



AUDIT PLANNING OF MURRAY RIVER ORGANICS

Financial year ended June 30, 2018



[STUDENT NAME]

[UNIVERSITY NAME]

[COURSE/DATE]

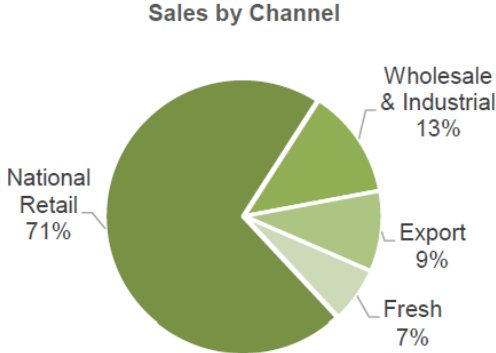
TO: Audit Partner
FROM: MRG audit engagement team
DATE: July 15, 2018
SUBJECT: Audit Planning Memorandum of MRO

Dear Sir,

The purpose of this report is to highlight the most important / key audit areas in performing the audit of Murray River Organics (hereinafter “MRO”) for the financial year ended June 30, 2018, as a result of obtained understanding of MRO, its operations, environment in which it operates and the surrounding business risks.

1. Operational characteristics

1.1 MRO is a manufacturer, marketer and seller of organic and natural food products. The company’s vision is to stand out as a brand that empowers healthy, organic and sustainable food choices among the consumers. It supplies its products to domestic and retail (supermarkets and small retailers), wholesale and industrial (bulk products to distributors), and other customers who use dried vine fruits in their end product (MRO, 2017). This is shown in the following pie chart:



(Source: MRO, 2018)

MRO operates in only one industry and owns a production and distribution facility in Dandenong South, Victoria from where it distributes almost 89% products to domestic consumers in Australia and remainder 11% is exported to channels around Asia, US and Europe (Bloomberg, 2019).

1.2 The company has been incurring net loss since last few years although its revenue has been steeply rising since 2015 to 2018. This is shown in the following graph:



(Source: Simply Wall Street, 2019)

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