

Summary outcomes of remaining 2014-15 audits at 25 August 2015

Audits which are now ‘concluded’

<u>Audit title</u>	<u>Conclusions and key recommendations</u>	<u>Opinion</u>
Information Management	An audit of how information is held securely on site, off site, in transit and that any information security related breaches are identified and investigated. All recommendations were agreed and these included implementing and rolling out an Information Management Policy and Process; confirming that flows of commercially sensitive data are controlled and exploring software that blocks employees from using personal portable storage devices.	Substantial
Applications Management	The audit evaluated whether potential risks and issues surrounding key business management systems within ESPO have been identified and appropriately mitigated. All recommendations were agreed. These included reviewing support agreements and contracts; implementing a formal patching/upgrade policy; the development and implementation of a formal business continuity process and reviewing the backup storage arrangements.	Substantial
Rebates Income	An annual audit to confirm that for top rebate income generating contracts that the level of turnover indicated by the suppliers and consequently the level of rebate paid by the supplier was accurate. The audit revealed only minor issues which were left for management to determine the validity of following up.	Substantial
E-Tendering	This audit was to confirm that ESPO complies with e-tendering arrangements. There were two minor recommendations (both agreed) to upload all supporting documentation and to populate Pro-Contract with actual contract dates, as notified in the award of contract notification.	Substantial
National Fraud Initiative	For the first time ESPO volunteered relevant payroll and creditors’ information to the bi-annual anti-fraud initiative. Outputs have been received & are being evaluated to determine if there are any ‘matches’ which might indicate fraud.	Investigatory

Audits at 25 August where fieldwork was still in progress

Note : ToE – terms of engagement

<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 25 August 2015</u>
Servicing authority	The servicing authority is providing service in line with the agreement	Almost complete
Management Information - Profitability of Framework Agreements	Strategic & operational decision making (e.g. to develop or end frameworks) is based on good quality information	In progress
Optima Energy Software	To confirm prior year High Importance recommendations have been progressed	In progress
Procurement & Compliance Risk Management	The framework is sufficiently robust to prove effectiveness and avoid liability. To include ESPO's adherence to The Public Contracts Regulations 2015	In progress
BACS	Access is controlled and transactions are validated	ToE drafted
Distribute Surplus - Design	The design and security of the revised financial model is robust	ToE drafted
Business Strategy/Transformation	Attainment of the objectives of the Strategy is well governed - follow up work commissioned from Transformation Unit	In progress
Customer satisfaction	The risks of customer loss are identified and mitigated	Planning stage
Vehicle & Fleet operating costs	Revised arrangements are monitored and securing vfm	Planning stage

Audits remaining for 2015-16 not yet started

Annual governance statement
Business Strategy/Transformation – individual projects
Control environment
Governance framework
Information management
Risk management
Transparency
Counter Fraud - NFI specific
Counter Fraud
ICT applications
Warehousing
Rebates income
General ledger reconciliations (*)
IT general controls (*)
Trading performance (*)

(*) Traditionally audits where the external auditor has placed reliance on the work of internal audit.