

Fraud Risk Representation Letter

Date: _____

To: [Name of the Auditor/Audit Firm]

From: [Name of the Company]

Subject: Fraud Risk Representation Letter for the year ended [Year]

Dear Sir/Madam,

This letter is provided in connection with your audit of the financial statements of [Name of the Company] for the year ended [Year], for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

1. Responsibility for Fraud Prevention

We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud and error.

2. Fraud and Suspected Fraud

We confirm that:

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We are not aware of any fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
- We have disclosed any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators, or others.

3. Knowledge of Fraud

We have no knowledge of any fraud or suspected fraud affecting the company involving (i) management, (ii) employees having significant roles in internal control, or (iii) others which could have a material effect on the financial statements.

4. Internal Controls

We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the company.

Yours faithfully,

[Name]

[Title/Designation]

[Company Name]

[Date]

Important Notes:

- This letter is generally signed by senior management and/or those charged with governance.
- It serves as written confirmation to the auditor regarding the company's assessment and disclosure of fraud risks.
- Accurate and complete disclosure is critical to avoid legal or compliance issues.
- Should be tailored to specific circumstances and in accordance with relevant auditing standards.

