Audit Findings and Risk Impact Summary

Audit Overview

Audit Title: Internal Controls Review
Date: June 1, 2024
Auditor: Compliance & Risk Department
Scope: Financial processes and IT controls for Q2 2024

Summary Table of Findings

#	Finding	Risk Impact	Recommendation	Responsible
1	Segregation of duties not enforced in payment approvals	High: May result in unauthorized or fraudulent payments	Implement system-based approval matrix	Finance Manager
2	Outdated software versions on main server	Medium: Potential security vulnerabilities	Schedule regular updates and patch management	IT Lead
3	Incomplete documentation for expense claims	Low: Hinders audit trail and accountability	Reinforce policy for documentation, periodic checks	HR & Finance

Detailed Description of Key Findings

1. Segregation of Duties in Payment Approvals

The current process allows the same individual to create and approve payment requests resulting in a lack of checks and balances. This exposes the organization to the risk of unauthorized disbursement of funds.

2. Outdated Software

The IT audit found that several core applications on the main server have not been updated to the latest versions. Using outdated software increases the risk of cyber threats and data breaches.

3. Incomplete Expense Documentation

Random sampling of expense claims revealed that around 20% lacked supporting receipts or explanations. This impacts financial transparency and could result in non-compliance with internal policies.

Important Notes

- This document summarizes audit findings and their potential risk impacts for management attention.
- Recommendations provided should be prioritized based on the severity of each risk.
- Timely remediation and follow-up are important to reduce overall risk exposure.
- All findings should be validated and confirmed with responsible process owners.
- This summary may form part of broader compliance or regulatory reporting.