

# Findings and Observations

## Internal Audit Report

### 1. Executive Summary

This section provides a summary of the key findings and observations resulting from the internal audit performed on [Audit Area/Process] for the period [Audit Period]. The audit aimed to assess the adequacy and effectiveness of internal controls, compliance with policies and procedures, and to identify areas for improvement.

### 2. Detailed Findings & Observations

No.	Finding / Observation	Criteria	Implication	Recommendation	Management Response
1	Inventory records were not updated in a timely manner, resulting in discrepancies between physical count and system records.	Inventory Management Policy Section 4.1	Potential stock-outs or overstocking. Inaccurate financial reporting.	Update inventory records promptly after each transaction. Conduct regular reconciliations.	Agreed. To be implemented by Q3 2024.
2	Absence of documented procedures for new vendor onboarding.	Procurement SOP Clause 2.2	Risk of engaging non-compliant or high-risk vendors.	Develop and implement onboarding procedures. Train procurement staff.	Management to finalize by July 2024.
3	User access rights to the financial system were not reviewed periodically.	IT Security Policy 5.3	Risk of unauthorized access and data manipulation.	Perform access rights review at least bi-annually.	In progress, to complete by September 2024.

### 3. Conclusion

The audit has identified certain areas where controls and processes can be strengthened. Management is encouraged to address these findings promptly to enhance overall operational effectiveness and compliance.

#### Important Notes:

- Audit findings should be evidence-based, objective, and clearly documented.
- Recommendations must be actionable, specific, and tailored to address root causes.
- Management responses and timelines are essential for follow-up and monitoring.
- This document should remain confidential and be shared only with authorized individuals.
- Follow-up reviews are necessary to ensure implementation of corrective actions.