

Internal Risk Control & Compliance Report

Report ID: RC-2026-042

Audit Period: Q4 2025

Department: Digital Asset Operations

Controller: Alex Rivera

1. Executive Summary

This review focused on the manual reconciliation processes within the high-value transaction wing. While core controls are in place, several "Need for Action" (NFA) items were identified regarding data integrity and audit trails.

2. Findings and Observations

The following table outlines the specific issues identified during the review.

Ref ID	Findings	Criticality	Business Impact
NFA-01	The team is currently using an Excel sheet to track manual overrides. This sheet is stored on a shared drive without restricted access. There is no log of who changed what or when, which is bad for compliance.	High	Risk of unauthorized data alteration and failure to meet regulatory audit trail requirements.
NFA-02	We saw that some staff are sharing logins for the legacy database system because getting new licenses takes too long. This makes it hard to know who actually performed specific transactions.	Very High	High risk of internal fraud and inability to attribute actions to specific individuals during an investigation.
NFA-03	The reconciliation report for the month of November was signed off three days late. The manager said they were on leave and no one	Medium	Delay in identifying potential financial discrepancies and breach of internal SLA.

Internal Risk Control & Compliance Report

	else was authorized to sign it.		
NFA-04	Backup tapes are being stored in the same room as the primary servers. If there is a fire or a leak, both the original data and the backup would be destroyed at the same time.	High	Potential for total data loss and extended business downtime in the event of a physical site disaster.

3. Conclusion

The Digital Asset Operations team must address the NFA-01 and NFA-02 issues with the highest priority to maintain the integrity of the risk control framework.