

Departmental Audit Findings Management Letter

Date: June 18, 2024

To: Department Head, Finance Department
From: Internal Audit Unit
Subject: Audit Findings and Recommendations â€œ FY 2023-2024

Introduction

As part of our commitment to good governance and internal controls, the Internal Audit Unit conducted an audit of the Finance Department for the fiscal year 2023-2024. The purpose of this management letter is to communicate the key findings, related risks, and recommendations for improvement.

Summary of Audit Findings

No.	Finding	Risk/Implication	Recommendation
1	Lack of timely reconciliation between accounts payable and vendor statements.	Possibility of undetected errors or fraudulent transactions; inaccurate financial reporting.	Implement monthly reconciliations and supervisory review process.
2	Incomplete documentation supporting expenditures above the authorization threshold.	Risk of unauthorized or non-compliant expenditures; non-adherence to procurement policy.	Strictly enforce documentation requirements and periodic compliance checks.
3	Delayed submission of quarterly budget utilization reports.	Potential delays in decision-making; reduced effectiveness of budget monitoring.	Establish internal deadlines ahead of reporting dates and monitoring mechanism.

Conclusion

Management is encouraged to review the above findings and implement the recommended actions promptly. The Internal Audit Unit will conduct a follow-up review in three months to assess progress on the agreed corrective actions.

Respectfully,

Jane Doe
Lead Auditor
Internal Audit Unit

Important Notes

- This letter is intended to provide constructive feedback to promote sound internal controls and compliance.
- Management responses and action plans are expected within two weeks of receipt.
- This document is confidential and for internal use only.
- Audit findings do not necessarily indicate fraud but require diligent remediation.

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