

**[Company Name]**  
[Company Address]  
[Date]

To: [Management Name/Board of Directors]  
From: [Internal/External Audit Department]  
Subject: Management Letter - Inadequate Audit Trails During Month-End Close

**Observation:**

During our review of the financial closing process for the period ending [Date], it was noted that several manual adjustments and journal entries lacked sufficient audit trails. Specifically, the system does not consistently track the identity of the user creating the entry, the time of the change, or the original values prior to modification.

**Risk:**

The absence of a robust audit trail increases the risk of unauthorized or fraudulent transactions remaining undetected. It also complicates the ability to perform historical reconciliations and may lead to non-compliance with regulatory reporting requirements.

**Recommendation:**

We recommend that management implements the following measures:

- Enable system-level logging for all manual journal entries.
- Require supporting documentation to be digitally attached to every month-end adjustment.
- Implement a formal "Maker-Checker" workflow where the person posting the entry is different from the person approving it.

**Management Response:**

[Insert Management Response Here]

Sincerely,

[Your Name/Signature]  
[Your Title]