Three year rolling internal audit plan:

|  |  |  |  |
| --- | --- | --- | --- |
| **Area** | **Year 1** | **Year 2** | **Year 3** |
| Revenue and receivables (Outbound) | X | XD | XF |
| Purchases and payables (Inbound) | X | XD | XF |
| Human Resources |  | X | XD |
| Payroll |  | X | XD |
| Manufacturing |  |  | X |
| Inventory |  |  | X |
| Stock counts | X | XD | XF |
| Bank and cash | X | XD | XF |
| Investments |  | X | XD |
| Fixed Assets |  | X | XD |
| Maintenance |  |  | X |
| Financial Administration (Journals, General Ledger, Budgeting, Reporting) |  |  | X |
| Quality Control | X | XD | XF |
| Planning (MRP) | X | XD | XF |
| Managing Information Technology |  | X | XD |
| Risk driven work | XD | XD | XD |

X – Process description and gap analysis

XD – Detailed testing

XF – Follow up

**Revenue and receivables (Outbound)**

Determine whether there are adequate controls surrounding the revenue and receivables process, with specific focus on the following areas:

* New customers
* Sales orders
* Credit checks and releasing sales orders
* Dispatch and delivery
* Invoicing
* Discounts
* Returns and credit notes
* Dent collection]
* Receipting
* Masterfile amendments
* Segregation of incompatible functions
* Management monitoring procedures
* Control account reconciliation

**Purchases and payables (Inbound)**

Determine whether there are adequate controls surrounding the purchases and payable process, with specific focus on the following areas:

* Supplier selection Masterfile amendments
* Requisition and identification re-ordering levels
* Ordering, foods receipting and inspection
* Invoicing
* Stock returns and credit notes
* Creditor’s reconciliation and payment
* Control account reconciliations
* Segregation of incompatible functions
* Management monitoring procedures

**Human Resources**

Determine whether there are adequate controls surrounding the human resource process, with specific focus on the following areas:

* Appointments
* Increases/ promotions
* Leave
* Terminations
* Masterfile Amendments

**Payroll**

Determine whether there are adequate controls surrounding the payroll process, with specific focus on the following areas:

* Appointments
* Masterfile amendments
* Time recording
* Overtime
* Bonuses
* Payroll preparation and review
* Payment and reconciliation of control accounts
* Deductions
* Increases/ Promotions
* Contractors
* Terminations

**Manufacturing**

Determine whether there are adequate controls surrounding the manufacturing process, with specific focus on the following areas:

* Masterfile amendments
* Production orders
* Reconciliations
* Variance reports and adjustments
* Movement of stock

**Inventory**

Determine whether there are adequate controls surrounding the inventory process, with specific focus on the following areas:

* Stock control
* Raw materials
* Work in progress
* Finished Goods
* Safeguarding
* Stock counts
* Stock counts

**Bank and cash**

Determine whether there are adequate controls surrounding the bank and cash process, with specific focus on the following areas:

* Bank account reconciliations – preparation, authorisation and review
* Segregation of incompatible functions

Investments

Determine whether there are adequate controls surrounding the investment process, with specific focus on the following areas:

* Transfer to investment accounts
* Withdrawals from the investment accounts
* Record keeping
* Reconciliations
* Recording

**Fixed Assets**

Determine whether there are adequate controls surrounding the fixed asset process, with specific focus on the following areas:

* Acquisition of assets
* Transfer of assets
* Disposal of assets
* Reconciliation to fixed asset register/general ledger

**Maintenance**

Determine whether there are adequate controls surrounding the fixed asset process, with specific focus on the following areas:

**Financial Administration (Journals, General Ledger, Budgeting, Reporting)**

Determine whether there are adequate controls surrounding the Financial Administration process, with specific focus on the following areas:

* Journals
* General Ledger
* Budgeting
* Reporting

**Quality Control**

Determine whether there are adequate controls surrounding the quality control process, with specific focus on the following areas:

* Sampling – purchase and raw materials
* Blocking of invoices
* Expired stock
* Monitoring controls

**Planning (MRP)**

Determine whether there are adequate controls surrounding the planning process, with specific focus on the following areas:

* Scheduling/ forecasting
* Reorder levels
* Lead time
* Production planning

**Managing Information Technology**

Determine whether there are adequate controls surrounding the IT environment, with specific focus on the following areas:

* IT Security
* Computer Operations
* Program Change Control
* Access controls