

# Risk Management in Internal Audit Planning

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## INTRODUCTION

Internal Audits are essential to verify whether organisation meets management system standards requirements eg. JCI, ISO. An Effective and Efficient internal audit planning can be achieved through risk management approach.

## CHALLENGES

- Selecting departments to be audited can be subjective.
- Limited number of internal auditors to cover all departments.
- Long time taken to plan an internal audit



## METHODOLOGY

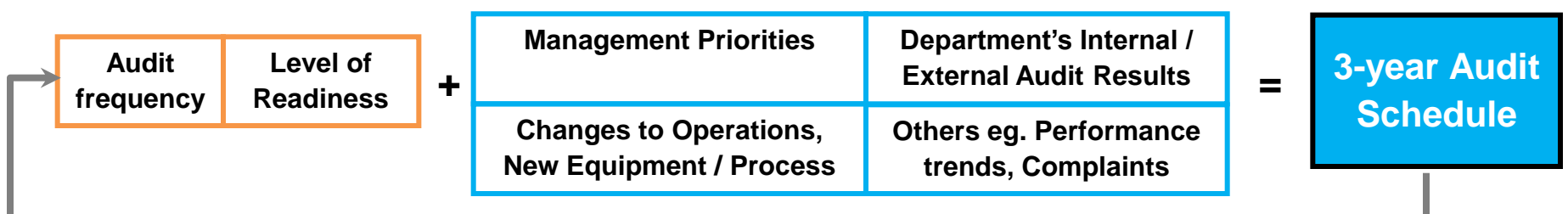
### Phase One: Determine Audit frequency

<b>EHS Risk level of department</b> Low (office setting) Medium (some hazards) High (many hazards)	<b>Mandatory Departments</b> (to be audited by External Certification Body)	=	<b>Audit Frequency</b> Every 1 year Every 2 years Every 3 years
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### Phase Two: Determine Level of Readiness of Department (Risk Matrix<sup>1</sup>)

Monitor and measure of process	Documentation			
	1 - Not Met	2 - Minimal	3 - Met	4 - Exceed Standard
1 - Not Met	Every 1 Year	Every 1 Year		
2 - Minimal	Every 1 Year	Every 2 Years	Every 2 Years	
3 - Met		Every 2 Years	Every 3 Years	Every 3 Years
4 - Exceed Standard			Every 3 Years	Every 3 Years

### Audit Planning Process:



## RESULTS

- ❖ Effective planning through prioritisation using risk matrix
- ❖ Consistency in selection of departments for audits
- ❖ Reduced time taken to plan annual internal audit schedule (approx. 40 – 50% reduction)

## CONCLUSION

A more structured approach with risk factors being considered during planning an internal audit:

- ✓ Risk prioritisation to reduce subjectivity in selecting department for internal audit
- ✓ Effective and Efficient Audit Planning using a consistent approach

<sup>1</sup>Reference: WSH Council "Code of Practice on Workplace Safety & Health Risk Management