

Template 35 : Internal Audit Planning Memorandum

Audit Planning Memorandum Template	
Audit Client	
Financial Year	

1 Brief description of the entity or process

Budget code, website, locations, mission and vision, corporate objectives, nature of operations or process overview etc.

2 Audit Objective

To provide an independent and objective opinion on (audit type and assignment objective).

Reason for review:

Scheduled Audit () Special Request () Other () (Describe)

Concerns of Audit customer

Recent incidence e.g. fraud

3 Background Information

Prior audit:

Report Number: _____ Report Date: _____

Significant Prior Findings? Yes () No ()

Summary Findings: (Attach Excerpt from prior report if appropriate.)

Other background information:

Results from entity level internal controls evaluation

4 Summary of results of preliminary analytical review

Indicate the major issues arising from preliminary analytical review

5 Summary of Risk Assessment

Summary of key inherent risks from :

Fraud risk assessment

6 Summary of review of control environment

Summarize the major control weaknesses and describe the internal control environment.

Entity level internal controls survey (describe scope, who discussed with, and pertinent comments)

IT environment

7 Audit Scope and Approach

Scope describes the areas to be reviewed to satisfy the audit objective.

Indicate here the broad audit approach the team plans to adopt . For example whether they can place reliance on the internal controls and reduce the extent of substantive testing or whether the audit will be more substantive test oriented. The audit approach should correspond to the risk assessment. For example:

The review will be carried out by a combination of interviews with management and staff responsible for the operations and activities under review and a review of key documentation and transactions where appropriate ([description of the approach](#)).

The scope will include reviewing ([document the scope of the audit](#)).

Any emerging thoughts will be discussed with the ([name of the person in charge of the audit from the auditee's operational/ activity area](#)) during the audit. At the end of fieldwork, an exit meeting will be held to discuss our findings, confirm factual accuracy and agree corrective action where appropriate. Following this meeting, a draft report will be issued to the ([name of the person in-](#)

charge of the audit from the auditee's operational/ activity area) for final comments prior to issuing the final report.

Planning materiality for financial audits.

Sampling methodology

Use of CAATS

Proposed Audit Programme (Attachment)

8 Proposed timetables of events

Planned start: Date

Estimated Fieldwork/exit meeting: Date

Draft report issued: Date

Auditee response: Date

Final report issued: Date

9 Team

Key members in the IAD audit team consists of:

Head of Internal Audit: Name Telephone number and/or E-mail

Lead Auditor: Name Telephone number and/or E-mail

Internal Auditor: Name Telephone number and/or E-mail

10 Staff Hour Information

Budget (Internal Audit Plan)_____

Estimate _____ (See Audit Staff Budget, Attachment B)

Prior Audit _____

Joint Participation: _____

(For groups external to Internal Auditing - identify extent & nature.)

Explanation of Difference of 10 Staff days or 10 Percent (Whichever is Greater) Between Estimate and Budget of Prior Audit.

11 Client communication and contact details

Key client contact:

External auditor:

Special problems discussed:

See Proposed Distribution List - Attachment C.

12 Approval of the plan

Prepared by _____ Date _____

Lead Auditor/Preparer

Approved by: _____ Date _____

Head of Internal Audit

Attachments

Attachment No.

- | | |
|-----------------------------------|---------------------------------------|
| 1. Audit program | 2. Proposed Audit Report Distribution |
| 3. Prior Findings (if applicable) | 4. Audit Staff Budget |
| 5. Contact List | Report distribution list |
| | (List others as appropriate.) |