ESSENTIALS OF REPORT WRITING
Session-03

November - - 2018

Principles of Report Writing

- The key principle of report writing is to determine the audience and understand its needs. The primary audience of audit reports is the legislature and government agencies.

- There are also other stakeholders such as citizens, academia, the private sector and the media who can all have an interest

Principles of Report Writing

- At the outset of writing an audit report, it is important to determine a draft structure to facilitate the organization and flow of the text.

- An effective structure enables the report to grab the reader's attention, convey the purposes of the audit, communicate complex issues, and provide clear interpretation of the results.

- A "Dinner Party" approach helps the auditor make a reader-friendly report structure.

  - The Dinner Party approach is analogous to a real dinner party situation where there is only a short amount of time to hold fellow guests' attention. The Dinner Party meeting takes place after data collection and analysis and the aim is to produce crisp, interesting report conclusions that can each be stated in 10-15 seconds.

Principles of Report Writing

- It is important that the report promotes adequate and correct understanding of the matters and conditions on which the audit focused.

- To write a comprehensive report, the auditor will typically include a description of the audit objective(s) and the scope and methodology used for addressing the audit objective(s) and audit questions.

- Readers need this information to understand the purpose of the audit, the nature and extent of the audit work performed, and the context and perspective regarding what is reported

Principles of Report Writing

As a general practice an Audit report should have:

- Current & topical information
- Unbiased & fair and report the viewpoint of the Management as well
- Written in plain language avoid jargons
  - Avoid subjective judgments and expressions until there is irrefutable evidence to that

- Have graphics, charts, photos, headings, sub-headings with text-boxes for significant points
  - It helps in simple and quick reading

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- The report contains complete information and arguments needed to satisfy the audit objectives, promote an adequate and correct understanding of matters and conditions reported, and meet the report content requirements

- It is vital that the starting points of the audit and the methods used, as well as important source material and conclusions, are described in the final audit report.

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- The relationship between audit objectives, criteria, findings and conclusions needs to be verifiable, complete and clearly expressed.

- If recommendations are to be provided, there needs to be a clear link between the analysis or conclusions and the recommendations.

- Auditors should, within the audit objectives, report all significant instances of non-compliance that were found during or in connection with the audit

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- Accuracy requires that the evidence presented should be true and comprehensive and that all findings are correctly portrayed.

  - The need for accuracy is based on the need to assure readers that what is reported is credible and reliable.

- One inaccuracy in a report can cast doubt on the validity of an entire report and can divert attention from the substance of the report

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- Inaccurate reports can damage the credibility of the SAI. A high standard of accuracy requires an effective system of quality assurance.

- Reported evidence should demonstrate the correctness and reasonableness of the matters reported.

  - Correct portrayal means accurately describing the audit scope and methodology, and presenting findings and conclusions in a manner consistent with the scope of audit work

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- The presentation of objectivity in the entire report should be balanced in content and tone.

- A report's credibility is significantly enhanced when it presents evidence in an unbiased manner.

- The report should be fair and not misleading, and should place the audit results in perspective.

  - Presenting the audit results impartially and guarding against the tendency to exaggerate or overemphasize deficient performance.

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- Interpretations should be based on insight and understanding of facts and conditions.

- One-sided presentations should be avoided. Even though auditing by its very nature has its focus on shortcomings, it is an advantage if the audit reports present both positive and negative findings and assessments

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- Being convincing requires that the audit results should be responsive to the audit objectives, the findings presented persuasively

- Conclusions and recommendations follow logically or analytically from the facts and arguments presented.

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- Facts should be presented separately from opinions.

- The language used should not be suggestive, and the information presented sufficient to convince the readers to recognize the validity of the findings, the reasonableness of the conclusions, and the benefit of implementing the recommendations.

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- Clear requires that the report be easy to read and understand (as Clear as the subject-matter permits).

- Technical terms and unfamiliar abbreviations must be defined.

- Logical organization of material, and accuracy in stating facts and in drawing conclusions, are essential to clarity and understanding.

- Although findings should be presented clearly, the auditors must keep in mind that one of their objectives is to be persuasive, and this can best be done by avoiding language that generates defensiveness and opposition

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- Being concise requires that the report be no longer than needed to convey and support the message.

- Advanced studies often require longer reports.

- Performance audit reports/ Special studies are not only written for those who have special knowledge; they are also written for those who need more information to understand the subjects.

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- The recommendations provided by the auditor should be constructive that are likely to contribute significantly to addressing the weaknesses or problems identified by the audit

Types of Reports

- Certification Report
  - It is the product of financial attestation audit work on a set of financial statements of an organization

  - Follows specific standard to reflect certain qualifications which the auditor may like to express

Types of Reports

- Audit Report
  - Audit reports are made public and are presented to the external parties
  - Deals with significant matters requiring the attention of the legislature

- Management Report
  - Management repost deal with matters that require the attention of the entity officials

THANK YOU