



International Professional
Practices Framework

Implementation Guide 2440

Standard 2440 – Disseminating Results

The chief audit executive must communicate results to the appropriate parties.

Interpretation:

The chief audit executive is responsible for reviewing and approving the final engagement communication before issuance and for deciding to whom and how it will be disseminated. When the chief audit executive delegates these duties, he or she retains overall responsibility.

Revised Standards, Effective 1 January 2017

Getting Started

Standard 2440 states the chief audit executive's (CAE's) responsibility for communicating final results to all appropriate parties following an engagement. When preparing to implement this standard, the CAE may find it helpful to review the requirements related to each element in the Interpretation.

The CAE will typically have an understanding of any organizational communication protocols as well as the organization chart. The CAE should also consider the expectations of senior management and the board related to engagement communications.

The audit charter and communication protocols of the organization may help the CAE

determine the process for reporting outside the organization. Considerations would include factors such as which parties to address or copy in the final communication and when to notify regulators who oversee the organization's industry.

The implementation guides for Standard 2400 – Communicating Results, Standard 2410 – Criteria for Communicating, and Standard 2420 – Quality of Communications provide further guidance on communicating engagement results.

Considerations for Implementation

Through discussions with the board and review of any organizational communication protocols, the CAE determines who will receive the results from the engagement and what form the communications will take. Before communicating the results, it can be advantageous for the CAE to review the draft engagement communication(s).

When determining the recipients of the report, the CAE may take into consideration whether any parties have a business need for receiving the results, as well as whether any have responsibility for management action plans. Consideration may be given to organizational protocols to ensure individuals at the appropriate level of responsibility receive a copy of the report. Senior management and the board may be included in the distribution, as per their expectations. To ensure consistency, the internal audit activity may develop a standard distribution list of parties who will receive all communications, as well as management levels that should be included on a distribution list for engagement results pertaining to their area of responsibility. However, the CAE may expand that distribution list when necessary, which will often include senior management of the organization.

Results may be communicated verbally or in writing, and the format may differ depending on the recipient. The CAE determines which format to use for each recipient. For example, some recipients may receive an executive summary, while others will receive a full report. It may be appropriate for results to be delivered via a meeting with a presentation and an opportunity for discussion. Regardless of the method of communication, the CAE should determine who will deliver and receive the results.

The final communication(s) require the approval of the CAE or a designee of the CAE. In a small internal audit activity, the CAE may prepare the final engagement communication(s)

personally. However, in larger organizations, the CAE will obtain and review the communication(s), and determine how much reliance to place on the internal auditor who prepared the report before giving final approval.

The CAE may deliver electronic and/or hard copies of the final engagement communications to the appropriate internal and external parties, as agreed upon in the planning phase of the engagement, and/or as required by the audit charter and communication protocols. Typically, the recipients are parties who can address the results of the engagement.

Maintaining a complete list of recipients of internal audit engagement results is important in the event that an error or omission is identified after the dissemination of results. Standard 2421 addresses the CAE's responsibility for communicating an error or omission.

To ensure compliance with legal obligations and organizational protocols, it is important for the CAE to take great care and consideration when preparing to disseminate results outside of the organization. In addition, the CAE should consider the ramifications of communicating sensitive information, as such information might impact the organization's market value, reputation, earnings, or competitiveness. The CAE may find it helpful to consult with legal counsel and compliance areas within the organization.

It's important to note that the CAE may delegate the authority for implementing Standard 2440, but responsibility cannot be delegated. When the authority for implementing Standard 2440 is delegated, the CAE maintains responsibility and accountability.

Considerations for Demonstrating Conformance

The CAE can demonstrate conformance with Standard 2440 by verifying the level of review and ensuring sign-off on all workpapers before issuing the final communication(s). In addition, retained copies of any written communication of results — by management, the audit committee, the CEO, outside parties, or others — may demonstrate conformance. Evidence of verbal communication of results may be maintained through meeting minutes, presentations, and memos that identify attendees receiving the communication. It is important to keep records that verify the CAE's approval of the final communication(s) and delivery of engagement results to recipients identified in the communication plan.



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Implementation Guides assist internal auditors in applying the *Standards*. They collectively address internal audit's approach, methodologies, and consideration, but do not detail processes or procedures.

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