

Date: [Insert Date]

To: [Insert Name of Management/Board of Directors]

From: [Insert Name of Auditor/Internal Audit Department]

Subject: Communication of Internal Control Deficiencies

Dear [Insert Name],

In connection with our audit of the financial statements of [Company Name] for the period ended [Insert Date], we considered the company's internal control over financial reporting to determine our auditing procedures. This review was not designed to provide assurance on the overall effectiveness of internal control.

During our audit, we identified certain deficiencies in internal control that we consider to be [Significant Deficiencies / Material Weaknesses]. These matters are described below:

1. [Title of Deficiency]

Observation: [Describe the specific gap or weakness found in the process.]

Potential Effect: [Describe the risk or potential financial impact resulting from this weakness.]

Recommendation: [Provide specific steps management should take to remediate the issue.]

Management Response: [Space for management to provide their corrective action plan.]

2. [Title of Deficiency]

Observation: [Describe the specific gap or weakness found in the process.]

Potential Effect: [Describe the risk or potential financial impact resulting from this weakness.]

Recommendation: [Provide specific steps management should take to remediate the issue.]

Management Response: [Space for management to provide their corrective action plan.]

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization. It is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank the staff for the assistance provided during this engagement. We are available to discuss these comments and recommendations at your convenience.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Firm Name]