

[Company Letterhead]

[Date]

[Audit Firm Name]

[Audit Firm Address]

[City, State, Zip Code]

Subject: Representation Letter Regarding Finished Goods Inventory Audit

Dear [Auditor Name/Partner Name],

This representation letter is provided in connection with your audit of the finished goods inventory of [Company Name] as of [Audit Date/Fiscal Year End]. We confirm, to the best of our knowledge and belief, the following representations made to you during your examination:

1. We are responsible for the fair presentation of the finished goods inventory in the financial statements in accordance with [Accounting Framework, e.g., GAAP/IFRS].
2. All finished goods inventory included in the count are the property of the Company. No items are held on consignment for third parties unless specifically disclosed.
3. Finished goods are stated at the lower of cost or net realizable value. Cost has been determined using the [Costing Method, e.g., FIFO/Weighted Average] method.
4. Physical counts were performed by qualified personnel under management supervision. Adjustments have been made to reconcile the physical counts to the general ledger.
5. Adequate provisions have been made for slow-moving, obsolete, damaged, or unusable finished goods. We believe the carrying value of these items is appropriate.
6. All finished goods inventory serves as collateral for loans or is subject to liens only as disclosed in the notes to the financial statements.
7. There have been no events subsequent to the balance sheet date that would require adjustment to or disclosure in the inventory valuation.
8. We have provided you with access to all relevant financial records and related data regarding production costs, labor, and overhead allocations applied to finished goods.

Yours sincerely,

[Signature]

[Name of Chief Financial Officer]

[Title]

[Signature]

[Name of Inventory Manager/Controller]

[Title]