

Summary progress against 2025-26 audits as at 22 September 2025

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 @ 22 September 2025</u>
25/26 - A	Various	Continuation of work commenced in 2024-25	Any outstanding audits that overlap the financial year are promptly completed	5 x Advice concluded <ul style="list-style-type: none"> • Counter Fraud - NFI specific (24/25 – E) • Emerging Risks (24/25 – H) • Enterprise Resource Planning Migration (24/25 – G) • Safe Systems of Working - Warehouse Expansion (24/25 – M) • Contingency for ad-hoc advisory (24/25 – U) 3 x Work Covering Two Financial Years: <ul style="list-style-type: none"> • Rebates Income (24/25 – K) • Procurement (24/25 – L) • Value for Money Product Benchmarking (24/25 – T)

				2 x Final Report – Substantial Assurance <ul style="list-style-type: none"> • General Financial Systems (24/25 – I) • IT General Controls (24/25 – J)
25/26 - B	Governance	Annual Governance - Areas for further development	Areas of the 2023/24 Annual Governance Statement highlighted for further development have been addressed.	Draft report issued
25/26 - 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 11 actions that remained WiP from our 24/25 coverage	Draft report issued
25/26 - E	Risk Management	Counter Fraud - NFI specific	Results (output reports) are correctly interpreted and investigated on a risk-assessed basis and have due regard for a segregation of duties. Note: This is Part 2 of the audit. Part one was in the previous financial year and involved ensuring the requisite data was extracted at 30 September, subsequently uploaded in October and resultant output reports were distributed in Jan/Feb.	Advisory work complete. No instances of fraudulent activity were noted from the work undertaken
25/26 - N	Internal control	Energy - Customer Billing	Fully managed gas service is correctly invoiced to customers.	Draft report issued.

			<p>Note: This audit was expanded slightly to incorporate the following revised objective:</p> <p>To provide assurance to management that (i) the fully managed gas service is correctly invoiced to customers and (ii) there is prompt and accurate collection of rebate from suppliers on energy framework agreements (electricity, gas and liquid fuels).</p>	
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Audits in progress

<u>Ref</u>	<u>Type²</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 22 September 2025</u>
25/26 - D	Internal Control	Stock	Controls and procedures in place mitigate the risk of any discrepancies (including frequency of stock take) are operating correctly	Good progress with testing nearing completion.
25/26 - F	Risk Management	Fraud Risk Assessment	There is a full assessment of fraud risks to the organisation in line with the principles set out within the CIPFA Code of Practice - Managing the Risk of Fraud and Corruption.	The Financial Controller has undertaken preliminary work on the Fraud Risk Assessment 2025. The outcome will be subject to scrutiny by the Leadership Team prior to finalisation.
25/26 - H	Risk Management	Emerging risks	ESPO identification and preparedness for any emerging risks e.g. Legislative changes, 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

25/26 - 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 Not due for completion until Quarter 4
25/26 - 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 Not due for completion until Quarter 4
25/26 - K	Internal control	Rebates income	Annual audit coverage to evaluate whether rebates received conform to estimates of supplier business generated - focus will be on concluding site visit related work commenced in 24/25	Draft report currently being reviewed
25/26 - L	Governance	Procurement	Regulations and the associated policies and procedures have been correctly applied in accordance with the tender date (focus to be on notice requirement & the assessment summary)	Draft report currently being reviewed. Further testing is likely to take place in late in Quarter 4 of 25/26 or Quarter 1 of 26/27.

25/26 -M	Risk Management	Framework Agreements	Up to date Framework agreements are in place for all suppliers.	Work is continuing on scoping any internal audit coverage. This will be incorporating any risks identified from the audit findings from the previous external auditor in respect of the year ended 31 March 2024 and the new external auditor in respect of the year ended 31 March 2025. Until the draft findings for 2024 - 2025 have been finalised it would not be prudent to completing any work.
25/26 - O	Risk Management	Business Continuity	That the risk of business inoperability is minimised and appropriate risk mitigating actions are taken (incorporating simulation exercises completed)	Draft report currently being compiled
25/26 - P	Governance	Health & Safety Reporting	Incidents and Near Misses are promptly and accurately recorded and communicated to enable prompt and appropriate mitigating actions to be put in place	Draft report currently being reviewed
25/26 - Q	Risk Management	Loss of/Reduction in Business	Specific Mitigating Controls within the Risk Register are accurate, operating as intended and reduce the risk accordingly	Testing Stage
25/26 - R	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	Testing Stage

25/26 - S	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: Risk of business failure by debtors, legislative issues, staff retention and absence, failure of banking and/or investment partner, health & safety issue, stores/trading & brand issue, product Safety Issue, supply chain issue etc	On-going ad-hoc advisory. Time used to date mainly relates to investigating an unfounded anonymous whistleblowing complaint.
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Audits not started

<u>Ref</u>	<u>Type²</u>	<u>Audit title</u>	<u>Assurance objective</u>	<u>Position @ 22 September 2025</u>
25/26 - G	Internal Control	Counter Fraud Audit	Potential fraud vulnerabilities in a specific area are correctly identified and adequately mitigated against (<i>Note: Auditable area will be informed by the results of the Fraud Risk Assessment</i>)	Not Started – Awaiting results of Fraud Risk Assessment Audit (Ref 25/26 - F) to help inform coverage

Deferred/cancelled audits

None to date

¹unique reference numbers based on the financial year in question (i.e. '25/26-A' relates to the first entry on the approved 2025/26 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