

## **Internal Audit Service**

### **IAS Reporting**

IAS aims to provide constructive reporting which identifies what works well and makes practical recommendations for improvement.

#### **Reporting during the audit**

As the audit progresses we will discuss findings and possible recommendations as they emerge.

#### **Draft and final audit reports**

A draft report is prepared, with recommendations actioned on the relevant line managers. It has two parts, a summary, and a detailed report.

Recommendations are currently graded as follows:

- Priority 1 To address serious risks to achievement of one or more of the University's objectives
- Priority 2 To address material risks to achievement of one or more local objectives and/or moderate risks to achievement of one or more of the University's objectives
- Priority 3 To address moderate risks to achievement of one or more local objectives

The draft report is discussed with all actionees to ensure the report is factually correct, provides a fair analysis, and the most appropriate recommendations are made. Written management responses to the recommendations are then requested in three parts:

- a management comment on the recommendation and/or the related findings (this may simply say 'Agreed')
- planned action on the recommendation (who and what)
- realistic timescales for implementation.

These responses are included in the final report. We aim to issue the draft report within one month of completing testing, and the final report within a month of issuing the draft. This is dependent on the receipt of responses from actionees within agreed time limits.

#### **Who receives audit reports?**

Final audit reports are distributed to the manager(s) responsible for the function(s) reviewed and to those actioned on the recommendations. A copy is sent to their head of function.

For school audits a copy is also sent to the Faculty Pro Vice-Chancellor.

All reports are sent to the Chief Financial Officer and the Registrar, and to the Vice-Chancellor and Deputy Vice-Chancellor (this is normally the summary report only).

#### **Reporting to Audit and Risk Committee**

For each meeting of the Audit and Risk Committee the Director of Internal Audit submits a paper summarising key findings from audits completed since the last meeting. Attached to this are copies of the summary reports from each audit.

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An annual report is also prepared which further summarises key findings, and includes the Annual Opinion from the Director of Internal Audit on the adequacy of the University's arrangements for risk management, control and governance, and for securing economy, efficiency and effectiveness.

### Follow-up audit reports

We normally undertake a follow-up audit within 6 to 12 months of issuing the main report. The purpose of the follow-up is to identify whether recommendations have been actioned in line with agreed plans, and report on the progress made.

The follow-up generally takes the form of discussions but may include some further testing where applicable.

Greatest concern arises where significant agreed recommendations have not been effectively addressed without good reason.

Implementation of recommendations made by IAS is more successful where management actively monitor progress with the planned actions.

The Internal Audit Service also carries out a Recommendation Monitoring process twice a year (April and November). This provides UEB and the University's Audit and Risk Committee with additional information on the implementation status of Internal Audit Service recommendations. Further information on this process is available on the [IAS workspace](#).

### More information on report formats and terminology

The *Summary report* includes the main findings and summarises Priority 1 and 2 recommendations. As appropriate it may highlight areas of good practice and/or risks where no recommendation is made.

The *Detailed report* generally begins with a Table of Scope and Results. This table sets out the risks and controls considered during the audit. Findings against each result are entered in the 'result' column, as follows:

Result	Explanation
Good practice	The process is well controlled and operating efficiently/effectively (and may be cited as such by IAS to other schools or departments).
Satisfactory	Controls are appropriate.
Action planned	The school/dept is aware of an issue and is working towards its resolution.
Risk recognised	The school/dept is aware of the risk and is content with the way it is being managed.
Recommendation number (and Priority)	A finding or recommendation is made.
IAS advice given	IAS advice has been given to improve controls.
See report	Further narrative is included in the report.

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Often, where there are positive findings (such as 'Satisfactory'), there will be no further reference in the body of the report. The table therefore captures overall findings against each risk and control, and the 'Section' column contains references to the report where there is coverage in the report body.

If you have any further queries on IAS reporting, please contact one of the team, see: <http://www.nottingham.ac.uk/fabs/internalauditservice/meettheteam/index.aspx>