

Template 26 : Internal Audit Planning Memorandum

Audit Planning Memorandum Template	
Audit Client	
Financial Year	
Date and time of kick off meeting	
Venue of kick off meeting	

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 Client

Recent incidence e.g. fraud

3 Background Information

Prior audit:

Report Number: _____ Report Date: _____

Significant Prior Findings? Yes () No ()

Number of significant prior audits findings:

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 and Control Assessment

Summary of key inherent risks and respective controls

Fraud risk assessment

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

6 Audit Scope

Scope describes the areas to be reviewed to satisfy the audit objective. This also includes the period under review.

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

7 Audit Approach

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).

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.

Risk rating

Sampling methodology

Use of CAATS

8 Proposed timetables of events

Planned start: Date

Estimated Fieldwork/exit meeting: Date

Draft report issued: Date

Management Feedback/Action Plan: 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 Client communication and contact details

Key client contact:

See Proposed Distribution List - Attachment A.

12 Approval of the plan

Prepared by _____ Date _____

Lead Auditor/Preparer _____

Approved by: _____ Date _____

Head of Internal Audit _____

Attachment No.

- A. Report distribution list (List others as appropriate.)