

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO EACH MEMBER OF THE
AUDIT COMMITTEE**

14 September 2009

Dear Councillor

AUDIT COMMITTEE - Monday 21 September 2009

Further to the Agenda for the above meeting, previously circulated, please find attached the following report(s):-

9. 2009-10 Audit Plan

This report outlines the approach adopted for creating the audit plan for Central Bedfordshire for 2009/10, and outlines work undertaken to date.

10. Audit Needs Assessment - Progress Report

This report outlines the approach adopted for undertaking the Audit Needs Assessment for Central Bedfordshire in order to develop a Three Year Strategic Audit Plan for future years.

Should you have any queries regarding the above please contact Democratic Services on
Tel: 0300 300 4032

Yours sincerely

Martha Clampitt,
Democratic Services Officer
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Meeting: Audit Committee
Date: 21 September 2009
Subject: 2009-10 Audit Plan
Report of: Director of Corporate Resources
Summary: This report outlines the approach adopted for creating the audit plan for Central Bedfordshire for 2009/10, and outlines work undertaken to date.

Contact Officer: Nick Murley, Assistant Director of Audit and Risk
Public/Exempt: Public
Wards Affected: All
Function of: Audit Committee

RECOMMENDATIONS:

That the Audit Committee

- 1. Approves the 2009/10 Audit Plan.**
- 2. Notes progress made to date.**

Background

1. The Local Government Act 1972 requires that local authorities have arrangements in place for the proper administration of their financial affairs. More specifically the Accounts and Audits Regulations 2003 requires that a relevant body shall maintain an adequate and effective internal audit of its accounting records and its system of internal control in accordance with the proper audit practices.
2. As a means to achieve this, the Internal Audit Charter presented to the Audit Committee on 6 April 2009, established the authority and responsibility to Internal Audit. The Charter outlines how Internal Audit will use that authority to plan and undertake its work, including the preparation of an annual audit plan.
3. A report outlining the work to be undertaken during the first six months was presented to the Committee on the 6 April 2009.
4. This report outlines the work undertaken by the team to date and presents a more detailed 2009/10 audit plan, for consideration and approval by the Committee.

2009/10 Audit plan

Available Resources

5. The total available days for 2009/10 are 2,342, based on a fully staffed team. The table below shows how these days have been apportioned:

| | Days | Percentage |
|---------------------------|--------------|-------------|
| Productive Audit days | 1,484 | 63% |
| Training and development | 129 | 6% |
| Staff Management | 30 | 1% |
| General administration | 249 | 11% |
| Annual Leave and Sickness | 404 | 17% |
| Other non productive time | 46 | 2% |
| Total | 2,342 | 100% |

6. As a recently established team, in the first year it has been necessary to commit resources to staff training and development, in addition to developing new audit software to produce consistent audit reports and management information.
7. There has also been the need for ex county staff to learn some of the ex district services and functionality and visa versa and having staff at three different locations has hampered this learning process. Recognising this fact we have relocated the whole team to Borough Hall. As a result of all of the above, the productive days available are less than a typical year.
8. To add to this shortfall there have been two recent staff resignations and we are currently out to recruit to these posts. The resignations will have an impact on the resources available this year due to the delay in filling the posts.
9. The target for productive audit days for 2010/11 will be 75% and 80% the year after as the new training, management and learning aspect of the work reduces.

Audit Needs Assessment

10. A detailed Audit Needs Assessment for Central Bedfordshire is currently being undertaken, and this is reported in more detail elsewhere on this agenda. However, the risk assessment work undertaken to date has identified some key areas that have been reflected in the 2009/10 audit plan.
11. It is anticipated that a three year plan, covering the period April 2010 – March 2013 will be presented to the Committee in January, once the Audit Needs Assessment has been fully completed.

Detailed 2009/10 Audit Plan

12. It is inevitable that the core work of the internal audit team for 2009/10 will be around the core financial systems as we recognise all of the changes introduced for the new Central Bedfordshire council. The Audit Plan has been prepared using risk assessment principles and these core systems factor high in our assessment. Discussions have also been held with the Audit Commission and agreement reached on the areas that would form part of the managed audit arrangements.
13. The plan also focuses on key risk areas identified resulting from Local Government Reorganisation (LGR) as well as any outstanding high risk areas coming forward from the legacy authorities. The plan also incorporates some general system reviews, and provisions for fraud investigation work, information computer technology audits, contract audit work (including service level agreements), delivery of Financial Management Standard in Schools (FMSiS) assessments, governance and ad hoc consultancy.
14. In addition, the plan needs to be flexible to be able to reflect the changing risks and priorities of the Council. Therefore, to ensure flexibility and acknowledge that the full impact of staff resignations has still to be determined, a contingency provision of 199 days has been included within the plan, to allow some flexibility both in terms of resources available and areas to be reviewed.
15. In summary, the plan is made up as follows:

| Activity | Days | Comments |
|-------------------------------------|--------------|--|
| Managed Audits | 430 | Includes core financial systems. |
| Assurance | | |
| Business Transformation | 15 | LAA and Data Quality. |
| Corporate Resources | 85 | Purchasing Cards, Grants and Budgetary Control. |
| Children, Families & Learning | 382 | Includes FMSiS. |
| Adult Social Care, Health & Housing | 16 | Learning Disability Funding. |
| Sustainable Communities | 15 | Grants. |
| Governance | 10 | Includes Annual Governance Statement (AGS). |
| Service Level Agreements | 10 | |
| ICT Access & Security | 30 | Includes Information Security. |
| Special Investigations | 100 | Includes National Fraud Initiative (NFI) and Anti Fraud work. |
| Ad hoc | 167 | Includes Use of Resources under the Comprehensive Area Assessment (CAA). |
| Carry over work from legacy | 25 | |
| Contingency | 199 | |
| Total | 1,484 | |

16. The detailed proposed audit plan is attached at Appendix A.

Progress to Date in Delivery of Plan

17. As indicated above an estimated use of internal audit resources for the first six months of 2009/10 was presented to the Audit Committee on the 6 April 2009. Below is an overall assessment of the progress made to date. Once the final 2009/10 Audit Plan has been agreed, we will begin to report to the committee some of our key performance indicators that will measure the effectiveness of our service delivery.
18. Work has commenced on documenting some of the key financial systems, including the identification of key controls and walkthrough testing to confirm the systems. This work will continue during the next quarter. Any issues of concern will be reported to relevant officers on a timely basis.
19. Since 1 April there has been ongoing work on the assessment of schools against the Financial Management Standard in Schools (FMSiS). To date, 29 toolkit assessments have been finalised this year. This includes a number of toolkits where the work commenced prior to 1 April, and also includes some toolkit assessments undertaken on behalf of Bedford Borough. Although it was originally intended that a shared service hosted by Central Bedfordshire would be established to deliver toolkit assessments for the Borough schools, it has since been mutually agreed that each authority would undertake their own assessments. However, agreement was reached whereby a small number of assessments would be undertaken by Central Bedfordshire in the first year. In addition, 5 school audit reports were finalised for site visits undertaken prior to 1 April. It is intended to completely review the audit approach in schools for future years including the extent that we use the fully accredited FMSiS assessment.
20. The Authority is required to participate in the National Fraud Initiative (NFI). This is a biannual review. The data sets required were submitted to the Audit Commission during 2008/9 by the legacy authorities. During 2009/10, work has been undertaken to investigate data matches. In addition to this, work has commenced on establishing a robust anti fraud framework and development of this will continue throughout the year. Members will recall the Audit Committee approved the Anti Fraud and Corruption Strategy and Confidential Reporting Policy for inclusion in the Constitution at its last meeting on the 27 July 2009.
21. Internal Audit has undertaken detailed reviews of both Section 28A and Section 256 agreements for the learning disability transfer of services and funding from the PCT to the local authority, at the request of the Director of Social Care, Health and Housing. This work has identified control weaknesses which will serve as "lessons learned" when drawing up similar agreements in the future. In addition, two grant claims, which required examination by Internal Audit prior to sign off, have also been completed.
22. The audit team has participated in project work, including the Purchasing Card Project and the Government Connect Code of Connection (CoCo) compliance, and has provided considerable general advice on internal controls to officers in the new authority. It is anticipated that this support will continue throughout the year.

23. In addition to the above, work has been ongoing on the Audit Needs Assessment and introducing and developing the new audit software package. This software will enable audit reports to be produced efficiently, and will facilitate the introduction of a robust performance monitoring framework. We are also looking at the potential to use it for our Health & Safety audits.

Conclusions and Next Steps

24. The 2009/10 plan sets out the fundamental areas of review that have been identified as part of the overall Audit Needs Assessment. Further work is required to develop the short to medium term plan and will involve more detailed discussions with Directors, Assistant Directors and Heads of Service to identify other areas of risk. This together with the Audit Strategy will be presented to the Audit Committee in January 2010.

CORPORATE IMPLICATIONS

Council Priorities:

The Internal Audit Plan will support all of the Council Priorities.

Financial:

Although there are no financial risks from the issues identified in the report, the outcome of implementing the audit plan is for the Council to better manage its risk thereby increasing protection from adverse events.

Legal:

None

Risk Management:

The Audit Plan is key tool that will assess and provide the assurance we require around the internal control environment that exists in the council. Failure to deliver this plan could lead to adverse financial and reputational risk.

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Development/Safety:

None

Sustainability:

None

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INTERNAL AUDIT PLAN 2009 - 2010

| <u>IA Ref</u> | <u>Audit Title</u> | <u>Service Area</u> | <u>Responsible Officer</u> | <u>Directorate</u> | <u>2009/10</u> |
|---|--|---|---------------------------------|-------------------------|----------------|
| MANAGED AUDITS (Key Financial Systems) | | | | | |
| | Accounts Payable/Purchase Ledger | Financial Services | Matt Bowmer | Corporate Resources | 30 |
| | Accounts Receivable/Sales Ledger | Customer Service and Business Transformation | Clive Jones | Business Transformation | 35 |
| | Asset Management (incl. Asset Register)/Capital Accounting | Financial Services | Matt Bowmer/Caroline Carruthers | Corporate Resources | 30 |
| | Council Tax | Customer Service and Business Transformation | Clive Jones | Business Transformation | 50 |
| | Housing Benefits | Customer Service and Business Transformation | Clive Jones | Business Transformation | 80 |
| | Main Accounting Systems (MAS) | Financial Services | Matt Bowmer | Corporate Resources | 30 |
| | National Non Domestic Rates NNDR | Customer Service and Business Transformation | Clive Jones | Business Transformation | 50 |
| | Payroll | HR and Organisational Development Financial Services | Matt Bowmer/Gordon McFarlane | Corporate Resources | 30 |
| | SWIFT Financials | Adult Social Care | Paul Jenkins | Social care and Housing | 15 |
| | Treasury Management | Financial Services | Matt Bowmer | Corporate Resources | 30 |
| | Housing Rents | Housing Services | Tony Keaveney | Social Care and Housing | 30 |
| | Cash And Banking (Income) | Customer Service and Business Transformation | Clive Jones | Business Transformation | 20 |
| TOTAL - MANAGED AUDITS | | | | | 430 |
| | | | | | |

INTERNAL AUDIT PLAN 2009 - 2010

| <u>IA Ref</u> | <u>Audit Title</u> | <u>Service Area</u> | <u>Responsible Officer</u> | <u>Directorate</u> | <u>2009/10</u> |
|---|---|---|----------------------------|---------------------------------|----------------|
| ASSURANCE AUDITS - BUSINESS TRANSFORMATION | | | | | |
| | Local Area Agreement & Pooled Funding | Policy, Partnerships & Performance | Ian Porter | Business Transformation | 5 |
| | Performance Management (i.e. Data Quality Management & BVPIs) | Policy, Partnerships & Performance | Ian Porter | Business Transformation | 10 |
| TOTAL - BUSINESS TRANSFORMATION | | | | | 15 |
| ASSURANCE AUDITS - CORPORATE RESOURCES | | | | | |
| | Grants | Financial Services | Matt Bowmer | Corporate Resources | 20 |
| | Budgeting & Budgetary Controls | Financial Services | Matt Bowmer | Corporate Resources | 20 |
| | Implementation of IFRS | Financial Services | Matt Bowmer | Corporate Resources | 5 |
| | Accounts Payable (Purchasing Cards Project) | Financial Services | Matt Bowmer | Corporate Resources | 30 |
| | Teachers Pension | HR and Organisational Development | GordonMcFarlane | Corporate Resources | 10 |
| TOTAL - CORPORATE RESOURCES | | | | | 85 |
| ASSURANCE AUDITS - CHILDREN, FAMILIES, LEARNING | | | | | |
| | FMSiS assessments (toolkits) Central Bedfordshire | Learning and School Support | Patrick Shevlin | Children, Families and Learning | 335 |
| | FMSiS assessments undertaken on behalf of Bedford Borough | | | | 32 |
| | Youth Foster Care | Childrens Specialist Services | Martin Pratt | Children, Families and Learning | 5 |
| | Leighton Buzzard Theatre | Leisure, Culture and Adult and Community Learning | Roy Waterfield | Children, Families and Learning | 10 |
| TOTAL - CHILDREN, FAMILIES & LEARNING SERVICES | | | | | 382 |

INTERNAL AUDIT PLAN 2009 - 2010

| <u>IA Ref</u> | <u>Audit Title</u> | <u>Service Area</u> | <u>Responsible Officer</u> | <u>Directorate</u> | <u>2009/10</u> |
|---|---|--|----------------------------|---------------------------------|----------------|
| ASSURANCE AUDITS - SOCIAL CARE, HEALTH & HOUSING | | | | | |
| | Section 256 - Learning Disability Social Care Funding | Social Care, Health and Housing | Julie Ogley | Social Care, Health and Housing | 10 |
| | Section 28A Learning Disability Social Care Funding | Social Care, Health and Housing | Julie Ogley | Social Care, Health and Housing | 6 |
| TOTAL - SOCIAL CARE, HEALTH & HOUSING | | | | | 16 |
| ASSURANCE AUDITS - SUSTAINABLE COMMUNITIES | | | | | |
| | EEDA Economic Participation Program | Economic Growth | Liz Wade | Sustainable Communities | 15 |
| TOTAL - SUSTAINABLE COMMUNITIES | | | | | 15 |
| ASSURANCE AUDITS GOVERNANCE | | | | | |
| | Hospitality & Gifts Registers | Legal and Democratic | Barbara Morris | Corporate Resiources | 5 |
| TOTAL - GOVERNANCE | | | | | 5 |
| ASSURANCE AUDITS CONTRACTS & PARTNERSHIPS | | | | | |
| | Service Level Agreements | | Clive Heaphy | | 10 |
| TOTAL - CONTRACTS & PARTNERSHIPS | | | | | 10 |
| ASSURANCE AUDITS - ICT | | | | | |
| | Information Security (including ContactPoint) | Information and Communication Technology | Caroline Carruthers | Corporate Resources | 20 |
| | SAP Access & Authorisation | Information and Communication Technology | Caroline Carruthers | Corporate Resources | 10 |
| TOTAL - ICT | | | | | 30 |
| SPECIAL INVESTIGATIONS | | | | | |
| | National Fraud Initiative (NFI) | Audit Risk and Health and Safety | Nick Murley | Corporate Resources | 60 |
| | Special Investigations | Audit Risk and Health and Safety | Nick Murley | Corporate Resources | 30 |
| | Pro Active Anti Fraud (Travelling and Subsistence) | Audit Risk and Health and Safety | Nick Murley | Corporate Resources | 10 |
| TOTAL - SPECIAL INVESTIGATIONS | | | | | 100 |
| | | | | | |
| | | | | | |

INTERNAL AUDIT PLAN 2009 - 2010

| <u>IA Ref</u> | <u>Audit Title</u> | <u>Service Area</u> | <u>Responsible Officer</u> | <u>Directorate</u> | <u>2009/10</u> |
|--|---|---------------------|----------------------------|--------------------|----------------|
| AD HOC CONSULTANCY ETC. | | | | | |
| | Annual Governance Statement | | | | 5 |
| | Use of Resources | | | | 5 |
| | Audit of Individual Grants | | | | 8 |
| | General Advice | | | | 20 |
| | Contingency | | | | 199 |
| | Professional Groups | | | | 10 |
| | Head of Audit Chargeable Activities | | | | 124 |
| | | | | | |
| TOTAL - AD HOC CONSULTANCY | | | | | 371 |
| CARRYOVER WORK (2008-2009 audit plan) | | | | | |
| | MBDC | | | | |
| | | | | | |
| | SBDC | | | | 6 |
| | | | | | |
| | BCC - General | | | | 12 |
| | BCC Schools Roll over | | | | 7 |
| | | | | | |
| TOTAL - CARRYOVER WORK | | | | | 25 |
| TOTAL CHARGEABLE DAYS REQUIRED | | | | | 1484 |
| AUDIT MANAGEMENT | | | | | |
| | Head of Audit - non Chargeable Activities | | | | 46 |
| | Absence | | | | 404 |
| | General adminsitration & management | | | | 249 |
| | Staff management | | | | 30 |
| | Staff Training and Development | | | | 129 |
| TOTAL NON CHARGEABLE DAYS | | | | | 2342 |

Meeting: Audit Committee
Date: 21 September 2009
Subject: Audit Needs Assessment - Progress Report
Report of: Director of Corporate Resources
Summary: This report outlines the approach adopted for undertaking the Audit Needs Assessment for Central Bedfordshire in order to develop a Three Year Strategic Audit Plan for future years.

Contact Officer: Nick Murley, Assistant Director of Audit and Risk
Public/Exempt: Public
Wards Affected: All
Function of: Audit Committee

RECOMMENDATIONS:

That the Audit Committee notes the progress made to date.

Background

1. Internal Audit is currently undertaking an Audit Needs Assessment for Central Bedfordshire. This involves identifying the auditable environment and, within that, considering the risk areas that Internal Audit should focus on over the next three years. This exercise recognises the organisational change that is currently in progress.
2. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 states that a risk based plan designed to implement the audit strategy should be produced. The detailed plan should be fixed for a period of no longer than one year. However, a comprehensive Audit Needs Assessment exercise will inform audit planning for future years.
3. An Audit Plan for 2009-10 has now been produced, using a risk based approach and this is considered elsewhere on this agenda. The 2009-10 plan has focused on the key areas that it is considered should be reviewed this year. A contingency has been included to enable a degree of flexibility to reflect the changing risks, priorities, and resources.
4. This report outlines the process that has been adopted for the production of the Audit Needs Assessment and outlines progress made to date.

Approach Adopted

5. The auditable environment has been derived from a number of sources, including:
 - A review of the legacy authorities' audit plans and risk assessments, where available
 - A review of legacy authorities' audit reports
 - Discussion with the External Auditors
 - A review of Central Bedfordshire's revenue budget, SAP, and forecasting to date
 - Reference to the Use of Resources Key Lines of Enquiry (KLOEs) under the new Comprehensive Area assessment (CAA)
 - A review of the risk registers currently available
 - Reference to professional journals
 - Consultation with network groups on emerging issues
 - Other information sources, such as the Intranet
 - Initial discussions with Directors

6. This work is still ongoing and it is anticipated that further consultation will be held with Directors and Assistant Directors to discuss their emerging risks and priorities.

7. As a result of the above, a list of auditable entities is being created. These entities are then scored (see Appendix A), taking into account the following factors:
 - Statutory Nature of the Service/Council priorities
 - Income and Expenditure
 - Critical data
 - Assets
 - Management controls/History of control weaknesses
 - Susceptibility to fraud
 - Political sensitivity
 - Partnership working/SLAs/Contracts

8. The outcome of the above will be a list of auditable entities, along with a risk score which can then be used to inform the audit priorities for future years.

9. In order to produce a balanced programme of work that addresses the risks of the organisation and the assurance required, the Three Year Strategic Plan will include a rolling programme of work on:
 - Core systems (managed audits)
 - Systems reviews of service areas, processes and activities (including governance arrangements)
 - Reviews of key contracts and partnership arrangements to ensure compliance with the Council's Financial Procedures, Codes of Practice and Contract Procedures. This will include the quality of the contract documentation and the governance arrangements including contract monitoring

- Information Communication and Technology activities across the whole Council
- Pro Active Fraud work, including investigations, to ensure that the Council's anti fraud policies are enforced, and the prevention, detection and investigation of fraud is proactive
- Sustainability and Climate Change
- Follow up work that ensures implementation of the Internal Audit recommendations.

10. In addition to the above, a strategy for the future audit of the Council's schools will be considered, in consultation with the Directors of Corporate Resources, Director of Children, Families and Learning and the relevant school representatives. This will also include consideration of the approach to undertaking the Financial Management in Schools (FMSiS) assessment.

Progress to Date

11. Considerable progress has been made in developing the Audit Needs Assessment. A number of high risk areas have emerged and, where appropriate, these have been reflected in the 2009/10 plan.

12. As a result of the work to date, the following themes have emerged as risk areas:

- Fundamental systems, including Payroll and Cash and Banking (Income)
- Contract issues, including specifications, management and monitoring arrangements
- Partnership arrangements
- Commissioning

Conclusion and Next Steps

13. Work will continue on developing the Audit Needs Assessment over the coming months. Further meetings are in progress to further develop the directorate risk registers which will, in turn, inform us of further areas of risk and priority.

14. As a result the three year Internal Audit Strategy and plan will be presented to the Committee in January 2010.

CORPORATE IMPLICATIONS

Council Priorities:

The Audit Needs Assessment will support all of the Council Priorities.

Financial:

Although there are no financial risks from the issues identified in the report, the outcome of implementing the Three Year Strategic Audit Plan is for the Council to better manage its risk thereby increasing protection from adverse events.

Legal:

None

Risk Management:

None specifically. The Audit Needs Assessment has been developed using a risk based approach.

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Development/Safety:

None

Sustainability:

None



**INTERNAL AUDIT AND RISK MANAGEMENT
RISK ASSESSMENT SHEET (C3)**

Audit: Auditor(s):
 Directorate: Date:
 Audit Ref. Number: W.P.Ref.:

| BASIS OF ASSESSMENT | WEIGHTING | POINTS SCORE | WEIGHTED SCORE |
|--|-----------|--------------|----------------|
| A. INHERENT RISK | | | |
| 1. Statutory Nature of Service. Contribution to the achievement of Council Objectives. | 0.4 | | |
| 2. Income and expenditure | 0.5 | | |
| 3. Critical data/Data protection | 0.4 | | |
| 4. Assets | 0.1 | | |
| B. CONTROL RISK | | | |
| 1. Existence of formal management controls and operating procedures. Reporting Structure. | 0.5 | | |
| 2. Is system susceptible to: <ul style="list-style-type: none"> • Fraud i.e. cash income system • Error, etc. Inc Risk of failure | 0.5 | | |
| 3. Politically sensitive? - "embarrassment factor" of failure | 0.2 | | |
| 5. Partnership working /SLAs /Contracts | 0.2 | | |
| | TOTAL | | |



**INTERNAL AUDIT AND RISK MANAGEMENT
RISK ASSESSMENT SHEET (C3)**

Audit: Auditor(s):
 Directorate: Date:
 Audit Ref. Number: W.P.Ref.:

INHERENT RISK

| A1 | STATUTORY NATURE OF SERVICE/FUNCTION | Score | COMMENTS |
|--|--|--------------|-----------------|
| 5.0 4.0 3.0 2.0 1.0 0.0 | Duty / Core Function Discretionary Function | | |

| A1 | POLITICAL PROFILE / CONTRIBUTION TO THE ACHIEVEMENT OF COUNCIL OBJECTIVES | Score | COMMENTS |
|--|--|--------------|-----------------|
| 5.0 4.0 3.0 2.0 1.0 0.0 | High Low | | |

| A2 | GROSS EXPENDITURE | Score | COMMENTS |
|--|--|--------------|-----------------|
| 5.0 4.0 3.0 2.0 1.0 0.0 | > £5m approx. > £1m approx. > £500k approx. > £250k approx. > £100k approx. < £100k approx. | | |

| A2 | GROSS INCOME | Score | COMMENTS |
|--|--|--------------|-----------------|
| 5.0 4.0 3.0 2.0 1.0 0.0 | > £5m approx. > £1m approx. > £500k approx. > £250k approx. > £100k approx. < £100k approx. | | |



**INTERNAL AUDIT AND RISK MANAGEMENT
RISK ASSESSMENT SHEET (C3)**

Audit:

Auditor(s):

Directorate:

Date:

Audit Ref. Number:

W.P.Ref.:

| A3 | USE OF KEY DATA | Score | COMMENTS |
|--|---|--------------|-----------------|
| 10.0 9.0 8.0 7.0 6.0 5.0 4.0 3.0 2.0 1.0 0.0 | Responsibility for collection and use of current electronic customer data Data used for internal purposes Minimal data handling | | |

| A4 | ITEMS OF MOVEABLE MACHINERY AND PLANT | Score | COMMENTS |
|--|---|--------------|-----------------|
| 10.0 9.0 8.0 7.0 6.0 5.0 4.0 3.0 2.0 1.0 0.0 | Large numbers of assets (including Pcs/Printers) No significant assets | | |

CONTROL RISK

| B1 | SYSTEM AND STAFF STABILITY | Score | COMMENTS |
|-----------|-----------------------------------|--------------|-----------------|
| | | | |



**INTERNAL AUDIT AND RISK MANAGEMENT
RISK ASSESSMENT SHEET (C3)**

Audit: _____ Auditor(s): _____
 Directorate: _____ Date: _____
 Audit Ref. Number: _____ W.P.Ref.: _____

| | | | |
|-----|---|--|--|
| 2.5 | Very weak or non-existent system/ change imminent | | |
| 2.0 | | | |
| 1.5 | | | |
| 1.0 | | | |
| 0.5 | | | |
| 0.0 | | | |

| B1 COMPLEXITY OF SYSTEMS | | Score | COMMENTS |
|---------------------------------|-----------------|--------------|-----------------|
| 2.5 | Highly complex. | | |
| 2.0 | | | |
| 1.5 | | | |
| 1.0 | | | |
| 0.5 | | | |
| 0.0 | | | |

| B1 REPORTING STRUCTURE | | Score | COMMENTS |
|-------------------------------|--|--------------|-----------------|
| 2.5 | No formal reporting structure or authority levels in place | | |
| 2.0 | | | |
| 1.5 | | | |
| 1.0 | | | |
| 0.5 | | | |
| 0.0 | | | |

| B1 EXISTENCE OF FORMAL MANAGEMENT / CONTROL / OPERATING PROCEDURES | | Score | COMMENTS |
|---|----------------------------|--------------|-----------------|
| 2.5 | Unidentifiable procedures. | | |
| 2.0 | | | |
| 1.5 | | | |
| 1.0 | | | |
| 0.5 | | | |
| 0.0 | | | |

| B2 FRAUD SUSCEPTIBILITY | | Score | COMMENTS |
|--------------------------------|--|--------------|-----------------|
| | | | |



**INTERNAL AUDIT AND RISK MANAGEMENT
RISK ASSESSMENT SHEET (C3)**

Audit: Auditor(s):
 Directorate: Date:
 Audit Ref. Number: W.P.Ref.:

| | | | |
|-----|--|--|--|
| 5.0 | Cash income; Previous fraudulent activity | | |
| 4.0 | | | |
| 3.0 | | | |
| 2.0 | No past Audit experience | | |
| 1.0 | | | |
| 0.0 | Income received electronically: no previous known fraudulent activity. | | |

| B2 CONTROL RISK SYSTEMS CONTINUITY | | Score | COMMENTS |
|---|--|--------------|-----------------|
| 5.0 | Service delivery disrupted in times of system failure | | |
| 4.0 | | | |
| 3.0 | | | |
| 2.0 | | | |
| 1.0 | | | |
| 0.0 | Robust systems of back-up to allow continued service delivery. | | |

| B3 SENSITIVITY Damage to reputation, public relations etc. (including child safety etc.) | | Score | COMMENTS |
|---|---------------------------------|--------------|-----------------|
| 5.0 | Very sensitive / controversial. | | |
| 4.0 | | | |
| 3.0 | | | |
| 2.0 | | | |
| 1.0 | | | |
| 0.0 | Least sensitive / ordinary. | | |

| B4 PARTNERSHIP WORKING/SLAS | | Score | COMMENTS |
|------------------------------------|--|--------------|-----------------|
| 5.0 | Very complex partnership arrangements. | | |
| 4.0 | | | |
| 3.0 | | | |
| 2.0 | | | |
| 1.0 | | | |
| 0.0 | No partnership involvement. | | |

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