

Date: _____

To: _____

AGREEMENT FOR AUDIT AND ASSURANCE SERVICES

Dear _____,

You have requested that we audit the financial statements of _____, which comprise the balance sheet as of _____, and the related statements of income, changes in equity, and cash flows for the year then ending, and a summary of significant accounting policies and other explanatory notes. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

1. OBJECTIVE AND SCOPE OF THE AUDIT

Our audit will be conducted with the objective of our expressing an opinion on the financial statements. We will conduct our audit in accordance with International Standards on Auditing (ISA) or applicable national standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2. RESPONSIBILITIES OF THE AUDITOR

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 ISAs.

3. RESPONSIBILITIES OF MANAGEMENT

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with _____;
2. For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
3. To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation, and other matters;
 - Additional information that we may request from management for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

4. REPORTING

The form and content of our report may need to be amended in the light of our audit findings. Unless unanticipated difficulties are encountered, our report will be substantially in the following form: _____.

5. FEES AND BILLING

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. We estimate the total fee for these services to be _____, excluding applicable taxes and out-of-pocket expenses.

6. TERM AND VALIDITY

This agreement is effective for the fiscal period ending on _____ and may be terminated by either party upon written notice of _____ days.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

Acknowledged and agreed on behalf of:

Accepted on behalf of the Auditor:

Entity Name:

Firm Name:

By (Signature):

By (Signature):

Name & Title:

Name & Title:

Date:

Date:
