

[Client Letterhead]

[Date]

[Practitioner Name]

[Accounting Firm Name]

[Address]

[City, State, Zip]

Subject: Representation Letter for Agreed-Upon Procedures Regarding Inventory

Dear [Practitioner Name],

In connection with your engagement to apply agreed-upon procedures to the inventory of [Company Name] as of [Date], we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement:

1. We acknowledge our responsibility for the measurement and existence of inventory in accordance with [specify criteria, e.g., GAAP or Tax Basis].
2. We have made available to you all financial records and related data relevant to the inventory accounts and the specific procedures requested.
3. We are responsible for the selection of the relevant criteria and for determining that such criteria are appropriate for our purposes.
4. Inventory quantities as of [Date] were determined by actual physical counts conducted by qualified personnel under our supervision.
5. All inventory items included in the count are the property of the Company. No items held on consignment for others are included in the inventory totals.
6. Inventory is stated at [Method, e.g., lower of cost or net realizable value]. Provisions have been made for slow-moving, obsolete, or damaged goods.
7. There have been no events subsequent to [Date] that would require adjustment to the inventory balances or disclosures presented in the subject matter of your report.
8. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when describing the subject matter in your report.
9. Your report is intended solely for the information and use of [Company Name] and [Specified Third Party] and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

[Signature]

[Name of Chief Executive Officer]

[Title]

[Signature]

[Name of Chief Financial Officer]

[Title]