



**SPECIALIST**  
ECONOMIC ADVISORS

DATE  
COMPANY NAME  
COMPANY ADDRESS 1  
COMPANY ADDRESS 2  
COMPANY CITY STATE ZIP

### **SAMPLE AUDIT ENGAGEMENT LETTER**

Dear CONTACT PERSON:

This will confirm our understanding of the arrangements for our audit of the financial statements of COMPANY NAME, for the year ending BALANCE SHEET DATE.

We will audit the Company's balance sheet as of BALANCE SHEET DATE, and the related statements of income, retained earnings, and especially cash flows for the year then ended, for the purpose of expressing an opinion on them. The financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on the financial statements based on our audit.

We will conduct our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit will provide a reasonable basis for our opinion.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel, and banks. At the conclusion of our audit, we will request certain written representations from you about the financial statements and matters related thereto.

Although the audit is designed to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements, it is not designed and cannot be relied upon to disclose all fraud, defalcations, or other irregularities. However, we will inform you of any material errors, and all irregularities or illegal acts, unless they are clearly inconsequential, that come to our attention.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

As part of our engagement for the year ending BALANCE SHEET DATE, we will review the federal and state income tax returns for COMPANY NAME.

Further, we will be available during the year to consult with you on the tax effects of any proposed transactions or contemplated changes in business policies.

Assistance to be supplied by your personnel, including the preparation of schedules and analyses of accounts, is described in a separate attachment. Timely completion of this work will facilitate the completion of our audit.



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Our fees will be billed as work progresses and are based on the amount of time required plus out-of-pocket expenses. Invoices are payable upon presentation. We will notify you immediately of any circumstances we encounter that could significantly affect our initial estimate of total fees, which will range from \$XX,XXX to \$XX,XXX.

The working papers for this engagement are the property of NAME OF AUDITOR and constitute confidential information. However, we may be requested to make certain working papers available to NAME OF REGULATOR pursuant to authority given to it by law or regulation. If requested, access to such working papers will be provided under the supervision of NAME OF AUDITOR personnel. Furthermore, upon request, we may provide photocopies of selected working papers to NAME OF REGULATOR. The NAME OF REGULATOR may intend, or decide, to distribute the photocopies or information contained therein to others, including governmental agencies.

If this letter correctly expresses your understanding, please sign the enclosed copy where indicated and return it to us.

We appreciate the opportunity to serve you and trust that our association will be a long and pleasant one.

Sincerely,  
SPECIALIST ECONOMIC ADVISORS

\_\_\_\_\_  
[Engagement Partner's Signature]  
Accepted and agreed to:

\_\_\_\_\_  
[Client Representative's Signature]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Date]