

# Risk-Based Audit Findings Management Letter

**Date:** June 22, 2024

**To:** Chief Executive Officer

**From:** Internal Audit Department

**Subject:** Audit of Finance Processes: Findings and Management Responses

Dear Sir/Madam,

This letter communicates the key findings identified during our recent risk-based audit on Finance Processes. The audit focused on areas with elevated risk profiles as determined by our risk assessment methodology.

## Summary of Audit Findings

No.	Risk Area	Finding	Risk Rating	Recommendation	Management Response	Target Completion
1	Accounts Payable	Delayed invoice approvals resulting in late payments to vendors.	Medium	Implement automated reminders and periodic review of outstanding invoices.	Agreed. Will set up reminders and assign a staff for tracking approvals.	Aug 2024
2	Cash Handling	Lack of segregation of duties detected in cash disbursement process.	High	Segregate roles to ensure no single employee handles all cash activities.	Agreed. New procedure draft to be finalized and implemented.	July 2024
3	Financial Reporting	Inconsistent documentation for supporting journal entries.	Low	Standardize supporting documents checklist for monthly closing.	Agreed. Checklist will be communicated to accounting staff.	Sep 2024

## Conclusion & Next Steps

The above findings were discussed with management and action plans have been agreed upon. We will follow up on the implementation of these recommendations as part of our ongoing audit process.

Please do not hesitate to contact the Internal Audit Department for further clarification regarding this report.

Sincerely,

[Internal Auditor Name]

Head of Internal Audit

[Organization Name]

Important Notes:

- This letter is a formal communication of audit findings, recommendations, and management's agreed responses.
- Risk ratings help prioritize management actions and resource allocation.
- Document serves as an accountability tool for follow-up and monitoring resolution.
- Timely management response and agreed target dates are crucial for effective risk mitigation.
- Contents of this letter are generally confidential and intended for management use.