

Audit Conclusion Letter

Date: June 20, 2024

To: Board of Directors, Sample Company Ltd.

From: James Carter, Lead Auditor

Subject: Audit Conclusion - Fiscal Year 2023

1. Introduction

We have completed our audit of the financial statements of Sample Company Ltd. for the fiscal year ended December 31, 2023. The purpose of this letter is to provide a summary of our findings and bring to your attention the most significant issues identified during our audit.

2. Key Issues Highlighted

- Revenue Recognition:** We noted inconsistencies in the timing of revenue recognition, specifically delays in recording revenue for certain contracts. Management is advised to review compliance with accounting standards.
- Inventory Valuation:** A significant portion of inventory was valued at cost rather than net realizable value. We recommend robust procedures to ensure inventory is not overstated.
- Internal Control Weaknesses:** There were insufficient segregation of duties in the accounts payable process, increasing the risk of error or unauthorized transactions.
- Compliance with Laws & Regulations:** Two instances of non-compliance were detected relating to local tax filings, which have since been corrected, but regular reviews are suggested.

3. Conclusion

Based on our review, we conclude that, except for the issues highlighted above, the financial statements present fairly, in all material respects, the financial position of Sample Company Ltd. as of December 31, 2023, in accordance with generally accepted accounting principles.

We appreciate the cooperation and responsiveness of your staff throughout the audit process.

Sincerely,
James Carter
Lead Auditor, Carter & Associates

Important Notes About Audit Conclusion Letters

- Summarizes significant findings and communicates them formally to management or governance.
- Highlights key risks, issues, and areas requiring attention or improvement.
- Does not replace the detailed audit report but complements it with actionable insights.
- Should be clear, concise, and free from technical jargon for ease of understanding.
- May include recommendations or require management's response or corrective action.