

RISK 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.

AUDIT AREA	
FILE REFERENCE	
AUDITOR	

	RISK ELEMENT	SCALE OF QUALIFICATION	
	INTERNAL CONTROL QUALITY (25%)		
1	Segregation of duties		
	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	
2	Documentation		
	Fully documented and up to date	1	
	Partial documentation but not necessarily up to date	2	
	Poor/ absent documentation	3	
3	Quality / reliability		
	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	
	<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>		

	RISK ELEMENT	SCALE OF QUALIFICATION	
	CRITICALITY / MONETARY FACTORS (30%)		
1	Criticality		
	Insignificant impact on operational / strategic plan	1	
	Partial impact on operational / strategic plan	2	
	Significant impact on operational / strategic plan	3	
2	Expenditure		
	£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	
3	Income		
	£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	
4	Stores		
	None	1	
	Below 1,000	2	
	Above 1,000	3	
5	Transactions		
	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	

	RISK ELEMENT	SCALE OF QUALIFICATION	
	ENVIRONMENTAL CHANGE (20%)		
1	Personnel Structure		
	Static workforce	1	
	Low level / low number of changes	2	
	High turnover – staff / management	3	
2	Systems		
	Static	1	
	Minor enhancements	2	
	New Systems	3	
3	Growth		
	Static	1	
	Anticipated increase / decrease	2	
	Unexpected or very significant growth	3	
	A significant increase in growth is approximately 20%		
	Incidence of local and national fraud		
	Minimal	1	
	Significant	2	
	High	3	
4	COMPLEXITY (10%)		
	Systems (computer or manual)		
	Simple manual or stand alone	1	
	Fully integrated / automated	2	
	Large number of separate systems	3	
	Technical (area under audit)		
	Capable of audit without specialist input or training	1	
	Some training or research required to undertake audit	2	
	Detailed specialist training / input required	3	
5	LEGAL AND REGULATORY CONSIDERATIONS (5%)		
	No recent new legislation and / or no specific problems monitored in the press release	1	

	RISK ELEMENT	SCALE OF QUALIFICATION	
	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	
6	POLITICAL SENSITIVITY		
	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		