

Risk-Based Audit: Objectives and Scope Document

1. Introduction

This document outlines the objectives and scope for conducting a risk-based audit within **[Organization Name]**. The audit aims to evaluate key risk areas, ensure controls are effective, and foster improvements in governance, risk management, and internal controls.

2. Objectives

- Identify and prioritize risks that could impede achievement of organizational objectives.
- Assess the adequacy and effectiveness of risk management and control processes.
- Evaluate compliance with applicable policies, regulations, and procedures.
- Recommend improvements to mitigate identified risks and enhance process efficiency.
- Promote a culture of proactive risk management.

3. Scope

- **Audit Period:**
January 1, 2024 – December 31, 2024
- **Business Units Covered:**
Finance Department, Procurement, Human Resources, and IT Operations
- **Processes and Activities:**
 - Risk identification and assessment procedures
 - Control design and implementation
 - Reporting and escalation of risks
 - Periodic review and updates to risk registers
- **Exclusions:**
Operations outside the defined business units and areas not impacting the risk universe.

4. Methodology

- Review organizational risk registers and previous audit findings.
- Interview key process owners and stakeholders.
- Analyze control frameworks and conduct walkthroughs.
- Test sample transactions for effectiveness of controls.
- Report findings and recommend corrective actions.

5. Deliverables

- Risk-based audit report with findings and recommendations
- Management action plan for identified gaps and improvement areas

Important Notes

- This document should be reviewed and approved by relevant stakeholders before commencing the audit.
- The scope must be revisited if significant changes occur in the business environment or risk landscape.
- Clearly defined objectives and scope are essential for audit effectiveness and focus.
- Confidentiality of information reviewed during the audit must be maintained.

