

Engagement letter

Fixed fee work product. Between Limnal Holdings, LLC, a Texas limited liability company, trading as Faulkner Governance Risk & Compliance (“we”, “us”), and [Client legal name] (“you”). Dated [date].

1. SCOPE

You engage us for [service, for example SOX and ICFR readiness] as described here. We will [what we will do, in the order we will do it]. We will not [what is out of scope]. We do not perform an audit and do not issue an attestation opinion. Management owns the controls and the conclusions about them; we advise, document, test and recommend.

2. DELIVERABLES AND DATES

[Deliverable one], by [date]. [Deliverable two], by [date]. [Deliverable three], by [date]. A deliverable is accepted five business days after delivery unless you tell us in writing what does not match this letter, in which case we correct it at no charge and the five days start again.

3. FEE AND PAYMENT

A fixed fee of [fee], invoiced [on signature and on acceptance of each deliverable, in the proportions stated here]. Invoices are due within thirty days. Travel and expenses are billed at cost under your expense policy, with receipts, and only where this letter allows them: [allowed expenses, or none]. The fee does not change unless the scope does, and a change to the scope is agreed in writing before the work changes.

4. WHAT WE NEED FROM YOU

A named sponsor who can decide. Access to the systems, records and people in scope, granted on your terms and revocable by you. About [hours] a week from each control owner during fieldwork. Timely answers; where information arrives late, the dates in section 2 move by the same number of days.

5. CONFIDENTIALITY

Everything we see in your engagement is confidential, including material nonpublic information, and we will not trade on it or pass it on. Your records stay in your systems. Anything that reaches our own device or mailbox is held on an encrypted device behind multifactor sign in, kept only for this engagement, and returned or destroyed at the end on your written instruction, with confirmation. Your nondisclosure agreement, if you have one, is incorporated here and controls where it is stricter.

6. WORK PRODUCT

The deliverables belong to you once the fee for them is paid, with the right to use any of our templates and methods they contain. Our methods, templates and working knowledge otherwise remain ours, and we may use them for others without using anything that identifies you. The deliverables are prepared for you; you may give them to your external auditor, your audit committee and anyone else you choose, and we owe no duty to anyone but you.

7. CONFLICTS AND YOUR AUDITOR

We work for management. We are an advisory firm, not a CPA firm, and are not affiliated with any audit firm, including your external auditor. We completed a conflict check before issuing this letter and will confirm the affiliation statement in writing for your auditor’s file on request. How your auditor uses our work is your auditor’s decision.

8. OUR GUARANTEE

If your external auditor writes up a deficiency on a control we documented and tested, we remediate it at no charge. If a control fails testing for a reason in our work, that deliverable's fee is refunded.

For this letter, the controls we documented and tested are the ones named in the deliverables in section 2, and the testing that counts is your external auditor's testing for the audit of the period those deliverables cover. Remediation means redesign of the control, a compensating control for your team to run, the remediation memo and a retest; your team operates the control. A refund under the second sentence is the full remedy for that deliverable.

9. TERM AND TERMINATION

This letter runs until the last deliverable is accepted. Either of us may end it on written notice. On termination you pay for the work completed to that date, and we deliver what exists in the state it is in.

10. LIABILITY

Our total liability under this letter is capped at the fees you have paid under it, except for a breach of section 5 or for fraud or willful misconduct, which the cap does not cover. Neither of us is liable to the other for indirect or consequential loss. Nothing here limits liability that the law does not allow to be limited.

11. PEOPLE

We are an independent contractor. The firm's owner performs the work in person; neither we nor the owner is your employee or agent, and we have no authority to bind you. No subcontractors without your written consent; any subcontractor completes your onboarding first. A background check through your provider is consented to before access is granted. We issue a certificate of insurance for professional liability (errors and omissions), general liability and cyber coverage, naming you as certificate holder, with this letter.

12. GENERAL

The party to this letter is Limnal Holdings, LLC, a Texas limited liability company, trading as Faulkner Governance Risk & Compliance. This letter is the whole agreement for this engagement and is governed by the law of the State of Texas. It may be signed in counterparts and electronically.

For \${esc(FIRM.legalName)} (\${esc(FIRM.name)})

Name, title, date

For [Client legal name]

Name, title, date

Limnal Holdings, LLC, a Texas limited liability company, trading as Faulkner Governance Risk & Compliance. hello@faulknergrc.com. faulknergrc.com/easy-to-hire.html