

To: [Recipient Name/Board of Directors]

From: [Internal Audit Department]

Date: [Insert Date]

Subject: Internal Audit Review: Fraud Risk Management and Whistleblower Procedures

1. Executive Summary

The Internal Audit department has completed a formal review of the organization's Fraud Risk Management framework and Whistleblower Procedures. The primary objective was to assess the effectiveness of controls designed to prevent, detect, and respond to fraudulent activities.

2. Scope of Work

The audit covered the following areas:

- Review of the Corporate Fraud Policy and Code of Conduct.
- Assessment of fraud risk identification and mitigation strategies.
- Evaluation of the Whistleblower hotline and reporting channels.
- Testing of investigation protocols and confidentiality protections.
- Review of employee awareness and training programs.

3. Audit Observations

3.1 Fraud Risk Management

[Insert observations regarding current risk assessments, segregation of duties, and authorization controls.]

3.2 Whistleblower Procedures

[Insert observations regarding the accessibility of reporting tools, anonymity protections, and the intake process for complaints.]

4. Key Findings

Finding 1: [Description of deficiency or gap identified.]

Risk Level: [High/Medium/Low]

Recommendation: [Suggested action to remediate the issue.]

Finding 2: [Description of deficiency or gap identified.]

Risk Level: [High/Medium/Low]

Recommendation: [Suggested action to remediate the issue.]

5. Management Response

Management agrees with the findings and has committed to the following action plan:

- Action Item A: [Expected completion date]
- Action Item B: [Expected completion date]

6. Conclusion

Overall, the Fraud Risk Management framework is [Effective / Partially Effective / Ineffective]. Following the implementation of the recommended improvements, the organization will significantly strengthen its defensive posture against internal and external fraud.

Signed,

[Auditor Name]
Head of Internal Audit