

Introduction

Purpose of Audit Planning Risk Assessment

The purpose of this section is to outline the approach taken to identify and assess the risks that may impact the effectiveness, efficiency, and accuracy of the audit engagement. This provides the foundation for developing a focused and effective audit plan, ensuring that audit efforts are directed towards key areas of potential risk.

Scope

The risk assessment considers both internal and external factors relevant to the audit entity, including but not limited to operational, financial, strategic, and compliance risk elements. The assessment covers the audit period of **[Insert Audit Period]** and is tailored to the objectives outlined within the audit plan.

Objectives

- Identify significant risks that could affect the achievement of audit objectives.
- Evaluate the likelihood and potential impact of identified risks.
- Provide a basis for audit scope and resource allocation.
- Support the formulation of audit procedures to address identified risks.

Methodology

The risk assessment was conducted through a combination of management interviews, review of relevant documentation, analysis of prior audit findings, and consideration of internal controls currently in place. Risks were prioritized based on significance and likelihood of occurrence.

Important Notes:

- This document is dynamic and should be updated as new risks emerge or circumstances change.
- Risk assessment informs the audit plan but does not eliminate risk; unforeseen issues may still arise.
- Auditor judgment is essential in identifying and evaluating risks based on available evidence.
- This section serves as a reference for audit team alignment and stakeholder communication during the audit process.