

**CPA Engagement Letter to Perform Agreed-Upon Procedures For Real Estate Brokerage Trust/Escrow Accounts**

{Date}

Dear \_\_\_\_\_ {Broker-in-Charge Name}:

This letter is to explain our understanding of the arrangements for, and the nature and limitations of, the services we are to perform pursuant to the *Agreed-Upon Procedures for CPA Examination of Real Estate Brokerage Trust/Escrow Accounts* (“Agreed-Upon Procedures”) relative to your exemption from the spot audit of real estate brokerage trust accounts authorized by G.S. 93A-6(d). **Unless specifically indicated in the Agreed-Upon Procedures, a reference to a real estate brokerage trust account includes all trust, escrow, or other fiduciary accounts in which the Broker-in-Charge/firm holds funds for others.** You are solely responsible for compliance with the North Carolina Real Estate Commission’s rules regarding real estate brokerage trust accounts. The Agreed-Upon Procedures are included as Attachment A to this letter. A copy of this letter and Attachment A will be sent to the North Carolina Real Estate Commission along with our report and your representation form.

**Engagement Services**

Our engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Because the Agreed-Upon Procedures included in Attachment A do not constitute an audit made in accordance with generally accepted auditing standards, we will not express an opinion on any of the specific elements, accounts, or items referred to in our report.

At the conclusion of our engagement, we will submit a report in letter form outlining the procedures performed and our findings resulting from the procedures performed. It is our understanding that any and all exceptions noted will be reported as a finding and that materiality will not be considered by \_\_\_\_\_ (hereafter {CPA/CPA firm}).

Our report will contain a statement that it is intended solely for the use of \_\_\_\_\_ (hereafter {Broker-in-Charge/firm}) and the North Carolina Real Estate Commission and should not be used for any other purpose.

The procedures that we will perform are not designed for and cannot be relied upon to disclose fraud or illegal acts should any exist. However, we will inform the {Broker-in-Charge/firm} and the North Carolina Real Estate Commission of any fraud or illegal acts that come to our attention.

Furthermore, the services are not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate to {Broker-in-Charge/firm} and the North Carolina Real Estate Commission any significant deficiencies or material weaknesses that become known to us during the course of the engagement.

**Conditions and {Broker-in-Charge/Firm} Responsibilities**

The sufficiency of these procedures is solely the responsibility of {Broker-in-Charge/firm} and the North Carolina Real Estate Commission. We make no representation regarding the sufficiency of the procedures described above either for the purpose for which these services have been requested or for any other purpose.

If circumstances arise relating to the condition of {Broker-in-Charge/firm} records, the availability of appropriate evidence, indications of a significant risk of fraudulent transactions, or misappropriation of assets, which in our professional judgment prevent us from completing the engagement, we will notify the North Carolina Real Estate Commission and retain the unilateral right to take any course of action permitted by professional standards including declining to issue a report, or withdrawal from the engagement.

The assistance to be supplied by your personnel (if any) will be discussed and coordinated with {Broker-in-Charge/firm}. The timeliness and accuracy of this assistance is an essential condition to the completion of our services and issuance of our report. We understand that the final Agreed-Upon Procedures Report is required to be issued no later than \_\_\_\_\_.

**Fees, Costs, and Access to Documentation**

Our fees are based on the time required by the individuals assigned to the engagement, plus direct expenses. We anticipate that the total fees will not exceed \$ \_\_\_\_\_. Billings are due upon submission.

In the event we are requested or authorized by {Broker-in-Charge/firm} or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement, {Broker-in-Charge/firm} will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses as well as the fees and expenses of our counsel incurred in responding to such requests.

This letter constitutes the complete and exclusive statement of agreement between {CPA/CPA firm} and {Broker-in-Charge/firm} superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

If this letter defines the engagement as {Broker-in-Charge/firm} understands it, please sign and date the enclosed copy and return it to us.

Sincerely,

{Print name, CPA/CPA firm}

\_\_\_\_\_  
Signature

Enclosures

cc: Legal Counsel, North Carolina Real Estate Commission

*This letter defines the engagement as \_\_\_\_\_ (Broker-in-Charge/firm) understands it.*

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)