



Dear \_\_\_\_\_,

We are pleased to confirm our agreement with you to provide audit services for your company for the financial year ending \_\_\_\_\_. This letter aims to outline the terms and conditions of our engagement.

## **The Objective and the Scope of the Audit**

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You have requested that we audit the financial statements of \_\_\_\_\_, which comprise the balance sheet as at \_\_\_\_\_, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We will carry out such tests and procedures as we consider necessary to enable us to express an opinion on the financial statements. Our audit will be conducted in accordance with International Standards on Auditing (ISAs).

## **Responsibilities of the Auditor**

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- Obtaining an understanding of the entity's internal control systems and assessing their effectiveness in preventing and detecting material misstatements in the financial statements.
- Designing and performing audit procedures to obtain sufficient and appropriate audit evidence to support the amounts and disclosures in the financial statements, including testing the accuracy and completeness of the underlying accounting records.
- Evaluating the overall presentation of the financial statements, including the appropriateness of accounting policies and the reasonableness of significant estimates made by management.
- Assessing the risks of material misstatement in the financial statements due to fraud or error, and responding to those risks by obtaining additional evidence or modifying the nature, timing, or extent of audit procedures.
- Reporting on any significant weaknesses or deficiencies in the entity's internal control systems that the auditor identifies during the audit.
- Providing an opinion on the financial statements as to whether they are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.
- Communicating with those charged with governance and management of the entity about significant matters arising during the audit.
- Complying with relevant ethical requirements, including independence, objectivity, and confidentiality.

## **Term**

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This engagement will commence on \_\_\_\_\_ and will continue until the completion of the audit, which is expected to be completed by \_\_\_\_\_. However, either party may terminate the engagement by providing written notice to the other party. In the event of termination, you will be responsible for paying any fees due for services provided up to the date of termination.

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.

## **Fees**

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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 \$ \_\_\_\_\_ to \$ \_\_\_\_\_ while being paid the hourly rate of \$ \_\_\_\_\_ / hour.

## **Reporting**

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We will provide you with a report on the results of our audit, which will include our opinion on your financial statements. The report will be addressed to the shareholders of the company and will be in accordance with International Standards on Auditing (ISAs).

If, during the course of our audit, we identify any significant weaknesses or deficiencies in your internal control systems, we will communicate those to you in writing.

Our report will be based on the audit evidence obtained and will express an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

## Confidentiality

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We will maintain the confidentiality of all information that we obtain during the course of our audit, and we will not disclose any such information without your prior written consent, unless required by law or professional standards. Our obligation of confidentiality extends to all partners, staff, and contractors involved in the audit engagement.

You agree to provide us with access to all relevant information, including all books, records, and other documents related to your financial statements, and you agree that we may disclose such information to our partners, staff, and contractors only to the extent necessary to perform our audit.

## Dispute Resolution

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If any dispute arises (between/among) the parties hereto, the parties agree first to try in good faith to settle the dispute through non-binding mediation. The costs of mediation shall be shared equally by the parties. The parties agree that, if any dispute cannot be settled through mediation, the dispute may then be brought before a court of competent jurisdiction.

## Governing Law

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This Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws located in the State where the services are being provided.

*If this letter correctly expresses your understanding, please sign below 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,

## Client Signature

Print Name:

Date:

Print Name:

Date:

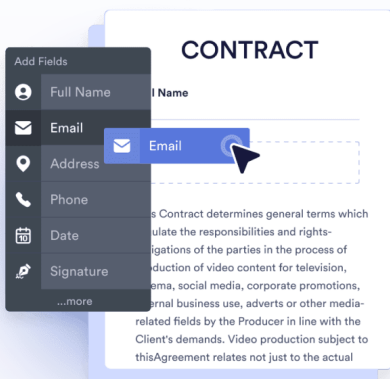


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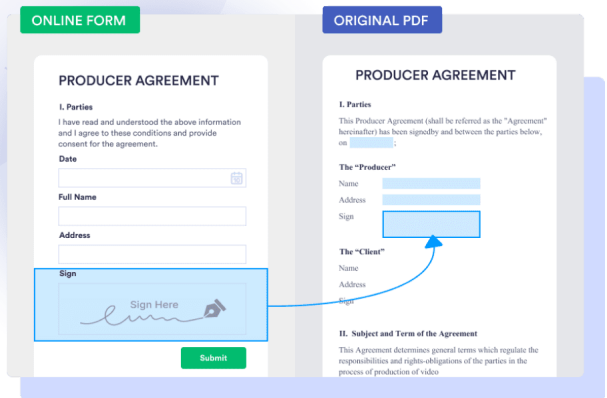
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