

[Date]

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

Dear [Client Contact Person],

This letter confirms our understanding of the terms and objectives of our engagement to perform a Single Audit of [Organization Name] for the fiscal year ended [Date].

Objective of the Audit

We will audit the financial statements and the Schedule of Expenditures of Federal Awards (SEFA). We will also perform a compliance audit in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Scope of Services

- Audit of the financial statements in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards.
- Audit of compliance for each major federal program.
- Evaluation of internal controls over compliance with federal statutes, regulations, and the terms of federal awards.
- Issuance of a report on the Schedule of Expenditures of Federal Awards.
- Issuance of the Data Collection Form (SF-SAC).

Management Responsibilities

Management is responsible for:

- The preparation and fair presentation of the financial statements and the SEFA.
- Establishing and maintaining effective internal control over federal awards.
- Identifying all federal awards received and expended and the federal programs under which they were received.
- Ensuring compliance with federal statutes, regulations, and the terms and conditions of federal awards.
- Providing us with access to all information and personnel necessary to conduct the audit.

Reporting

At the conclusion of our audit, we will issue a written report on the financial statements, a report on internal control over financial reporting and on compliance (Yellow Book report), and a report on compliance for each major program and on internal control over compliance (Single Audit report).

Fees and Timeline

Our fees for these services will be [Amount/Hourly Rates]. We anticipate the fieldwork to begin on [Date] and the final reports to be issued by [Date].

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]

[Title]

Accepted by:

Signature: _____

Title: _____

Date: _____