

[Date]

[To: Name of Recipient]

[Title: e.g., Chief Financial Officer]

[Company Name]

[Company Address]

Subject: Management Letter - Unreconciled Cash Disbursement Accounts

Dear [Recipient Name],

In connection with our recent [audit/internal review] of the financial records for the period ending [Date], we have identified significant discrepancies regarding the reconciliation of cash disbursement accounts.

Observation:

Our review indicated that several cash disbursement accounts have not been fully reconciled to the general ledger for [Number] consecutive months. Specifically, we noted a variance of [Amount] that remains unexplained.

Risk:

Failure to perform timely and accurate bank reconciliations increases the risk of financial misstatements, undetected fraudulent activity, and unauthorized withdrawals. It also hinders the ability of management to monitor actual cash flow effectively.

Recommendation:

We recommend that the finance department implement the following actions immediately:

- Complete all outstanding bank reconciliations within [Number] business days.
- Investigate and resolve all long-standing outstanding checks and reconciling items.
- Establish a formal monthly review process where a supervisor independent of the preparation process signs off on all reconciliations.

Management Response:

[Space for Management to provide their action plan and expected completion date]

We are available to discuss these findings further and assist in the development of improved internal control procedures.

Sincerely,

[Your Name]

[Your Title]

[Department/Firm Name]