

**Date:** [Insert Date]

**To:** [Recipient Name/Board of Directors/Audit Committee]

**From:** [Your Name/Title or Department]

**Subject:** Notice of Internal Audit and Controls Insufficiency

Dear [Recipient Name],

This formal notification is to advise management of specific deficiencies identified within the organization's internal control environment and audit processes. During the recent review period ending [Date], the following gaps were observed:

- **Control Weakness:** [Describe the specific control failure, e.g., lack of segregation of duties in procurement].
- **Audit Gap:** [Describe the missing audit oversight, e.g., failure to perform quarterly inventory reconciliations].
- **Risk Exposure:** [Describe the potential impact, e.g., increased risk of financial misstatement or fraud].

Current internal audit activities are deemed insufficient to mitigate the risks associated with these findings. Specifically, the following areas require immediate corrective action:

1. Implementation of formal documentation for [Process Name].
2. Establishment of independent verification procedures for [Department].
3. Increase in audit frequency for high-risk financial cycles.

We recommend that a formal remediation plan be developed by [Date] to address these vulnerabilities and ensure compliance with [Regulatory Body or Internal Policy]. Failure to address these insufficiencies may result in material weaknesses in our financial reporting and operational integrity.

Please acknowledge receipt of this letter and provide a timeline for the proposed corrective measures.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title]