

DATE: [Insert Date]

TO: [Insert Name of Principal/Managing Partner]

FROM: [Insert Name of Accountant/Auditor]

SUBJECT: Management Letter Regarding Untimely Trust Account Bank Reconciliations

Dear [Insert Name],

During our recent review of the firm's financial records for the period ending [Insert Date], we identified a significant deficiency regarding the timeliness of trust account bank reconciliations.

Observation:

Our review indicated that trust account bank reconciliations are not being performed within the required timeframe. Specifically, we noted that reconciliations for the months of [Insert Months] were completed [Insert Number] days after month-end.

Risk:

Failure to perform timely reconciliations increases the risk of:

- Undetected errors or fraudulent activity.
- Non-compliance with professional regulatory standards and bar association requirements.
- Inaccurate client ledger balances, leading to potential over-disbursement of funds.

Recommendation:

We recommend that all trust accounts be reconciled within [Insert Number, e.g., 10] business days of receiving the monthly bank statement. Furthermore, a designated senior member of management should review and sign off on these reconciliations to ensure accuracy and completion.

Management Response:

[Insert space for management to provide their action plan]

Please contact us if you have any questions regarding this matter.

Sincerely,

[Insert Name/Signature]

[Insert Title]