

AUDIT FINDING WRITING GUIDE

A practical guide to turning an exception into a clear, evidence-based audit finding that management can understand and act on.

Not every exception is a finding.

Confirm that the issue is supported by evidence, matters to the audit objective and has a clear risk or consequence. Investigate first; write second.

CONDITION - What did you find?

State the factual situation. Be specific about the population, sample, value, period and number of exceptions where relevant.

CRITERIA - What should have happened?

State the policy, procedure, contract, law, standard or approved control expectation used for comparison.

CAUSE - Why did it happen?

Identify the underlying reason, not a restatement of the condition. Validate the cause with the process owner and evidence where possible.

EFFECT / RISK - Why does it matter?

Explain the actual consequence or reasonably supported exposure. Avoid dramatic risks that are not connected to the evidence.

RECOMMENDATION - What needs to change?

Address the root cause and desired control outcome. Avoid prescribing an unnecessarily rigid solution when management can design an effective alternative.

Before you write the observation

- ☐ Can I explain the issue clearly in one or two sentences?
- ☐ Do I have reliable evidence supporting the condition?
- ☐ Have I confirmed the correct criteria?
- ☐ Have I quantified the issue where meaningful and possible?
- ☐ Have I discussed the apparent cause with the process owner?
- ☐ Is the risk proportionate to what the evidence shows?

[] Does the recommendation address the cause rather than only the symptom?

[] Could a reader understand the issue without reading my entire working paper?

WEAK FINDING VS STRONG FINDING

Weak	Stronger
Monthly reconciliations were not done. This may lead to fraud and financial loss.	Condition: Bank reconciliations for April, May and June 2026 were not prepared as at 15 July 2026. Criteria: The finance procedure requires monthly bank reconciliations to be prepared and independently reviewed by the tenth working day of the following month. Cause: The employee responsible was transferred in March 2026 and responsibility was not reassigned. Risk: Unrecorded or incorrect cash transactions may remain unidentified for longer than intended, reducing the effectiveness of the detective control. Recommendation: Management should formally assign responsibility for each bank reconciliation and establish backup ownership for periods of absence or staff movement.

Final quality check

- ☐ The title describes the control issue, not just the department.
- ☐ Facts and management explanations are clearly distinguished.
- ☐ Names and blame are avoided unless identification is necessary to the issue.
- ☐ Numbers, dates and percentages agree with the working papers.
- ☐ The wording is concise and free from unsupported assumptions.
- ☐ The finding explains why management should care.
- ☐ The agreed action can be followed up later and closure can be evidenced.

A useful test.

If you remove the risk paragraph and the reader can no longer understand why the issue matters, the finding may need stronger analysis. If the risk sounds far bigger than the condition, it may need more restraint.

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