

Template 41 : Audit Committee Report Quarterly

Transmission letter

To: Chairman Audit Committee

From: Head of Internal Audit

CC: Chief Executive Officer

Title: Report on internal audit activities between September 20xx and December 20XX

Issue Grading

Report Grading

Prepared by:

Head of Internal Audit Unit

Date: [date]

AUDIT COMMITTEE REPORT QUARTERLY TEMPLATE

COUNTY GOVERNMENT OF _____

**Audit Committee Report
Quarter 2 FY 20XX/20XX**

Prepared by:

Head of Internal Audit

Month, Year

DRAFT

1. Executive summary

1.1. Introduction

This report presents a summary of the activities and key findings of Internal Audit for the period [date] to [date].

1.2. Background

[Section to include overview commentary from the Head of Internal Audit on the control environment, recurring themes and relevant business issues]

1.3. Actions from previous audit committee meeting

[Provide any required updates from previous audit committee minutes]

Audit Area	Previous Point	Action	Current Point	Action	Status
1.	2.				

1.4. Audit Plan Implementation and Proposed Changes

[Provide a brief summary of audit plan execution and key proposed changes as a result of, for example, changes in the risk profile of the organization, new projects, organizational change etc.]

1.5. Reviews commencing in the quarter

Full reviews completed in the period

(Highlight any significant delays in finalizing draft reports]

Assignment name	Audit type	Overall objective
	Compliance review	

1.6. Full reviews completed in the period

Ref No.	Focus Area	High Risk Issues	Moderate Risk Issues	Low Risk Issues	Total
2019/2020-01	Accounts and Financial Management	4	2	2	8

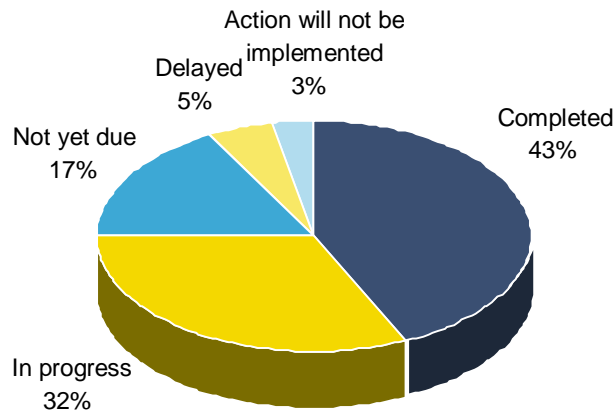
1.7. Summary of key observations

[Provide a summary of the key issues identified from the work performed in the period.]

[Title of the Audit Review]: Accounts and Finance Audit			
Scope of the review: [Brief summary of the agreed scope of work and key objectives]			
Business owner: Head of Finance			
Overall Grading:	Positive Findings Identified XXXXXXXXXX XXXXXXXXXXXXXXXXXX	Controls Operating effectiveness issues identified: X High X Medium X Low	Control design weaknesses identified: X High X Medium X Low
Key findings Set out above is a summary of the key findings from the audit. For full details of the findings and recommendations, please refer to the full report (reported separately).			

1.8. Progress in implementing control actions

The graph below summarizes the progress made by the entity in implementing the actions arising from previous internal audit reports.



1.9. Progress in implementing audit actions

After issue of a final report, the progress of implementation of all “high and medium risk” rated actions is tracked. Management is requested to provide evidence to Internal Audit that the action is implemented at the appropriate due date and status reports for any actions in progress. When the action has been validated as implemented, the action is considered to be closed.

At the previous Audit Committee, we reported that there were [number] open actions. Of these, [number] have been closed in the period. The total number of open actions as at [date], including the new actions issued in this period, is therefore [number].

1.10. Overdue actions

As illustrated below (number) actions are overdue for implementation, of which (number) were rated as high risk. A brief status update for each of the overdue high risk rated actions is provided below.

Summary of action	Action owner / original due date	Status update / revised implementation date
[Title/ref of review] [Brief description of the action]		

1.11. Closed actions

Summary of action	Action owner / original due date	Status update / revised implementation date
[Title/ref of review] [Brief description of the action]		

2. Progress in implementing audit plan

2.1 Reports Finalized

Audit Area	Fieldwork completion date	Report Issued date	Audit opinion	Issue rating		
				High	Medium	Low
Fixed assets reviews			Satisfactory			
Financial audit			Disclaimer			
Payroll review	March 201x	May 25, 201x	Unsatisfactory			

2.2 Audits Completed - Reports not Finalized

Area	Status	Expected Report Issuance Date
Follow-up audit –	Preparing draft report	August 201x
Follow-up audit –	Awaiting management comments	August 201x
	Preparing final report	August 201x

2.3 Audits Currently in Progress

Area	Status	Expected Completion Date
Logistics audit	Fieldwork near completion	August 201x
Procurement audit	Fieldwork started	August 201x

3. Summary of Audit Findings - Control Weaknesses/Operating Inefficiencies

Area/ report	Finding	Rating	Action plan
Customer Accounts	<ul style="list-style-type: none"> A sample of customer address changes reviewed noted a lack of timely updating of the customer receivable file by stores. (55% of address changes received on December 29th had not been updated as of January 12th) 		
Computer System Audit	<ul style="list-style-type: none"> A system interface between the major payroll/personnel systems does not currently exist, requiring all employee data to be input separately into both systems. This is inefficient and may also create discrepancies between the data existing on the two systems. 		
System Development and Maintenance	<ul style="list-style-type: none"> There is no system ownership policy and end user involvement varies among user groups. The process for implementing changes to programs is a paper intensive, manual process. The Company's Systems Development and Maintenance procedures require updating. 		

4. Progress in implementing audit actions

Report	Status	High (no.)	Medium (no.)	Low	Total no. of issues	Percentage
Report 1	Implemented					%
	Partially implemented					%
	Not implemented					%
	Implemented					%
	Partially implemented					%
	Not implemented					%

5. Recommendation

The Board Committee is requested to note the audit findings together with the recommendations and agreed management actions for the areas reviewed, and to present the report to the Board for information.