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Types of Internal Audit reports

Tenure Audit - 04

Report on
Investigation - 03




01 - Monthly Report

02 - Quarterly Reports

Detailed Reports and Executive Summary

Composition of a Tenure Audit Report

- 
- Heading
 - Title
 - Introduction
 - Objectives
 - Source of information
 - Source of revenue
 - Matters arising from the hand over note
 - Financial Information
 - Findings/Observations
 - Limitations
 - Observed lapses
 - Recommendations
 - Conclusion
 - Appendix

Audit Objectives



- a) To evaluate internal control system in operation
- b) To ascertain whether expenditure processes complied with the University Financial Instructions
- c) To ensure that non-current and current assets of the University are safeguarded
- d) To determine whether cash collected were lodged into the University Finance Office
- e) To ensure that due processes were followed for the procurement of Non-current Assets and consumables
- f) To ascertain the composition and authorization of the Departmental Finance Committee
- g) To determine the truth and fairness of the financial activities of the Faculty



- a) Internal control system in operation
- b) Truth and fairness of the financial activities of the HOD's office
- c) Non-current and current assets of the University are safeguarded
- d) Whether expenditure incurred complied with the University financial regulation
- e) Value for money on procurements is being followed in the Department
- f) Whether cash collected were remitted through remittal into the University covers promptly as directed by the University financial regulations
- g) Whether due processes were followed in the award of contracts for the procurement of Non-current Assets and consumables

Salient facts about writing audit objectives

- Select an action verb
- Create your objectives
- Check your objectives to see that it is in line with what you want to achieve

Key points on Financial Information

RECEIPTS

- Classification according to votes of account which can be broken into different periods

Income	Vote	Amount (N)
Registration	7/229/01	1,041,803.33
Goods and Services	3/292/301	283,900.00
PG Registration	7/292/02	94,950.00

Income	Vote	Aug. 2018-Jul. 2019	Aug. 2019-Jul. 2020	Amount (N)
Registration	7/229/01	300,000.00	741,803.33	1,041,803.33
Goods and Services	3/292/301	200,000.00	83,900.00	283,900.00
PG Registration	7/292/02	80,000.00	14,950.00	94,950.00

Key points on Financial Information continued

EXPENDITURE

- Classification according to nature of expenditure or votes of account

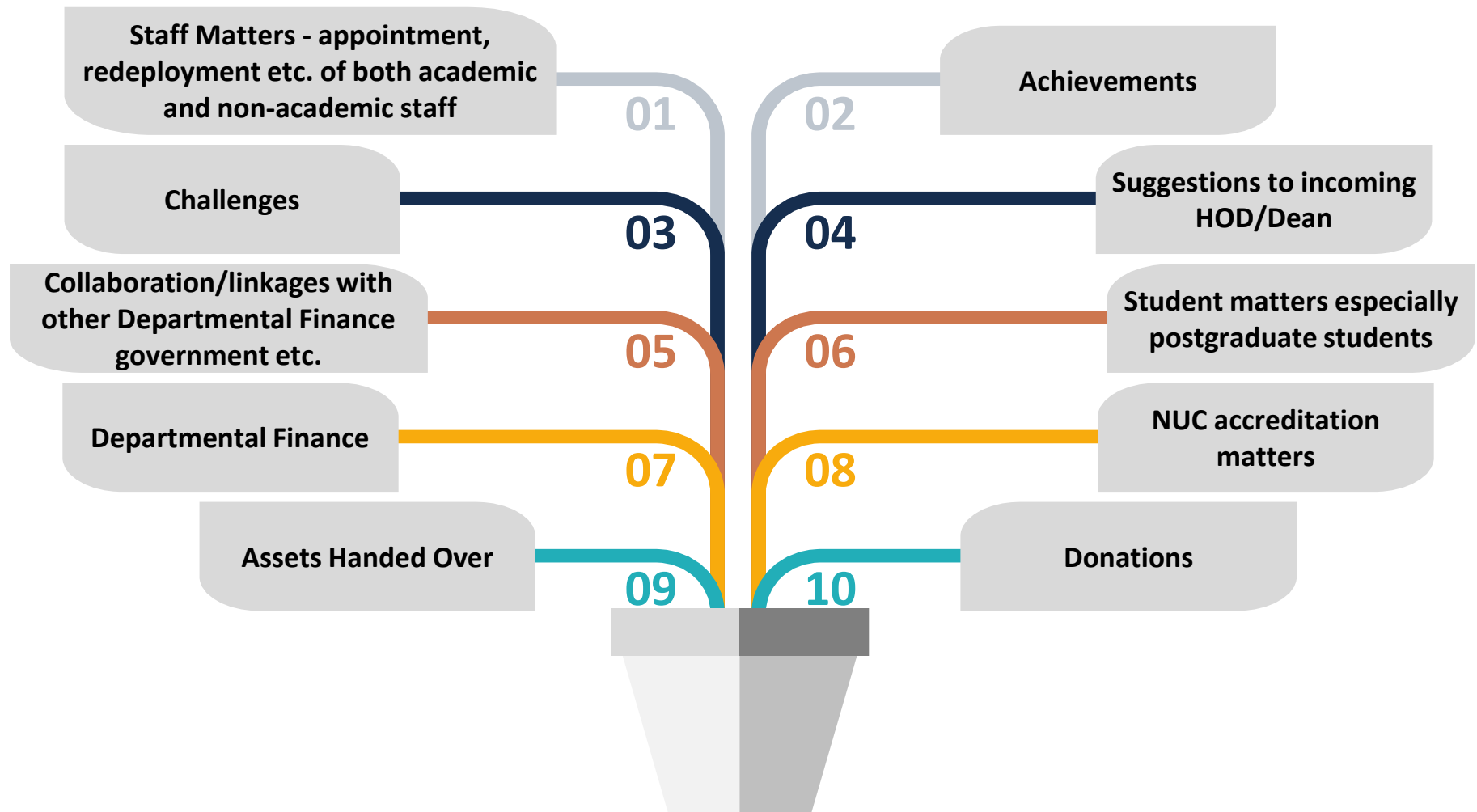
Expenditure	Vote	Amount (N)
Registration	7/229/01	300,000.00
Goods and Services	3/292/301	230,000.00
PG Registration	7/292/02	45,000.00

Expenditure	Aug. 2018-Jul. 2019	Aug. 2019-Jul. 2020	Amount (N)
Cash advances	150,000.00	150,000.00	300,000.00
Imprests	130,000.00	100,000.00	230,000.00
Night claims	15,000.00	30,000.00	45,000.00

Financial Information continued

- Detailed information on cash advances should be written as it is an audit risk area
- It is useful to ascertain and disclose if there was a surplus or deficit during the tenure of the person being audited
- It is erroneous to add balances brought over from a previous period with receipts in the period to arrive at a surplus or deficit.

Necessary information to extracts from Matters arising from hand over notes



Common mistakes- Matters arising from hand over notes

- Reporting in direct speech instead of indirect speech e.g.

“At the beginning of my tenure, I put in place certain procedures to ensure that monies were not lost”

Rule to follow: *“Replace “I” and “my” with “he/she” and “his/her” respectively”*

- Not being concise
- Too many long sentences
- Putting some irrelevant information
- Writing the whole hand over note

Other Mistakes

➤ Using words in what can be tabled

“the following Units were agreed on: S/ N UNIT ACADEMIC STAFF COORDINATOR 1 Vet. Obstetrics & Gynaecology OOA & AAO OOA 2 Vet. Andrology MOO & OSA OSA 3 Vet. Reproductive Toxicology MOO & OSA OSA 4 Assisted Reproductive Techniques- ARTs OOL & LCA OOL OOA- Dr. Ajala; AAO- Dr. Oladipupo; MOO- Prof. Oyeyemi; OOL- Dr. Leigh; LCADr. Agbugba”

S/N	Unit	Coordinator	Code
1	Vet. Obstetrics & Gynecology	Dr Ajala	AAO
2	Vet. Andrology	Dr Oladipupo	MOO
3	Vet. Reproductive Toxicology	Prof Oyeyemi	OOL
4	Assisted Reproductive Techniques	Dr Leigh	LCA

Other Mistakes

- Grammatical errors - right click on the word, click on synonym sub option for other words that has the same meaning or translate sub option to get the meaning of the word
- Writing report in present tense
- Figures in the body of the report does not correspond with the figures in the appendix
- Tabulated information in the body of the report especially large tables
- Different font and font sizes
- Findings/ observed lapses: be conscious of it, if one or many
- Forgetting naira sign in tabular monetary information
- Writing limitations if any, after observed lapses/findings
- Having appendixes that are not chronological in the body of the report

Objectives versus Observed lapses/findings

- Objectives should define what you have in observed lapses/ findings
- There should be connection between objectives and observed lapses/findings

➤ Difference between Appendix, Addendum and Attachment

- An appendix supplements the body of a document, providing detailed information that not everyone will want to read. Appendix is a specific term that refers to a section that provides extra information that are useful to the readers
- An addendum is extra information that the writer discovered after writing the report.
- Attachment is a general term that refers to something that is attached to the main document.

Opinion/Conclusion

- As regards tenure audit report, it is where you express an opinion
 - Unqualified – complied with the financial instructions- clean report
 - Qualified – did not comply with the financial instructions - qualified report
 - Qualified - Complied with financial instructions except for some lapses
Except for- auditor is unable to form an opinion on some certain areas of work done, could be because of inadequate information or circumstances beyond his control .



Thank You!