



Risk Assessment

The whole organisation was classified into functional domains for ease of understanding and for ensuring that all activities are covered.

The risks of each domain was analysed cross-functionally to map it inter-alia with the overall risk of the the organisation. The overall risk include the internal and external risks faced by the organisation. The consequences of the risk was identified and further analyzed in the light of the likelihood of the risk happening These were assigned score called risk scores.

The controls and measures adopted by the organisation for accepting / transferring / mitigating the risks were studied with information available with the client, and assigned score called control scores.

The risk and scores were mapped with the control scores. The difference between the risks score and control score was taken as the risk exposure score. The Pro-audit risk ranking Advisor was used as a tool for consolidation of risks and controls.

High risk areas were identified and an annual audit plan with specific reporting criteria was drawn up for the internal auditing department to execute.. A detailed risk master was developed, process- wise, and reporting methodologies were established for better presentation.

A large manufacturing company with well laid out procedures and an internal audit department, had difficulty in identifying

- (a) What is to be audited
- (b) To what extent
- (c) How frequent and
- (d) How to keep track of the resource allocation and schedules