

[Company Letterhead]

To: The Board of Directors and Audit Committee

From: [Name of Auditor/Consultant]

Date: [Insert Date]

Subject: Management Letter: Evaluation of Fraud Risk Oversight and Whistleblower Compliance

Dear Members of the Board and Audit Committee,

In connection with our recent engagement, we have evaluated [Company Name]'s internal controls regarding fraud risk oversight and compliance with whistleblower protection regulations. The purpose of this letter is to communicate our findings and provide recommendations for strengthening the organization's anti-fraud framework.

## 1. Fraud Risk Assessment and Oversight

We reviewed the existing mechanisms for identifying, assessing, and responding to fraud risks. Our observations include:

- Current status of the formal fraud risk assessment process.
- Effectiveness of Board and Audit Committee oversight activities.
- Identification of high-risk areas within operational and financial processes.

## 2. Whistleblower Program and Compliance

We evaluated the company's reporting channels and protection policies for whistleblowers to ensure alignment with statutory requirements and best practices. Key areas addressed include:

- Accessibility and anonymity of the reporting hotline or mechanism.
- The process for investigating reported concerns and documenting outcomes.
- Compliance with anti-retaliation policies and employee awareness levels.

## 3. Identified Deficiencies and Recommendations

Based on our evaluation, we noted the following areas for improvement:

**Observation 1:** [Insert Description]

**Risk:** [Insert Potential Impact]

**Recommendation:** [Insert Remediation Step]

**Observation 2:** [Insert Description]

**Risk:** [Insert Potential Impact]

**Recommendation:** [Insert Remediation Step]

## 4. Conclusion

While management is responsible for the design and implementation of the fraud prevention framework, continuous monitoring is essential to mitigate evolving risks. Implementing the recommendations above will enhance the integrity of the corporate governance structure.

We are available to discuss these findings in further detail at your convenience.

Sincerely,

[Signature]

[Name]

[Title/Organization]