

Detailed Observation Table Structure - Audit Report

#	OBSERVATION	CRITERIA	CAUSE	EFFECT	RECOMMENDATION	MANAGEMENT RESPONSE
1	Incomplete documentation of procurement processes was noted in three instances.	Company Policy No. 108 - Procurement Procedures	Insufficient oversight during document review stage.	Potential compliance risk and delay in vendor payments.	Institute monthly audits and checklists for documentation tracking.	Agreed. Controls to be enhanced by Q3.
2	Late reconciliation of bank statements for the last two quarters.	Financial Reporting Standards Section 302	Lack of automation in reconciliation process.	Increased risk of undetected errors and fraud.	Implement automated reconciliation tools immediately.	Under consideration. Plan to adopt by year-end.
3	User access reviews not performed for high-risk applications.	IT Security Policy 2022, Section 5.3	Outdated review schedule and limited IT resources.	Unauthorized system access risk.	Update and enforce quarterly access reviews.	Implemented as of this quarter.

Important Notes:

- This table structure ensures concise, standardized, and trackable audit findings.
- Each observation should be supported by verifiable evidence and relevant criteria.
- Clear recommendations and management responses facilitate action planning and accountability.
- Regular updates and follow-ups are essential to track resolution of observations.