

[Date]

[Recipient Name]

[Recipient Title]

[Company Name]

[Address]

**Subject: Management Letter Regarding Unapproved Related Party Transactions**

Dear [Recipient Name],

During our recent [audit/review] of the company's financial records for the period ending [Date], we identified several transactions involving related parties that appear to have been executed without the formal approval required by company policy and corporate governance standards.

The specific transactions noted are as follows:

- [Date]: [Description of Transaction] - [Amount] - [Related Party Name]
- [Date]: [Description of Transaction] - [Amount] - [Related Party Name]

**Observation:**

The transactions listed above were processed without prior review or authorization from the Board of Directors or the designated oversight committee. This lack of oversight increases the risk of conflicts of interest and potential financial misstatement.

**Recommendation:**

We recommend that management immediately review these transactions for fairness and commercial reasonableness. Furthermore, we suggest reinforcing the internal controls regarding related party disclosures, ensuring all such dealings are documented, appraised by independent parties if necessary, and approved in writing prior to execution.

Please provide a formal response outlining the corrective actions the company intends to take regarding these findings by [Due Date].

Sincerely,

[Your Name]

[Your Title]

[Organization Name]