

**[insert name of Entity]**

**INTERNAL AUDIT FUNCTION**

**INTERNAL AUDIT FINAL REPORT  
TEMPLATE**

***[INSERT NAME OF AUDIT/AREA THAT WAS AUDITED]***

***[INSERT REPORT DATE (MONTH AND YEAR)]***

***[INSERT AUDIT REPORT NUMBER]***

**CONFIDENTIAL**

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## Report Recipients

**Table 1: Distribution List**

Designation	For Action	For Information

This report is intended solely for use by the board and management of the [entity] . No party other than those to whom it is addressed may rely upon this report / information for any purpose whatsoever. It must not be made available or copied in whole or in part to any other party without our prior written consent and approval by the Accounting Officer.

## Executive Summary

This section will contain information on:

- Summary on the area being audited and why its being audited (e.g., part of annual audit plan, special investigation etc).
- Engagement objective.
- Engagement Scope and limitation (where applicable).
- Positive attributes.
- Summary of key audit findings.
- Conclusion
- Statement of Conformance with the Standards

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### LIST OF DIAGRAMS AND TABLES

Table 1: Distribution List .....	Error! Bookmark not defined.
Table 2: Detailed Finding .....	Error! Bookmark not defined.

## 1. Introduction

This section will contain information on:

- i. Background information on the area being reviewed.
- ii. Engagement objective.
- iii. Engagement scope.
- iv. Evaluation Criteria
- v. Engagement methodology.

## 2. Positive Attributes

This section will contain information on areas that have effective governance, risk management and controls based on the outcome of engagement procedures.

## 3. Areas for Improvement/Findings

This section represents the results of the audit testing performed and the findings identified for improvement of the entity's GRC processes.

**Table 2: Detailed Finding**

Finding Title	Rating of finding
Criteria	
Condition	
Cause	
Effect (Risk or Potential exposure)	
Corrective Action (Recommendation)	

Finding Title			Rating of finding	
Agreed Management Action Plan				
Activity		Responsible	Timelines	
[Management feedback/response ]		[Management feedback ]	[Management feedback ]	]

**Note:** Entities may modify the rating of finding matrix as appropriate.

Finding rating matrix relates specifically to the rating of the detail findings.

Findings may be rated as High, Medium or Low. The rating cell may be colored using the following colours;

Rating	Colour Code
High	
Medium	
Low	

The following criteria may be used to rate each finding.

a) High Rating ;

One or more of the following conditions exist that require immediate attention of the Senior Management;

- Financial impact of both actual and potential losses is material
- Management's actions, or lack thereof, have resulted in the compromise of a key process or control, which requires immediate significant efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks. Failure by the management to remedy such deficiencies on a timely basis will result in the entity being exposed to immediate risks and/or financial loss.
- One or more of the following conditions is true;
  - ✓ Management failed to identify key risks

- ✓ Management failed to implement processes and controls to mitigate key risks.
- ✓ Management's actions, or lack thereof, have resulted in a key initiative to be significantly impacted or delayed and the financial support for such initiative will likely be compromised.
- Management failed to implement effective control environment or provide adequate oversight, resulting in a negative pervasive impact on the entity or potential fraudulent acts by entity's staff.
- Fraud by management or staff, as defined by the Fraud Prevention Policy
- Material impact to the entity's strategic or key initiative.

NB: Corrective actions by senior management must be implemented.

b) Medium Rating ;

One or more of the following conditions exist that require attention by senior management;

- Financial impact of both actual and potential losses is significant.
- Management's actions, or lack thereof, may result in a key process or control to be compromised, which requires considerable efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks.
- Management correctly identified key risks and have implemented processes and controls to mitigate such risks. However, one or more of the following is true;
  - ✓ The processes and controls are not appropriate or adequate in design
  - ✓ The processes and controls are not operating effectively on a consistent basis
- Management's actions, or lack thereof, have impacted or delayed a key initiative, and the funding for such initiative may be compromised.
- Management failed to provide effective control environment or oversight on a consistent basis, resulting in a negative impact on the respective division, or other departments.
- Management failed to comply with laws, policies, regulatory requirements, etc., which may result in penalties.
- Management failed to identify or remedy key control deficiencies that may impact the effectiveness of antifraud programs.
- Significant impact to the entity's strategic or key initiative.

c) Low Rating ;

- One or more of the following conditions exist that require attention by management.
- Financial impact of both actual and potential losses is insignificant.
- A non-key process or control if compromised may require some efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks.
- Processes and controls to mitigate risks are in place; however, opportunities exist to further enhance the effectiveness or efficiency of such processes and controls. Management oversight exists to ensure key processes and controls are operating effectively.
- Minimal risk of non-compliance to laws, policies, regulatory requirements, etc
- Low impact to the entity's strategic or key initiative.
- Low impact to the entity's operations.

The Internal Auditor may provide detailed information on the findings in the appendix




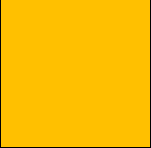

#### 4. Prior Open Audit Recommendation Implementation

This section provides information on the implementation status of recommendations of prior audits. This shall include Internal Audit, OAG, Accounting Officer and Audit Committee (including Governing body) directives and other assurance providers.

Recommendation	Number of days Overdue	Status of Implementation of Recommendations		
		Partially implemented	Not implemented	Client latest Remarks

#### 5. Conclusion

This section provides the overall conclusion on the engagement(s). Ratings awarded represent the conclusion of Internal Audit based on the results of the audit of a system or audit area. Conclusions may be rated as High Risk/ Not satisfactory, Medium risk/ Average/ Needs improvement or Low risk/ Satisfactory. These may be described and colour coded as illustrated below;

#	Audit	Icon	Rating criteria
1.	High Risk/ Not satisfactory		<ul style="list-style-type: none"> <li>Core perspective target achieved at below 90%</li> <li>Average Implementation rating on audit recommendations at below 80% (or last audit)</li> <li>Key controls tested and have no audit issues – below 80%</li> </ul>
2.	Medium risk/ Average/ Needs improvement		<ul style="list-style-type: none"> <li>Core perspective target achieved at 91-99%</li> <li>Average Implementation rating on audit recommendations at below 80-89% (or last audit)</li> <li>Key controls tested and have no audit issues –80-89%</li> </ul>
3.	Low risk/ Satisfactory		<ul style="list-style-type: none"> <li>Core perspective target achieved at 100% and above</li> <li>Average Implementation rating on audit recommendations at below 90% and above (or last audit)</li> <li>Key controls tested and have no audit issues – 90-100%</li> </ul>

## 6. Acknowledgement

Appreciate management for the assistance given during the audit.

## 7. Approval

The CAE takes responsibility for this report, which has been discussed and agreed with management.

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[Name]

Chief Audit Executive

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Date

## 8. Appendix