

**Summary progress against 2023-24 audits as at 22 September 2023**

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

<b><u>Ref</u></b>	<b><u>Type<sup>2</sup></u></b>	<b><u>Audit title</u></b>	<b><u>Assurance objective</u></b>	<b><u>Position @ 22 September 2023</u></b>
23/24 - A	Various	Continuation of work commenced in 2022-23	To complete any outstanding audits that overlap the financial year	
			Frameworks (22/23-D)	Final Report – Substantial Assurance
			Key Business Customer Controls (22/23-I)	Final Report – Substantial Assurance
			Business Continuity/Disaster Recovery (22/23–K)	Final Report – Substantial Assurance
			General Financial Systems (*3) (22-23-L)	Final Report – Substantial Assurance
			IT general controls (*3) (22-23-M)	Final Report - Substantial Assurance
			Counter Fraud: Bank Mandate Fraud (22/23-O)	Final Report – Substantial Assurance
			Counter Fraud: Data Analytics - Accounts Payables Vendors (22/23-Q)	Final Report – Substantial Assurance
			<i>All other advisory work also either complete or on going i.e. purposely straddles two financial years</i>	

23/24 - C	Governance	Counter Fraud - Cyber Security - follow up report	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). Work will focus on ensuring the recommendations in the 21/22 report and subsequent 22/23 initial follow up report have been addressed	Final Report Issued – Of the original 49 recommendations that were raised in the 21/22 report there were 26 remaining in 22/23. Of these 26:  8 have been fully implemented  15 are classed as ‘work in progress’  3 more low risk recommendations not yet started.  High importance residual recommendation addressed.
23/24 - G	Risk management	Counter Fraud - NFI specific	Focus on the assessment of output reports commenced in Feb 2023 with the overall objective of results being correctly interpreted and investigated and have due regard for a segregation of duties (data having previously been extracted on 30 September 2022 and uploaded in October 2022)	No instances of fraudulent activity were noted from the work undertaken and investigations made although there were 3 previously undetected cases of duplicate payments totalling £2.3K. Whilst non-material in both value and volume, associated risk mitigation controls were recommended.
23/24 - P	Internal Control	Use of Data Analytics to provide assurance in respect of key fraud risks and/or financial/operational risks	To provide assurances to management on the validity of VAT numbers held within the Supplier Records on System 21 (ESPO Supplier System)	Final Report Issued – Substantial Assurance

23/24 - Q	Internal Control	Servicing Authority	Key Performance Indicators for services provided by the Servicing Authority are adhered to	Final Report Issued - advisory
-----------	------------------	---------------------	--	--------------------------------

**Audits in progress**

<b><u>Ref</u></b>	<b><u>Type<sup>2</sup></u></b>	<b><u>Audit title</u></b>	<b><u>Assurance objective</u></b>	<b><u>Position @ 22 September 2023</u></b>
23/24 - B	Governance	Annual Governance Requirements 2022-23	Revised governance reporting arrangements are suitable	Advisory work nearing completion
23/24 - D	Governance	Hybrid Working Arrangements	Hybrid ways of working are fully embedded to ensure that performance levels and requirements are maintained, staff wellbeing support is adequate, satisfactory health and safety and data security arrangements are in place and the right tools are readily available both in the office and whilst working offsite.	Testing currently being undertaken
23/24 - E	Governance	Counter Fraud - Procurement Fraud	Policies and procedures in operation have due regard for the industry standard risk mitigations in relation to procurement fraud.	Testing currently being undertaken
23/24 - F	Risk Management	Warehouse	Robust Governance and Management of Risk in the delivery in respect of the additional warehouse capacity at Grove Park	On-going control advice through Critical Friend Project Board Membership
23/24 - H	Risk Management	IT Developments	Work to be conducted in accordance with ESPO IT Key Deliverables 23/24	On-going work throughout 23/24, specific examples include:  Payment of invoices online via the ESPO website.
23/24 - I	Risk Management	Warehouse Expansion - Risk Mitigation	Assessment of Temporary Health & Safety, Business Continuity & Security Risk Mitigation	On-going control advice at an operational level.

		Temporary Revised Ways of Working	Procedures in place	
23/24 - J	Risk Management	Emerging risks	ESPO identification and preparedness for any emerging risks e.g. Legislative changes, continued adjustments as a result of legislative requirements, material changes to the 5-Year business strategy and other 'in year' matters requiring urgent attention	On-going work throughout 23/24, specific examples include:  Periodically reviewing risk registers for significant changes and on-going sharing of good practice/control mitigation/leadership direction
23/24 - K	Risk Management	Supply Chain Controls	Early identification and mitigation of supply chain risks to ensure continuity of service	Testing currently being undertaken
23/24 - L	Internal Control	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	Terms of Engagement Drafted  <i>Note: actual testing can only commence in final quarter due to sample periods required.</i>
23/24 - M	Internal Control	IT general controls (*)	The range of Information Technology General Controls (ITGC) expected by the External Auditor are well designed and consistently applied.	Terms of Engagement Drafted  <i>Note: actual testing can only commence in final quarter due to sample periods required.</i>
23/24 - N	Internal Control	Rebates income	Annual audit to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on site visits	Approach and coverage at selected site visits currently being finalised.
23/24 - O	Governance	Procurement	Policies and procedures in place have due regard for legislative requirements and timeliness and appropriateness of decision making (Key focus being Transforming Public	On-going dialogue in respect of timing, approach and other assurances in order to maximise benefits of the work.

			Procurement requirements)	
23/24 - R	Various	Contingency	Unforeseen events brought to the attention of the Head of Internal Audit Service by either ESPO Leadership Team or the Consortium Officers - examples may include loss of customers/business, MTFS targets not being met, Failure to retain staff, staff sickness, energy related risks, major health & safety/legislative issue, warehouse issues, supply chain issues, adverse reputational issue, climate change, risks associated with ways of working	On-going throughout 23/24, specific examples include:  Advisory work issued in respect of the local government transparency code

**Audits not started**

None

**Deferred/cancelled audits**

None to date

<sup>1</sup>unique reference numbers based on the financial year in question (i.e. '23-A' relates to the first entry on the approved 2023/24 audit plan)

<sup>2</sup>the three elements of the control environment (governance, risk management and internal control)

<sup>3</sup>traditionally audits where the external auditor has placed reliance on the work of internal audit

This page is intentionally left blank