

Summary progress against 2023-24 audits as at 31 January 2024**Audits 'completed' to at least draft issued stage and/or on-going advisory work/Prior year jobs**

<u>Ref</u>	<u>Type²</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 31 January 2024</u>
23/24 - A	Various	Continuation of work commenced in 2022-23	To complete any outstanding audits that overlap the financial year As reported to the October 2023 meeting – all 7 reports were completed	7 x Final Report – Substantial Assurance
23/24 - B	Governance	Annual Governance Requirements 2022-23	Revised governance reporting arrangements are suitable	Advisory work complete
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 - D	Governance	Hybrid Working Arrangements	Hybrid ways of working are fully embedded to ensure that performance levels and	Draft Report Issued

			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.	
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.	Draft Report Issued
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 - I	Risk Management	Warehouse Expansion - Risk Mitigation Temporary Revised Ways of Working	Assessment of Temporary Health & Safety, Business Continuity & Security Risk Mitigation Procedures in place	On-going control advice at an operational level. Preconstruction report issued with substantial assurance <i>Construction and post construction coverage will straddle 23/24 and 24/25 financial years in line with the build timetable</i>
23/24 - K	Risk Management	Supply Chain Controls	Early identification and mitigation of supply chain risks to ensure continuity of service	Final Report Issued – Substantial Assurance

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

<u>Ref</u>	<u>Type²</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 31 January 2024</u>
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. Governance of the overall IT Development process
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 – 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	Testing currently being undertaken <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.	Testing currently being undertaken <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	Testing due to commence
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 Procurement requirements)	Work has commenced with initial focus on the governance arrangements to address Public Procurement Programme requirements in a timely manner, however an implementation date of October 2024 means this work will straddle two financial years
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,	On-going throughout 23/24, specific examples include: Advisory work issued in respect of the local government transparency code

			energy related risks, major health & safety/legislative issue, warehouse issues, supply chain issues, adverse reputational issue, climate change, risks associated with ways of working	
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Audits not started

None

Deferred/cancelled audits

None to date

¹unique 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)

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

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