

Executive Summary of Audit Planning Memorandum

This Executive Summary provides an overview of the planned audit engagement for the period ending 31 December 2024. The purpose of the audit is to provide assurance on the financial statements' fairness and compliance with applicable accounting standards and regulatory requirements.

Audit Objectives

The primary objectives are to:

- Assess the accuracy and completeness of financial records
- Evaluate the effectiveness of internal controls
- Identify significant risks and propose mitigation measures
- Ensure compliance with relevant laws and regulations

Audit Scope

The scope covers key business processes, including revenue recognition, procurement, payroll, and financial reporting. The audit will focus on areas with material risks and significant changes since the last engagement.

Risk Assessment

The preliminary risk assessment has identified the following areas of concern:

- Revenue recognition and potential for misstatement
- Management override of controls
- Compliance with new accounting policies
- IT system changes impacting transaction processing

Audit Approach

The audit will adopt a risk-based approach, combining substantive testing with controls evaluation. Both manual and automated audit procedures will be utilized, leveraging data analytics where appropriate.

Timeline and Resources

The fieldwork is scheduled to start in March 2025 and to be completed by May 2025. The audit team will consist of a manager, two senior auditors, and support staff as necessary.

Important Notes

- This document is intended for internal use by management and the audit committee.
- It provides a high-level summary; detailed procedures are documented separately.
- Areas of key risk and materiality levels should be revisited if significant events occur prior to fieldwork.
- Management is encouraged to communicate any concerns or additional areas for review.

