

[Company Letterhead]

[Date]

[Name of Management/Board of Directors]

[Company Name]

[Address]

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

Dear [Name],

During the course of our audit for the period ended [Date], we identified certain transactions that appear to be with related parties which were not previously disclosed to us or identified in the company's internal records provided at the start of the audit.

Specifically, we noted the following transactions:

- [Description of transaction 1, including parties involved and amounts]
- [Description of transaction 2, including parties involved and amounts]

Standard accounting frameworks require the identification and disclosure of all related party relationships and transactions. The failure to disclose these items may result in a material misstatement of the financial statements and suggests a potential weakness in the company's internal control environment.

We recommend that management performs the following actions:

1. Conduct a comprehensive review of all vendor and customer files to ensure all related parties are identified.
2. Update the financial statements to include the necessary disclosures regarding these transactions.
3. Implement a formal policy requiring directors and key management personnel to declare any conflicts of interest or related party affiliations on an annual basis.

Please provide a written response outlining the actions you intend to take to address these findings and prevent future omissions.

Sincerely,

[Your Name/Signature]

[Your Title/Firm Name]