

Audit Planning and Risk Identification Report

1. Introduction

This report summarizes the audit planning activities including the identification of potential risks associated with the engagement. The purpose is to ensure the audit is conducted efficiently and risk areas are prioritized appropriately.

2. Audit Objectives

- Evaluate the effectiveness of internal controls.
- Assess compliance with relevant policies and regulations.
- Identify areas of potential operational improvement.

3. Scope of Audit

The audit will cover financial transactions, operational processes, and compliance from January 2023 to December 2023. Key departments included are Finance, Operations, and Procurement.

4. Risk Identification and Assessment

Risk Area	Description	Likelihood	Impact	Initial Risk Rating
Fraud Risk	Potential for unauthorized transactions.	Medium	High	Significant
Compliance Risk	Non-adherence to regulatory requirements.	Low	Medium	Moderate
Operational Risk	Inefficient processes causing delays.	High	Medium	Significant

5. Planned Audit Approach

- Conduct walkthroughs and interviews with key personnel.
- Perform substantive and analytical testing on key transactions.
- Evaluate existing policies, controls, and risk management strategies.

6. Timeline

Activity	Scheduled Dates
Planning & Risk Assessment	Feb 1 - Feb 15, 2024
Fieldwork	Feb 16 - Mar 10, 2024
Reporting	Mar 11 - Mar 20, 2024

7. Important Notes

- This report is confidential and intended for internal use only.
- Risk assessments are based on information available as of the report date.
- Audit objectives and scope may be adjusted if significant new risks emerge during fieldwork.

