

[Date]

[To the Board of Directors / Audit Committee]

[Company Name]

[Address]

[City, State, Zip Code]

Subject: Communication of Audit Strategy and Plan

Dear Members of the [Board of Directors / Audit Committee],

We are writing to communicate our strategy and planned scope for the audit of the financial statements of [Company Name] for the year ending [Year-End Date].

1. Scope of the Audit

Our objective is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position of the Company in accordance with [Applicable Financial Reporting Framework].

2. Materiality

We will apply the concept of materiality in planning and performing the audit. We determine materiality based on a percentage of [Benchmark, e.g., Total Revenue/Pre-tax Income]. We will report to you all uncorrected misstatements other than those we consider clearly trivial.

3. Significant Risks and Areas of Focus

We have identified the following areas as significant risks of material misstatement:

- [Risk Area 1, e.g., Revenue Recognition]
- [Risk Area 2, e.g., Management Override of Controls]
- [Risk Area 3, e.g., Valuation of Complex Assets]

4. Audit Timeline

The planned timeline for the audit is as follows:

- Interim Audit Procedures: [Date Range]
- Year-End Fieldwork: [Date Range]
- Issuance of Audit Report: [Date]

5. Engagement Team

The engagement will be led by [Partner Name], supported by [Manager Name] and specialists in the areas of [e.g., IT/Tax/Valuation].

This communication is intended solely for the information and use of those charged with governance and is not intended to be used by anyone other than these specified parties.

Sincerely,

[Your Signature]
[Your Name/Title]
[Audit Firm Name]