

Audit Engagement Letter

Date: June 14, 2024

To:

The Honorable [Recipient Name]

[Position Title]

[Government Entity Name]

[Address Line 1]

[City, State, ZIP]

Dear [Recipient Name],

This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to [Government Entity Name] for the fiscal year ended [Fiscal Year End Date].

Objectives and Scope of the Audit

We will conduct our audit in accordance with generally accepted auditing standards and the guidelines applicable to governmental entities. The objective of our audit is to express an opinion on the financial statements as to whether they are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

Responsibilities of the Auditor

Our responsibility is to obtain reasonable assurance that the financial statements are free from material misstatement. We are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

Responsibilities of Management

Management is responsible for maintaining adequate accounting records, selecting and applying appropriate accounting policies, safeguarding assets, and designing, implementing, and maintaining effective internal controls relevant to the preparation of financial statements.

You are also responsible for ensuring compliance with applicable laws, regulations, and the terms of grants and contracts, and for making all financial records and related information available to us.

Other Matters

The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Our audit will not relieve management or those charged with governance of their responsibilities.

Fees and Billing Arrangements

Our audit fees are based on the time required and the agreed-upon rates, plus out-of-pocket expenses. Arrangements for payment will be as follows: [Insert payment terms].

Please acknowledge your agreement to the terms of this engagement by signing and returning the enclosed copy of this letter.

Sincerely,

[Auditor Name]
[Audit Firm Name]
[Address]
[Contact Information]

[Recipient Name]
[Title]
[Government Entity Name]

Important Notes

- This letter outlines each party's responsibilities to ensure clarity and avoid misunderstandings.
- Government audits must follow applicable laws and standards, such as Generally Accepted Government Auditing Standards (GAGAS).
- Management is responsible for ensuring accurate and complete documentation for audit purposes.
- All terms, including scope and fees, should be clearly detailed and agreed upon before audit commencement.
- The engagement letter acts as a legal agreement and should be properly reviewed and retained for reference.