[Date]

[Management Name]
[Company Name]
[Company Address]

Subject: Internal Control Management Letter - Accounts Receivable Aging Reports

Dear [Management Name],

In connection with our recent [audit/review] of [Company Name]'s financial statements, we identified a significant control weakness regarding the preparation and review of Accounts Receivable (AR) aging reports.

Observation:
During our procedures, it was noted that the AR aging reports are not consistently generated, reconciled, or reviewed by management on a timely basis. Specifically, we found that [insert specific detail, e.g., credit balances remain uninvestigated / overdue accounts exceeding 90 days are not documented].

Risk:
The absence of a formal review process for AR aging reports increases the risk of:
- Material misstatement of the Allowance for Doubtful Accounts.
- Unidentified collection issues leading to poor cash flow.
- Unauthorized write-offs or fraudulent adjustments going undetected.

Recommendation:
We recommend that management implement a formal monthly review process. This should include:
- Generating the AR aging report immediately following the month-end close.
- Reconciliation of the aging sub-ledger to the general ledger balance.
- A documented review by [Department Head/CFO] of all accounts over [Number] days past due.
- Clear notation of collection actions taken for delinquent accounts.

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

We are available to discuss this matter further and assist in the development of improved internal controls.

Sincerely,

[Your Name/Signature]
[Your Title/Firm Name]