**Appendix 1**

## EXAMPLE LETTER D: internal auditor’s terms and consent to grant the entity’s external auditor access to internal audit working papers

*The following example letter can be used where the internal auditor has received a request from the entity’s external auditor to access their internal audit working papers which belong to the internal auditor, in connection with the external auditor’s audit of the financial report of the entity. The internal audit working papers could relate to an assurance engagement conducted by the internal auditor or a non-assurance engagement conducted by the internal auditor (such as an agreed upon procedures engagement). This letter can be tailored to the specific client circumstances. A client consent letter (Example Letter C) is required before this letter can be provided.*

*Internal Auditor’s Letterhead*

**[Date]**

**[Reviewing Auditor]**

**[Address]**

Dear **[Insert addressee(s)]**

You have asked for access to our audit working papers of the internal audit of [name of entity][[1]](#footnote-1) for the year ended [date] (the “Internal Audit Working Papers”), under Auditing Standard ASA 610 Considering the Work of Internal Audit in connection with your audit of the financial report of [name of entity] for the year ended [financial year end for entity]. You have also asked us to answer any questions you may have in relation to the Internal Audit Working Papers (“Additional Information”).

This letter sets out the terms on which we are prepared to grant you access to the Internal Audit Working Papers and to provide you with the Additional Information. You acknowledge and agree that:

1. You may only use the Internal Audit Working Papers and Additional Information in connection with your audit of [name of entity] for the year ended [date].
2. You will make a request for any Additional Information in writing.
3. Our work was performed, and the Internal Audit Working Papers were prepared, in connection with our internal audit engagement with [name of entity] for the year ended [date] and for no other purpose.
4. Our Internal Audit Working Papers or any Additional Information may not be sufficient or appropriate for your purposes and in performing our work for the internal audit of **[insert name of entity]** we may not have addressed matters which you may be interested or which may be material to you.
5. The Internal Audit Working Papers and any Additional Information relate to the periods specified within the Internal Audit Working Papers. Events may have occurred since we prepared the Internal Audit Working Papers, which may impact on the information contained in the Internal Audit Working Papers and on your statutory audit of **[name of entity]**.
6. We reserve the right to withhold any information from the Internal Audit Working Papers that is confidential to us. Accordingly, unless we have a legal obligation not to do so, we reserve the right to remove files from our Internal Audit Working Papers relating to practice management issues such as budgets, time/cost records, proprietary software, staffing records, and any other information that is confidential to us, or is subject to legal professional privilege.
7. To the maximum extent permitted by law, we are not responsible to you or any other party for any loss you or any other party may suffer in connection with your access to or use of the Internal Audit Working Papers or any Additional Information.
8. The Audit Working Papers and any Additional Information are confidential information and must be treated as such by you. They must not be copied or used for any other purpose or disclosed or distributed to anyone (other than disclosure as required by law), without our prior written consent, which may be granted at our absolute discretion and may be subject to conditions.

In accordance with Auditing Standard ASA 610 *Considering the Work of Internal Audit*, you have sole responsibility for the opinion expressed on the financial report of **[name of entity]** for the year ended **[insert date]**.

1. You must not name us in any report or document which will be publicly available or lodged or filed with any regulator without our prior written consent, such consent will be granted at our absolute discretion and may be subject to conditions.
2. You agree that, in accordance with Auditing Standard ASA 610, you will bring to our attention any matters of which you are aware which might have an important bearing on our internal audit of **[name of entity]**.
3. You agree to indemnify [name of audit firm], its partners, officers and employees against any loss, action, liability, claim, suit, demand, claim for costs or expenses or any other proceeding arising out of or in connection with a breach of clauses 8 or 10 of this letter.

Please acknowledge that you accept these terms by signing, dating and returning this letter to us at **[insert address].**

Yours faithfully

[Signature of Partner]

[Internal auditor]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We accept the terms on which access to the Internal Audit Working Papers and Additional Information is to be provided.

[Signature of Partner]

[Date]

[Reviewing external auditor]

1. Where not an internal audit, refer to other type of engagement, as the case may be. [↑](#footnote-ref-1)