

[Date]

[Recipient Name]

[Recipient Title]

[Service Organization Name]

[Address]

RE: Letter of Observations Concerning Service Organization Control Gaps

Dear [Recipient Name],

In connection with our recent assessment of [Service Organization Name]'s internal control environment and the readiness review for the [SOC 1 / SOC 2] examination for the period ending [Date], we identified certain control gaps and areas for improvement.

The purpose of this letter is to summarize our observations regarding these gaps and provide recommendations to strengthen the control environment prior to the formal audit period. These observations are based on the [Trust Services Criteria / Relevant Control Objectives].

Summary of Observations:

- 1. Observation:** [Title of Gap, e.g., User Access Reviews]
Description: [Describe the specific weakness identified].
Risk: [Describe the potential impact, e.g., unauthorized access to sensitive data].
Recommendation: [Provide actionable steps to remediate the gap].
- 2. Observation:** [Title of Gap, e.g., Change Management Documentation]
Description: [Describe the specific weakness identified].
Risk: [Describe the potential impact].
Recommendation: [Provide actionable steps to remediate the gap].
- 3. Observation:** [Title of Gap, e.g., Incident Response Testing]
Description: [Describe the specific weakness identified].
Risk: [Describe the potential impact].
Recommendation: [Provide actionable steps to remediate the gap].

The remediation of these findings is essential to ensure that the controls are designed and operating effectively to meet the applicable criteria during the formal examination. We recommend that management develops a formal remediation plan and timeline to address these items.

Please note that this letter is intended solely for the information and use of the management of [Service Organization Name] and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation provided by your team during this process.

Sincerely,

[Your Name/Signature]
[Your Title]
[Your Firm Name]