

Sample Engagement Letter for External Audit

[Firm Name]

[Firm Address]

[City, State, ZIP]

Date: [Insert Date]

To: [Client Name],

[Client Address]

[City, State, ZIP]

Subject: Engagement Letter for External Audit Services

Dear [Client Name],

This letter confirms our understanding and agreement of the terms and objectives of our engagement to perform an external audit of the financial statements of [Client Organization] for the year ending [Fiscal Year End Date].

Objectives and Scope of Audit

The objective of our audit is to express an opinion on the financial statements in accordance with [Applicable Accounting Standards, e.g., International Financial Reporting Standards (IFRS) / Generally Accepted Accounting Principles (GAAP)]. Our audit will be conducted in accordance with applicable auditing standards and will involve obtaining evidence about the amounts and disclosures in the financial statements.

Management's Responsibilities

Management is responsible for the preparation and fair presentation of the financial statements in accordance with [Applicable Standards], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management will make available all financial records and related information.

Auditor's Responsibilities

Our responsibility is to express an opinion on the financial statements based on our audit. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Reporting

Upon completion of our audit, we will provide you with our audit report on the financial statements as well as our findings and recommendations, if any.

Fees and Billing

Our professional fees for this engagement will be [Fee Structure], plus out-of-pocket expenses, if any. Invoices will be rendered as work progresses and are payable upon presentation.

Agreement

If the above terms are acceptable, please sign and return a copy of this letter as acknowledgment of your agreement.

[Authorized Auditor Name]

[Position], [Firm Name]

[Authorized Client Name]

[Position], [Client Organization]

Important Notes:

- This engagement letter defines the terms and scope of the external audit.
- It details both auditor and management responsibilities.
- Clarifies fee structure and basis of billing.
- Must be signed by both parties before audit work begins.
- Specific legal and regulatory requirements may also apply and should be reviewed.