





# Communicating Results and Findings of Internal Audit / Emerging Risks

Audit of SMEs by SMPs

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#### What we audit





#### What we audit







# What we communicate





#### What we communicate







## Considerations

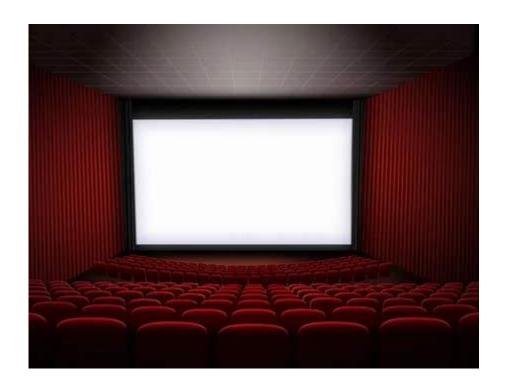


- Audience
- Medium of communication
- Message
- Timely
- Backup
- Compliance



# Audience







#### Audience



#### Stakeholders

- Regulators (if applicable)
- Board of Directors / Audit Committee / Promoters / Proprietor
- Senior Leadership
- Management
- Process owners / Execution team



## Medium of Communication







# Medium of Communication



- Documented:
  - Presentation
  - Executive Summary
  - Detailed Internal Audit Report
  - Detailed Annexures



# Message







# Message



#### Finding in light of:

- Potential risk / exposure to the organization
- Impact of the finding
- What went wrong
- How did it go wrong



# Backup







# Backup



- Factual Accuracy
- Evidence
- Supporting documentation



# Compliance







# Compliance



- Adherence to Standards
  - Institute of Chartered Accounts of India
    - Standards on Internal Audit (SIA) 370 on Reporting Results
  - Institute of Internal Auditors
    - Performance Standards 2060 on Reporting to Senior Management and the Board
- Organisations Internal Audit Methodology



# Internal Audit Report







# Internal Audit Report



- Background of the area audited
- Executive Summary and rating
- Scope / coverage
- Findings
- Recommendations
- Corrective Action Plan
- Annexures



# **Audit Findings**







# **Audit Findings**



- Clear, Precise, Concise, Simple, Factual
- People, Process, Systems
- Design v/s operating effectiveness
- What should have happened v/s What happened
- Policy, regulatory requirement
- Consequence / Impact
- Significance / rating



# Corrective Action Plan







# Corrective Action Plan



- Clear, Precise, Concise, Simple
- Achievable
- Measurable
- Sustainable
- Time bound



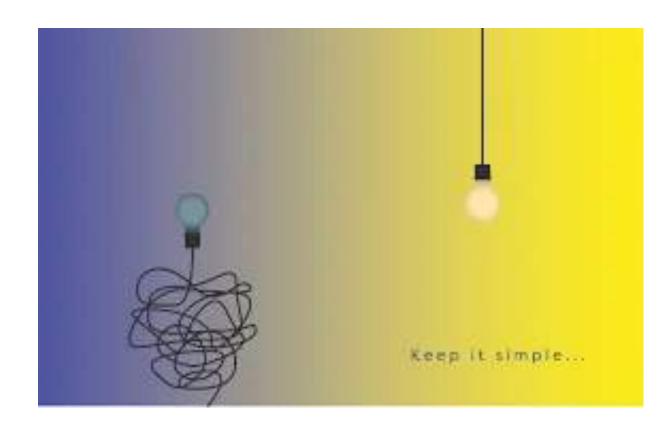
# Communication





## Communication









# Questions?





# Thank You!