

Date: [Insert Date]

To: [Management Name/Contact Person]

Company: [Company Name]

Subject: Audit Findings: Deferred Revenue Amortization Schedules

Dear [Name],

During the course of our audit for the fiscal period ending [Date], we conducted a review of the company's deferred revenue accounts and the associated amortization schedules. We are writing to formally communicate our findings regarding the accuracy and maintenance of these records.

Scope of Review:

Our procedures included verifying the mathematical accuracy of amortization schedules, reconciling the schedules to the general ledger, and testing a sample of contracts to ensure revenue recognition is aligned with [Accounting Standard, e.g., ASC 606 or IFRS 15].

Summary of Findings:

- **Discrepancies Noted:** [Detailed description of specific errors or variances found].
- **Calculation Errors:** [Mention if any formulas or time-period calculations were incorrect].
- **Documentation Gaps:** [Note if supporting contracts or service commencement dates were missing].
- **Internal Control Weaknesses:** [Identify if the issue stems from a lack of oversight or manual entry errors].

Recommendations:

- Perform monthly reconciliations between the subsidiary ledger and the general ledger.
- Implement automated software or standardized templates to reduce manual entry errors.
- Establish a formal review process where a supervisor approves all updates to amortization schedules.

Management Response:

Please provide a written response outlining the corrective actions the company intends to take to address these findings by [Insert Deadline Date].

We appreciate the cooperation of your staff during this process. Please contact us if you require further clarification regarding these points.

Sincerely,

[Your Name/Audit Firm Name]

[Your Title]