

[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

Dear [Name of Client Contact],

Re: Financial Statement Audit Engagement

This letter confirms our understanding of the terms and objectives of our engagement to audit the financial statements of [Company Name] for the year ended [Year-End Date].

1. Scope of Audit

We will audit the balance sheet of [Company Name] as of [Year-End Date], and the related statements of income, retained earnings, and cash flows for the year then ended. Our audit will be conducted in accordance with [Applicable Auditing Standards, e.g., GAAS].

2. Objective of the Audit

The objective of our audit is the expression of an opinion as to whether your financial statements are presented fairly, in all material respects, in accordance with [Applicable Financial Reporting Framework, e.g., GAAP or IFRS].

3. Responsibilities of Management

Management is responsible for:

- The preparation and fair presentation of the financial statements.
- Establishing and maintaining effective internal controls over financial reporting.
- Providing us with access to all information, records, and documentation relevant to the audit.
- Providing a representation letter at the conclusion of our engagement.

4. Responsibilities of Auditors

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, whether caused by error or fraud.

5. Limitations

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed.

6. Fees

Our fees for these services will be [Amount or Rate], plus out-of-pocket expenses. Invoices will be rendered [Monthly/Upon Completion] and are payable upon receipt.

7. Reporting

At the conclusion of the audit, we will issue a written report. We cannot provide assurance that

an unmodified opinion will be expressed. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit.

Sincerely,

[Your Name/Firm Name]

Acknowledged and Agreed:

[Client Signature]

[Date]