



**Report to: Audit Sub-Committee**

**Subject: Annual Audit Risk Assessment**

**Date: 16<sup>th</sup> December 2008**

**Author: Manager of Audit & Risk Management**

## **1. PURPOSE OF REPORT**

To provide members with the opportunity to influence the audit risk assessment for the annual audit plan 2009-10.

For members to confirm whether any additional areas of audit work need to be considered.

## **2. BACKGROUND**

Members will recall a presentation earlier in the year where the current years audit risk assessment and plan were presented. It was agreed that the risk assessment and plan for subsequent years would be presented to the audit sub-committee prior to the end of the financial year for consideration and input.

Within the audit risk assessment three areas were identified where members could influence the actual risk assessment. These areas are:

- (C) Impact per the Risk Matrix
- (G) Third Party sensitivity
- (J) Likelihood of occurrence per the Risk Matrix

**Appendix A (i)** is the Risk Matrix for all audit areas. The current assessment scores from this risk matrix are then summarised in **Appendix A (ii)**.

**Appendix B** is the Assessment criteria and current assessment results in relation to Third Party sensitivity.

The result of this committee's comments will be considered and included within the overall Audit Risk Assessment, which will be presented to the next meeting of the Audit Sub-committee.

### **3. RECOMMENDATIONS**

Members are requested to advise the Manager of Audit & Risk Management on what they consider to be the appropriate assessment for each individual audit in relation to:

1. (C) Impact per the Risk Matrix
2. (J) Likelihood of occurrence per the Risk Matrix
3. (G) Third Party sensitivity

Member's instructions are also requested on any additional areas of audit to be considered in the 2009-10 Annual Audit Plan.