Summary progress against 2021-22 audits as at 17 May 2021

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

Ref[1]	Type[2]	Audit title	Assurance objective	Position @ 17 May 2021
22-J	RM	Counter Fraud - NFI specific	Results are correctly interpreted and investigated	Completion of investigatory work has been requested by end of May 2021 Final report will be produced once investigatory work is complete •
22-K	RM	Website Development	Post go live benefits realisation is achieved/'to be' working practices afford adequate internal control and management of risk	Ongoing control advice as critical friend on project board will continue into quarter 1. Benefits realisation piece unlikely to start until final quarter
22-M Job 1	RM	Emerging risks	ESPO identification and preparedness for any emerging risks e.g. climate change requirements, continued adjustments as a result of existing the EU/COVID-19 requirements inc service recovery, Supply Chain implications & Compliance with revised procurement regulations, significant loss of business, MTFS targets not being met, Failure to retain staff, M Star framework issues	• A walk through of revised expense procedures has been completed (Job 22-M1) in order to enable consultancy advice to be issued in respect of control processes and procedures – see also job 22 M-2 further below)

Audits in progress

Ref	Type	Audit title	Assurance objective	Position @ 17 May 2021

22-A	N/A	Continuation of work commenced in 2020-21	To complete any outstanding audits that overlap the financial year	Remaining jobs to be completed in quarter one are: 21-D – Transition from EU and 21-R – Overseas Travel
22-C	N/A	Counter Fraud - Cyber Security	Adequate Cyber Security arrangements are in place in accordance with nationally issued good practice guidance and associated self-assessment *(note this also addresses a key potential risk highlighted in the ESPO Fraud risk assessment work undertaken in 20/21).*	Draft Terms of Engagement issued with the intention of testing in June 2021
22-I	RM	Credit Control	Follow up recommendations from the 2020/21 report	Draft Terms of Engagement issued to Client with a view to testing in August and updating Management Committee at September meeting
22-M	RM	Emerging risks	ESPO identification and preparedness for any emerging risks e.g. climate change requirements, continued adjustments as a result of existing the EU/COVID-19 requirements inc service recovery, Supply Chain implications & Compliance with revised procurement regulations, significant loss of business, MTFS targets not being met, Failure to retain staff, M Star framework issues	A second Expenses Job (22 M-2) will enable further tests to be conducted with the first batch of payments – a terms of engagement for this piece of work is currently being compiled Work in relation to climate change will be completed within this emerging risk heading – Ref 22 M-3
22-N	IC	General Financial Systems (*)	To discuss with the External Auditor and the ESPO Financial Controller/Consortium Treasurer, but typical coverage includes reconciliations; receivables; payables; payroll and stock	Draft Terms of Engagement sent to client Work will not be undertaken until the final quarter i.e. Jan 22

40

22-O	IC	IT general controls (*)	The range of controls expected by the External Auditor are well designed and consistently applied.	Draft Terms of Engagement sent to client Work will not be undertaken until the final quarter i.e. Jan 22

Audits not started

Ref	Type	Audit title	Assurance objective	Position @ 17 May 2021
22-B	GO	Annual Governance Requirements 2020-21	Review of the management self-assessments of assurance in the 2020-21 AGS or any subsequent FRS equivalent	• Work to be undertaken once a decision has been reached in terms of precise governance requirements
22-D	GO	Export/ESPO International	Benefit of current developments materialise/proposed future developments are supported through robust business case sign off	
22-E	GO	Frameworks	Developing any new/developed mirrored offerings/Time taken	
22-F	GO	Key Projects - Strategic alliance(s)	Benefit of current developments materialise/proposed future developments are supported through robust business case sign off	
22-G	RM	Risk Management	Risk management policies and procedures are fit for purpose and being consistently applied allowing for an evaluation of ESPO's current level of risk management maturity.	

22-H	RM	Warehouse	Robust Governance and Management of Risk in the conversion of the Business Case to a Project Initiation Document and associated timetable for delivery.	Work to be undertaken only when it is timely to do so
22-L	RM	IT Developments	Work to be conducted in accordance with ESPO IT Key Deliverables 21/22 (not yet published but known to include some deliverables carried over from 20/21 e.g. Replacing e-mail servers into the cloud; future delivery methods etc)	Scoping to commence once ESPO IT Key Deliverables are known.
22-P	IC	Rebates income	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on site visits	This will not be started until COVID regulations/associated employer and company procedures allow.
22-Q	IC	Servicing Authority	Key Performance Indicators for services provided by the Servicing Authority are adhered to	Final quarter piece of work i.e. Jan 22
22-R	IC	Contingency	Unforeseen events brought to the attention of the Head of Internal Audit Service by either ESPO Leadership Team or the Consortium Officers - may include business growth; new legislative	Only thing currently is Expenses Payments through Accounts Payables and this is being partially absorbed through Emerging Risks allocation

42

Deferred Jobs

None

[1] unique reference numbers based on the financial year in question (i.e. '22-A' relates to the first entry on the approved 2021/22 audit plan)
[2] the three elements of the control environment (governance, risk management and internal control)

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

43

This page is intentionally left blank