

AUDIT ENGAGEMENT LETTER

Client Name:

Client Address:

Introduction:

We are pleased to confirm our understanding of the terms and objectives of our audit engagement and the nature and limitations of the services we will provide. This letter outlines the scope and terms of the audit of the financial statements of the client for the period under audit.

Scope of the Audit:

Our audit will be conducted in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error.

Management Responsibilities:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities:

Our responsibility is to express an opinion on the financial statements based on our audit. We will conduct the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Audit Procedures:

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.

Limitations:

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

Use of Specialists:

We may use the work of specialists in areas such as valuation or actuarial computations to assist in obtaining sufficient appropriate audit evidence.

Reporting:

We will issue a written report upon completion of our audit of your financial statements. Our report will be addressed to the Board of Directors, management, or other appropriate parties as agreed.

Confidentiality:

We will maintain the confidentiality of your information in accordance with professional standards and applicable laws. Disclosure of information to third parties will not be made without your consent except as required by law or professional standards.

Fees and Payment Terms:

Our fees for this engagement are based on the time required by our professionals to complete the services, plus out-of-pocket expenses. Invoices are payable upon presentation.

Limitation of Liability:

Our liability to you for any act, omission, or breach related to this engagement shall be limited to the total amount of fees paid for the services described herein, to the extent permitted by law.

Termination:

Either party may terminate this engagement at any time by written notice. Upon termination, all fees and expenses incurred through the date of termination will be due and payable.

Governing Law and Dispute Resolution:

This engagement letter and any dispute arising hereunder shall be governed by and construed in accordance with the laws of the State of _____ without regard to its conflict of laws principles. Any disputes shall be resolved exclusively in the state or federal courts located within _____ County, _____.

Entire Agreement and Amendments:

This letter constitutes the entire agreement between the parties regarding the audit engagement. No amendment or modification will be effective unless in writing and signed by both parties.

CLIENT AUTHORIZED SIGNATURE

AUDITOR AUTHORIZED SIGNATURE

Signature: _____

Signature: _____

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