**ANNEX 4**

**Date: ……………………**

**Scope and Objectives Memorandum**

**Audit Engagement: ....................................................**

#  Introduction

The mission is included in the *[entity name]* *[year]* audit plan. This follows the audit risk assessment carried out in *[year]* as part of the preparation of the *[entity name]* strategic audit plan for *[period of the strategic audit plan]*.

Here the auditors may introduce a description of the inherent risks related to the audited process and of the purpose of the engagement, i.e. why it was retained for audit. Insert a description of possible issues of interest for the auditee, as well.

# Objective and scope of the audit

Ensure to include here:

* a description of the main objective of the audit.
* the scope of the audit (units to be audited, processes/types of transactions covered, period covered etc.)
* a description of activities/parts of the process which are out of scope.
* cooperation with external parties, if relevant.

# Audit approach

Ensure to include here:

- a description of the audit methodology (documentary analysis, transaction testing, sampling, on-spot inspection, etc.).

- a description of the framework that will be followed during the audit. The framework could refer to the regulatory framework, to internationally recognised best practices (CobIT, ISO norms, etc.)

# Timing

|  |  |  |
| --- | --- | --- |
| Audit Phase | Milestones | Timing |
| Start & Planning | Audit start |  |
| End of planning |  |
| Fieldwork | Scope &Objective(s) Memo issued |  |
| End of fieldwork |  |
| Reporting | Draft Report issued |  |
| End of contradictory procedure |  |
| Final report issued |  |

Please check the consistency of timing with the dates in the annual plan and EPM.

# Audit team

Present the overall coordination of the audit engagement: supervisor, the team leader, the audit team members, using the table below.

|  |  |  |
| --- | --- | --- |
| Role | Name | Position |
| Supervisor |  |  |
| Team Leader |  |  |
| Team Members |  |  |
|  |  |
|  |  |