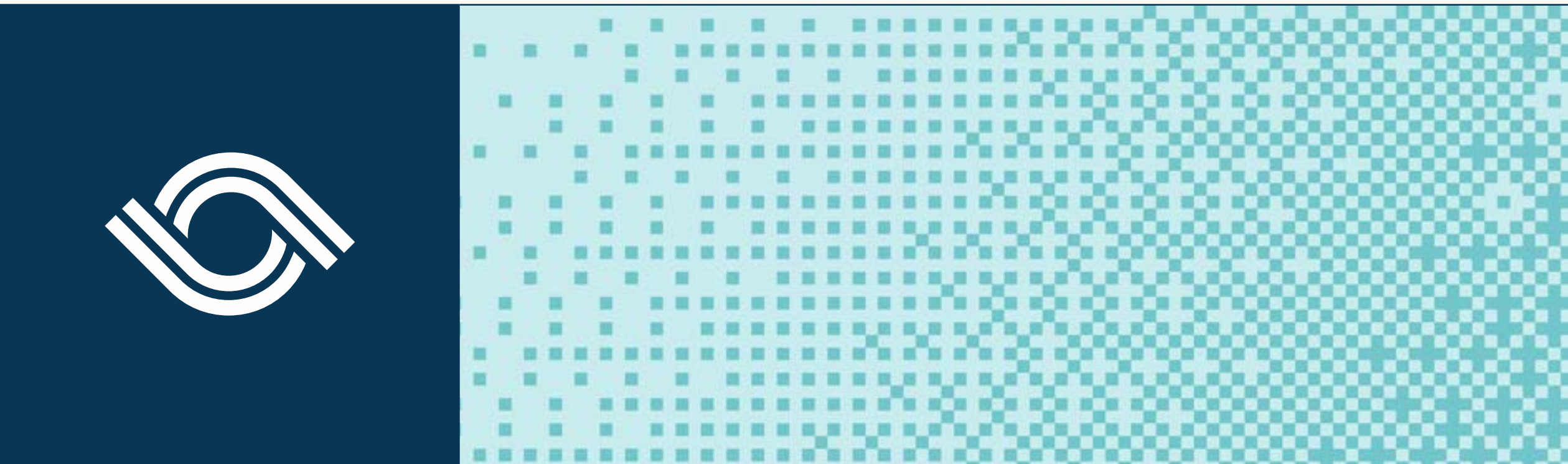# Audit report writer's handbook

Best practices for audit report writing

An audit report should be a living, breathing document created throughout an audit engagement. Starting the audit report at the end of an engagement compromises your ability to consider the messages you want to deliver as you plan the audit and note potential findings during fieldwork, possibly leading to a stale report.

A great audit report clearly communicates the objectives, scope, and findings of an audit engagement, and in doing so, motivates its readers to take internal audit's recommended actions. In this section, we will cover best practices for writing effective audit reports that achieve their desired outcome.

Tips for writing an effective executive summary

1   Know your audience.

Understand who will receive the report. The executive summary should give an overview of the detailed report that resonates with every executive officer who reads it, so it is important to understand your organization's culture. Some organizations may be more cross-functionally collaborative, while others will be more compliance-oriented. Not every stakeholder will be a technical subject matter expert. For example, if your report is going to the CFO and you have IT audit findings, ensure that the issue can be understood by a non-technical audience.

2   Cut the fluff.

The executive summary should be 1-2 pages at most. Aim for brevity as much as possible. Consider the best way to summarize each point, as there will be more takeaways in the detailed report. Wherever possible, use numbers and percentages to help drive points home. Eliminate any unnecessary descriptive adjectives and adverbs.

◎   Tech Tip

[AuditBoard's generative AI capabilities](#) can provide a jumping off point for drafting executive summaries to save your team time and ensure that escalations and key tasks never fall through the cracks. In AuditBoard, you can also [document your executive summary](#) for easy access in the Overview page and even pull the executive summary into your automated reporting with Microsoft Word-Based Reports.

3   Explain it to the company.

Whether the audit report is presented to members from operations or IT, the executive summary should be written so that every individual can easily understand the terminology and sophistication level of the writing. A good rule of thumb is to explain every point in a way that all levels of experience and expertise at your company would understand. Focus on high-level and strategic insights rather than the technical details.

4   Make it digestible.

For any key point, bring the reader's attention to the information as concisely as possible. Identify your key takeaways or messages, then leverage visual formatting to draw your audience's eyes to your insights.
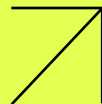
→ Pro Tips

- Stay away from using overly sophisticated vocabulary or technical jargon. If someone needs a dictionary to understand your summary, this hurts the readability of your report.

- Avoid acronyms and functionally esoteric terms not everyone in the organization will understand.

- For important ideas or concepts that are difficult to digest, try using analogies. When done correctly, this facilitates understanding and can help drive the point home.

- Use bullet points wherever possible.

- Tables, graphs, and charts tend to be more effective in illustrating a finding than a block of text.

- If you can use a number or percentage to describe a fact, do so. This is particularly important when discussing key findings, critical risks, or trends.

- Circle or highlight the key points you want to convey, as well as **bold**, underline, *italicize*, or use color.

Writing the detailed report

Depending on the audit, expectations set during the opening meeting, and the findings, the contents of the detailed report may vary from organization to organization. **If there were more findings and complexity in the audit than anticipated, you may need to include more detail.** The contents of the detailed report are as follows:

Tech Tip
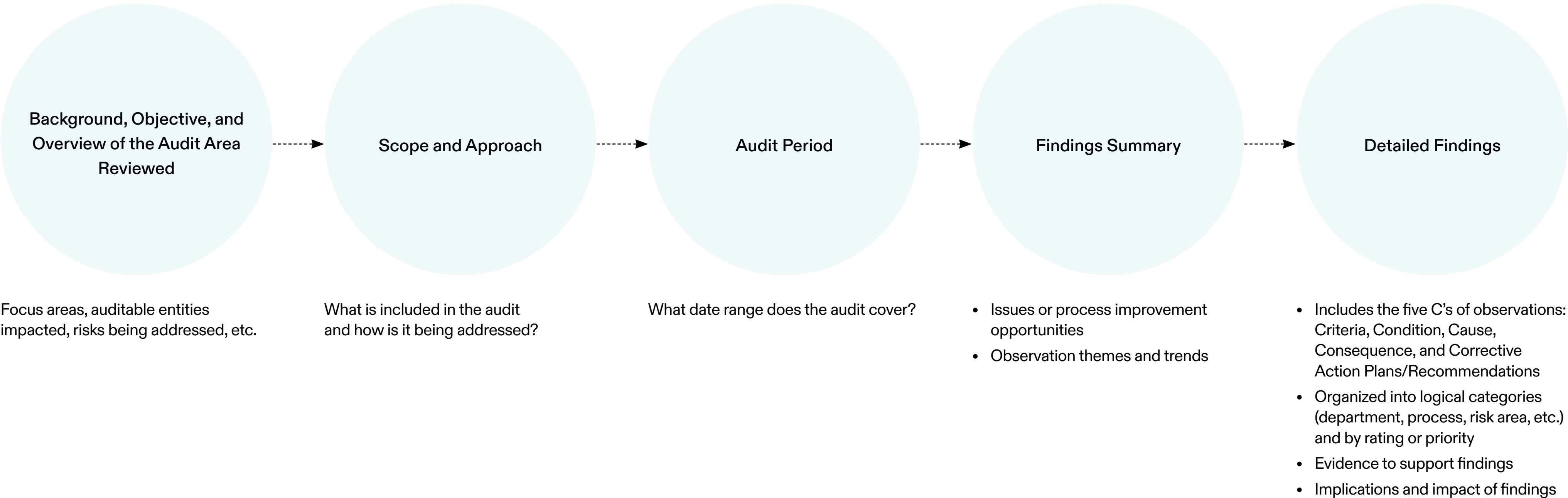
In AuditBoard, you can use Microsoft Word-Based Reports to auto-generate audit reports that include key details about an audit, including issues data.

Background, Objective, and Overview of the Audit Area Reviewed ----> **Scope and Approach** ----> **Audit Period** ----> **Findings Summary** ----> **Detailed Findings**

Focus areas, auditable entities impacted, risks being addressed, etc.

What is included in the audit and how is it being addressed?

What date range does the audit cover?

- Issues or process improvement opportunities
- Observation themes and trends

- Includes the five C's of observations: Criteria, Condition, Cause, Consequence, and Corrective Action Plans/Recommendations
- Organized into logical categories (department, process, risk area, etc.) and by rating or priority
- Evidence to support findings
- Implications and impact of findings

Keys to writing a digestible audit report

1   Reference everything.

Avoid unverifiable claims and make sure to bridge any gaps of information by referencing where you obtained key facts and figures.

2   Include a reference section.

Use of indices, appendices, and tables in this section is very helpful.

3   Use figures, visuals, and text stylization to make the report as digestible as possible.

- **Numbers and percentages.** If you can put a number behind a fact or use a percentage to describe it, do so.
- **Circle or highlight the key points** you want to convey, as well as bold, underline, italicize, or use color to draw attention to key facts and figures.
- **Use tables or graphs** to summarize and draw attention to key trends or important data, wherever possible.

4   Note key statistics about the entity audited in the background/ overview (if applicable).

This puts things in perspective and gives context and relevance to your audit findings.

5   Note any positive themes or observations and things that are working well.

6   Ensure every issue in detailed observations includes the five C's of observations:

Criteria, Condition, Cause, Consequence, and Corrective Action Plans/ Recommendations.

7   Detailed observations are also a good place to include any additional facts and figures.

Ensure your observations are supported with proper evidence and the impact of your findings is clearly stated.

8   Always perform a quality assurance check.

Seek someone who is not directly connected to the audit so they can provide fresh eyes. If possible, ask someone from the department or function audited to review the report as well.

9   Avoid blame — state the facts.

Aim to preserve the relationship with the auditees by being as objective as possible and avoiding blame. Simply state observations and recommended actions.

10   Be as direct as possible.

Avoid soft statements when making recommendations (such as "Management should consider…") and opt for solid recommendations and calls to action instead.

Audit reporting

☐ Work off a findings sheet that has been discussed and agreed to by management.

   Tech Tip: Leverage AuditBoard's issue management tracking capability.

☐ Every detail in the report correlates to what is captured in your issue repository.

☐ Use bullet points wherever possible and keep them concise for readability.

☐ Remove all unnecessary adjectives and adverbs.

☐ Highlight/circle/bold/italicize major takeaways.

☐ Use numbers or percentages to describe facts wherever possible.

☐ Use tables or graphs to summarize key information wherever possible.

☐ The report contains clear references, indices, and appendices.

☐ All verifiable claims are annotated.

☐ All annotated claims map to a reference.

☐ Remove soft/indirect recommendations (such as "Management should consider...") and replace them with direct language recommending corrective actions.

☐ Remove blaming/inflammatory statements (such as "Management failed to..."). Instead, state the issue and the recommended corrective action.

☐ Check spelling: use Microsoft Word or Google Docs spell-check tools.

☐ Check readability: use the Flesch Reading Ease or Flesch-Kincaid Grade Level tests.

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full guide

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