|  |  |  |
| --- | --- | --- |
| **Client:** | **$(client)** | |
| **Period end date:** | **$(start) - $(end)** | |
| **Ref. no.:** |  | |
| **Prepared by:** | $(user) | **Date:** |
| **Approved by Manager:** |  | **Date:** |
| **Approved by Partner:** |  | **Date:** |

## **Guidance (click to expand):**

This documentation template sets the scope, timing and direction of the audit to guide the development of the audit plan and to draw together the planning work performed. It should be tailored to the requirements of the client and the engagement.

## **Planning Memorandum**

Key characteristics that define the scope of the engagement

1. Select the nature of engagement:

Audit of F/S

Interim Review

Other(s)

Document other(s):

|  |
| --- |
| None. |

1. Select, if applicable to the engagement:

Listed Company

Non-listed Company

Private Company

Public Interest Company

Large-sized Entity

Medium-sized Entity

Small-sized Entity

Other(s)

Document other(s):

|  |
| --- |
| Not applicable. |

1. Applicable financial reporting framework(s) and other legislative and regulatory requirements:

IAS

IFRS

US GAAP

UK GAAP

Other(s)

Document other applicable financial reporting framework(s), and / or applicable, legislative and regulatory requirements:

|  |
| --- |
| The financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail. |

1. Applicable auditing standard and other legislative and regulatory requirements:

International Standards on Auditing

US GAAS (AICPA)

PCAOB Standards, excluding AS 5

Other(s)

Document additional auditing standards, and/or applicable legislative and regulatory requirements:

|  |
| --- |
| Our audit of the financial statements will be conducted in accordance with International Standards on Auditing as applicable in Pakistan. |

1. Are there any industry specific requirement(s) relating to financial reporting or other terms of the engagement to be considered in audit strategy?

Yes

No

Document the requirement(s):

|  |
| --- |
| Not applicable. |

1. Is this a group audit engagement?

Yes

No

Document the number and locations of components to be included; the nature of the control relationships between a parent and its components that determine how the group is to be consolidated; and the extent to which components are audited by other auditors:

|  |
| --- |
| Not applicable. |

1. Is this a first time audit?

Yes

No

1. Do other relevant considerations apply:

Expected reliance on controls

Planned reliance on general IT controls

Expected use of audit evidence obtained in previous audits, including interim period, for example audit evidence related to risk assessment procedures and tests of controls

Entity’s use of service organization

Entity’s use of management’s expert

Use of work of internal auditors

Use of work of auditor’s expert or other specialist etc.

Other(s)

Document other(s):

|  |
| --- |
| Not applicable. |

1. List the components of financial statements to be audited:

|  |
| --- |
|  |

1. Are the financial statements and our auditor’s report to be included in a document containing other information:

Yes

No

List the other information:

|  |
| --- |
| Not applicable. |

1. In addition to our auditor’s report, do we intend to issue any other report(s):

Yes

No

List the other report(s):

|  |
| --- |
| Not applicable. |

1. Reporting Currency Specifications:

***Currency:*** Pakistani rupee

***Amount presented as:*** Full figures

1. Overview of client:

Refer to “Client Overview”

Tasks and meetings summary and timetable

|  |  |
| --- | --- |
| **Milestone** | **Due date** |
| Team Mobilization |  |
| Main Audit Planning Work:   * Budget * Resource Plan * Engagement Letter * Independence * Kick off Meeting(s) |  |
| Planning Activities Completed |  |
| Interim Work:   * Update understanding of key processes and controls * Key accounting and audit findings/significant deficiencies in internal control identified, discussed and resolved * Early substantive testing |  |
| Confirmation Circularization |  |
| Inventory Counts |  |
| Draft Financial Statements |  |
| Client Meetings   * To discuss the nature, extent and timing of the audit work. * To discuss with management regarding the expected communications on the status of audit work throughout the engagement and the expected deliverables resulting from the audit procedures. * To discuss with management and those charged with governance regarding the expected type and timing of reports to be issued and other communications, both written and oral, including the auditor's report, management letters and communications to those charged with governance. | As and when required |
| Meeting with Component Auditor (if applicable)   * To discuss the expected types and timing of reports to be issued. * To discuss other communications in connection with the audit of components. |  |
| Audit Progress Meeting | Every week |
| Any Other Meeting(s) (with internal audit, expert etc.) |  |
| Manager Review |  |
| Partner Review |  |
| EQCR (if required) |  |
| Final Audit Meeting |  |
| Initialed Financial Statements |  |
| Issuance of Audit Report |  |

Significant driving factors and knowledge gained from preliminary engagement activities

Refer to the following documents:

* Acceptance/Continuance Memo
* Engagement Letter
* ISA 315 (Revised) Template
* Internal Control Template
* General Purpose CIS Template
* Risk Assessment Document
* Materiality Calculation
* Points Forward from Previous Year

Nature, Timing and Extent of Resources

1. Document selection of the engagement team (including, where necessary, the engagement quality control reviewer) and the assignment of audit work to the team members, including the assignment of appropriately experienced team members to areas where there may be higher risks of material misstatement.

Is an engagement quality control reviewer required?

Yes (for listed entities or other specific criteria)

No

Refer to “Engagement Team Roles and Responsibilities”.

1. Document engagement budgeting, including considering the appropriate amount of time to set aside for areas where there may be higher risks of material misstatement.

Refer to “Engagement Budgeting”.

Action points

As significant matters are to be identified during the course of our fieldwork, appropriate action shall be taken in consultation with the team manager and engagement partner. These procedures shall be documented appropriately. However, any significant matter requiring an alteration to this document shall be documented here.

No such significant matter has been identified.