Date: [Insert Date]

To: [Management Name/Audit Committee]
From: [Internal Audit Department/Reviewer Name]
Subject: Findings Letter - Adequacy of Allowance for Doubtful Accounts (AFDA) Estimation

1. Objective
The objective of this review was to evaluate the adequacy and reasonableness of the Allowance for Doubtful Accounts estimation process for the period ending [Insert Period Date], ensuring compliance with [Insert Accounting Standard, e.g., GAAP/IFRS].

2. Scope
The scope included an analysis of the aging of accounts receivable, historical loss rates, management's methodology for calculating the provision, and the assessment of specific high-risk accounts.

3. Summary of Findings

Finding A: [Insert Title, e.g., Methodology Consistency]
Observation: [Describe the issue, e.g., The current methodology does not incorporate forward-looking economic indicators.]
Risk: [Describe the risk, e.g., Potential understatement of bad debt expense.]
Recommendation: [Insert corrective action.]

Finding B: [Insert Title, e.g., Documentation of Specific Reserves]
Observation: [Describe the issue, e.g., Lack of formal documentation for why specific large balances were excluded from the reserve.]
Risk: [Describe the risk, e.g., Lack of audit trail and subjective bias.]
Recommendation: [Insert corrective action.]

4. Conclusion
Based on our review, the Allowance for Doubtful Accounts is considered [Adequate / Inadequate / Marginally Adequate]. Implementation of the above recommendations will strengthen the accuracy of the financial reporting process.

Management Response:
[Insert space for management to provide comments and expected completion dates for recommendations.]

Signature:
[Authorized Signatory Title]