

SAMPLE REVIEW ENGAGEMENT LETTER

Name of Client
Address
City State Zip

Dear (Client):

This will confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide:

We will review the balance sheet of (Client Name) as of (Balance Sheet Date), and the related statements of income, retained earnings (deficit), and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Our review will consist primarily of inquiries of company personnel and analytical procedures and we will require a client representation letter from you.

A review does not contemplate obtaining an understanding of the internal control structure or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit. A review is substantially less in scope than an audit. Thus, a review does not provide assurance that we will become aware of all significant matters that would be disclosed in an audit. Our engagement cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or embezzlements, that may exist.

However, we will inform the appropriate level of management specifically designated by you of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are clearly inconsequential. We will not perform an audit of such financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole, and, accordingly, we will not express such an opinion on them.

Our report is presently expected to read as follows:

We have reviewed the accompanying balance sheet of (Client Name) as of (Balance Sheet Date) and the related statements of income, retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of (Client Name).

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system for safeguarding assets, for authorizing transactions and retaining supporting documentation for those transactions and for devising an internal control system that will help assure the proper preparation of financial statements.

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud and informing us about all known or suspected fraud affecting the Company. In addition, you remain responsible for identifying and ensuring that the Company complies with applicable laws and regulations.

Our fees for these services 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 \$X,XXX to \$X,XXX.

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, but the matter will ultimately be decided by the court, sitting without a jury. **The parties recognize they have knowingly and voluntarily agreed to waive all rights to have any such dispute determined by a jury**, but otherwise retain all rights afforded under the applicable civil justice system.

This Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws (enter state or other jurisdiction) (without giving effect to its provisions on conflict of laws).

This Agreement is fully and voluntarily entered into by the Parties. Each Party states that he, she, or it has read this Agreement, has obtained advice of counsel if he, she, or it so desired, understands all of this Agreement, and executes this Agreement voluntarily and of his, her, or its own free will and accord with full knowledge of the legal significance and consequences of this Agreement

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,

Signed on behalf of
(Firm Name)

ACCEPTED AND AGREED TO BY:
(Insert Client Name)

(Client Signature)

Date: _____

Please be advised that this sample letter/information is provided as part of a service from your insurance carrier. These are risk management suggestions from your insurer and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is helpful to you in this matter.

Please be further advised that neither Markel nor All Risks, Ltd. can be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Accountants' Professional Liability Advice "Hotline" at 866-306-3607.