

Summary of Internal Audit Service work between 1 April 2020 and 14 May 2021 from which the overall opinion is derived

| <u>Ref¹</u> | <u>Type²</u> | <u>Audit title</u> | <u>Assurance objective</u> | <u>Position @ 14 May 2021</u> |
|------------------------|-------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 21-A | N/A | Continuation of work commenced in 2019-20 | To complete any outstanding audits | <ul style="list-style-type: none"> Complete |
| 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"> Final report issued – Substantial Assurance |
| 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"> Final report issued - Substantial Assurance |
| 21-E | GO | Frameworks | Developing any new offerings | <ul style="list-style-type: none"> 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. |
| 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"> Advisory Complete for 2020/21 |
| 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"> Final report issued – Partial Assurance <p>A number of recommendations made but all accepted by management</p> |
| 21-I | RM | Counter Fraud - NFI | Results are correctly interpretation and investigated | <ul style="list-style-type: none"> Matched reports were received in February 2021 and promptly issued to |

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| | | | | <p>relevant ESPO Officers to review</p> <ul style="list-style-type: none"> • Completion of investigatory work has been requested by end of May 2021 • Further work will be undertaken therefore in 2021/22 (See Job 22-J) |
| 21-J | RM | Counter Fraud - Procurement | Specific area(s) of potential fraud are addressed | <ul style="list-style-type: none"> • Draft report issued – Substantial Assurance |
| 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"> • Terms of engagement previously agreed • Ongoing control advice as critical friend on project board • Additionally, ad-hoc practitioner advice given by the ICT auditor |
| 21-L | RM | IT Developments | Replacing e-mail servers into the cloud; future delivery methods | <ul style="list-style-type: none"> • All development work was incorporated into Key ICT Controls coverage for 20/21 – see Job 21-O. |
| 21-M | RM | Emerging Risks | ESPO identification and preparedness for any emerging risks e.g. climate change requirements | <ul style="list-style-type: none"> • Climate Change Internal Control Questionnaire issued to Leadership Team • Further work to be undertaken in 21/22 |
| 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"> • Draft Report Issued – Substantial assurance |
| 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"> • Draft Report Issued – Substantial assurance |
| 21-Q | IC | Servicing Authority | Key Performance Indicators for services provided by the Servicing Authority are adhered to | <ul style="list-style-type: none"> • Draft Report Issued – Substantial assurance |

Substitute/Additional Jobs – All completed:

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|-------------------|--------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 21-S1 | IC | Contingency – Cyber Issue | To investigate a fraudulent invoice associated with an ESPO client | <ul style="list-style-type: none"> • Advisory - work complete (all procedures at ESPO operated correctly – the issue was at the customer end) |
| 21-S2 | IC | Contingency – HR Compatibility claim | To ascertain validity of the claim and any associated lessons learned. | <ul style="list-style-type: none"> • Advisory Complete |
| 21-S3 | IC | Contingency – IT Assurances during COVID | Adequate IT Controls are in place during the Covid-19 Pandemic. | <ul style="list-style-type: none"> • Final report issued - Substantial Assurance |
| 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"> • Advisory – work complete and no issues raised |
| 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"> • Advisory – work complete and no issues raised |

Audits in progress

| <u>Ref</u> | <u>Type</u> | <u>Audit title</u> | <u>Assurance objective</u> | <u>Position @ 14 May 2021</u> |
|-------------------|--------------------|---------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 21-D | GO | Transition from EU | Preparedness for potential supply chain issues and workforce issues | <ul style="list-style-type: none"> Self-Assessment questionnaire returned by ESPO Leadership Team – results currently being analysed <p>(Note: Work purposely delayed until deal/no deal situation was known and could be factored in)</p> |
| 21-R | IC | Overseas Travel | Post event reviews | <ul style="list-style-type: none"> Report currently being compiled |

Audits not started

None

Deferred Jobs

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| 21-F | GO | Business Growth – Strategic Alliance(s) | Business case development, review and approval | <ul style="list-style-type: none"> Deferred into 21/22 (COVID has delayed some of the progress work at the ESPO end) |
| 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"> Supplier visits have not been possible – deferred into 21/22 |

¹unique 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)

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