

Internal Audit Report Template08

[Company Name]

Internal Audit Report

(Audit Topic)

Business Unit:

Issue Date

Report Number:

Responsible Executives:

CC:

OBJECTIVES AND SCOPE:

The purpose of this audit was to evaluate the adequacy of internal controls governing key internal control processes within _____. The audit fieldwork was conducted from (date to date.)

The scope of the audit included the following:

The scope of this audit did not include _____ as they are addressed in separate audits.

The audit procedures included discussions with management, reviews of internal documentation, observation of activities and testing to confirm controls were operating as described during the months from date to date.

BACKGROUND:

Be very concise. Mention the departments involved if not self-evident, as well as total \$ processed and key systems.

GENERAL OPINION:

It is our opinion that the controls implemented in _____ *Rating* to provide reasonable assurance of the complete, accurate and timely processing of key activities related to monthly financial statement closing process.

There were, however, medium-risk observations related to.

Our audit was conducted in accordance with the International Standards for the professional practice of internal auditing. Internal audits do not necessarily disclose all process or control weaknesses because they are based on selective reviews and inquires. Identified issues that were outstanding as of the first day of audit fieldwork (Date) are included in the report. This report is intended solely for the information and use of [Company Name] Management and is not to be distributed outside the entity without permission from the head of Internal Audit.

Name: _____
Title: _____

Name: _____
Title: _____

DETAILED AUDIT ISSUES:

Observation:

Identify the condition (what), cause (why, if not obvious), criteria (any applicable standards).

Risk (Rating):

State the end result to the extent possible; do not restate the observation.

Identify the value driver(s) impacted: i.e. brand, customer satisfaction, simplicity, operational efficiency and /or competitive advantage.

Recommendation:

Management Response:

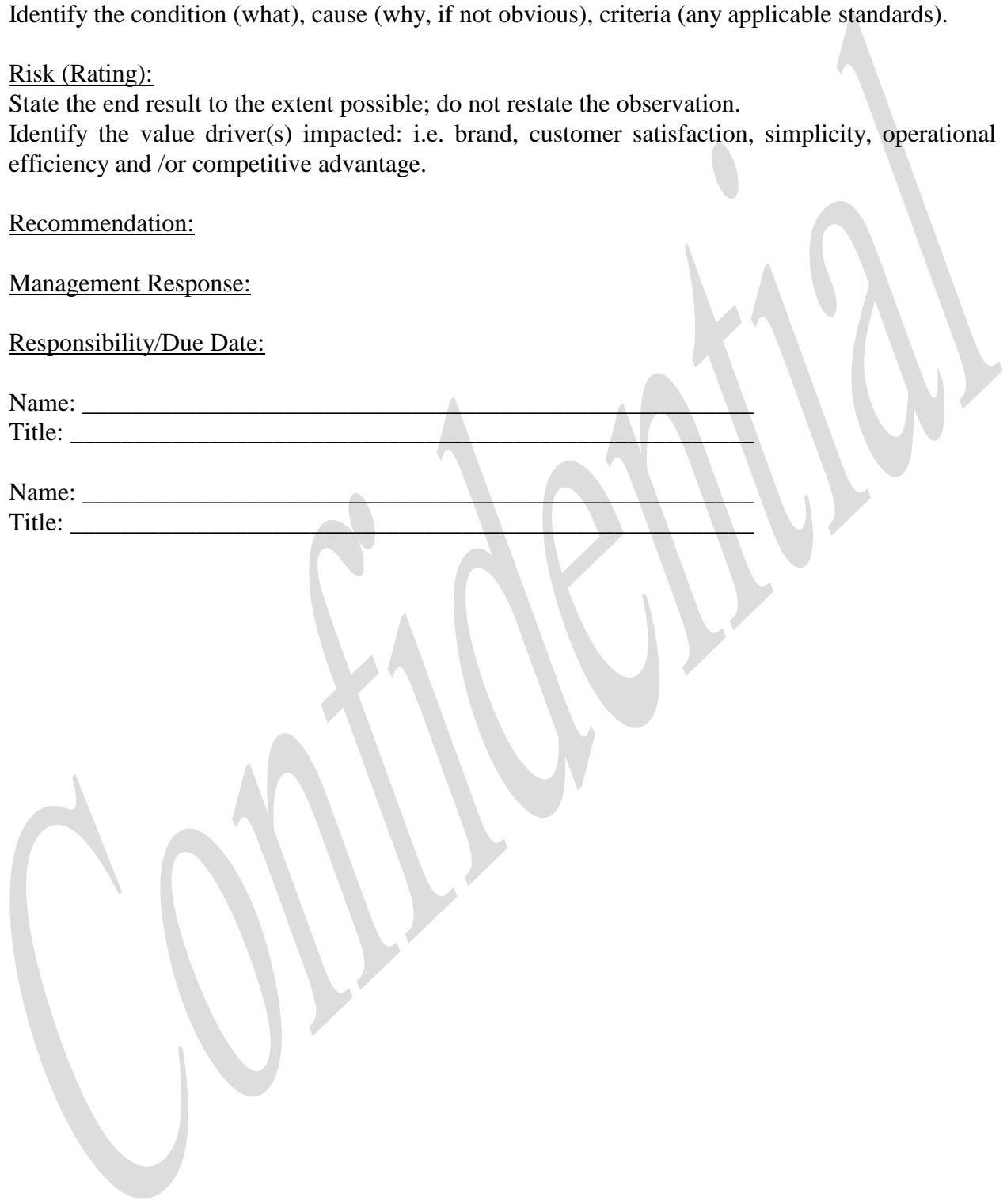
Responsibility/Due Date:

Name: _____

Title: _____

Name: _____

Title: _____



Definitions

Definition of Risk Rating of Audit Findings

All findings in this report have been assigned a risk rating in accordance with the following:

- Critical:** Risks exceed tolerance and are so significant in the context of the business objectives and/or value drivers impacted that management should determine any exposure to date and without delay develop an agreed program for the immediate mitigation of risks. If there is insufficient budget to address the risk, then funding needs to be arranged.
- High:** The risks exceed tolerance level. Resources need to be assigned to mitigate risks within a reasonable timeframe. High risk findings are to be communicated to the Executive Team member of the area involved within xx hours of their identification, and to the CEO within xx hours of identification.
- Medium:** These risks are important in the context of the business objectives and/or value drivers impacted, but do not exceed the risk tolerance for [Company Name]. Management should develop action plans that will ensure timely mitigation of the risks. Monitoring is required to avoid a worsening situation.
- Low:** These risks are not currently material in the context of the business objectives and/or value drivers impacted, but management should monitor the risks and take the appropriate action, as necessary, to prevent risks from becoming material.

Definition of General Opinion

The general opinion of the results of the audit has utilized the following definitions:

- Strong:** There were no key risk areas identified. No management action is required.
- Sufficient:** No critical or high key risk areas were identified. The impact of identified control weaknesses exposes the area in scope to limited risk. Some management effort is required.
- Needs Improvement:** Key risk areas were identified. The impact of identified control weaknesses exposes the area in scope to a serious level of risk. Significant management effort is required to address the key risk areas identified as soon as possible.
- Unsatisfactory:** At least one critical key risk area or more than one high key risk area was identified. The impact of identified control weaknesses exposes the area in scope to an unacceptable level of risk. Immediate and urgent management effort is required to address the key risk areas identified.

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