

**Date:** [Insert Date]

**To:** [Management/Board of Directors Name]

**From:** [Auditor/Reviewer Name]

**Subject:** Management Letter - Control Deficiency Regarding Dual Signatures

Dear [Management Name],

During our recent [audit/review] of the internal control procedures for [Company Name], we identified a weakness regarding the authorization of cash disbursements.

**Observation:**

Current procedures allow for cash disbursements to be processed with a single signature. During our testing, we noted several instances where checks or electronic transfers exceeding \$[Insert Threshold Amount] were issued without a second authorizing signature.

**Risk:**

The absence of a dual-signature requirement for significant amounts increases the risk of unauthorized spending, misappropriation of funds, or clerical errors. A single individual having total control over the disbursement process bypasses a critical check and balance.

**Recommendation:**

We recommend that the company implement a formal policy requiring two authorized signatures for all disbursements over a specific threshold (e.g., \$[Insert Amount]). For electronic payments, the system should be configured to require a secondary approval from a senior manager or officer before the funds are released.

**Management Response:**

[Space for management to provide their action plan and implementation date]

Sincerely,

[Your Name/Signature]

[Your Title]