

[Company Letterhead]

[Date]

[Name of Audit Firm]

[Address of Audit Firm]

[City, State, Zip Code]

Subject: Notification of Post-Audit Fraud Discovery

Dear [Name of Engagement Partner],

In connection with your audit of the financial statements of [Company Name] for the period ended [Audit Period End Date], for which the audit report was issued on [Date of Audit Report], we are writing to formally notify you of a fraud discovery made subsequent to the issuance of your report.

We wish to represent and confirm the following information regarding this matter:

1. Nature of the Fraud: On [Date of Discovery], management identified an instance of [briefly describe the type of fraud, e.g., asset misappropriation, financial statement manipulation, or unauthorized expenditure] involving [relevant department or level of personnel].

2. Estimated Financial Impact: Based on our preliminary internal investigation, the estimated impact on the financial statements for the audited period is \$[Amount]. We are currently evaluating whether this requires a restatement of the previously issued financial statements.

3. Method of Discovery: The matter was identified through [describe method, e.g., internal whistleblowing hotline, internal audit review, or reconciliation process].

4. Management Action: Management has taken the following immediate steps: [list actions, e.g., suspension of involved parties, legal notification, or enhancement of specific internal controls].

5. Completeness of Information: We have provided your firm with access to all internal investigative reports, digital records, and communications related to this discovery. We confirm there are no other known instances of fraud that have not been disclosed to you.

6. Internal Controls: We acknowledge our responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud. We are currently reviewing the control deficiencies that allowed this incident to occur.

We understand that this discovery may require you to perform additional procedures or reconsider your previously issued audit opinion. We are committed to full cooperation during this process.

Sincerely,

[Name of Chief Executive Officer]
CEO, [Company Name]

[Name of Chief Financial Officer]
CFO, [Company Name]