

[Date]

[Recipient Name]

[Title]

[Company Name]

[Company Address]

Subject: Report on Internal Control Deficiencies

Dear [Recipient Name],

In connection with our recent audit/review of [Company Name]'s financial statements and operational processes for the period ending [Date], we have evaluated the systems of internal control. Our objective was to assess the effectiveness of these controls and identify areas where improvements are necessary to mitigate risk and ensure financial integrity.

During our assessment, we identified the following internal control deficiencies:

1. Deficiency Title: [e.g., Lack of Segregation of Duties]

- **Observation:** [Describe the current situation and what was observed.]
- **Risk:** [Describe the potential impact, such as fraud, error, or financial misstatement.]
- **Recommendation:** [Describe the specific steps the company should take to remediate the issue.]

2. Deficiency Title: [e.g., Inadequate User Access Reviews]

- **Observation:** [Describe the current situation and what was observed.]
- **Risk:** [Describe the potential impact, such as unauthorized access to sensitive data.]
- **Recommendation:** [Describe the specific steps the company should take to remediate the issue.]

The matters reported above are limited to those deficiencies identified during our review. A more comprehensive audit might reveal additional issues. We recommend that management review these findings and implement the suggested corrective actions to strengthen the control environment.

We would like to thank your staff for the cooperation provided during this process. Please contact us if you require further clarification regarding these findings.

Sincerely,

[Your Name/Signature]
[Your Title]
[Organization Name]