

ABC Company Ltd.  
123 Business Road, Suite 100  
City, Country  
Date: June 25, 2024

To: The Management  
ABC Company Ltd.

## Standard Management Letter – Audit Findings

Dear Sirs/Madams,

We have completed our audit of the financial statements of ABC Company Ltd. for the year ended December 31, 2023. As part of our audit, we reviewed your company's internal controls and accounting procedures. We wish to bring to your attention the following audit findings and recommendations for your consideration:

### Summary of Audit Findings

Finding	Implication	Auditor's Recommendation	Management Response
Delayed Bank Reconciliations	Increased risk of undetected errors or fraud.	Perform bank reconciliations monthly, promptly after statements are received.	Management will ensure all reconciliations are completed within 10 days of each month-end.
Incomplete Fixed Asset Register	Assets may not be accurately recorded, increasing risk of misstatement.	Update and maintain detailed fixed asset register, including location and responsible personnel.	Register will be updated quarterly. Training for staff will be provided.
Lack of Formal Credit Policy	Inconsistent client screening and credit terms, leading to potential bad debts.	Develop and implement a formal policy for extending credit.	Policy is in development, target rollout Q3 2024.

### Conclusion

We appreciate the cooperation and assistance provided during the course of our audit. These findings are intended to strengthen your company's internal controls and enhance overall performance. Please feel free to contact us if you require further clarification regarding any of the above points.

Yours faithfully,

JKL Auditors LLP  
Authorized Signatory

### Important Notes:

- This letter is strictly for management's use and is not a substitute for a full audit report.
- Findings and recommendations are based on information provided during the audit period.
- Management responses indicate the company's commitment to addressing the issues.
- Continuous improvement in controls and procedures is encouraged beyond these recommendations.
- All confidential information should be handled in accordance with applicable policies and regulations.