Root Cause Analysis

This section presents a structured analysis of the underlying causes that contributed to the identified audit finding. The analysis aims to facilitate effective corrective actions and continuous improvement.

Audit Finding Reference

Reference ID: AF-2024-03

Description: Delays in monthly reconciliations of corporate bank accounts.

Root Cause(s) Identified

- Lack of clear assignment of roles for the reconciliation process.
- Insufficient training provided to new finance team members.
- Manual tracking system prone to oversight and errors.

Analysis Approach

The root causes were identified through interviews with staff, review of procedural documentation, and process mapping utilizing the "5 Whys" analysis method.

Supporting Evidence

- Reconciliation checklists with incomplete sign-offs for Q1 2024.
- Email correspondence highlighting ambiguous task delegation.
- Training attendance records for newly onboarded employees.

Recommendation

Define clear responsibility matrices, provide structured onboarding and reconciliation training, and adopt an automated tracking solution to minimize manual errors.

Important Notes

- Root Cause Analysis (RCA) is essential for addressing audit findings effectively.
- Documenting underlying causes helps prevent recurrence of similar issues.
- Evidence and analysis approaches should always be clearly referenced.
- Recommendations must address the root causes, not just symptoms.
- Periodically review and update RCA documentation as processes evolve.