any alternative report following ESPO's adoption of International Financial Reporting Standards (IFRS).
6. The Finance & Audit Subcommittee (the Subcommittee) is responsible for receiving and reviewing audit and governance reports and it acts as 'the Board' for PSIAS purposes. However, the Management Committee, having overall strategic responsibility for the management oversight and direction of, and being the sole decision maker for ESPO, should approve the annual internal audit plan and regular progress reports against it. The plan will need to be approved by Management Committee at its meeting on 17 March 2021.

### **Planning methodology**

7. The Director of ESPO and the Leadership Team identify and manage risk and where it is required, design, implement and operate robust internal control systems. Targeted internal audits have identified continuing improvements to governance and risk management at ESPO, so to ensure that current and emerging risks are adequately covered the audit plan is aligned with the Corporate Risk Register, the Business Strategy and the Annual Governance Statement.
8. To further develop the scope of audit coverage, the HoIAS researches and evaluates where other/additional risk might occur to ESPO using methods including: -
  - a. Consulting on emerging risks, planned changes and potential issues with the Director and the Leadership Team and the Consortium Treasurer and Secretary. The External Auditor will be consulted.
  - b. Evaluation of governance arrangements e.g. plans, committee reports, accounts, risk register and governance statements
  - c. Identification and evaluation of the robustness of other forms of assurance received
  - d. Comparisons against similar purchasing consortia audit plans.
  - e. 'Horizon scanning' new and emerging risks from professional and industry sources
  - f. The risks to critical 'business as usual' systems when focus shifts elsewhere
9. Part of the plan requires annual audits on key elements of the financial and IT systems. These audits are undertaken in consultation with ESPO's External Auditors to assist in their planning of their annual audit to form an opinion that ESPO's financial accounts are not materially misstated. In the past, the External Auditor has determined that the quality and scope of LCCIAS work is sufficient to contribute positively to ESPO's overall control environment.
10. Any other significant projects for example ICT or Business Growth developments would be targeted for audit. GDPR compliance continues to be covered as part of Leicestershire County Council's audit but any findings of relevance will be reported to ESPO members. A contingency is retained for consulting (advisory), unforeseen risks, special projects and investigations. An allocation is reserved for the HoIAS' role in governance requirements (attendance at committees, form opinions and reports etc) and progressing any high importance recommendations.

### **The internal audit plan 2021-22**

11. The attached plan for 2021-22 (Appendix) contains a wide scope of audits that should allow the HoIAS to form an opinion on the overall adequacy



and effectiveness of ESPO's control environment. The overall scope of the plan is comparable to a competitor of ESPO.

12. A small amount of resource will be required to finalise 2020-21 audits.
13. The first column indicates which component of the control environment the audit primarily matches (there is quite often overlap).
14. The 2021-22 plan aims to give the optimum audit coverage within the resources available. Though it is compiled and presented as a plan of work, it must be stressed that it is only a statement of intent, and there is a need for flexibility to review and adjust it as necessary in response to changes in ESPO's business, risks, operations, programs, systems, and controls, as occurred in 2020-21 as a result of COVID-19. The HoIAS will discuss and agree any material changes with the Director of ESPO and Consortium Treasurer and these would be reported to the relevant Committee dependent on timing.
15. Detailed Terms of Engagement covering each audit's scope, timing and any areas for exclusion are agreed with the relevant risk owners (Assistant Director) in advance of each audit.

### **Progressing the Audit Plan**

16. Responsibility for the evaluation and management of risk and the design and consistent operation of internal controls rests with ESPO management. LCCIAS' role and responsibility is to carry out independent and objective audits and give an opinion on the extent to which risk is being managed and (where appropriate) make recommendations to improve controls.
17. On completion of each audit, findings will be discussed with the appropriate risk owner before issuing a report to the Director and the Treasurer. The opinions reached, along with summary findings are reported each quarter to the Director and the Treasurer and will be reported more formally to the Finance and Audit Subcommittee at its scheduled meetings, with any urgent matters in the interim periods being brought to the attention of the Management Committee.
18. If any audit produces a 'high importance' recommendation, then the full report would be shared with the Subcommittee and/or Management Committee dependent on timing, and specific re-testing is undertaken later in the year to prove that control has actually improved and is embedded.

### **Resource Implications**

19. The budget for the provision of the internal audit service is contained within ESPO's Medium Term Financial Strategy under charges by the Servicing Authority. The 2021-22 plan has been agreed on an indicative 150 days. This level of coverage should enable the HoIAS to provide overall

reasonable assurance to the Consortium Treasurer the risks that ESPO is facing are being managed.

### **Conclusion**

20. The detail of the 2021-22 internal audit plan is attached in the Appendix to this report. The plan has been presented to the Consortium Treasurer, Consortium Secretary and the Director of ESPO for comments and approval.

### **Recommendation**

21. The Subcommittee is requested to:
- a) Support the methodology used as a basis for developing the internal audit plan;
  - b) Note the ESPO Internal Audit Plan for 2021-22 and advise the Management Committee accordingly.

### **Equal Opportunities Implications**

At this stage there are no known direct implications resulting from the internal audit plan strategy, although 'human resource' elements will be audited.

### **Background Papers**

None.

### **Officer to Contact**

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### **Appendices**

Appendix - ESPO Internal Audit Plan 2021-22

<b>ESPO Internal Audit Plan 2021-22</b>		
<b>Control env't component</b>	<b>Entity</b>	<b>The indicative audit objective is to ensure that...</b>
Various	Continuation of work commenced in 2020-21	To complete any outstanding audits that overlap the financial year
Governance	Annual Governance Requirements 2020-21	Review of the management self assessments of assurance in the 2020-21 AGS or any subsequent FRS equivalent
Governance	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>
Governance	Export/ESPO International	Benefit of current developments materialise/proposed future developments are supported through robust business case sign off
Governance	Frameworks	Developing any new/developed mirrored offerings/Time taken
Governance	Key Projects - Strategic alliance(s)	Benefit of current developments materialise/proposed future developments are supported through robust business case sign off
Risk Management	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.
Risk Management	Warehouse	Robust Governance and Management of Risk in the conversion of the Business Case to a Project Initiation Document and associated timetable for delivery.
Risk Management	Credit control	Follow up recommendations from the 2020/21 report
Risk management	Counter Fraud - NFI specific	Results (due end of January 2021) are correctly interpreted and investigated
Risk Management	Website Development	Post go live benefits realisation is achieved/'to be' working practices afford adequate internal control and management of risk
Risk Management	IT Developments	Work to be conducted in accordance with ESPO IT Key Deliverables 21/22 <i>(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)</i>
Risk Management	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
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
Internal control	IT general controls (*)	The range of controls expected by the External Auditor are well designed and consistently applied.
Internal control	Rebates income	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on site visits
Internal control	Servicing Authority	Key Performance Indicators for services provided by the Servicing Authority are adhered to
	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
	Client management	Planning & research; progress meetings; servicing Committees; HoIAS requirements; confirming implementation of HI recommendations; External Audit liaison; advice
		<b>Total days = 150</b>
		<b>(*) Annual audits undertaken to assist the External Auditors to form an opinion that ESPO's financial accounts are not materially mis-stated</b>

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By virtue of paragraph(s) 3, 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

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