Audit and Compliance Requirements

Internal Audit Program

Internal audit conducts regular audits of financial controls, operational processes, and compliance. Audit schedule published annually.

Audits assess effectiveness of controls, identify risks, and recommend improvements. Audit findings tracked to resolution.

External Audit

Annual financial statement audit conducted by external auditors. Auditors review financial records, test controls, and issue opinion.

Cooperate fully with auditors. Provide requested documentation promptly. Address audit findings in timely manner.

Audit Preparation

Maintain organized financial records. Document processes and controls. Ensure policies are current and followed.

Conduct self-assessments before audits. Remediate known issues proactively. Assign audit coordinator for each department.

Audit Process

Auditors request documentation and conduct interviews. Provide accurate and complete information. Don't withhold or alter documents.

Auditors test samples of transactions. Explain processes and controls. Document verbal explanations in writing.

Audit Findings

Findings categorized by severity: Critical (immediate action required), High (significant risk), Medium (moderate risk), Low (best practice).

Management response required for all findings. Develop action plans with timelines. Track remediation progress.

Regulatory Compliance

Comply with applicable regulations: SOX (financial reporting), GDPR (data protection), industry-specific regulations.

Compliance team monitors regulatory changes. Training provided on compliance requirements. Report compliance concerns immediately.

Financial Controls

Segregation of duties: Different people authorize, record, and reconcile transactions. Prevents fraud and errors.

Approval authorities based on amount and transaction type. Regular reconciliations of accounts. Physical controls over assets.

Documentation Requirements

Maintain supporting documentation for all financial transactions. Retention periods vary by document type (typically 7 years).

Documents must be complete, accurate, and readily accessible. Electronic documents acceptable if properly stored and backed up.

Compliance Training

Annual compliance training required for all employees. Role-specific training for finance, procurement, and management.

Training covers: Code of conduct, anti-corruption, data protection, financial controls. Completion tracked and reported.

Whistleblower Policy

Report suspected fraud, waste, or abuse through ethics hotline (anonymous) or to compliance team.

All reports investigated promptly and confidentially. Retaliation against whistleblowers strictly prohibited.

Compliance Monitoring

Ongoing monitoring of compliance with policies and regulations. Automated controls where possible. Regular management reviews.

Compliance metrics reported to board quarterly. Trends analyzed to identify systemic issues.

Remediation and Corrective Action

Findings require corrective action plans with responsible parties and deadlines. Progress tracked and reported.

Verify effectiveness of corrective actions. Repeat findings escalated to senior management. Persistent non-compliance may result in disciplinary action.