

**Summary audit objectives, findings and conclusions****Audits concluded or in progress at 30 April 2013****Audits where provisional findings & conclusion had previously been reported (February Subcommittee)**

E-tendering solution  
Financial vetting  
Legislation compliance

**Audits where only the objective had previously been reported (February Subcommittee), which are now concluded****Debtors**

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

**Findings & conclusion;**

The processes in place for the pursuit of debts were operating satisfactorily in that debts are prioritised and regularly chased although responsibilities need to be reviewed to ensure that decisions are being taken by appropriate officers and that these are evidenced in writing. Performance on debt collection is monitored regularly by management using up to date information.

Recommendations were made to improve controls but none were deemed high importance.

**Pre-employment checks**

To give assurance that pre-employment procedures in relation to Agency staff are robust in relation to the confirmation of: relevant qualifications, driving licenses and right to work.

**Findings & conclusion;**

Processes are robust

**Rebates processes**

Following up of high importance recommendations identified during the audit of rebates processes during 2011-12 and 2012-13. Progress made and further work proposed is captured in the right hand column of appendix 3.

### **General Ledger**

A programme of work conducted on the key financial systems in order to give assurance on the completeness and accuracy of the general ledger. The programme is agreed with the External Auditor since the outcomes assist their annual assessment of the likelihood of material misstatement in ESPO's financial accounts

#### **Findings & conclusion;**

Accounting procedures are being applied to ensure the completeness and accuracy of the General Ledger.

### **Trading information**

The objective for this audit was to ensure that the trading results provided by ESPO, both for internal use and reported to the Management Committee, are well founded in its General Ledger

#### **Findings & conclusion;**

There is an adequate trail to the General Ledger.

An audit will take place during 2013-14 on the derivation and accuracy of trading forecasts

### **Business continuity arrangements**

The objective was to provide assurance that arrangements are in place to ensure acceptable continuation of core activities in the event of system failures or emergencies.

#### **Findings & conclusion;**

ESPO had appointed a consultant to develop Risk Management and Business Continuity programmes. However, ESPO management agreed that the consultant's findings and recommendations were not adequately addressed, especially around definitions of critical services.

This resulted in a partial assurance rating and a high importance (HI) recommendation which is reported and progress tracked through appendix 3 and (in accordance with minute 35 (iii) of the Subcommittee of 20 November 2012) the full report is attached as Appendix 4.

**Audits not concluded to draft report stage at the end of April****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 those issues are supported by sales ledger invoices.

Audit was deferred pending further development of the Indigo stock management processes and will be picked up in the 2013-14 audit plan.

**Cancelled audits due to insufficient resource caused by the impacts of other work especially servicing the Finance and Audit Subcommittee: -**

Energy  
Contract management

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