

SOP Template: Review and Audit Procedures by Finance Department

This SOP details the **Review and Audit Procedures by Finance Department**, covering the systematic examination of financial records, compliance verification with regulatory standards, internal control assessments, risk management evaluations, and documentation of audit findings. The objective is to maintain financial accuracy, transparency, and accountability while ensuring adherence to organizational policies and legal requirements.

1. Purpose

To outline the steps and responsibilities involved in conducting financial reviews and audits, ensuring the integrity of financial data and compliance with applicable standards.

2. Scope

This procedure applies to all financial records, reports, and processes handled by the Finance Department, including but not limited to: accounting, payroll, procurement, and grants management.

3. Responsibilities

Role	Responsibility
Finance Manager	Oversees the review and audit process, assigns duties, and approves final reports.
Finance Team	Conducts the reviews, collects documentation, and prepares audit findings.
Auditors (Internal/External)	Perform independent audits, provide recommendations for improvements.

4. Procedure

- Planning**
 - Determine scope and objectives of the review/audit.
 - Develop an audit plan and schedule activities.
 - Notify relevant departments of upcoming audits.
- Data Collection**
 - Gather necessary financial records and supporting documents.
 - Ensure data is complete and accurate.
- Review and Testing**
 - Examine transactions for compliance with internal policies and regulations.
 - Test the effectiveness of internal controls and processes.
 - Assess risk factors and identify discrepancies.
- Documentation**
 - Record detailed findings, supporting evidence, and observations.
 - Document any non-compliance issues and recommend corrective actions.
- Reporting**
 - Compile audit findings into a formal report.
 - Submit report to management and relevant stakeholders.
- Follow-Up**
 - Monitor implementation of recommended corrective actions.
 - Perform follow-up reviews as necessary.

5. Documentation and Records

- Audit plans and schedules
- Financial statements and ledgers
- Compliance checklists
- Audit reports and corrective action plans
- Correspondence and notifications

6. Compliance & References

Ensure adherence to applicable accounting standards, organizational policies, and legal/regulatory requirements (e.g., IFRS, GAAP, local laws and regulations).

- Internal Control Manuals
- Finance Department Policy Handbook
- Relevant Regulatory Guidelines

7. Revision History

Version	Date	Description	Author
1.0	2024-06-09	Initial release	Finance Department