

Effective Audit Reports – Do Ratings Matter?

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Your presenters



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IIA Standards

- Communications must include the engagement's objectives, scope, and results.
- Communications must be accurate, objective, clear, concise, constructive, complete, and timely.

Findings and Recommendations

- You've identified them – now what?
- What are you doing with them?
- How are they initially presented, and to whom?

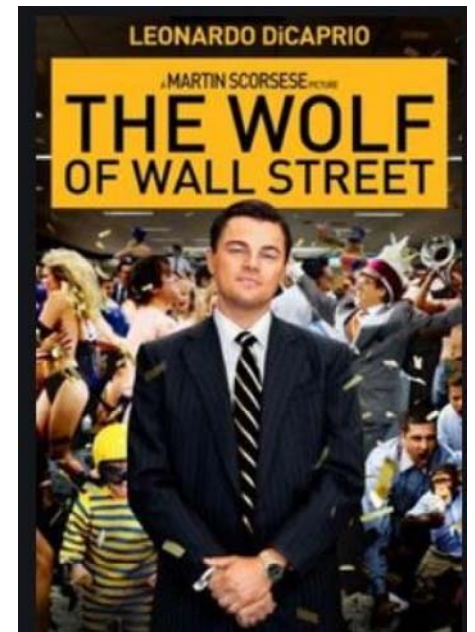
Ratings

- Whether ratings are included or not, the auditor must have some sort of label – best practice, report, verbal. Even if in your mind only...
- What's your baseline for determining inclusion in the report or not?
- How do you communicate these findings to your audience?
- Individual ratings? Overall report ratings?

Pros

and

Cons



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Pros

- Prioritization
- Enterprise Risk Management
- Gives the users perspective
- Assists in audit planning
- Other thoughts?

Cons

- Subjectivity
- Lack of consistency
- Can provide a false sense of comfort
- Distraction
- Other thoughts?

Other Areas for Consideration

- What language? High, Moderate, Low, Critical, etc.
- Strong, Satisfactory, Needs Improvement, etc.
- Sample size/understanding the root cause
- Regulatory compliance/penalties, examiner scrutiny, criticality, etc.

Board and Committee Meetings

- Enterprise risk management/strategic plan
- Perspective for non-financial volunteers – folks not intimately involved in CU operations. Or, even financial volunteers!
- Helps with audit plan development.

Conclusion

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Questions?

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