

Compliance Audit Observation Report

Report Date: 2024-06-25

Auditee: ABC Corporation

Department: Finance

Period Covered: Q2 2024

Auditor(s): Jane Smith, John Doe

Audit Ref No: CA/2024/FIN/011

Location: Headquarters

1. Objective

To assess compliance with internal policies and regulatory requirements for financial reporting during Q2 2024.

2. Observations Summary

No	Observation	Requirement	Auditor's Recommendation
1	Incomplete documentation of expense approvals for April 2024.	Company Finance Policy 4.2 ISO 9001:2015, Clause 7.5	Enforce document checklist and routine review of approvals before month-end.
2	Delay in submission of statutory tax returns by 5 days.	Internal SOP-Tax/2022 Local Tax Regulation Section 13	Assign clear deadline responsibilities and setup automated reminders.

3. Conclusion

Observations indicate generally satisfactory compliance level, with improvement needed in documentation and deadlines adherence.

4. Management Response (if any)

Pending management response as of report issue date.

Important Notes:

- This report summarizes audit findings in a concise format for rapid management action.
- Observations are prioritized by potential impact and urgency.
- Recommendations are proposed for improvement; management may implement alternatives if justified.
- This document is confidential and intended for internal use only.