

Audit Engagement Letter

Date: [Insert Date]

To:

[Client Name]

[Business Name]

[Business Address]

Dear [Client Name],

We are pleased to confirm our understanding of the services we are to provide for [Business Name] for the fiscal year ending [Year End Date].

Objective and Scope of the Audit

The objective of our audit is to express an opinion on the financial statements of your business, prepared in accordance with [Applicable Financial Reporting Framework, e.g., IFRS/GAAP]. Our audit will be conducted in accordance with International Standards on Auditing (ISAs) or relevant national standards.

Management's Responsibilities

The preparation and fair presentation of the financial statements in accordance with applicable accounting standards is your responsibility. This includes maintaining adequate accounting records and internal controls, selecting appropriate accounting policies, and safeguarding assets.

Auditor's Responsibilities

We will plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. However, because of the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may remain undiscovered.

Other Matters

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

Our engagement does not include any tax advice or services unless specifically agreed to in writing.

Fees

Our fees are based on the time required at standard billing rates, plus out-of-pocket expenses. Invoices will be rendered as work progresses and are payable on presentation.

Agreement

Please indicate your acknowledgment of and agreement with the arrangements for our audit of the financial statements described in this letter by signing and returning the enclosed copy.

[Auditor's Name]

[Audit Firm Name]

Date: _____

[Client Name]

[Business Name]
Date: _____

Important Notes:

- This letter outlines the terms, scope, and responsibilities for the audit engagement.
- It is essential for both parties to clearly understand and accept their respective obligations.
- The engagement letter helps mitigate misunderstandings and potential legal issues.
- Always customize the letter to fit the specific needs and context of your business.
- Consult with a qualified professional for legal or accounting advice tailored to your situation.