

Sarbanes-Oxley (SOx) Compliance Report

Report Date: 2025-09-22

Reporting Period: 2024-01-01 to 2024-12-31

Prepared by: Internal Audit Department

1. Executive Summary

This SOx compliance report provides an independent assessment of the bank's internal controls over financial reporting. The audit covered key control areas, including access management, transaction approval, data integrity, and vendor management. Overall, the bank's controls are operating effectively, with minor deficiencies identified and remediation plans in place.

2. Management's Statement

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. We have evaluated the effectiveness of these controls as of the reporting date and believe they are designed and operating effectively, except as noted in this report.

3. Auditor's Opinion

Based on our testing, we conclude that the bank maintained, in all material respects, effective internal control over financial reporting as of the reporting date, except for the deficiencies described in Section 6.

4. Controls Tested

Control Area	Control Description
Access Controls	User access reviewed quarterly
Segregation of Duties	No single user can approve & pay
Transaction Approval	All payments >\$10,000 require dual approval
Data Integrity	Daily reconciliation performed

Change Management	System changes require documented approval
Backup & Recovery	Backups tested monthly
Incident Response	Security incidents logged and reviewed
Vendor Management	Critical vendors reviewed annually

5. Test Results

Control Area	Test Performed	Result	Comments
Access Controls	Sampled 13 items	Fail	No exceptions found.
Segregation of Duties	Sampled 10 items	Fail	1 exception found.
Transaction Approval	Sampled 7 items	Fail	Control operating effectively.
Data Integrity	Sampled 9 items	Fail	No exceptions found.
Change Management	Sampled 6 items	Pass	Remediation in progress.
Backup & Recovery	Sampled 11 items	Fail	Requires further review.
Incident Response	Sampled 8 items	Pass	Remediation in progress.
Vendor Management	Sampled 7 items	Fail	1 exception found.

6. Deficiencies & Recommendations

The following deficiencies were identified during the audit:

- Segregation of Duties: 1 exception found. Recommendation: Implement additional approval workflows.
- Vendor Management: Remediation in progress. Recommendation: Enhance vendor review documentation.

All other controls were found to be operating effectively.

7. Action Plan

Management has initiated corrective actions for the identified deficiencies.

- Segregation of Duties: New approval process to be implemented by Q2 2025.
- Vendor Management: Updated procedures to be rolled out by Q3 2025.

Progress will be monitored and reported in the next SOx cycle.

8. Signatures

Chief Financial Officer

Head of Internal Audit

External Auditor
