External Audit Plan

Audit Plan | Global

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Replace all references to “the Company” with your organisation’s name.

Document Control

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Contents

1. Purpose

This External Audit Plan (the Plan) sets out the scope, approach, timetable, governance and fee arrangements for the external audit of the Company for the financial year ending [date]. It is prepared annually by the Chief Financial Officer in conjunction with the External Auditor and is approved by the Audit and Risk Committee (ARC) before interim audit fieldwork commences.

The Plan exists to ensure that the statutory audit of the financial statements required by applicable law in the Company's operating jurisdiction(s), conducted in accordance with the International Standards on Auditing (ISA), and any assurance engagements over regulatory returns required by the Company's prudential regulator are planned, resourced and executed to a high standard; that the ARC can discharge its oversight responsibilities consistent with the BCBS Corporate Governance Principles for Banks and the G20/OECD Principles of Corporate Governance; and that management, the External Auditor and the ARC share a common understanding of scope, significant risk areas, deliverables and deadlines before work begins.

The Plan also records the Company's governance arrangements for auditor independence — including engagement partner rotation, pre-approval of non-audit services and annual written independence confirmations under the IESBA Code — so that the objectivity of the External Auditor is protected and demonstrable to regulators, shareholders and other stakeholders.

This Plan is a planning and governance document. It does not amend the terms of the audit engagement letter between the Company and the External Auditor, which remains the contractual record of the engagement. Where this Plan and the engagement letter conflict, the engagement letter prevails and the Chief Financial Officer must report the conflict in writing to the ARC Chair within [5] business days of identifying it. The ARC Chair must table the conflict at the next scheduled ARC meeting, and the ARC must decide whether to require an amendment to the engagement letter, an amendment to this Plan, or acceptance of the conflict for the plan year, and must record that decision in its minutes.

2. Scope

This Plan applies to the Company and each controlled entity included in the consolidated financial statements, including [list subsidiaries or state 'no controlled entities']. It covers all external audit and assurance engagements performed by the appointed External Auditor for the financial year ending [date], comprising:

- the audit of the annual financial statements prepared under IFRS Accounting Standards [or the applicable financial reporting framework], conducted in accordance with the International Standards on Auditing;
- any reasonable or limited assurance engagements over regulatory returns, related systems and controls, or compliance matters required by the

Company's prudential regulator [insert requirement under applicable local law], including any report by the auditor direct to that regulator;
- [if applicable] audit or assurance reports required as a condition of a licence, registration or permission held by the Company [insert requirement under applicable local law];
- [if applicable] audits of client money, trust or fiduciary accounts required by the conduct regulator in any operating jurisdiction; and
- any special purpose or agreed-upon procedures engagement requested by a regulator of the Company during the plan year.

The Plan binds the Chief Financial Officer, the finance function, and every business unit and technology team that owns records, systems or reconciliations within audit scope. The obligations relating to auditor independence and non-audit services bind all staff, directors and contractors of the Company and each controlled entity.

The Plan does not cover the internal audit programme, which is governed by the Internal Audit Policy and the Annual Internal Audit Plan, nor engagements performed by firms other than the appointed External Auditor and its network. Reliance placed by the External Auditor on internal audit work is addressed in section 8 (Audit Approach).

Jurisdictional application: this Plan states international best practice for the planning and governance of the external audit. The Company must map the requirements of this Plan to the companies, banking, audit and licensing law of each jurisdiction in which it operates — in particular statutory audit and auditor appointment requirements, independence and rotation rules, regulatory assurance obligations and lodgement deadlines — and where local law imposes a stricter or additional requirement, local law prevails.

3. Definitions

Term	Definition
External Auditor	The audit firm appointed in accordance with applicable law in the Company's operating jurisdiction(s) to audit the Company's financial statements and to perform any assurance engagements over regulatory or prudential returns required by the Company's regulator.
Engagement Partner	The partner or equivalent individual within the External Auditor who is responsible for the audit engagement, its performance and the auditor's report issued on the firm's behalf, as defined in the International Standards on Auditing.
Audit and Risk Committee (ARC)	The Board committee responsible for oversight of financial reporting, external audit, the internal audit function and risk management, constituted with a majority

	of independent non-executive members consistent with the BCBS Corporate Governance Principles for Banks and the G20/OECD Principles of Corporate Governance, and to which the Head of Internal Audit reports functionally.
Key Audit Matter (KAM)	A matter that, in the External Auditor's professional judgement, was of most significance in the audit of the financial statements, determined and communicated in accordance with ISA 701.
Materiality	The magnitude of misstatements, individually or in aggregate, that could reasonably be expected to influence the economic decisions of users of the financial statements, determined by the External Auditor in accordance with ISA 320.
Performance Materiality	The amount set by the External Auditor at less than overall materiality to reduce to an appropriately low level the probability that uncorrected and undetected misstatements in aggregate exceed overall materiality.
Clearly Trivial Threshold	The amount below which identified misstatements need not be accumulated or reported, being an amount the External Auditor expects to be inconsequential both individually and in aggregate.
Non-Audit Services (NAS)	Any service provided by the External Auditor or its network firms to the Company other than the statutory audit, assurance over regulatory returns required by the Company's regulator, and other engagements required by law.
Prepared-by-Client (PBC) List	The schedule issued by the External Auditor of workpapers, reconciliations, data extracts and supporting documents that management must prepare and deliver by specified dates for each phase of the audit.
IT General Controls (ITGC)	Controls over the Company's IT environment that support the consistent operation of application controls and the integrity of system-generated data, including access management, change management and IT operations.
Expected Credit Loss (ECL)	The probability-weighted estimate of credit losses on a financial instrument

	determined under IFRS 9, measured as the present value of expected cash shortfalls discounted at the original effective interest rate, on a 12-month basis for Stage 1 exposures and a lifetime basis for Stage 2 and Stage 3 exposures.
Regulatory Returns	Data reported to the Company's prudential regulator under applicable reporting requirements, including capital adequacy, liquidity, credit risk and large exposure returns, whose reliability may be subject to independent assurance.
Interim Visit	The audit phase performed before the financial year end at which the External Auditor performs planning, walkthroughs, controls testing and early substantive procedures.
Clearance Meeting	The meeting between the External Auditor, management and (where scheduled) the ARC at which unresolved audit matters, uncorrected misstatements and the form of the audit opinion are settled before the audit report is signed.
Engagement Quality Reviewer	The individual appointed under ISQM 2 to perform an objective evaluation of the significant judgements made by the engagement team and the conclusions reached, before the auditor's report is issued.
IESBA Code	The International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which governs the independence and ethical conduct of the External Auditor.
Those Charged with Governance	The Board of Directors and, for the purposes of auditor communications under ISA 260, the Audit and Risk Committee acting under its delegated authority.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
International Standards on Auditing (ISA), IAASB	Standards under which the financial statement audit is conducted, including

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.

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