

**To:** Botium Toys Stakeholders

**From:** Nadeem Diaa

**Date:** 23/07/2025

**Subject:** Summary of Security Audit Findings and Recommendations – Botium Toys

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## Purpose

The purpose of this memorandum is to provide a summary of the recent security audit conducted for Botium Toys. The audit evaluated the organization's current security posture, identified vulnerabilities, and assessed compliance with applicable U.S. and international regulations and standards.

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## Key Findings

- **High Risk Areas:** Inadequate asset management, insufficient access controls, and missing encryption for sensitive data.
  - **Compliance Gaps:** Several controls required for full compliance with data protection regulations (e.g., PCI DSS, GDPR) are not yet implemented.
  - **Operational Risks:** Lack of a disaster recovery plan and absence of data backups for critical systems.
  - **Positive Observations:** Functional firewall configuration, antivirus software deployment, and strong physical security measures.
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## Risk Assessment

- **Overall Risk Score:** 8/10 – High Risk
- **Potential Impact:** Medium for asset loss, High for regulatory fines or sensitive data exposure.

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## Recommendations

1. **Implement Access Controls:** Enforce least privilege and separation of duties across all systems.
2. **Apply Data Encryption:** Encrypt all stored and transmitted credit card and customer PII/SPII.
3. **Develop a Disaster Recovery Plan:** Include regular data backups and tested recovery procedures.
4. **Strengthen Password Policies:** Update to meet current complexity standards and implement centralized password management.
5. **Deploy an Intrusion Detection System (IDS):** Monitor and respond to suspicious network activity.
6. **Asset Inventory:** Create and maintain a detailed, regularly updated inventory of all IT assets.

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## Next Steps

We recommend immediate prioritization of the high-risk findings and implementation of the above recommendations within the next 90 days. A follow-up audit will be scheduled to measure progress and confirm compliance.

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