

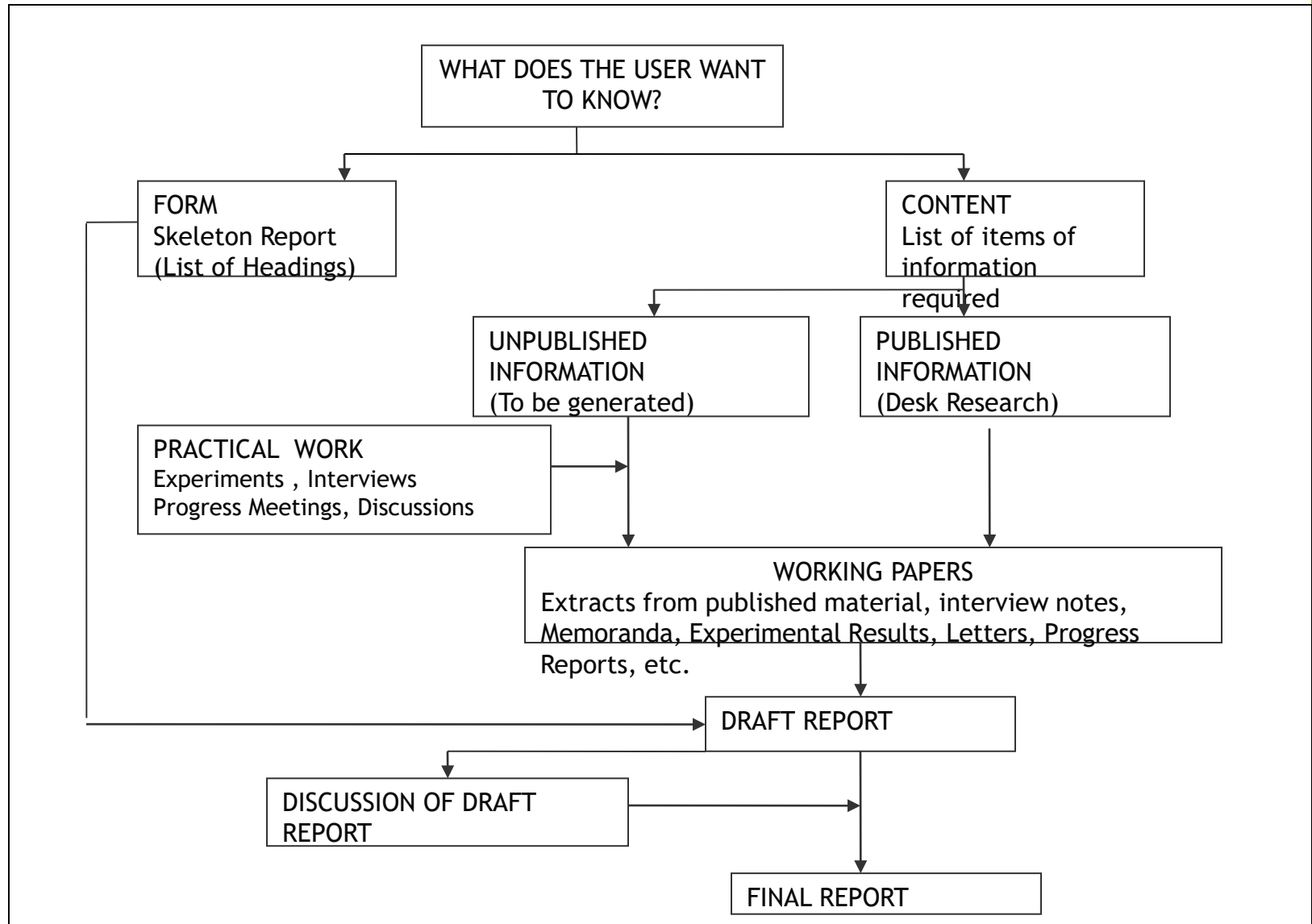
# Audit Report and Reporting to Audit Committees

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# Audit Reports

- ▶ Permanent, Comprehensive and Coherent Account
- ▶ Provide Information
- ▶ Form and Quality a function of work quality
- ▶ Judgment of Authors capability

# Audit Report - Stages



# Audit Report - Planning

- ▶ Adequate time scheduling
- ▶ Skeleton Report
  - ▶ Main Chapter Headings
  - ▶ List of Subjects to be covered
- ▶ Assembling the Raw Material
- ▶ Drafting
- ▶ Timing
  - ▶ Not a typing job
- ▶ Editorial Control
  - ▶ Consistency
  - ▶ Distribution

# Audit Report - Drafting

- ▶ Why am I writing?
  - ▶ To inform, persuade, analyse, identify, recommend, secure attention, gain acceptance
- ▶ Write to express not impress
- ▶ Understand and visualise the receiver
- ▶ Writing geared towards audience
  - ▶ Educational levels and occupation, Group Loyalties, Beliefs and attitudes, Friendly or hostile
- ▶ Deliver a message

# Audit Report - Organisation

- ▶ Identify the problem - analyse - offer solution
- ▶ Give information for decision making
- ▶ Avoid more information than what you need to give
- ▶ Be logical
- ▶ Summarise

# Audit Report - Forms

- ▶ Detailed
  - ▶ Title Sheet,
  - ▶ Executive Summary,
  - ▶ Main Report,
  - ▶ Task Sheet,
  - ▶ Information,
  - ▶ Annexures
- ▶ One Page Report

# Audit Report - Detailed Structure

- ▶ Title Sheet
  - ▶ Project Code, Scope, Extent and basis of checking, Time taken in mandays
- ▶ Executive Summary
  - ▶ Issues in brief
- ▶ Introduction
  - ▶ Details including softwares used and transactions summary
- ▶ Procedure Flowchart
  - ▶ Broad flow of process



# Audit Report - Detailed Structure

- ▶ Main Report
  - ▶ Observation, Impact, Recommendation and Auditee Comments
- ▶ Task Sheet
  - ▶ Para Ref, Issue/Action Plan, Function, Person responsible, Due Date for implementation
- ▶ For Information
  - ▶ Relevant matters identified during audit
- ▶ Annexures
  - ▶ Data in support of the issues reported.

# Audit Reports - Feedback

- ▶ Incomplete observations
- ▶ Contradictory observations
- ▶ General Statements
- ▶ Impacts not brought out clearly
- ▶ No detailed working for 'Values' reported
- ▶ Assumptions not recorded
- ▶ Calculations not discussed / agreed with auditees
- ▶ Feed back not obtained

# Audit Reports - Feedback

- ▶ General comments accepted & recorded
- ▶ Writing whatever auditees state
- ▶ Not validating the update 'information' given by auditees as comments
- ▶ Not reviewing previous auditor's points carefully
- ▶ Not giving comparative figures for current year to assess improvement / deterioration of the Status from last year

# Audit Reports - Feedback

## ▶ Executive Summary

- ▶ Comprehensiveness, Self explanatory,
- ▶ Brief, Significance

## ▶ Task Sheet

- ▶ Agreed Recommendations, Action oriented, Person specific, Time bound, Single element

# Auditees' Feedback Sheet

- ▶ Audit Objectives were clearly communicated to us.
- ▶ Audit took an acceptable amount of time. (In mandays)
- ▶ The disruption of daily activities was minimised as much as possible during the Audit.
- ▶ Operating conditions were adequately considered and appreciated by the Audit.
- ▶ The Audit Team demonstrated proficiency in the concerned area of Audit.

# Auditees' Feedback Sheet...

- ▶ The Audit Team demonstrated courtesy, professionalism and positive approach.
- ▶ Communication of Audit result and status to us during the Audit was adequate.
- ▶ The Audit Teams' conclusions and opinions were logical and accurately reported.
- ▶ Audit recommendations were constructive and actionable.
- ▶ Audit comments received from Auditees were correctly reported.
- ▶ Overall audit provided "Value Addition" to our Unit.

# Concluding Tips

- ▶ So What? Copy should answer this.
- ▶ Read your draft after ending
- ▶ Put your copy away for 24 hrs. and read the matter again before submission
- ▶ Never forget the main purpose of communication

# Audit Committee Presentation



# STATUS OF THE AUDIT PROGRAM

- ▶ Audit Title
- ▶ Audit Number
- ▶ Scheduled & Completed
- ▶ Completed & Not Scheduled
- ▶ Carry-over from Prior Year
- ▶ Not Completed
- ▶ Audit Report Number and Dates
- ▶ Carry-over to Next Year

# Summary of Follow-up Reviews

- ▶ Number of Audits Completed
- ▶ Follow-up Performed, Action Plans Completed
- ▶ Follow-up Performed, Action Plans in Progress
- ▶ Follow-up Performed and Action Pending
- ▶ Total Follow-up Audits
- ▶ Description of Audits with Action Pending
- ▶ Unresolved or Open Items in Follow-up Audits\*

\*"The following are the significant unresolved or open items from the follow-up of audits...."

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Thank You