

Internal Audit Report Structure for Corporate Entities

1. Executive Summary

Provides an overview of the audit scope, key findings, conclusions, and high-level recommendations. Summarizes the most critical issues for senior management and the board.

2. Introduction

States the purpose of the audit, its objectives, and outlines the area, processes, or departments reviewed. May include background information relevant to understanding the audit context.

3. Audit Scope and Methodology

Explains the period, locations, and business units covered, as well as audit techniques applied (e.g., interviews, sampling, documentation review). Also notes any limitations or exclusions.

4. Detailed Findings & Recommendations

1. 4.1 Observation/Issue

Succinct statement of the specific finding, linked to evidence observed.

2. 4.2 Impact/Risk

Describes the actual or potential impact on business, compliance, or risk exposure.

3. 4.3 Recommendation

Actionable advice for addressing the issue, including suggestions for improvement or preventive steps.

4. 4.4 Management Response

Commentary or future actions/commitments provided by management to address findings.

5. Conclusion

Summarizes the overall control environment, compliance status, and key risk areas. Provides an overall opinion or conclusion regarding the adequacy of controls and governance.

6. Appendices

Includes any supporting data, detailed charts, definitions, or reference documentation relevant to the report.

Important Notes:

- Confidentiality must be maintained throughout the reporting and distribution process.
- Recommendations should be specific, realistic, and aligned with organizational objectives.

- The report should be balanced, objective, and based on sufficient, reliable evidence.
- Follow-up actions and timelines should be agreed upon and documented.
- Engagement with management throughout the process promotes implementation of recommendations.