

Summary progress against 2018-19 audits as at 23 Jan 2019

Audits ‘completed’ to at least draft issued stage and/or on-going advisory work/Prior year jobs

| <u>Ref¹</u> | <u>Type²</u> | <u>Audit title</u> | <u>Assurance objective</u> | <u>Position @ 23rd Jan 2019</u> |
|-------------------------------|--------------------------------|--|---|---|
| 19-A | N/A | Complete 2017-2018 Audits | N/A | <p>Key ICT Controls – Final Report (Substantial Assurance)</p> <p>Key Financials – Final Report (Substantial Assurance)</p> <p>Risk Management – Final Report (Substantial Assurance *1)</p> <p>Counter Fraud – Final Report (Substantial Assurance)</p> <p>Supply Chain Management – Final report issued – Full Assurance (see also 19-K)</p> <p>*1 = * Note: The opinion above is specifically related to the follow up of the implementation of the recommendations in the previous Internal Audit Report (issued in July 2017)</p> |
| 19-B | GO | Annual Governance | Management self-assessments of assurance in the 2017-18 AGS were founded and conformance to the revised CIPFA framework is planned and demonstrated | Final report issued – Substantial assurance |
| 19-E | GO | Performance Reporting - Balanced Scorecard | Balanced scorecard is linked to the key objectives of the operation and is accurately | Draft Report issued |

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| | | | reported | |
| 19-G | RM | Business Continuity | Gap analysis has been addressed and then business continuity arrangements have been planned, communicated and are tested in accordance with the external consultant report | Final report issued – Substantial assurance |
| 19-H | RM | Counter Fraud – NFI Specific | Co-ordination of reports (for October 18) Interpretation and investigation of outputs (Jan 19 onwards) | <ul style="list-style-type: none"> • Required data sets (reports) were produced and issued to the Cabinet Office in adherence with the October deadline • The next stage is the receipt and subsequent issue of matches/potential matches in Jan 2019 onwards – reports to be released on 31 Jan 2019. |
| 19-I | RM | Counter Fraud | Systems and procedures are sufficiently robust to mitigate the risk of fraudulent or irregular activity | Draft Report issued |
| 19-J | RM | Energy Billing | Migration of all supplies onto a single system & decommissioning and archiving of GEMS | Final report issued – Substantial assurance |
| 19-K | RM | Supply Chain Management | Focussed on contract compliance for MStar Managed Service Provider | Final Report issued – Full Assurance |
| 19-L | RM | IT Developments | Key Risks and issues are effectively identified and managed - specific project(s) to be agreed but may include payables scanning solution, new website and e-commerce | Advisory work completed in respect of website development |
| 19-N | IC | General Financial Systems (*) | Reconciliations are undertaken to facilitate the accuracy and completeness of the general ledger and control weaknesses previously identified have been appropriately addressed. | Final report issued – Substantial assurance |

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| 19-S | IC | Follow up – High Importance Recommendation – Data Protection | Key areas of compliance as stipulated by the Information Commissioners Office (ICO) are being adhered to corporately and within departments. - to ensure the high importance recommendations in the 2017/18 report have been addressed | Final report issued – Substantial assurance |
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Audits in progress

| <u>Ref</u> | <u>Type</u> | <u>Audit title</u> | <u>Assurance objective</u> | <u>Position @ 23rd Jan 2019</u> |
|-------------------|--------------------|---|--|---|
| 19-D | GO | People Management | To provide assurance to management that risks and issues have been adequately addressed in the following areas: <ul style="list-style-type: none"> • Succession Planning • Staff Retention and Attraction (including any associated service reviews) • Business Continuity (including Brexit considerations, Industrial Action, Widespread Sickness etc.) | Draft report being compiled |
| 19-M | IC | Supply Chain and Operations Productivity Plan | A plan has been produced, communicated and implemented in a timely manner (note this plan replaces the warehouse automation project and therefore is subject to this project being formally cancelled at management committee) | Work in progress |
| 19-O | IC | IT General Controls (*) | The range of controls expected by the External Auditor are well designed and consistently applied. | Work in progress – Testing nearing completion. |
| 19-P | IC | Rebates Income | Annual audit to evaluate whether rebates received conform to estimates of supplier business generated | Scoping taking place |

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| 19-Q | IC | Follow up – High Importance Recommendation - Managed services for temporary agency resources | Contractual requirements are adhered to by the Managed Service Providers - to ensure the high importance recommendations in the 2017/18 report have been addressed | Work completed – High Importance Recommendations not fully addressed – This will be further explained in a verbal update to this Committee by the Director, with a written update being made to in the Directors Progress report to the Management Committee on 27 Feb 2019. |
| 19-R | IC | Servicing Authority | The servicing authority is providing service in line with the agreement – focuses on revisions to the scheduled (SLA's) | Work in progress |

Audits not started

| <u>Ref</u> | <u>Type</u> | <u>Audit title</u> | <u>Assurance objective</u> | <u>Position @ 23rd Jan 2019</u> |
|-------------------|--------------------|---------------------------|--|---|
| 18-C | GO | Limited Company | Key Risks are effectively identified and managed - likely to focus on either business being processed through the correct operations (ESPO Limited not ESPO) and/or work undertaken by ESPO is in accordance with the articles | Can only be undertaken in final two months of the year due to sample period needed in order to provide a value added piece of work. Scoping currently being agreed |
| 19-F | RM | Business Growth | To incorporate the management of risk in any acquisitions | Can only be undertaken in final two months of the year due to sample period needed in order to provide a value added piece of work. Scoping currently being agreed |

¹unique reference numbers based on the financial year in question (i.e. '19' relates to 2018-19), in the sequence of the approved internal audit plan

²the three elements of the control environment (governance, risk management and internal control)

³traditionally audits where the external auditor has placed reliance on the work of internal audit

⁴additionally commissioned piece of work

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