

Exposure Draft

Standard on Internal Audit (SIA) 330 Issuing Assurance Reports

The Internal Audit Standards Board of The Institute of Chartered Accountants of India (ICAI) invites comments on the draft Standard on Internal Audit (SIA) 330, Issuing Assurance Reports.

Comments are most helpful if they indicate relevant paragraph number, a clear rationale and, where applicable, provide a suggestion for alternative wording.

Comments can be submitted at link:

<https://forms.gle/yMFwA9LYmmLyiw9J7>

Last date for sending comments is October 23, 2025.

Standard on Internal Audit (SIA) 330

Issuing Assurance Reports

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This Standard on Internal Audit (SIA) 330, “Issuing Assurance Reports” issued by the Council of the Institute of Chartered Accountants of India should be read in conjunction with the “Preface to the Standards on Internal Audit,” issued by the Institute.

1. Introduction

- 1.1 This Standard on Internal Audit (SIA) provides guidance on principles, and responsibilities relating to the issuance of assurance reports by internal auditors. An assurance report represents the formal communication of the internal auditor's independent and objective opinion on the subject matter under review, based on the evidence obtained during the audit.
- 1.2 This Standard is intended to inform and support those charged with governance—such as the Audit Committee, Board of Directors, and Senior Management—in evaluating the design and operating effectiveness of the organization's risk management, control, and governance processes.
- 1.3 This Standard is applicable to all assurance-based internal audit engagements, including but not limited to audits of compliance, operational performance, financial controls, and risk management frameworks, regardless of the size, sector, or ownership structure of the entity.
- 1.4 Scope: This Standard applies to all internal audit assignments.

2. Effective Date

- 2.1 This Standard is applicable for internal audits beginning on or after a date to be notified by the Council of ICAI.

3. Objective

- 3.1 The objective of this Standard is to establish minimum requirements and provide guidance for the preparation and issuance of internal audit assurance reports that:
 - Accurately reflect the scope, criteria, findings, conclusions, and recommendations of the engagement.
 - Clearly articulate the level and nature of assurance provided by the internal auditor.
 - Facilitate informed decision-making by stakeholders through transparent, consistent, and reliable communication.

- Uphold the principles of independence, objectivity, and professional judgment in audit reporting.

4. Requirements

Internal auditors shall comply with the following requirements when issuing assurance reports:

4.1 Structure and Content of the Assurance Report (Refer Para. A1)

The assurance report shall, at a minimum, contain the following key components:

- **Title and Report Reference:** Clearly identifying the report as an internal audit assurance report.
- **Addressee(s):** Indicating the intended recipient(s), typically those charged with governance.
- **Executive Summary:** Summarising key findings, conclusions, and overall assurance opinion.
- **Engagement Objective and Scope:** Describing what was audited, the time frame covered, and any exclusions or limitations.
- **Audit Criteria:** Outlining the benchmarks or standards against which the subject matter was evaluated.
- **Methodology:** Describing audit techniques, sampling methods, and sources of evidence.
- **Observations and Findings:** Presenting significant audit issues, categorized by risk or priority.
- **Root Cause Analysis:** Highlighting underlying causes of deficiencies, where appropriate.
- **Overall Conclusion and Assurance Opinion:** Clearly stating the level of assurance provided.
- **Recommendations:** Providing actionable, risk-ranked recommendations for improvement.
- **Management Response:** Documenting the response and action plans of the audited entity.

- **Limitations:** Disclosing any restrictions encountered that may affect the audit outcome.
- **Date of the Report and Signature:** Duly dated and signed by the Chief Internal Auditor.

4.2 Quality and Objectivity of Reporting (Refer Para. A2)

- Reports shall be written in a clear, concise, objective, and unambiguous manner, free from technical jargon unless such terms are explained adequately.
- Conclusions shall be supported by sufficient and appropriate audit evidence in accordance with SIA 250, Internal Audit Documentation.

4.3 Expression of Assurance (Refer Para. A3)

- The report shall explicitly communicate the level of assurance provided—namely, reasonable assurance, limited assurance, or no assurance along with a clear explanation of its basis and scope.

4.4 Timeliness and Communication (Refer Para. A4)

- Reports shall be issued promptly upon the completion of fieldwork and quality assurance reviews, to ensure relevance and facilitate timely action.
- The report shall be communicated to all intended stakeholders, in accordance with the audit charter or internal protocols.

4.5 Documentation (Refer Para. A5)

The internal auditor shall retain adequate documentation to support the findings, conclusions, assurance opinion, and the rationale for judgments made.

Application and Other Explanatory Material

A1. Report Components (Refer Para. 4.1)

- The **Executive Summary** should highlight critical issues, systemic risks, and any significant control failures that warrant the attention of senior management or the Audit Committee.
- **Audit Criteria** may include applicable laws, regulatory frameworks, internal policies, best practices, or management-defined benchmarks.
- The **Observations and Findings** section should prioritize issues based on their risk level (e.g., high, medium, low) and materiality.
- Including the **Root Cause Analysis** strengthens the credibility and relevance of recommendations by addressing underlying systemic weaknesses.

A2. Quality and Objectivity of Reporting (Refer Para. 4.2)

- **Clarity and Readability:** The assurance report should be designed to communicate effectively with stakeholders who may not have technical expertise in internal auditing. Use of plain language, clear formatting, summarised key points, and logical structure enhances readability.
- **Avoiding Ambiguity:** Internal auditors must avoid vague or overly generalized statements. Each observation should be linked to specific criteria, risks, and evidence, eliminating room for misinterpretation.
- **Balanced Presentation:** While it is important to highlight deficiencies, reporting should also acknowledge strengths and areas of effective performance, where applicable, to maintain a balanced perspective.
- **Independence in Reporting:** The internal auditor must resist any attempts by management to unduly influence the wording or tone of the report. Any disagreements with management responses should be documented, and significant unresolved issues should be escalated to the Audit Committee or those charged with governance.
- **Audit Evidence and Documentation:** Each conclusion and recommendation must be traceable to documented evidence, in

accordance with SIA 230 "Internal Audit Evidence". Unsupported or anecdotal commentary undermines the reliability of the report and should be strictly avoided.

- **Professional Tone and Responsibility:** The language of the report must reflect professional decorum, especially when reporting sensitive or high-risk findings. Terms like "significant control breakdown" or "material risk exposure" should be used only when substantiated and justified by evidence and risk assessment.

A3. Levels of Assurance (Refer Para. 4.3)

- **Reasonable Assurance:** A high, but not absolute, level of assurance indicating that the subject matter is free from material misstatement or deficiency based on available evidence.
- **Limited Assurance:** A moderate level of assurance, generally provided when procedures are limited in scope or depth, often used in review engagements.
- **No Assurance:** Provided when the auditor is unable to obtain sufficient and appropriate evidence or where significant limitations or uncertainties preclude forming an opinion.

A4. Timeliness and Communication (Refer Para. 4.4)

- Delay in issuing reports can dilute the relevance of findings. Best practices recommend issuance within a pre-defined number of working days following the closure meeting.
- Circulation protocols should clearly define who receives full reports versus summary versions, in line with confidentiality and escalation requirements.

A5. Documentation (Refer Para. 4.5)

- Working papers should demonstrate how evidence supports the findings and conclusions. Templates and checklists may be used to ensure consistency but must be supplemented with professional judgment.
- Documentation should be maintained in accordance with SIA 250, Internal Audit Documentation.