

Put a Spin on Your Audit Committee Presentation

By: Anne Slattery, CPA, CIA

As internal auditors, one of the most important parts of our job is effectively communicating the results of our work. Although all of our stakeholders are important, communication with the audit committee (“the committee”) is key to the overall success of the internal audit (“IA”) department. While there are some staple items that will always have a place in the audit committee presentation, changing up the traditional approach may be the key to giving the committee a deeper, more meaningful view of the value IA adds to the organization.

Traditional Approach: Present the internal audit plan.


New Spin: Discuss the risks that the audit plan does not cover. It is important to be transparent about risks that are not covered by the audit plan as these gaps may create exposure for management. Risk areas that were ranked just below the areas included on the audit plan should be presented so that the committee can determine whether they need to take separate action to mitigate the risk. Additionally, if the department is facing budget or resource constraints that prevent it from covering certain risks, the committee should be made aware of these limitations.

Traditional Approach: Present audit findings and recommendations.

New Spin: Tie audit findings to the value that they deliver the organization. While audit findings and recommendations will always be a key section of your report; tying them to the value or benefit that is derived from them allows the committee to fully understand the audit’s impact on the organization. For example, did the financial close audit shave a day off the close process, label it a process improvement. Did the organization recover dollars during the accounts payable audit? Tie it to cost recovery. Once you have done this for all audit findings, you will be able to show a count of findings that contribute to each value. Presenting this relationship is key to highlighting the value of each audit.

Traditional Approach: Present the results of the annual internal audit risk assessment.

New Spin: Demonstrating that IA takes a proactive approach to risk management is key to gaining the committee’s buy in. Organization’s risk profiles are constantly changing. In order to show the committee that your audit plan is adapting to the changing risk environment, include a “Risk Update” in your quarterly reporting materials. You can use this space to show why certain risks have fallen off IA’s radar (perhaps other mitigating efforts have been put in place), new risks that have been identified, and even to give a preview of what risks IA sees coming down the pipeline.



Traditional Approach: Present a schedule of SOX control deficiencies.

New Spin: Show your committee that control testing is more than just a check the box exercise through a “Beyond Compliance” section in your presentation. More often than not, the control testing process uncovers business process improvement recommendations that fall outside of the scope of SOX testing. It’s likely that your team spends time working with process owners to implement these recommendations. No matter how small, this time is valuable and should be highlighted in your report. Encourage your team to jot down these instances along the way and then compile them for your presentation. Saving employee’s time and addressing business risks are value added activities – take credit for them.

Traditional Approach: Present the internal audit department’s goals.

New Spin: Show alignment of IA’s goals with the organization’s goals and objectives. One way to do this is to create a visual map of how IA’s goals support the goals of the organization or tie into key business initiatives. If the organization is working towards improving its safety record, point out that the Environmental Health & Safety audit will help achieve this goal. This association confirms the fact that everyone is working in the same direction and establishes IA as a key player in the overall success of the company.

As these ideas demonstrate, a simple change to the way information is presented can give the audience a new perspective. I encourage audit leaders to put a new spin on their approach to audit committee reporting in 2017!