

# Detailed Audit Findings Report

## 1. Executive Summary

This report presents the detailed findings from the recent audit conducted for ABC Corporation. The objective was to assess the adequacy and effectiveness of internal controls and compliance with applicable policies and procedures.

## 2. Audit Objectives and Scope

The audit covered financial transactions, operational processes, and regulatory compliance for the period of January 2024 to March 2024. The assessment included interviews, documentation review, and sample testing.

## 3. Summary of Findings

Finding No.	Title	Risk Level	Status
1	Unreconciled Vendor Payments	High	Open
2	Incomplete Access Controls	Medium	Open
3	Delayed Inventory Reconciliation	Low	Closed

## 4. Detailed Findings

### Finding 1: Unreconciled Vendor Payments

- Description:** Several vendor payments (Jan-Mar 2024) were not reconciled against invoices, resulting in potential duplication of payments.
- Impact:** Financial loss due to overpayments.
- Recommendation:** Implement monthly reconciliations and strengthen approval workflows.
- Management Response:** Accepted. Reconciliations to be completed by end of April 2024.

### Finding 2: Incomplete Access Controls

- Description:** System access reviews are not performed regularly, and several former employees retain active user accounts.
- Impact:** Potential data breaches and unauthorized transactions.
- Recommendation:** Review user access quarterly; immediately deactivate unused accounts.
- Management Response:** Accepted. IT will implement new access review process effective immediately.

### Finding 3: Delayed Inventory Reconciliation

- Description:** Inventory records were not updated promptly, leading to inaccurate stock reports.
- Impact:** Discrepancies in financial reporting and stock management.
- Recommendation:** Enforce timely record updates and perform periodic inventory checks.
- Management Response:** Implemented. Delay resolved as of March 2024.

## 5. Conclusion

The audit identified key control weaknesses requiring management attention. Timely implementation of the recommended actions will strengthen internal controls and reduce risks.

### Important Notes:

- This document is confidential and intended for authorized recipients only.
- Audit findings are based on information provided during the audit period.
- Management responses and action plans are crucial for effective remediation.
- The report should be reviewed and acknowledged by relevant stakeholders.

