

REPORTING AND FOLLOW-UP

FOLLOW-UP

Follow-up

Corrective action is subject to follow-up in accordance with the *Standards for the Professional Practice of Internal Auditing* of the IIA. All corrective action with expected implementation dates past due or due within 30 days appear in AutoAudit.

Follow-up Process

Objective

The objective of the follow-up process is to determine whether the audit concern has been adequately addressed. When follow-up is performed, the auditor will find one of the following situations:

- Implemented--the concern has been adequately addressed by implementing the original corrective action or the concern has been adequately addressed by implementing an alternate corrective action.
- Withdrawn--the concern no longer exists because of changes in the unit's processes.
- Open--the corrective action has been initiated but is not complete; or the concern has not been addressed (if the auditor believes that the unit fully intends to address the concern, a new expected completion date should be entered).
- Not Implemented--if the auditor concludes that management does not intend to implement the recommendation, notify audit management.

Performance

Audit evidence in accordance with the *IIA Standards* is to be applied to follow-up work. Internal auditors should ascertain that actions taken on audit findings remedy the underlying conditions. The auditor's recommendation regarding the status (i.e., Implemented, Withdrawn, Not Implemented) should be documented in the Follow-up field on the Observation form.

The auditor must send the AO to audit management for review using the Request Review function.

Communication of Follow-up Results

Unit

Follow-up results should be communicated by the auditor to the management team associated with the concern. If the audit concerns have been adequately addressed, a verbal or e-mail notification to the unit head is sufficient. If the concerns have not been adequately addressed, a meeting or more formal communication may be required.

Reporting "Not Implemented" Corrective Action

On a quarterly basis, the Executive Director reports to University management the corrective action items where follow-up was performed and the "Disposition" remains "Open." On an annual basis, University management is notified of all "Open" corrective action. Follow-up, and discussions with University management, will continue until the corrective action is resolved, or the risk of continuing the current practice is accepted by University management.

Board Reporting

Statistics of the follow-up process for all University audits are provided to the following Boards in the Annual Reports to their organizations:

- Budget and Audit Committee of the University of Illinois Board of Trustees
- Audit Committee of the University of Illinois Foundation
- Audit Committee of the University of Illinois Alumni Association