

[Date]

[Partner Name]

[Firm Name]

[Address Line 1]

[Address Line 2]

RE: Management Letter - Deficiency in Trust Account Reconciliation Oversight

Dear [Partner Name],

During our recent review of the firm's internal controls and financial procedures for the period ending [Date], we identified a significant deficiency regarding the oversight of trust account reconciliations.

Observation:

While trust account reconciliations are being prepared on a monthly basis by the accounting staff, there is no documented evidence of secondary review or formal approval by a Partner. Currently, reconciliations are completed and filed without a supervisory signature or date of review.

Risk:

Lack of Partner oversight increases the risk of undetected errors, misappropriation of funds, or non-compliance with regulatory requirements. Without a formal review process, discrepancies between the bank statement, the general ledger, and the individual client ledgers may remain unresolved.

Recommendation:

We recommend that a Partner perform a monthly review of all trust account reconciliations. This review should involve:

- Verifying that the adjusted bank balance matches the total of the client ledger listing.
- Reviewing outstanding checks and deposits for timeliness.
- Signing and dating the reconciliation report as evidence of review and approval.

Implementing this control will strengthen the firm's fiduciary accountability and ensure adherence to professional standards.

Please let us know if you require further clarification or assistance in implementing this procedure.

Sincerely,

[Your Name/Audit Lead]

[Title]

[Company Name]