

Forensic Audit Report

Reference No.:	FAR/2024/001
Date of Report:	June 17, 2024
Conducted By:	XYZ Forensic Audit Services
Client:	ABC Corporation Ltd.
Period Under Review:	January 1, 2024 - May 31, 2024

1. Executive Summary

This forensic audit was commissioned by ABC Corporation Ltd. to investigate alleged financial irregularities within its accounts department. The scope of the audit included review of transactions, internal controls, and compliance with applicable policies for the specified period.

2. Objectives

- To identify instances of fraud, embezzlement, or misappropriation of assets.
- To evaluate the effectiveness of existing internal controls.
- To provide recommendations for mitigating identified risks.

3. Methodology

- Examination of financial records, supporting documents, and digital records.
- Interviews with relevant personnel.
- Analytical review and forensic data analysis techniques.

4. Findings

- Detection of unauthorized payments totaling \$25,000 routed through dummy vendor accounts.
- Ineffective segregation of duties within accounts receivable and accounts payable functions.
- Lapses in approval processes for large value transactions.
- No significant findings of physical asset misappropriation.

5. Conclusion

The forensic audit established material evidence of unauthorized payments and deficiencies in internal control procedures. Immediate remedial action and a review of related staff roles are recommended.

6. Recommendations

- Implement stricter approval protocols for vendor payments.
- Strengthen segregation of duties in financial operations.
- Conduct regular internal audits and staff training on ethical practices.
- Review and update internal control frameworks.

7. Appendices

- Appendix A: List of Documents Reviewed
- Appendix B: Interview Summaries
- Appendix C: Detailed Transaction Analysis

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Important Notes

- Forensic audit reports are often used in legal proceedings and must be accurate and objective.
- Confidentiality must be strictly maintained to protect the interests of all stakeholders.
- This report is limited to the information and documents made available to the auditors.
- Recommendations should be implemented promptly to prevent further risk or loss.