

Audit Scope and Objectives Report

Audit Title:	Financial Processes Review
Department/Area:	Accounting & Finance
Audit Period:	January 1, 2023 – December 31, 2023
Date Prepared:	April 10, 2024
Prepared by:	Internal Audit Department

1. Background

This audit is conducted as part of the organization's annual audit plan to review and evaluate the controls and processes in place within the Accounting & Finance Department.

2. Objectives

- To evaluate the adequacy of internal controls over financial transactions.
- To assess compliance with relevant company policies and statutory requirements.
- To review the accuracy and reliability of financial reporting.
- To identify areas for process improvement and risk mitigation.

3. Scope

- Audit coverage includes review of accounts payable, accounts receivable, payroll, and general ledger transactions.
- Examination of sample financial documents for the specified audit period.
- Assessment of segregation of duties and authorization processes.
- Review limited to transactions processed between January 1, 2023 and December 31, 2023.

4. Methodology

- Interviews with key personnel in the Accounting & Finance Department.
- Analysis of process documentation and internal policies.
- Testing of selected transactions and controls.
- Observation of process workflows where applicable.

5. Exclusions

- Processes outside the accounting and finance function are excluded.
- Transactions and processes outside the defined audit period.
- External financial audit procedures.

6. Deliverables

- Summary of audit findings and recommendations.
- Final Audit Report to be delivered to senior management.
- Presentation of key observations in management meeting.

Important Notes:

- The scope and objectives must be clearly defined and agreed before the audit commences.
- This document should be reviewed and updated for each audit engagement.
- It is important to communicate any significant limitations or exclusions to stakeholders.
- Adjustments to scope or objectives may be required based on preliminary findings.
- This document forms the basis for setting expectations and planning audit resources.

