

## **Practice Advisory 2440.A2-1: Communications Outside the Organization**

### ***Primary Related Standard***

#### **2440.A2**

If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organization, the chief audit executive must:

- Assess the potential risk to the organization.
  - Consult with senior management and/or legal counsel as appropriate.
  - Control dissemination by restricting the use of the results.
- 

1. The internal audit activity's charter, the board's charter, organizational policies, or the engagement agreement may contain guidance related to reporting information outside the organization. If such guidance does not exist, the chief audit executive (CAE) may facilitate adoption of appropriate policies that may include:
  - Authorization required for reporting information outside the organization.
  - Process for seeking approval to report information outside the organization.
  - Guidelines for permissible and nonpermissible information that may be reported.
  - Outside persons authorized to receive information and the types of information they may receive.
  - Related privacy regulations, regulatory requirements, and legal considerations for reporting information outside the organization.
  - Nature of assurances, advice, recommendations, opinions, guidance, and other information that may be included in communicating information outside the organization.
2. Requests can relate to information that already exists (e.g., a previously issued internal audit report) as well as for information to be created or determined, which results in a new internal audit engagement or report. If the request relates to information or a report that already exists, the internal auditor needs to determine whether it is suitable for dissemination outside the organization.
3. In certain situations, it may be possible to create a special-purpose report based on an existing report or information to make the report suitable for dissemination outside the organization.
4. Some matters to consider when reporting information outside the organization include:
  - Usefulness of a written agreement with the intended recipient concerning the information to be reported and the internal auditor's responsibilities.
  - Identification of information providers, sources, report signers, recipients, and related persons to the disseminated report or information.
  - Identification of objectives, scope, and procedures to be performed in generating applicable information.
  - Nature of report or other communication including opinions, inclusion or exclusion of recommendations, disclaimers, limitations, and type of assurance or assertions to be provided.
  - Copyright issues, intended use of the information, and limitations on further distribution or sharing of the information.
5. If the internal auditor discovers information reportable to senior management or the board while conducting engagements that require dissemination of information outside the organization, the CAE needs to provide suitable communication to the board.

\*\*\*