

Dear Q&A

Should management be approving internal audit reports?

Answer

Management should not be 'approving' internal audit reports as they are not management reports. They are governance reports prepared by the chief audit executive in accordance with their duties as an adviser to the audit committee.

Many internal audit functions ask management to co-sign internal audit reports, but this is only to validate their responses and not to approve the report contents.

The chief audit executive is fully accountable for the contents of internal audit reports.

In summary:

- › Management should not be approving internal audit reports – this is the job of the chief audit executive.
- › Management may be asked to attest their responses, but this should not give management the right to hold up issue of a report by 'not approving' it.
- › The audit committee should receive the report and note action agreed by management.
- › The audit committee might give advice to the board (or equivalent) in relation to what they believe is inadequate management action.