

# Internal Audit: Reporting to Management and Committees



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# Meet the Presenters



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# What is Your Role?



# Good News!



This presentation is for YOU



Everyone at the credit union has an important role to play in optimizing Internal Audit reporting and communication!

# Agenda



**This is your time! Ask questions and we will have meaningful discussions!**

## Before We Dive In, Let's Get Real



- We realize you are volunteers, your time is limited, and you need to be able to put a lot of trust in your auditors.
- Our goal today is to educate you about the inner workings of Internal Audit reporting, which will help you to fulfill your fiduciary responsibility to the credit union.

# Getting Started: The IIA *Standards*



## ***Performance Standard 2060***

Reporting to Senior Management and the Board

The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan and on its conformance with the Code of Ethics and the Standards. Reporting must also include significant risk and control issues, including fraud risks, governance issues, and other matters that require the attention of senior management and/or the board.



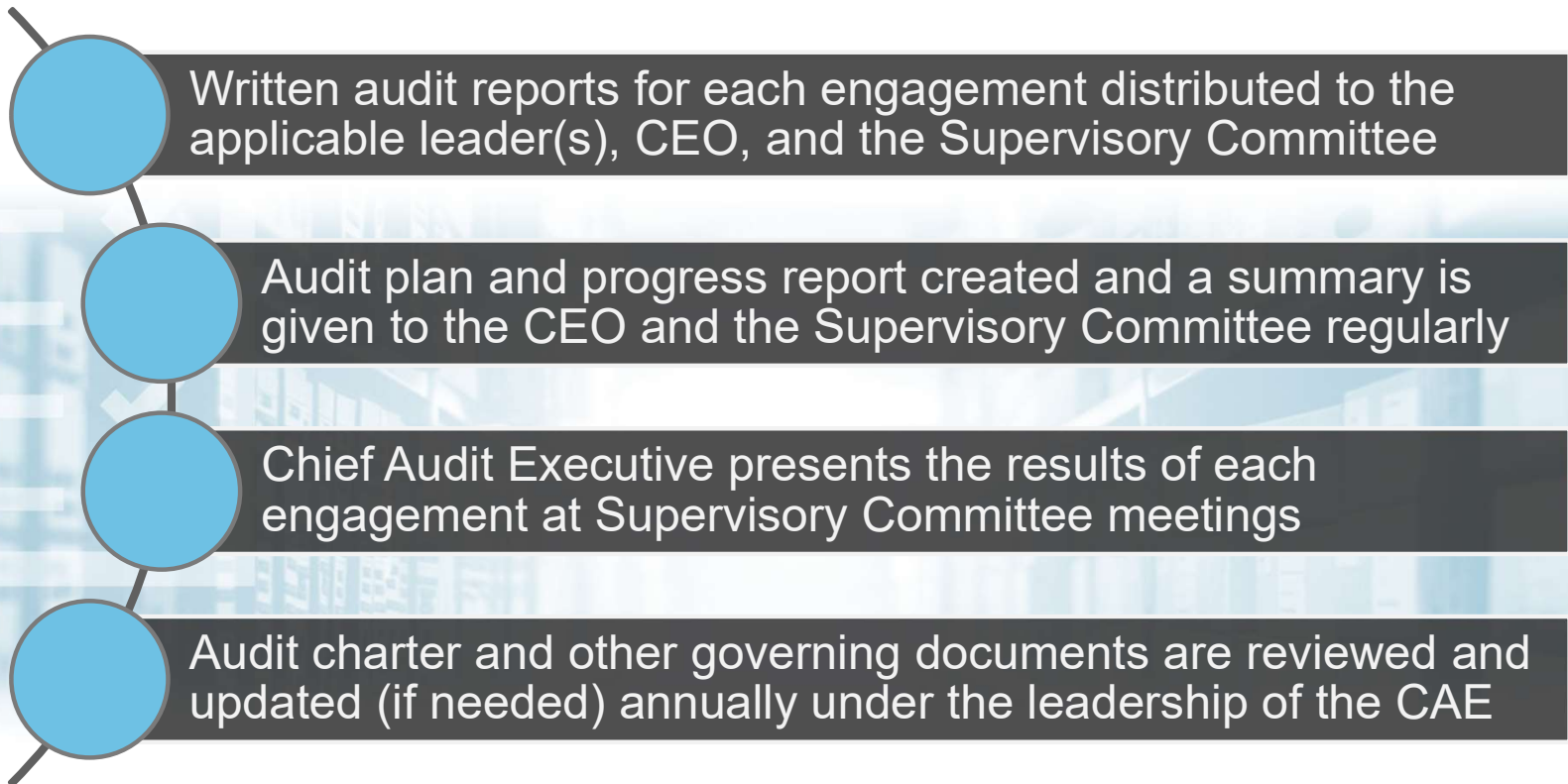


# *Performance Standard 2060, Interpretation*

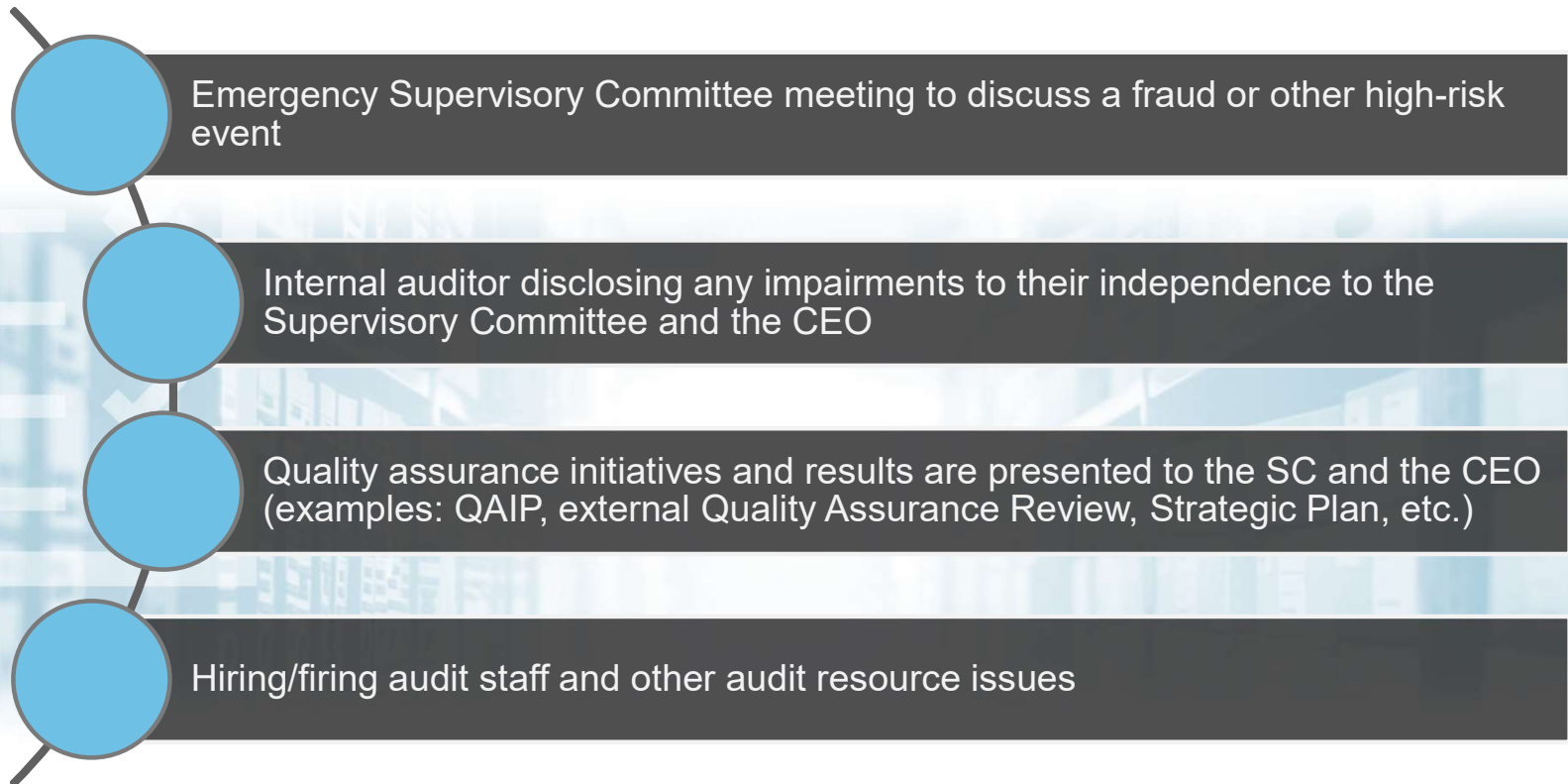
- The frequency and content of reporting are determined collaboratively by the chief audit executive (CAE), senior management, and the board (...) and depends on the importance of the information to be communicated and the urgency of the related actions to be taken.
- The chief audit executive's reporting and communication (...) must include information about:
  - The audit charter
  - Independence
  - The audit plan and progress against the plan
  - Resource requirements
  - Results of audit activities
  - Conformance with the Code of Ethics and the Standards
  - Management's response to risk that, in the chief audit executive's judgment, may be unacceptable to the organization



# Real World Reporting: Common Examples



# Real World Reporting: Rare Examples



# Other Types of Auditor Reporting

Present a “State of the Department” or other high-level update to leaders

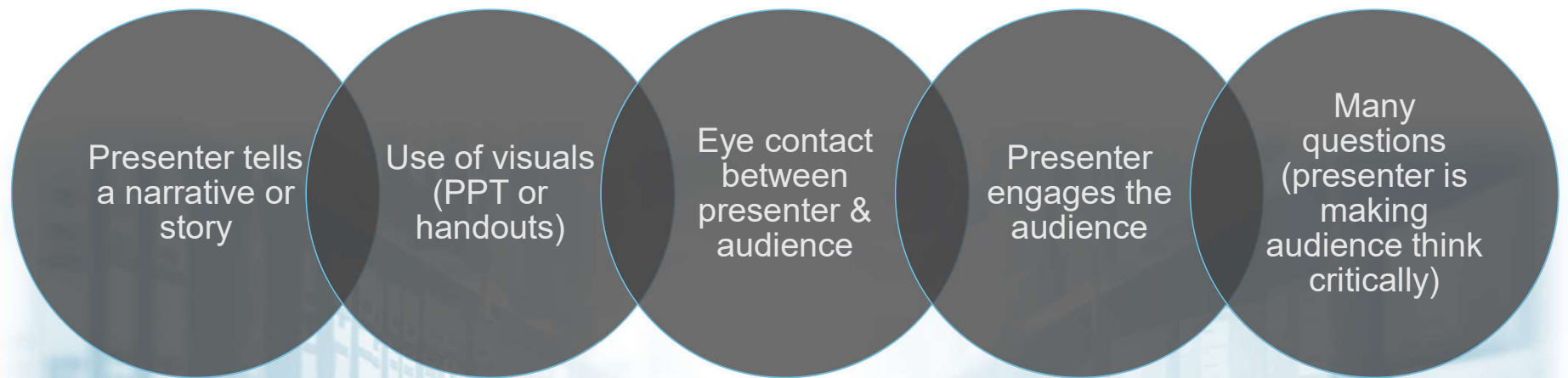
Present the results of a fraud or other investigation to employees at all levels

Entrance and exit meetings for all audits (auditors meet with department or function leaders)

Liaison with external auditors, consultants, and regulatory examiners

Communicating to the credit union via emails, memos, intranet pages, and other means

# Components of a Great Presentation



**Is your chief audit executive a good presenter?**

# Where Can We Improve?



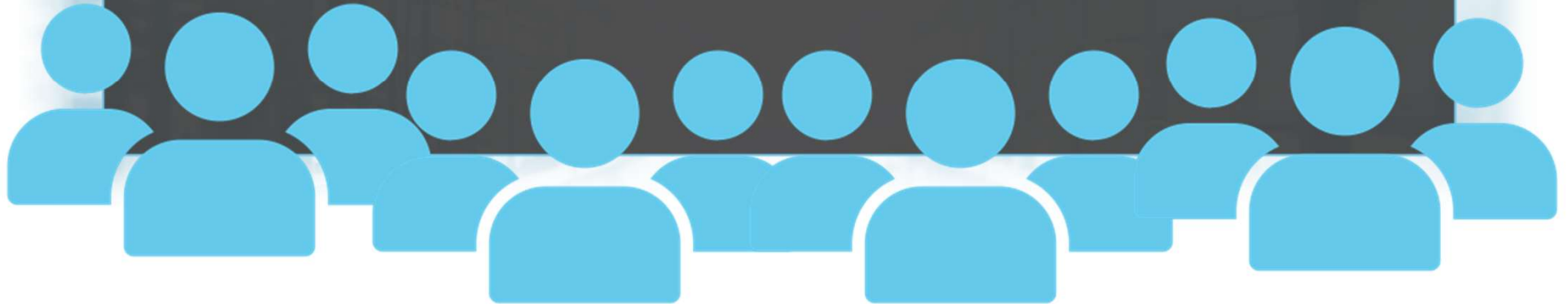
# Best Practices to Improve Reporting

- Practice important presentations in front of a helpful colleague or consultant (always considering confidentiality of information)
- Make a plan for every presentation or report given; never get in front of a leader or a Committee without a plan in place!
- Develop an audit report template that clearly communicates audit rating and findings.
- Allow junior staff to present to leaders and the Supervisory Committee, under the guidance of the chief audit executive.
- Mirroring exercises



# Be a Good Audience Member

- Review all materials ahead of presentations and meetings.
- Don't shoot the messenger: Remember audit is reporting information to you. They are not decision makers!
- Allow the auditor to say "I don't know. Let me find out and get back to you."
- Practice active listening. Write notes during presentations just to keep yourself engaged.
- Auditors love questions... That are on topic.
- Auditors love feedback... That is constructive.





# Resources



Institute of Internal Auditors  
<https://www.theiia.org/>



The Audit Library Blog  
<https://theauditlibrary.com/blog-main/>

# Thank You!



[WWW.THEAUDITLIBRARY.COM](http://WWW.THEAUDITLIBRARY.COM)

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