

**UPDATE FORM FOR AUDIT RISK ASSESSMENTS**

The following risk assessment should 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>1</b>	<b>INTERNAL CONTROL QUALITY (25%) – factors to be considered as detailed below</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, Mixed internal / external partnership situation, Some controls effective – managed service, external staff internal equipment, Almost no control, fully externalised	
	<b>Documentation</b>	
	Fully documented and up to date, Partial documentation but not necessarily up to date, Poor/ absent documentation	
	<b>Quality / reliability</b>	
	Controls match risks – no problems encountered, Minor controls – ineffective, Controls ineffective – no problems in the past, Controls ineffective – major problems in the past	
<b>2</b>	<b>CRITICALITY / MONETARY FACTORS (30%) – factors to be considered are detailed below</b>	
	<b>Criticality</b>	
	Insignificant impact on operational / strategic plan, Partial impact on operational / strategic plan, Significant impact on operational / strategic plan	
	<b>Expenditure</b>	
	£0	
	£1-50,000	
	£50,000 – 250,000	
	£250,000 – 1,000,000	
	£1,000,000 – 5,000,000	
	£5,000,000+	
	<b>Income</b>	
	£0	
	£1-50,000	
	£50,000 – 250,000	
	£250,000 – 1,000,000	
	£1,000,000 – 5,000,000	
	Above £5,000,000	
	<b>Stores</b>	
	None, Below 1,000, Above 1,000	
	<b>Transactions</b>	
	0-1	
	1-1,000	

	1,000-10,000	
	10,000-100,000	
	100,000-200,000	
	Above 200,000	
<b>3</b>	<b>ENVIRONMENTAL CHANGE (15%)– factors to be considered are detailed below</b>	
	<b>Personnel Structure</b>	
	Static workforce, Low level / low number of changes, High turnover – staff / management	
	<b>Systems</b>	
	Static, Minor enhancements, New Systems	
	<b>Growth</b>	
	Static, Anticipated increase / decrease, Unexpected or very significant growth	
	<i>A significant increase in growth is approximately 20%</i>	
	<b>Incidence of local and national fraud</b>	
	Minimal, Significant, High	
<b>4</b>	<b>COMPLEXITY (10%) – factors to be considered are detailed below</b>	
	<b>Systems (computer or manual)</b>	
	Simple manual or stand alone, Fully integrated / automated, Large number of separate systems	
	<b>Technical (area under audit)</b>	
	Capable of audit without specialist input or training, Some training or research required to undertake audit, Detailed specialist training / input required	
<b>5</b>	<b>LEGAL AND REGULATORY CONSIDERATIONS (10%) – factors to be considered are detailed below</b>	
	No recent new legislation and / or no specific problems monitored in the press release	
	One of high level regulatory requirements, grave consequences of non compliance, recent direct regulatory criticism, major new legislation	
	More than one of the above occurrences	
<b>6</b>	<b>POLITICAL SENSITIVITY(10%) - factors to be considered are detailed below</b>	
	Not politically sensitive, Some political pressure group interest, Considerable interest, client sensitivity and impact of failure on other systems	