

Internal Audit Checklist for Financial Processes

An **internal audit checklist** for financial processes ensures thorough examination and compliance with regulatory standards. It helps identify discrepancies, improve accuracy, and strengthen financial controls. Using a standardized checklist enhances transparency and supports effective risk management.

Checklist

1. **Policies & Procedures**
 - Are accounting policies documented and up to date?
 - Are financial roles and responsibilities clearly defined?
2. **Authorization & Approval**
 - Are all transactions properly authorized and approved?
 - Are approval limits in place and enforced?
3. **Record Keeping**
 - Are all financial records accurate, complete, and retained according to policy?
 - Are adjustments and corrections tracked and documented?
4. **Reconciliation**
 - Are bank and general ledger accounts regularly reconciled?
 - Are discrepancies investigated and resolved promptly?
5. **Segregation of Duties**
 - Is there adequate segregation of duties among staff handling financial processes?
 - Are controls in place to detect conflicts of interest?
6. **Financial Reporting**
 - Are financial statements prepared in accordance with applicable accounting standards?
 - Are reports reviewed and approved by management?
7. **Compliance**
 - Are financial processes compliant with relevant laws and regulations?
 - Is there ongoing training and awareness on compliance requirements?
8. **Risk Management**
 - Are risks to financial processes identified and assessed regularly?
 - Are mitigation measures documented and implemented?
9. **IT Controls**
 - Are financial systems access controls sufficient and regularly reviewed?
 - Are data backup and recovery processes effective?

Notes

- Document all findings and action items.
- Assign responsibilities for follow-ups.
- Ensure continuous monitoring and periodic review.