

<b><u>Control env't component</u></b>	<b><u>Entity</u></b>	<b><u>KRR</u></b>	<b><u>The indicative audit objective is to ensure that...</u></b>	<b><u>Days</u></b>
Various	Incomplete from 2014-15	Var	Trading, Supply Chain, Business Strategy, Information Management, Applications Management, Rebates Income, Fleet Management, Key ICT Controls, E-Tendering, Procurement & Compliance risk management, Annual Governance Statement, Servicing Authority	15
Governance	Annual governance statement	8	Compliance to the principles of good governance is demonstrated - to include any framework revisions planned by CIPFA	7
Governance	Business Strategy/Transformation	2&25	Attainment of the objectives of the Strategy is well governed - follow up work commisioned from Transformation Unit	2
Governance	Control environment	8	The obligations of the revised Accounts and Audit Regulations applicable from April 2015 to have a sound system of internal control are met	5
Governance	Governance framework	8	The requirements of the Consortium Agreement, Constitution and appropriate schedules are embedded - to include role of Servicing Authority and potentially a review of the effectiveness of Committees	6
Governance	Information management	8	The Payment Card Industry requirements are complied with	5
Governance	Management Information	36	Strategic & operational decision making (e.g. develop or end frameworks) is based on good quality information	8
Governance	Risk management	8	Recommendations from 2014-15 are implemented	2
Governance	Transparency	8	Comparison against other purchasing organisations	5
Risk management	Business Strategy/Transformation	25	Control design (of specific project(s)) is adequate to mitigate risk	10
Risk management	Customer satisfaction	2, 10 & 41	The risks of customer loss are identified and mitigated	7
Risk management	Counter Fraud - NFI specific	20	Interpretation and investigation of outputs	2
Risk management	Counter Fraud	20	Systems and procedures are sufficiently robust to mitigate the risk of fraudulent or irregular activity	5
Risk management	ICT applications	1, 36 & 42	HI recommendations from the GEMS projects are implemented and the Aurora upgrade due in 2016 is adequately planned	5
Risk management	Procurement & Compliance risk management	26,32&35	The framework is sufficiently robust to prove effectiveness and avoid liability. To include ESPO's adherence to The Public Contracts Regulations 2015	7
Internal control	Warehousing	39	The temporary warehouse arrangements are adequately managed to attain vfm, avoid stock losses and avoid liability	5

ESPO Internal Audit Plan 2015-16Appendix 1

<u>Control env't component</u>	<u>Entity</u>	<u>KRR</u>	<u>The indicative audit objective is to ensure that...</u>	<u>Days</u>
Internal control	BACS	20	Access is controlled and transactions are validated	5
Internal control	Distribute Surplus - Design	8	The design and security of the revised financial model is robust	2
Internal control	General ledger reconciliations (*)	8&20	Reconciliations are undertaken to facilitate the accuracy and completeness of the general ledger. Usual coverage of cash & treasury; receivables; payables; payroll and stock	12
Internal control	IT general controls (*)	1	The range of controls expected by the External Auditor are well designed and consistently applied.	10
Internal control	Rebates income	27, 42 & 45	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated	5
Internal control	Servicing authority	8	The servicing authority is providing service in line with the agreement	5
Internal control	Trading performance (*)	4	The trading results provided by ESPO, both for internal use and reported to the Management Committee, are well founded in the general ledger	5
Internal control	Vehicle & Fleet operating costs	39	Revised arrangements are monitored and securing vfm	10
	Contingency	-	Unforeseen events	15
	Client management	-	Planning & research; progress meetings; servicing the Finance & Audit Subcommittee; confirming implementation of high importance internal audit recommendations External Audit liaison; advice	20
<b>Total days (note days allocated are indicative &amp; subject to change)</b>				<b>185</b>

(\*) Annual audits undertaken to assist the External Auditors to form an opinion that ESPO's financial accounts are not materially mis-stated

Anti-Fraud & Corruption	LW	See Neil	Cancelled
Trading	AR	Draft with Matt	
Supply Chain	AC	Draft response from auditee, needs tweaking by AC then sending to AD (KS) then issue	
Business Strategy	HM	See Neil	yes
Information Management	JR	Draft with Matt	
Applications Management	JR	Draft with Matt	
Rebates Income	DH	Wants to see Matt before completing draft	
Fleet Management	AR	Needs a read of draft then issue	
E-Tendering	LW	Needs a file vet on MK	
Procurement & Compliance risk management	JM	Ask NJ	
Annual Governance Statement	HM	Ask NJ	
Servicing Authority	DH	Only at ToE stage	

design of model security  
 computation of model & validation