

Summary progress against 2023-24 audits as at 14 October 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 @ 14 October 2024</u>
24/25 - A	Various	Continuation of work commenced in 2023-24	To complete any outstanding audits that overlap the financial year	<p>5 x Advice concluded</p> <ul style="list-style-type: none"> • Warehouse Project Board (23/24 – F) • Emerging Risks (23/24 – J) • Rebates Income (23/24 – N) • Procurement (23/24 – O) • Contingency (23/24 – R) <p>3 x Final Report – Substantial Assurance</p> <ul style="list-style-type: none"> • IT Developments (23/24 – H) • General Financial Systems (23/24 – L) • IT General Controls (23/24 – M)

24/25 - B	Governance	Annual Governance - Areas for further development	Areas of the Annual Governance Statement highlighted for further development have been addressed (covering supplier code of conduct/ethical standards, legislative compliance, carbon strategy/targets, cyber security)	Draft report issued
24/25 - C	Governance	Cyber Security	Adequate Cyber Security arrangements are in place in accordance with nationally issued good practice guidance and associated self-assessment - focus will be on the 18 actions that remained either outstanding or WiP during our 23/24 coverage	Draft report issued
24/25 - G	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 advisory work until Quarter 3 Draft report issued

Audits in progress

<u>Ref</u>	<u>Type²</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 14 October 2024</u>
24/25 - D	Risk Management	Warehouse Expansion Project Board	Robust Governance and Management of Risk in the delivery in respect of the additional warehouse capacity at Grove Park (Critical friend project board role)	Terms of Engagement Issued On-going advisory work until end of Quarter 3 i.e. post go live

24/25 - E	Risk Management	Counter Fraud - NFI specific	Ensure relevant data is extracted at 30 September 2024, uploaded in October 2024 and assessment of output reports commenced in Feb 2025 with the overall objective of results being correctly interpreted and investigated on a risk-assessed basis and have due regard for a segregation of duties (report of resultant findings in Q1/2 of 25/26)	Terms of Engagement Issued On going advisory work until the end of the financial year
24/25 - F	Risk Management	IT Developments	Work to be conducted in accordance with ESPO IT Key Deliverables 23/24	Terms of Engagement signed off Due for completion in Quarter 4
24/25 - H	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 advisory work until end of Quarter 4
24/25 - I	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 signed off Due for completion in Quarter 4
24/25 - J	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 signed off Due for completion in Quarter 4
24/25 - K	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 Stage Due for completion in Quarter 3

24/25 - L	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 and associated governance and training)	Testing Stage Originally due for completion in Quarter 3 now Quarter 4 due to Procurement Act delay until February 2025.
24/25 -M	Risk Management	Enterprise Resource Planning Migration	Migration of ESPO's Enterprise Resource Planning (ERP) System to externally hosted software as a service offering	Terms of Engagement issued Currently due for completion in Quarter 4 depending on contractual agreement between ESPO & Software Vendor
24/25 - N	Internal control	Temporary staff - pre-employment & onboarding processes	All necessary pre-employment and onboarding requirements have been undertaken	Testing nearing completion Due for completion in Quarter 3
24/25 - O	Risk Management	Safe Systems of Working - Warehouse Expansion	Revised safe systems of working are in place and staff are adequately trained prior to go live with revised warehouse layout	Testing Stage Due for completion in Quarter 3 once project has gone live
24/25 - P	Internal control	Cashflow	Provide assurance that cashflow calculations are timely and accurately inform business decision making.	Testing currently being undertaken (slight delays at client end due to competing demands and leave) Due for completion in Quarter 3
24/25 - Q	Governance	Dividend Calculation	The dividend calculation is robust and accurate and has appropriate oversight and approval	Draft report currently being compiled

				Due for completion Quarter 3
24/25 - R	Internal control	Counter Fraud - Fuel Cards	Fuel card spend is for authorised business purposes and aligns to policy	Draft report currently being reviewed Due for completion quarter 3
24/25 - S	Internal control	Counter Fraud - Purchase Cards	Purchase card spend is appropriate and aligns to corporate policy	Testing nearing completion (slight delays at client end due to competing demands and leave) Due for completion quarter 3
24/25 - T	Governance	Value for Money Product Benchmarking	Policies and procedures to ensure ESPO continuously benchmark key product ranges against competitors and make timely adjustments where appropriate/economical to do so	Terms of Engagement being produced
24/25 - U	Internal control	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 ad-hoc advisory

Audits not started

None

Deferred/cancelled audits

None to date

¹unique reference numbers based on the financial year in question (i.e. '24/25-A' relates to the first entry on the approved 2024/25 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