

Audit Objectives & Scope Document

1. Introduction

This document outlines the objectives and scope for the upcoming audit of XYZ Company for the fiscal year 2024. It defines the purpose and boundaries of the audit process, ensuring all stakeholders have a clear understanding of the engagement.

2. Audit Objectives

- To obtain reasonable assurance regarding the accuracy and completeness of the financial statements.
- To assess the effectiveness of internal controls related to financial reporting.
- To identify potential risks and areas of non-compliance with relevant laws and regulations.
- To provide recommendations for process improvements, if necessary.

3. Audit Scope

- The audit will cover all significant financial transactions recorded between January 1, 2024, and December 31, 2024.
- Key business processes in scope include revenue, purchasing, payroll, and inventory management.
- Site visits and interviews with relevant department heads will be conducted where necessary.
- The audit will encompass compliance with applicable accounting standards and company policies.
- Areas or transactions outside the defined period may be reviewed if deemed relevant to the audit conclusions.

4. Limitations

- The audit will be conducted on a sample basis; therefore, not all transactions will be examined in detail.
- Findings will be based on information and access provided by the organization during the period of review.

5. Deliverables

- Audit report summarizing findings, conclusions, and actionable recommendations.
- Presentation of key observations to management at the closure meeting.

Important Notes:

- Clearly defining objectives and scope sets expectations for both auditors and auditees.
- This document is essential for planning and effective communication throughout the audit process.

- It should be reviewed and approved by all relevant stakeholders before the audit commences.
- Any changes in objectives or scope during the audit should be properly documented and communicated.