

**UPDATE FORM FOR NEEDS ASSESSMENT**

The following needs to be completed during every audit, not all boxes will be applicable to all areas but the form should be clearly marked where this is the case.

<b>AUDIT AREA</b>	
<b>FILE REFERENCE</b>	
<b>AUDITOR</b>	

	<b>RISK ELEMENT</b>	<b>SCALE OF QUALIFICATION</b>	
<b>1</b>	<b>INTERNAL CONTROL QUALITY (25%)</b>		
<b>1</b>	<b>Segregation of duties</b>		
	Total control over staff activities (e.g. in house development in a sizeable, well established control environment, internal contractor	1	
	Mixed internal / external partnership situation	2	
	Some controls effective – managed service, external staff internal equipment	3	
	Almost no control, fully externalised	4	
<b>2</b>	<b>Documentation</b>		
	Fully documented and up to date	1	
	Partial documentation but not necessarily up to date	2	
	Poor/ absent documentation	3	
<b>3</b>	<b>Quality / reliability</b>		
	Controls match risks – no problems encountered	1	
	Minor controls – ineffective	2	
	Controls ineffective – no problems in the past	3	
	Controls ineffective – major problems in the past	4	
	<b><i>N.B. If There Is No Previous Experience Of The Area Or The Internal Control Quality Is Not Known – Enter A Score Of 2</i></b>		
<b>2</b>	<b>CRITICALITY / MONETARY FACTORS (30%)</b>		
<b>1</b>	<b>Criticality</b>		
	Insignificant impact on operational / strategic plan	1	
	Partial impact on operational / strategic plan	2	
	Significant impact on operational / strategic plan	3	
<b>2</b>	<b>Expenditure</b>		
	£0	1	
	£1-50,000	2	
	£50,000 – 250,000	3	
	£250,000 – 1,000,000	4	
	£1,000,000 – 5,000,000	5	
	£5,000,000+	6	
<b>3</b>	<b>Income</b>		
	£0	1	
	£1-50,000	2	
	£50,000 – 250,000	3	
	£250,000 – 1,000,000	4	
	£1,000,000 – 5,000,000	5	
	Above £5,000,000	6	
<b>4</b>	<b>Stores</b>		
	None	1	
	Below 1,000	2	
	Above 1,000	3	
<b>5</b>	<b>Transactions</b>		

	0-1	1	
	1-1,000	2	
	1,000-10,000	3	
	10,000-100,000	4	
	100,000-200,000	5	
	Above 200,000	6	
<b>3</b>	<b>ENVIRONMENTAL CHANGE (20%)</b>		
<b>1</b>	<b>Personnel Structure</b>		
	Static workforce	1	
	Low level / low number of changes	2	
	High turnover – staff / management	3	
<b>2</b>	<b>Systems</b>		
	Static	1	
	Minor enhancements	2	
	New Systems	3	
<b>3</b>	<b>Growth</b>		
	Static	1	
	Anticipated increase / decrease	2	
	Unexpected or very significant growth	3	
	<i>A significant increase in growth is approximately 20%</i>		
	<b>Incidence of local and national fraud</b>		
	Minimal	1	
	Significant	2	
	High	3	
<b>4</b>	<b>COMPLEXITY (10%)</b>		
	<b>Systems (computer or manual)</b>		
	Simple manual or stand alone	1	
	Fully integrated / automated	2	
	Large number of separate systems	3	
	<b>Technical (area under audit)</b>		
	Capable of audit without specialist input or training	1	
	Some training or research required to undertake audit	2	
	Detailed specialist training / input required	3	
<b>5</b>	<b>LEGAL AND REGULATORY CONSIDERATIONS (5%)</b>		
	No recent new legislation and / or no specific problems monitored in the press release	1	
	One of high level regulatory requirements, grave consequences of non compliance, recent direct regulatory criticism, major new legislation	2	
	More than one of the above occurrences	3	
<b>6</b>	<b>POLITICAL SENSITIVITY(10%)</b>		
	Not politically sensitive	1	
	Some political pressure group interest	2	
	Considerable interest, client sensitivity and impact of failure on other systems	3	
	Date risk analysis updated on APACE		
	Signature of administrator		

