

# Audit Prioritisation and Scheduling

## Introduction

PAWS can optionally help you to prioritise and schedule your audits through a process of global risk assessment. This involves defining a library of 'global risk factors' and then scoring each entity with regard to those factors. You will arrive at a 'global risk score' for each entity, so that entities can be ranked and compared, to help you prioritise where you allocate your staff resources.

If you do not want to use this approach then simply create audits in an ad-hoc way, through the Entities & Audits module. The PAWS Audit Scheduling module can still help, by providing an overview of your audit schedule, while the optional Retain module can help you to keep track of resource schedules.

## Global risk assessment

### Global Risk Factors

To support a global risk assessment you must first define the factors.

Type	Category	Name	Weighting/Notes	Factor Code	Max Score
Risk	Fraud	Recent Fraud	5. Score 5 if there has been a Fraud within the last year Score 3 if there has been a Fraud in the last two years Score 1 if there has been a Fraud in the last five years		5
Risk	IT	Application changes	5. Score 5 if changes to the application are made at least monthly Score 2 if changes to the application are made at least quarterly Score 1 if changes are made to the application at least annually		5
Risk	IT	Platform changes	5. Score 5 if changes to the platform are made at least monthly Score 3 if changes to the platform are made at least quarterly Score 1 if changes are made to the platform at least annually		5
Risk	Management	Complaints	3. Score 5 if the number of complaints have increased since the last audit Score 3 if the number of complaints have remained the same since the last audit Score 1 if the number of complaints have reduced since the last audit		5
Risk	Management	Significant Management Change	2. Score 5 if major changes in management structure in last year Score 3 if there have been changes in key staff but systems remain largely unaffected		5
Risk	Management	Staff Turnover	2. Score 5 if more than 30% of staff have changed in last year Score 3 if more than 15% of staff have changed in last year Score 1 if less than 5% of staff have changed in last year		5
Risk	Size	Staff numbers	2. Score 5 if the system/application under audit affects > 1,000 staff Score 3 if the system/application under audit affects > 100 staff Score 1 if the system/application under audit affects > 10 staff		5
Risk	Size	Turnover	5. Score 5 if over 50,000,000 Score 3 if over 30,000,000 Score 1 if <= 30,000,000 (Note: values are local currency)		5
Other	Previous audit	Last Audit Date			0
Other	Previous audit	Last Audit Rating			0
Other	Specific Risk	Specific Risk Identified			4

  

Rating	Score
Satisfactory	0
Minor Concerns	1
Dissatisfactory	2
Major Problems	3

For each global risk factor, specify its details, a weighting value, user guidance and a maximum allowed score. Optionally include special risk factors such as Last Audit Date, Last Audit Rating or Specific Entity Risks:

## Assess Global Risks

The screenshot shows the PAWS [Assess Global Risks] application. The main window is titled 'Assess Global Risks' and contains several panes:

- Navigator:** A tree view showing 'All Audit Entities' with sub-items for Australia, Germany, Great Britain, and Sweden.
- Auditable Entities Table:**

Ref	Entity Name	Type	Man Days	Forced	Global
UK-F	Great Britain - Finance		10	6	114 ▲
SW-S	Sweden - Sales		5		96 ▲
SW-F	Sweden - Finance		2		80 ▲
OZ-S	Australia - Sales		4		64 ▲
UK-S	Great Britain - Sales		12		49 ▲
- Global Risk Scores - [Great Britain - Sales]:** A table showing risk categories and scores.

Category	Risk Title	Risk Score	Weighted Notes Score
Fraud	Recent Fraud	0	0
IT	System Changes	1	2
IT	System Response Time	2	2
Management	Compliance	n	0
- Review/Approval History - [Great Britain - Sales]:** A table with columns for Action, By, and Date.
- Risk Factor Guidance Notes - [Recent Fraud]:** A section providing guidance notes for the 'Recent Fraud' risk factor.

Score 0 for none  
1 for fraud in last five years  
3 for fraud last year

Input global risk scores directly or capture them from a questionnaire, for example where your business users feed into your global risk assessment process by submitting answers to a structured questionnaire (PAWS Action Satellite users only).

Weighted scores and running totals are calculated automatically as each score is entered. Total global risk scores are coloured according to configurable bands.

Optionally mark global risk assessments as 'Reviewed' or 'Approved' and monitor changes since last review/approval.

Analyse your entity global risk assessments in a variety of ways by switching to the 'Risk Score Analysis' view.

## Schedule audits

The Audit Scheduling module is geared for organisations that perform a pattern of cyclical or risk-based audit scheduling.

The screenshot shows the 'Audit Scheduling' window with a table of 'Auditable Entries'. The table is sorted by Global Risk Score in descending order. The 'Additional Information' window for 'Houston Branch Audit' shows audit history.

Ref	Entity Name	Global Risk Score	Last Audit Date	Man Days	Forced Audit Frequency	Next Audit	Prior to 01/07/2003	Q3 01/07/2003
HOU1	Houston Branch Audit	77	06/01/2003	50		05/01/2004		
LON1	London Payroll	70	03/01/2003	30	9	01/04/2003		
SYD1	Sydney Investment	55		30		01/31/2003		
LA1	LA Treasury	48		20		25/06/2003		
HOU2	Houston Payroll	38		30		01/12/2003		
OTH1	Commercial Real	38		30		01/06/2003		
SY2	Payables systems	35		50	9	21/05/2003		
OTH2	Restructuring	34		50	12	15/05/2003		
SY3	Accounts receivable	34	17/01/2003	25				
SY4	Mainframe	33	01/10/2002	40		05/01/2004		
NY1	New York Treasury	8	05/06/2002	30		01/06/2003		
LON2	London Investment	7	17/12/2002	20		01/04/2004		
SY2	General ledger	6	02/10/2002	30		01/04/2004		
SYD2	Sydney Payroll	4	26/11/2002	30		01/01/2004		
Total Man Days								55
Available Days								100
Loading								45

  

Additional Information - [Houston Branch Audit]						
Audit Ref	Name	Status	Planned Audit Start	Actual	Planned Audit Complete	Actual
HOU1-01	Houston Branch 2003	Audit Comp	06/01/2003	06/01/2003	28/06/2003	28/06/2003
HOU1-02	Houston Branch 2004	Audit Start	05/01/2004		31/03/2004	

The Audit Scheduling screen displays the entities initially ordered in descending order by Global Risk Score.

The scheduling area includes a column for each defined schedule 'period'. Set up audit schedule periods, resource availability and scheduling frequency rules in the 'Scheduling Rules' module.

Double-click on cells to provisionally schedule audits. Monitor the availability and usage of resources in each schedule period and adjust the days or timing of audits to balance your workload. Finally select 'Create Audits' to confirm audit dates enter other key details and create your audits.

If you do not schedule audits in this way, simply add them manually through the Entities & Audits module.