



Transport of food to famine relief camps

Reason for the audit

The Charity's risk analysis has identified significant risks to its operations from the processes involved in transporting food from the ports and warehouses in the Democratic Republic of Congo (DROC) to the famine relief camps.

Objective of Internal Audit

The principal aim of Internal Audit is to provide evidence for the Audit Committee to make its annual statement to the Trustees that the charity is achieving its objectives based on the management of opportunities and risks.

The audit will provide opinions on the following primary question:

- Is the organization achieving its objectives and will continue to achieve them in the area being audited?

And on two secondary questions:

- Has management established a proper internal control framework? That is, has management: specified their objectives, identified the risks threatening these objectives and established controls which should reduce the risks to acceptable levels?
- Are these controls sufficient and operating to bring the risks to below the risk appetite and ensure the achievement of the related objective?

If the answer to any of the above two questions is not 'Yes':

- Is action being taken which will bring the risks to below the risk appetite and ensure the achievement of the objective?

Objectives and risks of the processes being audited

The overall objective is to deliver food to the camps as efficiently as effectively as possible (process 4).

The objectives covered by this audit are:

- To arrange land transport.
- Maintain the lorries.
- Obtain information about famine areas

The risks to these objectives include:

- Personnel do not know their objectives and the decisions required to achieve them
- Drivers are not available to drive the lorries.
- Fuel is not available for the lorries.
- Lorries are not available to move food inland.
- Spares are not available to repair the lorries.
- Mechanics are not available to repair and maintain the lorries.

- Contacts with local people are not maintained.

Audit work plan

The work plan will include the following:

- Obtaining any documentation which records objectives, risks and controls
- Understanding the detailed processes which deliver the above objectives. This will include walk-through tests where appropriate.
- Determining the risks threatening the objectives, in addition to those risks above, through discussions and risk workshops.
- Testing the controls which mitigate these risks.
- For each risk form an opinion whether:
 - Objective, risk and controls were identified, evaluated and managed
 - Internal controls, including monitoring controls, reduce risks to acceptable levels as defined by the board.
 - Action is being taken to promptly remedy any deficiencies
- Concluding whether those controls actually operating reduce the risks to levels acceptable to the Charity and the overall objective is being achieved. Presenting these conclusions to people involved in the processes concerned.
- Agreeing the report with the people directly accountable for the processes audited, before issuing it to those noted on the circulation list below.

The processes examined in the audit will include:

- The arrangement of transport of food from warehouses to the famine relief camps.
- The maintenance of the lorry fleet.
- Maintaining contacts with local people in order to anticipate food shortages.

The audit will not include:

- The purchasing of maize and other relief supplies.
- The purchasing and payment for new lorries, spares or fuel.
- The payment of the drivers.

Special considerations

Consider the impact on risks and controls if transport were to be outsourced to contractors.

Timing

Audit planning started on December 16. The visit to Africa will be from February 2 to 11.

This audit will be carried out at the lorry compound from Monday 2 February to Thursday 5 February. (A separate audit of the Kinshasa office will be carried out from February 6 to February 11.)

The final report will be circulated by March 1.

The budgeted time is 30 days in total.

The audit will be carried out by J Smith and I Khan, supervised by the Chief Audit Executive, P Jones.

Circulation list

Name	Department	Scope	Draft report	Final report
P Dawson	Finance Director	√		√
F Higson	Logistics Director	√	√	√
J Mulonja	Country Director (DR Congo)	√	√	√
C Mwefu	Country Manager	√	√	√
M Agbaw	Lorry Supervisor	√	√	√

The circulation of reports may change, depending on the issues found. A summary of all reports is sent to the Chairman of the Audit Committee and external auditors. Both may also view the detailed reports.

J Smith and I Khan

13 January 20X0