



Limited Distribution¹

IAS Audit Report

Final Audit Report on "Audit Title" in "Agency"

Acronym

Agency's Logo

IAS.A-200X-W AGENCY-001

Date

**This IAS Audit Report is addressed to
XXX, Director, AGENCY
XXX, Chairman of the Board, AGENCY**

**with copies to
XXX, Contact person, AGENCY
XXX, Director-General, DG in charge (=Tutelle)
XXX, Head of Cabinet of relevant Commissioner
Mr H. HOLOLEI, Head of Cabinet of Mr S. KALLAS
Mr M. KRAFF, Director CEAD Group, ECA**

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ENGAGEMENT TEAM

Auditor <i>Certification if any</i>	Team Leader	
Auditor <i>Certification if any</i>	Auditor	
Auditor <i>Certification if any</i>	Auditor	

AUDIT MANAGER

Manager <i>Certification if any</i>	Audit Manager	
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DIRECTOR

Agnieszka KAŻMIERCZAK, <i>Certified Internal Auditor</i>	Director	
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Hereby we would like to thank all staff members of the Agency who participated in this audit for their kind and constructive co-operation.

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1. EXECUTIVE SUMMARY

1.1. Objective and Scope²

The overall objective of this audit engagement is to assess the adequacy and effectiveness of "Audit Title" in "Agency's name" (ACRONYM).

The scope of the audit covers the following:

-
-
-

XXX are not included in the audit scope.

1.2. Audit Opinion and Major Findings / Observations

[Select one of the following audit opinions]:

[Disclaimer of opinion]: Since we were unable to perform our audit engagement as planned, because of <the scope limitations are mentioned>, we do not express an overall audit opinion on the internal control system of <the activities/processes audited> as described in the objectives and scope of the audit engagement.

[Satisfactory opinion]: Based on the results of our audit as described in the objectives and scope of the audit engagement, we believe that the internal control system in place provides reasonable assurance³ regarding the achievement of the business objectives set up for <the activities/processes audited>.

[Unsatisfactory opinion]: Based on the results of our audit as described in the objectives and scope of the audit engagement, we believe that the internal control system in place does not provide reasonable assurance³ regarding the achievement of the business objectives set up for <the activities/processes audited>.

[Not under control]: Based on the results of our audit as described in the objectives and scope of the audit engagement, we believe that the internal control system in place is inadequate and that the business objectives set up for <the activities/processes audited> most likely will not be achieved in practice.

[Satisfactory opinion with qualifications]: Based on the results of our audit as described in the objectives and scope of the audit engagement, we believe that the internal control system in place provides reasonable assurance³ regarding the

² For the audit methodology, see Annex 1.

³ Even an effective internal control system, no matter how well designed and operated, has inherent limitations – including the possibility of the circumvention or overriding of controls – and therefore can provide only *reasonable assurance* to management regarding the achievement of the business objectives and not *absolute assurance*.

achievement of the business objectives set up for <the activities/processes audited>, except for the following issues:

*Audit opinion paragraph to be followed by a description of the major observations by **clustering** them, as far as possible, according to the main risks or major processes if it would help the reader to obtain a better understanding of the issues at stake. The focus should be on the **root cause of the findings and their associated risks**, with a brief reference to the recommendations. Avoid copy and paste from the main body of the report.*

- (a) **First finding (Number and Title of finding in bold)/First group of findings.** Brief description of root cause of finding(s), associated risk(s) and recommendation(s).
- (b) **Second finding (Number and Title of finding in bold)/Second group of findings.** Brief description of finding(s), associated risk(s) and recommendation(s).
- (c) **Third finding (Number and Title of finding in bold)/Third group of findings.** Brief description of finding(s), associated risk(s) and recommendation(s).

1.3. Strengths (if applicable)

Start with a short introductory paragraph such as "The auditors recognise the ongoing efforts made by AGENCY to ...". Then list the main strengths, i.e. the title in bold, followed by a brief summary.

- (a) **First strength (Title in bold).** Brief description of strength.
- (b) **Second strength (Title in bold).** Brief description of strength.
- (c) **Third strength (Title in bold).** Brief description of strength.

If the number/nature of the strengths does not merit this listed format, just include a brief paragraph that describes the nature of the strengths.

Strengths can also be included as part of the description of the major observations in section 1.2 above.

1.4. Comments from Auditee

[This section should be limited to including a reference to the auditee comments contained in Annex 2 and/or to summarising any main differences which may exist between the auditee and the IAS. It should only be used for Final Reports].

Team Leader

Audit Manager

2. FULL REPORT

2.1. Introduction

2.1.1. Reason for the Engagement

Include a full description of the objectives and scope of the audit

Include the following sentence at the end of this section: This audit was conducted in accordance with the Standards for the Professional practice of Internal Auditing.

2.1.2. Description of Audited Activity/Process

2.1.3. Key Figures

Describe population, materiality, sampling size and criteria used.

2.1.4. Overview of Strengths and Relevant Changes

(Optional – only if different from Executive Summary)

Make a specific reference to strengths that rise to the level of "good" or "best" practice.

2.2. Major Observations and Recommendations

A. **Cluster 1**

TITLE	
FINDINGS	
Detail	
CURRENT RISK(S)	
Detail	
RECOMMENDATIONS	
<i>Recommendation N° XX - Title</i>	Critical
Detail	
<i>Recommendation N° XX - Title</i>	Very Important
Detail	

B. **Cluster 2**

TITLE	
FINDINGS	
Detail	
CURRENT RISK(S)	
Detail	
RECOMMENDATIONS	
<i>Recommendation N° XX - Title</i>	Important
Detail	
<i>Recommendation N° XX - Title</i>	Important
Detail	

ANNEX 1: AUDIT METHODOLOGY

1. Audit Methodology

The audit was performed according to the IAS Guidelines and the Mutual Expectations Paper, describing the responsibilities of the IAS and the auditees in terms of the audit process. The Mutual Expectations Paper was attached as an annex to the Announcement Letter sent to the auditee.

2. Follow-Up

In accordance with the IAS' follow-up policy an audit follow-up engagement is normally planned to be conducted within one year from the issuing of the final report.

ANNEX 2: COMMENTS FROM AUDITEE

The reply and comments from the auditee will be attached as annex to the final version of this report.