

[Date]

[Name of Recipient]

[Title]

[Company Name]

[Address]

**Subject: Audit Management Letter: Fraud Prevention and Whistleblower Protocols**

Dear [Name of Recipient],

In connection with our audit of the financial statements of [Company Name] for the period ending [Date], we have reviewed the organization's internal controls regarding fraud prevention and the effectiveness of current whistleblower protocols.

**1. Fraud Prevention Controls**

During our assessment, we noted the following areas regarding fraud risk management:

- [Insert observation regarding segregation of duties]
- [Insert observation regarding management oversight]
- [Insert observation regarding asset protection]

**Recommendation:** We recommend that management implements [Specific Action] to strengthen the prevention and detection of fraudulent activities.

**2. Whistleblower Protocols**

Our review of the existing whistleblower policy and reporting channels indicated:

- [Insert observation regarding employee awareness of the hotline]
- [Insert observation regarding anonymity and protection from retaliation]
- [Insert observation regarding the investigation process]

**Recommendation:** We suggest enhancing the visibility of the reporting mechanism and providing regular training to ensure all staff members understand the procedures for reporting suspected misconduct.

**3. Management Response**

[Space for management to provide comments and planned corrective actions]

This letter is intended solely for the information and use of management and those charged with governance. It is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank your staff for their cooperation during this process.

Sincerely,

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