

Audit Engagement Letter

Date: [Insert Date]

To: The Board of Directors

[Client Name]

[Client Address]

Subject: Engagement Letter for Audit of Financial Statements for the Year Ended [Insert Year End]

Dear Sir/Madam,

We are pleased to confirm our acceptance and understanding of the engagement to audit the financial statements of [Client Name] for the year ended [Insert Year End].

Objective and Scope of the Audit

Our audit will be conducted in accordance with generally accepted auditing standards and will include such tests of the accounting records and other procedures as we consider necessary in the circumstances. The objective of our audit is to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with [applicable financial reporting framework].

Management's Responsibilities

Management is responsible for the preparation and fair presentation of the financial statements, maintenance of adequate accounting records, and for such internal control as management determines necessary.

Auditor's Responsibilities

Our responsibility is to conduct the audit in accordance with applicable standards and to report on the financial statements based on our audit.

Other Matters

The audit will be planned and performed so as to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

Fees

Our fees for the engagement will be based on the expected time to be devoted and the level of staff required, plus out-of-pocket expenses.

Agreement

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

Yours faithfully,

[Audit Firm Name]

[Name and Designation of Authorized Signatory]

Acknowledged and agreed on behalf of [Client Name]:

[Authorized Signatory]

[Designation]

Date: _____

Important Notes:

- An engagement letter sets the expectations and responsibilities for both auditor and client.
- Clearly outlines the objective, scope, and limitations of the audit.
- Serves as a legal agreement and helps to mitigate misunderstandings.
- Should be reviewed and renewed annually for recurring engagements.
- All parties must duly sign and retain a copy of the letter.