

# A Practical Audit Finding Remediation Toolkit

## Toolkit Instructions

### How to Use the Toolkit

The **Closed or Corrected? Audit Finding Remediation Toolkit** is designed to help internal audit, management, risk teams, and supervisory committees move each finding from initial evaluation through validated closure. The workbook should be treated as a working remediation record, not simply as a summary of open and closed items.

## Step 1: Review the “Start Here” Tab

Begin with the **Start Here** tab for an overview of the workbook, its status definitions, and the recommended workflow.

The toolkit moves each finding through five stages:

1. Evaluate the proposed corrective action.
2. Identify the underlying root cause.
3. Document the remediation commitment.
4. Validate implementation and effectiveness.
5. Report unresolved or accepted risk.

The remaining tabs support each stage of this process.

## Step 2: Complete a Corrective Action Checklist for Each Finding

Complete a **separate Corrective Action Checklist for each audit finding** before approving management's action plan or closing the issue. Because each finding may have a different root cause, owner, corrective action, evidence requirement, and closure standard, findings should not be combined on a single checklist.

For every finding:

1. Enter the finding identifier and retain it with the completed checklist.
2. Evaluate each checklist criterion against that specific finding and management response.
3. Select **Yes, No, or N/A** for each criterion.
4. Document the evidence or rationale supporting the response.
5. Identify the responsible owner and target date where applicable.
6. Resolve any **No** responses before approving the action plan or proceeding toward closure.

A **No** response indicates that an element of the corrective-action plan may be incomplete or insufficient. The checklist result will show whether the plan is ready for approval, incomplete, or requires revision.

Because the workbook contains one reusable checklist, users should either:

- Duplicate the **Corrective Action Checklist** tab and rename each copy with the applicable finding ID, or
- Complete the checklist, save a separate copy in the audit file, and then clear the tab before evaluating the next finding.

The same checklist may be revisited when management requests closure to confirm that the agreed criteria have been satisfied.

### Step 3: Complete a Root Cause Worksheet for Each Significant Finding

Use a **separate Root Cause Worksheet for each significant, recurring, or complex finding**. Routine findings may not require an extensive analysis, but every corrective action should be based on a clear understanding of why the condition occurred.

Begin by documenting:

- The condition identified during the audit
- The related risk or potential impact
- The immediate cause
- The process, control, system, data, or governance weakness that made the condition possible
- The reason the issue was not prevented or detected
- The potential extent of similar exposure

The analysis should produce a concise root-cause statement that explains why the finding occurred rather than simply restating what happened.

Also consider whether the underlying condition may affect other departments, products, systems, periods, or third-party relationships. A finding observed in one sample or business unit may be evidence of a broader exposure.

As with the checklist, users should duplicate the worksheet for each applicable finding or save the completed worksheet separately before reusing the tab.

## Step 4: Enter Every Finding in the Remediation Plan

Enter each finding as a separate row in the **Remediation Plan** tab. Unlike the checklist and root-cause worksheet, this tab serves as the consolidated tracker for the entire portfolio of findings.

Complete the available fields for each finding, including:

- Finding ID and title
- Source and process area
- Risk rating
- Repeat-finding designation
- Root cause
- Corrective action
- Responsible owner
- Date opened
- Original and current due dates
- Required implementation evidence
- Measurable closure criteria
- Assigned validator
- Validation result
- Current status
- Residual risk or explanatory notes

Update the row as the corrective action progresses. Due-date changes should be reflected in the current due-date field without removing the original due date, allowing leadership to identify extensions and delays.

## Step 5: Apply the Status Categories Consistently

Assign each finding one of the following statuses:

- **Open:** The corrective action has not been fully implemented.
- **Implemented, Pending Validation:** Management has completed the action, but effectiveness has not yet been independently confirmed.
- **Closed:** Implementation and operating effectiveness have been validated and the established closure criteria are satisfied.
- **Risk Accepted:** Authorized leadership has formally accepted and documented the remaining exposure.

Do not change a finding directly from **Open** to **Closed** simply because management completed an assigned task. A new policy, completed training session, installed system, or revised procedure may demonstrate implementation, but it does not necessarily demonstrate that the revised control operates effectively.

## Step 6: Use the Closure Decision Guide for Each Closure Request

When management requests closure, apply the **Closure Decision Guide** separately to **that finding**.

Work through each question in order to determine whether:

1. The agreed corrective action was fully implemented.
2. The action addressed the documented root cause.
3. The revised control operated for a sufficient period.
4. An appropriately objective party performed validation.
5. The validation demonstrated control effectiveness.
6. Any residual risk was identified and evaluated.
7. Remaining risk was formally accepted by an authorized party.
8. All closure criteria were satisfied and supporting evidence was retained.

If the action has been implemented but sufficient evidence of effectiveness is not yet available, assign **Implemented, Pending Validation** rather than **Closed**.

If validation identifies continuing weaknesses, keep the finding open and revise the remediation plan.

## Step 7: Document Any Residual Risk

Determine whether exposure remains after corrective action is implemented.

If remediation will not fully correct the finding, document:

- The remaining exposure
- Why complete remediation is not practical
- The potential impact
- The person or committee authorized to accept the risk
- The date and basis of acceptance
- The method for monitoring the risk
- Any review or expiration date associated with the decision

An overdue or repeatedly extended finding should not be treated as an informal risk acceptance. Risk acceptance should be explicit, authorized, documented, and visible in supervisory committee reporting.

## Step 8: Review the Supervisory Committee Dashboard

The **Committee Dashboard** summarizes information entered in the Remediation Plan and highlights matters requiring oversight attention.

The dashboard provides visibility into:

- Total findings
- Open corrective actions
- Actions pending validation
- Closed findings
- Accepted risks
- Overdue corrective actions
- Repeat findings
- Unresolved high or critical-risk findings

Use the dashboard during supervisory or audit committee meetings to focus discussion on significant exposure rather than administrative completion counts.

Committee discussions should address:

- Which overdue findings present the greatest current risk
- Which actions are implemented but remain unvalidated
- Why findings have recurred
- What barriers are delaying correction
- Which risks have been formally accepted
- Whether vendor, staffing, system, or project dependencies are affecting remediation
- Whether management's proposed completion dates remain realistic

## Step 9: Retain the Supporting Evidence

Maintain supporting documentation for each significant remediation and closure decision.

Evidence may include:

- Revised policies or procedures
- System configurations
- Completed reports
- Approval records
- Exception documentation
- Training records
- Transaction testing
- Reperformance results
- Trend reports
- Meeting records
- Risk-acceptance approvals

The final record should allow an informed reviewer to understand what changed, who approved the action, what evidence was evaluated, how effectiveness was validated, and why the assigned status is appropriate.

## Recommended Use by Finding

For each new finding, the intended sequence is:

1. Create or retain a separate **Corrective Action Checklist**.
2. Complete a separate **Root Cause Worksheet** when warranted.
3. Enter the finding as a new row in the **Remediation Plan**.
4. Update the row as implementation progresses.
5. Apply the **Closure Decision Guide** when closure is requested.
6. Document residual risk and formal risk acceptance when applicable.
7. Allow the **Committee Dashboard** to incorporate the finding into consolidated oversight reporting.

The objective is not merely to record that management completed an assigned task. The objective is to demonstrate that the underlying condition was understood, an appropriate corrective action was implemented, control effectiveness was independently evaluated, and any remaining risk was made visible to the appropriate decision-makers.