



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!