

Dear Q&A

Does the audit sponsor for an internal audit engagement need to approve the internal audit report before it is issued?

Answer

The audit sponsor is the person subject to audit and is usually the senior manager ultimately responsible for the topic audited.

It is good practice to ask the audit sponsor to endorse the final version of the internal audit report. This endorsement is the audit sponsor's acknowledgement of the audit results and the remedial action agreed by the line management area.

However, internal audit reports are an independent report prepared by internal audit for their functional reporting line – the audit committee.

Therefore, internal audit reports do not need approval of the audit sponsor. In fact, management do not have authority to approve an audit report.