

Audit Scope Limitation Letter

Date: [Insert Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Dear [Client Name],

Subject: Audit Scope Limitation Due to Inadequacy of Internal Controls

We are writing to inform you about certain limitations we encountered during the audit of your financial statements for the year ended [Insert Year]. Specifically, we have identified inadequacies in the internal controls over financial reporting that have impacted our ability to perform certain audit procedures effectively.

During our preliminary assessments, we noted that the internal control environment was not adequately designed or implemented to safeguard the accuracy and completeness of financial records. Specifically, we observed the following:

- Lack of proper segregation of duties
- Insufficient documentation for significant transactions
- Inadequate oversight of financial reporting processes

These limitations have restricted our ability to obtain sufficient and appropriate audit evidence and may potentially affect the reliability of the financial statements. Consequently, we may not be able to express an unmodified opinion on your financial statements.

We advise that corrective actions be taken to enhance the internal control framework and mitigate the risks associated with these inadequacies. We are available to discuss these matters further and provide guidance on improving your internal controls.

Thank you for your attention to this important matter.

Sincerely,

[Your Name]

[Your Title]

[Your Firm's Name]

[Your Contact Information]