

Audit Risk Matrix

With current level of controls

Impact

			No Impact	Minor	Major	Catastrophic
risk score			1	2	3	4
Likelihood	4	Frequent				
	3	Probable				
	2	Possible		Insurance & Inventory, Leisure Income, Officers Disbursements, Risk Mgt, Cash-ups	Debtors, Payroll, NNDR, CTax, Bank Accs, Lending & Borrowing, Cash Receipting, Creditors, Contract, Data Protection, Health & Safety, Performance Inds, Licensing, Capital	HB, FMS Computer
	1	Almost Never			Leasing, VAT	

Assessment results

Appendix A (ii)

<u>Audit area</u>		<u>C</u> Impact	<u>J</u> Likelihood
Housing Benefits		4	2
Creditors		3	2
Leisure Income		3	3
Debtors		3	2
Payroll		3	2
FMS		4	2
NNDR		3	2
Council Tax		3	2
Bank Accounts		3	2
Lending & Borrowing		3	2
Cash Receipting		3	2
Capital		3	3
Insurance & Inventory		2	2
Officers Disbursements		2	2
Risk Mgt/ Corp Gov.		2	2
Cash-ups	Leisure	2	2
Cash-ups	Finance	2	2
Contract	Systems	3	2
Computer Audit		4	2
Data Protection		3	2
Health & Safety		3	2
Performance Indicators		3	2
Leasing		3	1
VAT		3	1
Licensing		3	2

Internal Audit Risk Assessment Model

ASSESSMENT CRITERIA

Assessment results

(G) Third Party Sensitivity

- 1 There are no tax, legal, regulatory or other third party implications
- 2 Minor sensitivity impact (likely to affect two or less customers /client types)
- 3 Typical sensitivity level
- 4 Significant sensitivity impact (Industrial relation impact/ borough wide issue)
- 5 There is very significant third party sensitivity

<u>Audit area</u>		<u>G</u> <u>Sensitivity</u>
Housing Benefits		4
Creditors		3
Leisure Income		2
Debtors		2
Payroll		4
FMS		3
NNDR		3
Council Tax		4
Bank Accounts		3
Lending & Borrowing		3
Cash Receipting		3
Capital		3
Insurance & Inventory		3
Officers Disbursements		2
Risk Mgt/ Corp Gov.		2
Cash-ups		
Cash-ups	Leisure	2
Cash-ups	Finance	2
Contract		
Contract	Systems	3
Computer Audit		4
Data Protection		4
Health & Safety		3
Performance Indicators		3
Leasing		2
VAT		3
Licensing		4