

Summary audit scope and (where appropriate) draft outcomes

Audits in progress at 31 January 2013

E-tendering -

Provided advice on audit trail requirements in tender documents and reviewed and commented on applicants' submissions

Financial Vetting

To ensure that procedures for the financial vetting of suppliers were being followed in line with guidance provided. Concluded that financial vetting takes place prior to any award of contract, is carried out as stated in the tender documentation, evidence is retained and the processes have been agreed with and are consistent with LCC practice. Recommendations included establishing a process to determine for which contracts it is necessary to continue to review financial stability on a regular basis; changes to wording within tender documentation to assist understanding; reporting results and monitoring consistent compliance.

Legislation Compliance

Review of a sample of contracts and projects to show that external legislation and ESPO directives had been correctly applied in relation to the tendering process e.g. advertisement, tender receipt & opening, tender award. It was concluded that external legislation and directives had been correctly applied. Some issues were found with the completion and authorisation of the internal procurement control records; however documentation had been evolving during the period of time that the sampled contracts covered, which accounted for some of the inconsistencies that were found. Recommended improved records and document retention.

Rebates (processes) - f/u HI recs from 11/12

See 'bold font' in far right column of appendix 3 'High importance recommendations'

General Ledger

A programme of work on the key financial systems; to give assurance on the completeness and accuracy of the 2012/13 General Ledger. The programme has to be agreed with the External Auditor since the outcomes assist their annual assessment of the likelihood of material misstatement in ESPO's financial accounts

Business continuity arrangements

The objective is to provide assurance that arrangements are in place to ensure acceptable continuation of core activities in the event of system failures or emergencies. Aim to evaluate the definition and identification of critical services; ensure there has been Business Impact Analysis and that Business Continuity Plans are formulated to cover all critical services & processes provided by ESPO

Debtors

Objective is to provide assurance that debt recovery processes are robust and write-offs are valid and appropriately authorised

Rebates (supplier verification)

Objective is to give assurance that for a sample of suppliers, the levels of turnover indicated by the suppliers and consequently the level of rebate paid to ESPO by the supplier were accurate.

Stock

Objective is to provide assurance that there are robust systems for receipts into, movements within and issues from stores and that issues are supported by sales ledger invoices.