

**Date:** [Insert Date]

**To:** [Insert Name of Recipient/Audit Committee/Management]

**From:** [Insert Name of Tax Director/Internal Audit Lead]

**Subject:** Assessment of Internal Control Over Financial Reporting (ICFR) - Tax Provision

Dear [Insert Name],

This letter provides the assessment of the effectiveness of internal controls over the income tax provision process for the fiscal period ending [Insert Period End Date].

### **1. Scope of Assessment**

The assessment covered the following key areas of the tax provision process:

- Data collection from financial systems and legal entities.
- Calculation of current and deferred tax assets/liabilities.
- Review of uncertain tax positions (UTPs) and valuation allowances.
- Review of tax disclosures for financial statements.

### **2. Control Activities Performed**

During the assessment period, the following control activities were verified:

- **Accuracy:** Reconciliation of tax accounts to the general ledger.
- **Review:** Management review and approval of tax workpapers and journal entries.
- **Segregation of Duties:** Verification that preparation and review functions are performed by separate individuals.
- **IT Controls:** Validation of the integrity of data exported from [Insert ERP System Name].

### **3. Assessment Results**

Based on the testing performed, we have concluded that:

[Option A: Controls are operating effectively, and no material weaknesses were identified.]

[Option B: Significant deficiencies or material weaknesses were identified as noted in the attached appendix.]

### **4. Remediation Actions (if applicable)**

[Insert description of remediation steps for any identified control gaps.]

### **5. Conclusion**

We believe that the existing internal controls provide reasonable assurance regarding the reliability of the tax provision and its compliance with [Insert Accounting Standards, e.g., US GAAP / IFRS].

Sincerely,

[Your Signature]  
[Your Printed Name]  
[Your Title]