

## Template 28 : Record of Control Weakness

Record of Control Weakness Template	
Audit Client	
Engagement Name	
Audit Observation Title	

<b>1. Observation Summary</b>					
<b>2. Condition (Facts)</b> – Factual evidence and description of controls as they exist (what is). What was found through testing.					
<b>3. Criteria</b> – Standards, measures, expectations, policy, or procedures used in making the evaluation (what should exist)					
<b>4. Cause</b> _ what allowed or caused the condition to exist (the why)					
<b>5. Consequences</b> – Risk or exposure encountered because the condition is not consistent with the criteria (what could go wrong, both past and possible future impact). Considers both the impact (financial, reputation, safety, etc) and the likelihood.					
<b>6. Compensating controls</b> – other controls in place to mitigate the observation. Including monitoring.					
<b>7. Conclusion</b> – details analysis, assessment, and justification for evaluation classifications and final conclusions.					
<b>8. Corrective Action</b> – what the internal audit function recommends. This recommendation must reconcile with management’s solution as discussed during the preliminary communication process.					
<b>9. Management solution</b> – what management will do to fix the existing condition or prevent the problem from happening again.					
<b>10. Observation evaluation:</b> <ul style="list-style-type: none"> <li>• COSO category</li> <li>• Classification</li> <li>• Assessment</li> </ul>	<table> <tbody> <tr> <td>Financial reporting (weakness)</td> <td>Material</td> </tr> <tr> <td>Operational (deficiency)</td> <td>Significant</td> </tr> </tbody> </table>	Financial reporting (weakness)	Material	Operational (deficiency)	Significant
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