

# Variance Analysis Memo

Use this template to explain financial statement fluctuations with thresholds, drivers, evidence, and follow-up actions.

## Template Metadata

Field	Details
Category	Accounting & Audit
Owner	[Team or owner]
Version	[Version number]
Effective Date	[Date]
Review Cycle	[Monthly / Quarterly / Annual / Event-based]
Status	[Draft / In Review / Approved]

## Analysis Scope

Identify period, comparative period, financial statements, entities, and accounts reviewed.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

## Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Thresholds and Methodology

Define dollar and percentage thresholds, data sources, exclusions, and investigation approach.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

### Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Executive Summary

Summarize significant movements, recurring themes, unusual items, and unresolved questions.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

### Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Account-Level Variance Analysis

Explain major variances by account with operational drivers and accounting impact.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

## Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Supporting Evidence

Reference invoices, subledger reports, contracts, payroll data, board approvals, or external data.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

## Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Follow-Up Items

Assign owners, due dates, proposed entries, disclosure considerations, and control implications.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

## Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Conclusion

State whether variances are reasonable, require adjustment, or require additional audit procedures.

Item	Details	Owner	Status
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]
[Item or requirement]	[Describe the relevant detail, evidence, or decision]	[Owner]	[Open / Complete]

## Notes

[Add context, assumptions, exceptions, evidence links, screenshots, calculations, or reviewer comments.]

## Review and Signoff

Document review conclusions, approvals, unresolved items, and next review date.

Role	Name	Date	Notes
Preparer	[Name]	[Date]	[Notes]
Reviewer	[Name]	[Date]	[Notes]
Approver	[Name]	[Date]	[Notes]