

**Audits in progress at 10<sup>th</sup> February 2015 and planned for the remainder of 2014-15**

Note: ToE (Terms of Engagement)

<b><u>Audit title</u></b>	<b><u>Scope</u></b>	<b><u>Stage @ 10/2/15</u></b>	<b><u>Finalise by</u></b>
Distribution of Surplus	There's a robust approved methodology which ensures an accurate calculation and distribution of surplus.	Draft report issued – substantial assurance	End of February
Supply Chain	ESPO identifies, evaluates and monitors its supply chains to ensure integrity and sustainability	Testing almost complete. one team left to audit	Issue draft by end of February
Fleet Management	The outcomes from the logistics review are embedded so that fleet is managed effectively and efficiently	Draft pending. Meeting client to discuss findings w/e 13/2	End of February
Risk management	The revised policy and framework is operating as intended. Lines of defence are understood and complied with.	Testing concluded. Report being drafted	End of February
General ledger reconciliation (*)	Reconciliations are undertaken to facilitate the accuracy and completeness of the general ledger. Usual coverage of cash & treasury; receivables; payables; payroll and stock	Testing complete. draft report pending	End of February

<b><u>Audit title</u></b>	<b><u>Scope</u></b>	<b><u>Stage @ 10/2/15</u></b>	<b><u>Finalise by</u></b>
Anti-Fraud & Corruption	Evaluate progress against adopting Leicestershire County Council's (the Servicing Authority) revised policies, procedures and training.	<p>Finance and Audit Subcommittee is being asked on 23<sup>rd</sup> February to adopt the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014).</p> <p>The Council's revised employee's Code of Conduct including cross references to policies on gifts and hospitality and whistleblowing, were presented on 11th February to ESPO Management Team.</p> <p>Revised Council policies and strategies for Anti-Fraud &amp; Corruption, Anti-Bribery and Money Laundering are to be approved by its Corporate Governance Committee on 20<sup>th</sup> February and will be adopted by ESPO thereafter.</p>	<p>Confirm the code and respective policies have been shared with employees (end of March)</p> <p>Confirm adoption and roll out (end of March)</p>
Business Strategy	Attainment of the objectives of the Strategy is well governed	Meeting scheduled 12/2 with Director of ESPO to further discuss audit suggestions on governance	End of March

<b>Audit title</b>	<b>Scope</b>	<b>Stage @ 10/2/15</b>	<b>Finalise by</b>
Electronic Transactions	Adequate arrangements are in place with the host supplier 'Interactive Transaction Solutions' (ITS) for the processing of transactions made to ESPO through the Purchasing Card process.  P-card and other electronic transaction methods are PCI compliant	Draft imminent  Following a complaint, an audit of the staff purchase scheme was undertaken and a draft report issued. Further work audit work required to confirm PCI compliance.	End of February  End of March
IT General Controls (*)	The range of controls expected by the External Auditor are well designed and consistently applied.	Work completed other than awaiting the results of penetration testing in order to finalise draft report	End of March
Rebates Income	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated	Testing almost concluded.	End of March
E-tendering	ESPO complies with its role in e-tendering arrangements	ToE agreed and testing underway	End of March
Procurement & Compliance Risk Management	The framework is sufficiently robust to prove effectiveness and avoid liability	Scope being determined but will reflect that some testing of the framework occurred in the ESPO Services audit.	End of March

<b>Audit title</b>	<b>Scope</b>	<b>Stage @ 10/2/15</b>	<b>Finalise by</b>
Annual governance statement	There are adequate arrangements to demonstrate compliance to the principles of good governance outlined in the CIPFA/SOLACE Framework.	Planned to start Phase one (approach, plans etc) in March and potentially some employee interviews	End of March
Trading performance & distribution of surplus (*)	The trading results provided by ESPO, both for internal use and reported to the Management Committee, are well founded in the general ledger and the distribution of surpluses process is robust.	Planned to start w/c 9/2	End of March
Servicing Authority	The servicing authority is providing service in line with the agreement	ToE currently being produced	End of March
Counter Fraud	There is no pattern of fraud in large data sets - use of LCCIAS data analysis and matching tool  Volunteered submission of data sets to the biennial Audit Commission National Fraud Initiative (NFI)	Still hopeful of undertaking some data analysis outside of NFI  Relevant NFI reports have been received and will be passed on to ESPO for investigation where required	End of March  Will continue into 2015-16
Business Strategy - Projects -	Control design (of specific project(s)) is adequate to mitigate risk	This was going to be 'part 2' of the audit above and is postponed until there is a control framework to measure against	Likely postpone into 2015-16
Governance framework	The requirements of the Consortium Agreement, Constitution and appropriate schedules are embedded - to include role of Servicing Authority	Not yet planned	

Audit title	Scope	Stage @ 10/2/15	Finalise by
Information management	Information is secure both on and off site and in transit and breaches are identified and investigated	Not yet planned	
Applications management	Risks (e.g. continuity and resilience) to the successful operation of key business management systems within ESPO have been identified and appropriately mitigated.	Not yet planned	

This page is intentionally left blank