

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Dear [Contact Person Name],

This letter confirms our understanding of the terms and objectives of our engagement to perform an assessment of the internal controls of [Company Name].

1. Objective and Scope

The objective of our engagement is to evaluate the design and operating effectiveness of your organization's internal control environment over [Specific Process/Department, e.g., Financial Reporting]. Our assessment will focus on identifying potential weaknesses and recommending improvements to mitigate risks.

2. Responsibilities of Management

Management is responsible for the design, implementation, and maintenance of internal controls. This includes providing us with access to all necessary personnel, records, and documentation required to complete the assessment. Management is also responsible for the accuracy and completeness of the information provided.

3. Our Responsibilities

We will conduct our assessment in accordance with [Applicable Standards, e.g., Professional Standards]. Our work will involve:

- Inquiry with relevant personnel.
- Observation of operations.
- Inspection of documentation and policies.
- Testing of key control activities.

4. Reporting

At the conclusion of the engagement, we will provide a written report detailing our findings. This report will include identified control deficiencies and recommendations for remediation. Please note that this assessment is not an audit of financial statements and will not result in an auditor's opinion.

5. Fees and Timeline

Our fees for this engagement are estimated at [Amount] and will be billed based on [Payment Terms]. We anticipate the project will commence on [Start Date] and be completed by [Estimated End Date].

6. Confidentiality

All information obtained during this engagement will be treated as strictly confidential and will not be disclosed to third parties without your prior written consent, except as required by law.

Please sign and return the attached copy of this letter to indicate your acknowledgment and acceptance of these terms.

Sincerely,

[Your Name/Firm Name]
[Your Title]

Accepted and Agreed:

For [Company Name]: _____

Name: [Authorized Signatory Name]

Date: _____