

# Engagement Letter for Audit of Nonprofit Organization

Date: [Insert Date]

To the Board of Directors

[Nonprofit Organization Name]

[Address]

[City, State ZIP]

## **Subject: Engagement Letter for Audit Services**

Dear Board Members,

We are pleased to confirm our understanding of the services we are to provide for [Nonprofit Organization Name] for the fiscal year ending [Fiscal Year End Date]. This letter outlines the terms of our engagement and the nature and limitations of the services we will provide.

## **Scope of the Audit**

Our audit will be conducted in accordance with auditing standards generally accepted in [your country/region], and will include tests of your records and other procedures we consider necessary to express an opinion on the financial statements. The objective of our audit is to provide reasonable assurance that your financial statements are free from material misstatement.

## **Management's Responsibilities**

- Establishing and maintaining effective internal control over financial reporting.
- Making all financial records and related information available to us.
- Providing us with written representations regarding the accuracy and completeness of information provided.
- Ensuring compliance with applicable laws and regulations.

## **Auditor's Responsibilities**

- Conducting the audit in accordance with applicable auditing standards.
- Communicating any significant deficiencies or material weaknesses in internal control identified during the audit.
- Expressing an opinion on the financial statements based on our audit.

## **Other Matters**

The audit will not be designed to identify all potential instances of fraud or illegal acts, nor does it provide assurance that significant misstatements or irregularities, if any, will be detected.

We appreciate the opportunity to serve [Nonprofit Organization Name]. If you have any questions about the terms of this engagement, please let us know.

Sincerely,

[Audit Firm Name]

[Partner Name], [Title]

By: \_\_\_\_\_

[Authorized Nonprofit Representative]

Date: \_\_\_\_\_

### **Important Notes**

- This letter serves as a formal agreement for the audit engagement.
- Clear definition of roles minimizes misunderstandings and legal risk.
- Nonprofit organizations may have specific compliance and reporting requirements.
- The document should be signed by authorized representatives of both parties.
- Maintain confidentiality and retain a copy for record-keeping purposes.