

GS 011
(February 2026)

Guidance Statement GS 011

Providing Access to Audit Working Papers

Issued by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

Obtaining a Copy of this Guidance Statement

This Guidance Statement is available on the Auditing and Assurance Standards Board (AUASB) website: www.auasb.gov.au

Contact Details

Auditing and Assurance Standards Board

Phone: (03) 8080 7400

Email: enquiries@auasb.gov.au

Postal Address:

PO Box 204, Collins Street West

Melbourne Victoria 8007

AUSTRALIA

COPYRIGHT

© 2026 Auditing and Assurance Standards Board (AUASB). The text, graphics and layout of this Guidance Statement are protected by Australian copyright law and the comparable law of other countries. Reproduction within Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use subject to the inclusion of an acknowledgment of the source as being the Australian Auditing and Assurance Standards Board (AUASB).

Requests and enquiries concerning reproduction and rights for commercial purposes should be addressed to the Auditing and Assurance Standards Board, PO Box 204, Collins Street West, Melbourne, Victoria 8007 or sent to enquiries@auasb.gov.au. Otherwise, no part of this Guidance Statement may be reproduced, stored or transmitted in any form or by any means without the prior written permission of the AUASB except as permitted by law.

ISSN 1833-7600

Important Note

Guidance Statements are developed and issued by the AUASB to provide guidance to auditors on the application of AUASB Standards and, where relevant, legislation, regulation or other authoritative publication, to assist auditors to comply with Standards. Guidance Statements are intended to assist auditors in applying an existing standard or standards of general application to particular circumstances or specialised industries/sectors.

Guidance Statements are designed to provide guidance to auditors to achieve the objective(s) of the audit or other assurance engagement. Accordingly, Guidance Statements refer to, and are written in the context of a specific AUASB Standard(s); and where relevant, legislation, regulation or other authoritative publication. Guidance Statements are not aimed at providing guidance covering all aspects of the audit or other assurance engagement.

Guidance Statements, whilst formally approved and issued by the AUASB, do not establish new principles or amend existing standards. Guidance Statements therefore do not include any additional requirements or extend or vary the existing requirements of any AUASB Standards and are not legally enforceable.

Guidance Statement GS 011 *Providing Access to Audit Working Papers* provides guidance to auditors on establishing and agreeing the conditions under which third parties and group auditors are voluntarily granted access to their audit working papers. It is not a substitute for compliance with relevant AUASB Standard(s).

This Guidance Statement is provided for informational purposes only and should not be relied upon as legal or professional advice. Auditors should conduct their own evaluation and, where necessary, obtain independent legal advice regarding any relevant aspects before making decisions based on this Guidance Statement. The AUASB makes no representations or warranties regarding the suitability of the information contained herein. The AUASB expressly disclaims any liability for any loss or damage arising from reliance on this Guidance Statement.

CONTENTS

AUTHORITY STATEMENT

Paragraphs

Application	1-2
Issuance Date	3
Introduction	4-6
Definitions	7-9
Circumstances When Requests for Access Are Made	10
General Considerations Applicable to all Requests for Access to Audit Working Papers	11-30
Granting Access to a Group Auditor	31-42
Granting Access to Prospective Purchasers, Investors or Lenders	43-45
Granting Access to Internal Audit Working Papers in an Outsourced Internal Audit Arrangement	46
Reviewing the Audit Working Papers of a Predecessor Auditor	47-48
Conformity with International Pronouncements	49

Appendix 1 Example Letters

Example Letter A: Auditor's Terms and Consent for Access to Audit Working Papers by Another Auditor

Example Letter B1: Auditor's Terms and Consent for Access to Audit Working Papers by an Adviser/Firm in Connection with a Transaction

Example Letter B2: Auditor's Terms and Consent for Access to Audit Working Papers by a Prospective Purchaser, Investor or Lender in Connection with a Transaction

Example Letter C: Auditor's Client Consent Letter to Allow Another Party Access to the Auditor's Audit Working Papers

Example Letter D: Internal Auditor's Terms and Consent to Grant the External Auditor Access to Internal Audit Working Papers

Example Letter E: Predecessor Auditor's Terms and Consent to Allow Access to Audit Working Papers by the Successor Auditor

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) formulates Guidance Statement GS 011 *Providing Access to Audit Working Papers* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001*, for the purposes of providing guidance on auditing and assurance matters.

This Guidance Statement provides guidance to assist the auditor to achieve the objective(s) of the audit or other assurance engagement. It includes explanatory materials on specific matters for the purposes of understanding and complying with AUASB Standards. The auditor exercises professional judgement when using this Guidance Statement.

This Guidance Statement does not prescribe or create new requirements.

Dated: 3 February 2026

D Niven
Chair – AUASB

GUIDANCE STATEMENT GS 011

Providing Access to Audit Working Papers

Application

1. This Guidance Statement (GS) has been formulated by the Auditing and Assurance Standards Board (AUASB) to provide guidance to auditors regarding requests for access to audit working papers relating to the following assurance engagements (herein referred to as an audit or review in this GS):
 - (a) an audit or review of a financial report in accordance with the *Corporations Act 2001* (the Act);
 - (b) an audit or review of a financial report, or complete set of financial statements, for any other purpose;
 - (c) an audit or review of other historical financial information;
 - (d) an audit or review of information in a sustainability report in accordance with the Act, or for any other purpose; and
 - (e) other audit or assurance engagements.
2. This GS also applies, as appropriate, to requests regarding access to an auditor's internal audit working papers under an entity's internal audit outsourcing arrangement. The AUASB is considering the approach to sharing documents where there are separate auditors (i.e. audit firms, authorised audit companies or individual auditors) for the financial report and sustainability report, and the value chain for sustainability purposes.

Issuance Date

3. This GS is issued in February 2026 by the AUASB and replaces GS 011 *Third Party Access to Audit Working Papers* issued in April 2009.

Introduction

4. This GS provides guidance to auditors when establishing and agreeing the conditions under which an auditor voluntarily grants third parties and group auditors access to their audit working papers. Audit working papers are prepared to meet the documentation requirements of applicable Australian Auditing Standards, Standards on Assurance Engagements, Standards on Sustainability Assurance and Standards on Review Engagements. The protocols outlined in this GS follow consultation with practitioners, and are on the basis of a willingness by practitioners to co-operate in providing access to their audit working papers to another party in certain circumstances.
5. The protocols in this GS endeavour to promote cooperation when access to an auditor's audit working papers is requested. Audit working papers are the auditor's property, and they may, at their discretion, grant, decline or restrict access (subject to regulatory, legislative or other legal requirements). Each request to access audit working papers is decided on its merits. An auditor might, for example, exercise their discretion to restrict or decline access to their audit working papers when their audit fees are outstanding, or if litigation has commenced or is threatened (unless the auditor becomes compelled to produce audit working papers in connection with that litigation).
6. Regulators may also, pursuant to legislative requirements, request access to audit working papers. When access to audit working papers is required by a regulator, the auditor provides access in accordance with the requirements of the relevant legislation.

Definitions

7. For the purposes of this GS the following items have the meanings attributed below:

- (a) Audit – means an assurance engagement and may include:
 - (i) an audit or review of a financial report in accordance with the Act;
 - (ii) an audit or review of a financial report, or complete set of financial statements, for any other purpose;
 - (iii) an audit or review of other historical financial information;
 - (iv) an audit or review of information in a sustainability report in accordance with the Act, or for any other purpose; and
 - (v) other audit or assurance engagements.
- (b) Auditor – means an individual auditor, audit firm or audit company.¹ Unless specified, auditor refers to an external auditor conducting an assurance engagement as described in subparagraphs 1(a) to 1(e).
- (c) Audit file – is a file that contains one or more folders or other storage media, in physical or electronic form, containing the records that comprise the documentation (audit working papers) for a specific assurance engagement as defined in 7(d) below, and those other documents that are excluded for the purposes of allowing access, see paragraph 8.
- (d) Audit working papers – (herein referred to as audit working papers in this GS) contained within an audit file may include:
 - (i) documents or any other records of information, produced or acquired by an auditor (whether from the client or third parties) during an engagement that are used, or developed, to undertake the engagement and fulfil the auditor's responsibilities under that engagement.
 - (ii) copies of documents, records or schedules produced by the client and utilised by the auditor to undertake an engagement;
 - (iii) internal documents and records created or developed by the auditor to perform or support any audit or audit-based procedures undertaken or conclusion derived from these documents, such as memorandums, external correspondence with the client or third parties, and final reports;
 - (iv) audit work programs (other than those considered proprietary by the audit firm);
 - (v) review or other assurance working papers; and
 - (vi) for an internal audit engagement – the internal audit working papers.
- (e) Component auditor – includes an auditor who performs audit work related to a component for purposes of the group audit or an auditor who performs audit work related to a component for purposes of the group sustainability engagement. A component auditor is part of the engagement team for a group audit or a group sustainability engagement.
- (f) Group financial report – a financial report that includes the financial information of more than one entity or business unit through a consolidation process. For purpose of this GS, a consolidation process includes:

¹ This is consistent with Section 324AA of the *Corporations Act 2001*.

- (i) Consolidation, proportionate consolidation, or an equity method of accounting;
 - (ii) The presentation in a combined financial report of the financial information of entities or business units that have no parent but are under common control or common management; or
 - (iii) The aggregation of the financial information of entities or business units such as branches or divisions.²
 - (g) Group audit – includes an engagement for the audit or review of a group financial report and engagement for assurance on group sustainability information.
 - (h) Group auditor – the group auditor of the group financial report or the group sustainability information.
 - (i) Group sustainability report – a sustainability report that includes the sustainability information of more than one entity or business unit.
 - (j) Internal audit function – a function of an entity that performs assurance and consulting activities designed to evaluate and improve the effectiveness of the entity’s governance, risk management and internal control processes.
 - (k) Internal auditors – those individuals who perform the activities of the internal audit function. Internal auditors may belong to an internal audit department or equivalent function, outsourcing entity or co-sourced from both internal and out-sourced resources.
 - (l) Internal audit provider – a third party auditor contracted to provide internal audit services to an entity.
 - (m) Regulators – may include the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulation Authority (APRA) or the Australian Taxation Office (ATO).
8. For the purposes of this GS, the following documents and information which are ordinarily contained in an audit file, may not form part of the auditor’s audit working papers defined in paragraph 7(d) that are normally provided to another party when access is requested:
- (a) The auditor’s internal budgeting documents concerning costing or billing records for the audit client;
 - (b) Internal staffing-related documents for the engagement and any incidental personnel records or information about the engagement team;
 - (c) Documents or information that are subject to legal professional privilege;
 - (d) Information subject to other legislative requirements, for example, those governing privacy; and
 - (e) Proprietary work programs (e.g. client acceptance checklists and internal firm independence review checklists).
- The information contained in audit working papers can be in any form, including handwritten data, text, image or audio, and may be stored electronically or in hard copy.
9. For the purposes of this GS, documents or information included in the audit file may be subject to “legal professional privilege” because an audit client, or relevant laws or regulations, at the time it was originally provided, required that such information or audit

² See ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)* paragraph 14(k).

working paper be legally privileged. An example is legal advice regarding litigation against the audit client, as provided by its legal counsel. Paragraphs 27-30 of this GS contain further discussion related to legal professional privilege.

Circumstances When Requests for Access Are Made

10. The table below outlines:

- (a) common circumstances when requests for access to an external auditor's audit working papers may arise and when requests for access to an internal audit provider's working papers may arise;
- (b) specific paragraphs in this GS that could be considered in deciding whether access may be granted; and
- (c) the example letter(s) auditors may use for each specific circumstance listed.

Circumstances	Relevant Guidance Statement Paragraph	Example Letters in Appendix 1
1. Group Audit When a group auditor wishes to review the audit working papers of another auditor, in connection with a group audit. The auditor may consider whether it is necessary to establish conditions for access to the audit working papers.	31-41	Letter A Letter C
2. Prospective Purchaser, Investor or Lender When a third party adviser to a prospective purchaser, investor or lender of the auditor's client wishes to review the audit working papers to obtain information to assist them advise their client about a transaction.	43-45	Letter B1 Letter B2 Letter C
3. Predecessor/Successor Auditor When an entity's newly appointed auditor (successor auditor) wants to consider the predecessor auditor's audit working papers in connection with the next assurance engagement on the entity.	47-48	Letter E Letter C
4. Internal Audit Where the internal audit function is outsourced to an internal audit provider and the entity's external auditor wants to review the entity's internal audit working papers belonging to the internal audit provider in connection with an audit.	46	Letter C Letter D
5. Access to audit working papers of an entity that is neither a controlled entity nor a component (not under ASA 600). When an auditor wishes to review the audit working papers of another auditor of an entity that is neither a controlled entity nor a component, in connection with an audit.	42	Letter A Letter C

General Considerations Applicable to all Requests for Access to Audit Working Papers

11. Certain matters need to be considered when an auditor receives a request for access to audit working papers. They include:
- (a) client confidentiality requirements concerning access to audit working papers;
 - (b) risk of legal claims resulting from allowing access and appropriate legal protection to mitigate that risk, such as indemnities that may be required (depending on the

- circumstances governing the request including the form of the release, waiver or indemnity);
- (c) the appropriate sequence of indemnities between the auditor, auditor's client and any other parties;
 - (d) how and when the auditor grants access to their audit working papers, including having regard to whether the audit is complete;
 - (e) whether the audit working papers contain documents or information that are subject to legal professional privilege, which may not form part of the audit working papers to be accessed by other parties; and
 - (f) the auditor's policies and procedures regarding requests for access to audit working papers.
12. The guidance provided in this GS is general in nature and needs to be adapted to the specific client or other circumstances faced by the auditor.

Client Confidentiality

13. Before the auditor grants a party access to audit working papers, the client's consent is necessary to ensure the auditor complies with their common law duty of confidentiality to the client, as well as applicable professional ethical standards on confidentiality³ and any contractual undertakings that the auditor may have given to the client. Unless consent is given, preferably in writing, the auditor cannot voluntarily grant access to another party unless required by law to do so.
14. When access to audit working papers is required by a regulator, the auditor (unless prohibited by the terms of the regulator) needs to consider informing their client that access is being sought and will be granted in accordance with legislative requirements.
15. The letter of consent required from the client needs to be signed by a person(s) appropriately authorised to legally bind the client. If the client wishes to give consent under a power of attorney, the auditor considers whether it is necessary to sight the power of attorney document.

Client Indemnity

External Auditor

16. Whenever the auditor's client, or any third party, seeks access to audit working papers, the auditor may consider obtaining from the client and any third party (as the case may be) an indemnity against any liability which arises as a result of that access.
17. Regard should be given to any restrictions on obtaining an indemnity. For example, among other matters, a company cannot under the Act⁴ indemnify its auditor from a liability to the company or a related body corporate incurred in the capacity of being the company's auditor. Indemnities cannot cover certain pecuniary penalties or acts other than in good faith.

Internal Auditor

18. The internal audit function of an external auditor's client may be undertaken by employees of the entity, or, might be outsourced to an internal audit provider. Where the internal audit services are outsourced to an internal audit provider, the opportunity for the external auditor to access the internal audit working papers of the internal audit provider will depend on who "owns" such working papers. Normally, the letter of engagement between the client and the internal audit provider specifies who "owns" internal audit working papers.

³ See Compiled APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, issued by the Accounting Professional & Ethical Standards Board Limited.

⁴ See Section 199A, *Corporations Act 2001*.

19. When the internal audit working papers are “owned” by the client, a consent letter to access the internal audit working papers is not required. Nonetheless, prior to allowing access, the internal audit provider or the client may request the external auditor to acknowledge that their access is subject to their obligations to comply with the requirements of Australian Auditing Standard ASA 610 *Using the Work of Internal Auditors* (ASA 610) or Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000). When the internal auditor’s working papers are owned by the internal audit provider:
- (a) The internal audit provider would ordinarily first require consent from its client before granting access to its working papers to the external auditor. Refer to Example Letter C in Appendix 1 for an example client consent letter.
 - (b) Once the internal audit provider has obtained the signed client consent letter, it would then request the external auditor to provide a signed request letter to access the internal audit work papers. Refer to Example Letter D in Appendix 1 for an example of this letter.

See paragraph 46 for additional considerations related to granting access to internal audit working papers.

Indemnities from Other Parties

20. The audit working papers which form part of an audit file are ordinarily prepared for the sole purpose of an internal or external audit or review. Their preparation for an external audit or review is for the sole purpose of documenting and supporting the auditor’s conclusions included in the auditor’s report. Consequently, the audit working papers may not be suitable for any intended use by another party, as the scope and nature of the other party’s needs were not known by the auditor, and thus, did not form part of the scope of the audit.
21. Access to the audit working papers by third parties or group auditors, without receipt of appropriate releases, indemnities and/or waivers of reliance, could place the auditor at risk of a legal claim by the third party or group auditor based on the results of their access to the audit working papers. Accordingly, it would not be prudent for the auditor to grant such access to their audit working papers, unless the auditor has:
- (a) obtained the client’s consent letter; and
 - (b) agreed terms of access with the third party or group auditor in writing, including appropriate releases and/or indemnities.
22. If access is provided to audit working papers, in most cases the letter of consent includes an express disclaimer of reliance and exclusion of liability.
23. The Example Letters in Appendix 1 incorporate a form of release, indemnity and waiver of reliance that an auditor may seek when responding to a request to access their audit working papers.
24. The Example Letters in Appendix 1 are designed to facilitate access to the auditor’s audit working papers when access is sought by another party. The Example Letters record the agreed basis on which an auditor may be prepared to provide access to their audit working papers to another party’s agent. The auditor might consider whether to deny access to the other party’s agent if a letter is not executed and obtained from the other party and their agent.

Auditor’s Control Over Access to Audit Working Papers

25. An auditor may decide to allow limited access to some of their audit working papers and inform the third party or group auditor that certain audit working papers have been omitted.
26. When access to audit working papers is granted, the auditor controls how access is to be administered. Ordinarily, the auditor may:

- (a) agree on the format (electronic or hard copy) with the other party in which access to the audit working papers will be provided. The auditor is entitled to determine the format, location and type of access including, for example, monitored remote virtual access, so as not to place at risk the confidentiality of any of their proprietary audit software and methodologies, as well as other clients' confidential information;
- (b) agree on and control the extent of access to original audit working papers granted to the other party;
- (c) oversee the physical inspection of audit working papers;
- (d) request that any questions arising from the examination of the audit working papers be put in writing. The auditor's response may be restricted to matters in the audit working papers, rather than for example, answering questions of a general nature or matters concerning events subsequent to the reporting period covered by the audit engagement; and
- (e) not permit making copies of audit working papers without specific consent. When permission to make copies of audit working papers is granted, the auditor ordinarily:
 - (i) maintains control over which audit working papers can be copied;
 - (ii) reviews all audit working papers that are to be copied, prior to making them available to the third party;
 - (iii) retains a record of which audit working papers have been copied; and
 - (iv) considers what (if any) charge is to be made for the cost of making copies of the requested audit working papers.

Legal Professional Privilege

- 27. In undertaking an engagement, the auditor might access or incorporate within their audit file confidential communications made between, or confidential documents prepared by, the audit client and their legal counsel(s). When the dominant purpose of these communications is for the client's legal counsel to provide legal advice to the client or where the documents have been created in contemplation of existing or anticipated legal proceedings, the communications may be subject to legal professional privilege.
- 28. Documents or information included in the audit file that are subject to legal professional privilege are owned by the client and not the auditor. When granting access to audit working papers is being contemplated, the auditor needs to consider obtaining legal advice from its own legal counsel as to how to deal with documents or information that may be subject to legal professional privilege. A client also ought to have an opportunity to review all documents and information that are to be produced so that the client can assess whether a claim for legal professional privilege will be made in relation to specified documents.
- 29. The following are example communications, documents and information that may attract legal professional privilege:
 - (a) correspondence between the client and their legal advisers for the dominant purpose of giving or receiving legal advice, or for use in existing or anticipated litigation, that has been provided to the auditor for the engagement;
 - (b) opinions from the legal counsel, and associated billing costs (including details of legal costs), where such information would disclose the nature of the advice sought or given;
 - (c) correspondence between the auditor and the client's legal counsel; or
 - (d) documents that incorporate the types of documents listed (a) to (c) above.

30. If any of the documents or information listed in paragraph 29 above are contained in the audit working papers, or if the auditor is in any doubt about whether any client communications, documents or information are subject to legal professional privilege, the auditor notifies their client in accordance with paragraph 28 above. In these circumstances, the auditor might also need to consult with their own legal counsel in order to correctly identify the status of communications and documents that could potentially be the subject of legal professional privilege.

Granting Access to a Group Auditor

Basis for Granting Access – Group Audit

31. Under ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)* (ASA 600) a group engagement partner is required to take overall responsibility for managing and achieving quality on the group audit.⁵ An auditor who performs audit work related to a component for the purposes of a group audit under ASA 600 is a component auditor and is part of the engagement team. The group engagement partner is required to have sufficient and appropriate involvement in the work of component auditors and takes responsibility for the nature, timing and extent of direction and supervision of component auditors and the review of their work. The group engagement partner of a controlling entity has a duty to form an opinion on various matters as may be required by laws or regulations, such as the Act (or other relevant statutory requirements) regarding the audit of a group financial report. There may also be circumstances when the auditor may be engaged to perform a non-statutory audit of a group financial report.
32. Under ASSA 5000 the engagement leader is required to take overall responsibility for managing and achieving quality on the audit of a group sustainability report. An auditor who performs audit work related to a component for the purposes of a group audit under ASSA 5000 is a component practitioner (herein, referred to as a component auditor) and is part of the engagement team. The engagement leader is required to have sufficient and appropriate involvement in the work of component auditors and takes responsibility for the nature, timing and extent of direction and supervision of component auditors and the review of their work. The engagement leader of a controlling entity has a duty to form an opinion on various matters as may be required by laws or regulations, such as the Act (or other relevant statutory requirements) regarding the audit of a group sustainability report.
33. If the group auditor requests access to the component auditor's working papers, the component auditor considers whether it is necessary to establish and agree the conditions under which a group auditor is granted access to their working papers.

Relevant Factors to Consider – Corporations Act Engagement – Controlled Entities

34. For an audit or review of consolidated financial statements or all or part of a group sustainability report conducted under the Act, the auditor of a controlled entity must allow the group auditor of the controlling entity access to the controlled entity's books and must give the auditor of the controlling entity any information, explanation or assistance required, for the purposes of the audit or review.⁶ The meaning attaching to these statutory requirements may not be precise, as there is no judicial or statutory authority about what is meant by the words "information, explanation or assistance". The Act does not specify that the external auditor of the controlling entity has a statutory right to inspect the working papers of the auditor of the controlled entity. Nonetheless, the auditor of a controlled entity ordinarily endeavours to be open and frank with the auditor of the controlling entity and seeks to ensure compliance with any reasonable request by the auditor of the controlling entity to discharge their responsibilities under the Act.
35. When access to working papers is granted, for assurance engagements under ASA 600 or ASSA 5000; and the Act, the controlling entity cannot release or indemnify the auditor of the

⁵ See ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*.

⁶ See Sections 323A and 323B of the *Corporations Act 2001*.

controlled entity under the Act's relevant provisions.⁷ Where the auditor of the controlled entity gives assistance or information to the auditor of the controlling entity more than is required by the Act, the auditor of the controlled entity could seek a release and an indemnity from the auditor of the controlling entity (and arguably from the controlling entity itself). Any release or indemnity referred to in this paragraph may extend to liability that arises through access to audit working papers, other files maintained by the auditor and their audit staff.

Relevant Factors to Consider – Component Auditor

36. ASA 600 requires the group auditor to confirm with the component auditor that they will co-operate with the group auditor. Such agreement of co-operation may facilitate any reasonable request by the group auditor for access to component working papers.
37. For non-Corporations Act engagements, the auditor of a controlled entity is ordinarily expected to co-operate with reasonable requests from the group auditor for access to its working papers. Auditors should apply ASA 600 or ASSA 5000, as applicable, and may consider whether appropriate terms of access, including appropriate releases and/or indemnities are necessary.

Providing the Group Auditor Access to Audit Working Papers

38. The terms of engagement may include a release of client confidentiality in order for the component auditor to provide working papers to the group auditor. In the absence of a release of client confidentiality in the terms of engagement, the component auditor obtains a release of client confidentiality and may issue Example Letter C to the component auditor's client.
39. Ordinarily, the group auditor will issue instructions to the component auditor. The instructions issued by the group auditor may set out the nature, timing and extent of audit working papers requested from the auditor of the controlled entity or component auditor. It is expected that communications between the group auditor and component auditor take place at appropriate times throughout the group audit.⁸
40. The following guidance is also relevant regarding access to audit working papers by the group auditor:
 - (a) When access to working papers is permitted during the assurance engagement, it may be prudent to inform the group auditor that the assurance work or accompanying working papers may not reflect significant events or matters which are material to the assurance engagement at the date when access is agreed. This communication ought to also contain the extent to which the component entity's auditor has any obligation or responsibility to update the working papers or inform the reviewing auditor of information obtained subsequent to the date access is provided.
 - (b) Requests by the group auditor for progress reports, advice on or information on the audit of the component entity are best made in writing, detailing specific matters on which a response is sought, and requesting the component auditor to respond in writing.
41. Notwithstanding some uncertainty about the audit working papers access obligations of an auditor of a controlled entity under the Act⁹, the auditor may determine whether it is necessary to establish and agree conditions under which the auditor of the controlling entity is granted access to their working papers. When the auditor of a controlled entity decides to establish and agree on conditions for providing access to audit working papers, Example Letter A in Appendix 1 may help identify an appropriate basis for making audit working papers available to the group auditor. If the auditor of a controlled entity determines it is necessary to obtain client consent before providing access to their audit working papers, Example Letter C may

⁷ Under the relevant provisions of Section 199A, *Corporations Act 2001*.

⁸ See Auditing Standard ASA 600 *Special Considerations-Audits of a Group Financial Report (Including the Work of Component Auditors)*.

⁹ See Section 323B, *Corporations Act 2001*.

assist in obtaining client consent. Client consent may be obtained through other means, such as the terms of the audit engagement.

Access to Audit Working Papers of the Associate or Joint Venture Auditor (not under ASA 600)

42. When an audit client has an investment in an associate or is one of the parties in a joint venture, the audit client's auditor may seek access to the audit working papers belonging to the auditor of the associate or joint venture. In this context, issues similar to those related to access to audit working papers of the auditor of a controlled entity or component by the group auditor (discussed above) will need to be considered. Normally, audit arrangements are outlined in the joint venture agreement, wherein one auditor is appointed to audit the joint venture. Audit arrangements for an associate may be outlined in a contract and/or agreement. However, as the investment in the associate or joint venture may be material to one or more of the investors or joint venturers (whose financial report may be audited by another auditor), it may be necessary for that auditor to gain access to the audit working papers of the associate's or joint venture's auditor. Unless specifically provided for in the auditor's contract of appointment with the associate or joint venture, the auditors of the associate or joint venture parties may not be legally entitled to such access. However, to assist the auditor of an investor or joint venturer, access may be granted at the discretion of all the relevant parties to the associate or joint venture and the associate's or joint venture's auditor. When the auditor of the associate or joint venture determines it is necessary to establish and agree conditions for providing access to audit working papers, Example Letter A in Appendix 1 may help identify an appropriate basis for making audit working papers available to the investor's auditor. When the auditor of the associate or joint venture determines it is necessary to obtain client consent before providing access to their audit working papers, Example Letter C may assist in obtaining client consent. Client consent may be obtained through other means, such as the terms of the engagement.

Granting Access to Prospective Purchasers, Investors or Lenders

Basis for Granting Access

43. Owners of an entity seeking to sell their investment, or entities seeking further equity or loan funding from third parties, often believe their objectives might be facilitated by requesting the entity's auditor to make available their audit working papers to third parties. The auditor may consider the following matters before deciding whether to grant access to working papers for this purpose:
- (a) whether to obtain legal advice; and
 - (b) ensuring the auditor's client and third parties, to whom access is to be given, confirm and acknowledge, in favour of the auditor:
 - (i) that no representation is made about the accuracy or completeness of the audit working papers or any additional information provided in connection with that access, or of any individual amounts, accounts, balances, transactions or disclosures, or the accuracy or completeness of other information included in the audit working papers or any additional information;
 - (ii) that the auditor is not responsible to the audit client and/or other third parties for any loss suffered in connection with access, to or use of, the audit working papers; and
 - (iii) that the auditor will receive an indemnity against any loss, action, liability, claim, suit, demand, claim for costs or expenses or any other proceeding that the auditor may suffer arising out of, or in connection with, granting access to the audit working papers and the additional information given in connection with that access.

Circumstances in Which a Practitioner can Provide Access to their Audit Working Papers to Prospective Purchasers, Investors or Lenders

- 44. Ordinarily, the statutory auditor will not allow prospective purchasers, investors or lenders access to its working papers until the assurance engagement is completed.
- 45. When considering whether the assurance engagement is complete, the auditor may consider matters such as:
 - (a) whether the auditor's report on the financial report or sustainability report or information has been signed; and
 - (b) whether the assembly of the final audit file been completed.

Granting Access to Internal Audit Working Papers in an Outsourced Internal Audit Arrangement

- 46. When the internal audit function of an entity is outsourced to an internal audit provider, or where personnel from the internal audit provider are seconded to an internal audit client, and the audit working papers belong to the internal audit provider, the external auditor may seek access to the entity's internal audit working papers to gain an understanding of relevant internal auditing activities that are relevant to the audit or review. In such circumstances, the following matters may be considered:
 - (a) the external auditor seeking access to the internal auditor's audit working papers needs to comply with the requirements and guidance in ASA 610 or ASSA 5000. This includes acknowledging that an understanding of the audit client's internal control structure and subsequent assessment of audit risk, gained from the review of the internal auditor's audit working papers, are based solely on the external auditor's professional judgement; and
 - (b) generally, internal audit working papers prepared by an internal audit provider will not be released for review by the external auditor until after the related internal audit report is finalised and/or has been tabled with the Audit Committee (or equivalent governing body), subject to the terms of the outsourcing arrangement.

Reviewing the Audit Working Papers of a Predecessor Auditor

- 47. When an auditor is newly appointed to perform an audit or review under the Act (or other applicable legislation), they have a statutory responsibility to report on the financial report or sustainability report of the entity for the year of appointment. The financial report may be affected by account balances carried forward from the prior period, and the sustainability report may include comparative information previously reported on by the predecessor auditor. Accordingly, the successor auditor will need to form a view about whether the opening balances are fairly stated in accordance with ASA 510 *Initial Audit Engagements – Opening Balances*, or whether comparative sustainability information is required and appropriately presented in accordance with ASSA 5000. To support these determinations, the successor auditor may seek access to the predecessor auditor's working papers. The auditor's client consent prior to granting access may be considered necessary in these circumstances and the Example Letter C in Appendix 1 sets out the matters that are ordinarily addressed.

Appropriate Procedures

- 48. Where the predecessor auditor agrees to provide the successor auditor access to the auditor's audit working papers, such access ordinarily involves an exchange of letters between the two auditors. Example Letter E in Appendix 1 sets out the matters ordinarily addressed, though amendments may be required to reflect circumstances specific to the engagement.

Conformity with International Pronouncements

- 49. There is no equivalent International Auditing Practice Statement (IAPS) to this GS.

Example Letters

- Example Letter A: Auditor's Terms and Consent for Access to Audit Working Papers by Another Auditor.
- Example Letter B1: Auditor's Terms and Consent for Access to Audit Working Papers by an Adviser/Firm in Connection with a Transaction.
- Example Letter B2: Auditor's Terms and Consent for Access to Audit Working Papers by a Prospective Purchaser, Investor or Lender in Connection with a Transaction.
- Example Letter C: Auditor's Client Consent Letter to Allow Another Party Access to the Auditor's Audit Working Papers.
- Example Letter D: Internal Auditor's Terms and Consent to Grant the External Auditor Access to Internal Audit Working Papers.
- Example Letter E: Predecessor Auditor's Terms and Consent to Allow Access to Audit Working Papers by the Successor Auditor.

EXAMPLE LETTER A: AUDITOR'S TERMS AND CONSENT FOR ACCESS TO AUDIT WORKING PAPERS BY ANOTHER AUDITOR

The following example letter can be tailored to specific circumstances where the external auditor is asked by another auditor to review their audit working papers. It can also be tailored for entities subject to other statutory requirements. A client consent letter (Example Letter C) may be required to be obtained before this letter can be provided.

Auditor's Letterhead

[Date]

[Reviewing Auditor]

[Address]

Dear [Reviewing auditor's name]

You have asked for access to our audit working papers of the [type of assurance engagement] of [name of component or entity] for the year ended [date] (the "Audit Working Papers") [under section 323B of the *Corporations Act 2001*¹⁰ or relevant law or regulation] in connection with your [type of assurance engagement] of [name of entity or group] for the year ended [date]. You have also asked us to answer any questions you may have in relation to the Audit Working Papers ("Additional Information"). Your request for Audit Working Papers and Additional Information is set out in your [instructions or request] dated [date] (the "Instructions" or "Request").

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

1. You may only use the Audit Working Papers and Additional Information in connection with your [type of assurance engagement] of [name of entity or group] for the year ended [date].
2. You will make a request for any Additional Information in writing.
3. Our work was performed and the Audit Working Papers were prepared in connection with our role as the auditor of [name of component or entity] for the year ended [date] and in accordance with your [Instructions or Request]. Our work was not performed for any other purpose.
4. You are responsible for concluding whether our Audit Working Papers and any Additional Information is sufficient or appropriate for your purpose. In performing our [type of assurance engagement] of [name of component or entity] we may not have addressed matters in which you [or the entity or group] may be interested or which may be material to you [or the entity or group].
5. The Audit Working Papers and Additional Information relate to the periods specified within the Audit Working Papers and Additional Information. Events may have occurred since that date which may impact on the information contained in the Working Papers, Additional Information or your [type of assurance engagement] of [name of entity or group].
6. To the maximum extent permitted by law [including subject to the *Corporations Act 2001* and *Australian Auditing Standards* or *Standards on Sustainability Assurance*], 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 Audit Working Papers or any Additional Information.
7. 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

¹⁰ Applicable for a request made by the controlling entity's auditor to the controlled entity's auditor.

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.

8. We reserve the right to withhold any information from the Audit Working Papers which is confidential to us. Accordingly, unless we have a legal obligation not to do so, we reserve the right to remove files from our 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 the subject of legal professional privilege.
9. We reserve the right to withhold any information from the Audit Working Papers which is restricted by legislation in Australia and/or the jurisdiction of which access is provided.
10. In accordance with [**Australian Auditing Standards or Auditing Standard ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)* or Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements***], you have sole responsibility for the opinion expressed on the [**type of report or information**] of [**name of entity or group**] for the year ended [**date**].
11. 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. In accordance with [**Australian Auditing Standards or Auditing Standard ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)* or Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements***], you will, subject to legal and professional considerations, bring to our attention any matters of which you are aware that might have an important bearing on our [**type of assurance engagement**] of [**name of component or entity**].

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

Yours faithfully

[Signature of Auditor]

[Audit Firm]

[Type of Assurance Engagement and Name of Component of Entity]

We confirm our acceptance of the terms under which access to the Audit Working Papers and Additional Information will be provided.

[Signature of Reviewing Auditor]

[Audit Firm]

[Date]

EXAMPLE LETTER B1: AUDITOR'S TERMS AND CONSENT FOR ACCESS TO AUDIT WORKING PAPERS BY AN ADVISER/FIRM IN CONNECTION WITH A TRANSACTION

The following example letter may be tailored to the specific client circumstances for access to audit working papers by an adviser/firm in connection with a transaction. A client consent letter (Example Letter C) is required before this letter can be provided.

Auditor's Letterhead

[Date]

[Reviewing firm/adviser]

[Address]

Dear [Insert addressee(s)]

You, [name of reviewing firm/adviser], have asked for access to our audit working papers of the [type of assurance engagement] of [name of entity] for the year ended [date] (the "Audit Working Papers") in connection with [describe transaction] (the "Transaction"). You have also asked us to answer any questions you may have in relation to the Audit Working Papers ("Additional Information"). [Name of entity] has authorised us at our discretion to give you access to the Working Papers and provide you with Additional Information.

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

1. You may only use the Audit Working Papers and Additional Information in connection with the Transaction.
2. You will make a request for any Additional Information in writing.
3. Our work was performed and the Audit Working Papers were prepared in connection with our role as the [type of assurance engagement] of [name of entity] for the year ended [year end] and for no other purpose.
4. The Audit Working Papers and Additional Information relate to the periods specified within the Audit Working Papers and Additional Information. Events may have occurred since we prepared the Audit Working Papers, which may impact on the information contained in the Audit Working Papers and on the Transaction, however, we are not obliged to update our Audit Working Papers after the [type of report or information] has been issued.
5. In accordance with [Australian Auditing Standards or Standards on Sustainability Assurance], there are inherent limitations in the [type of assurance engagement] of [type of report or information], accordingly our [type of assurance] report is not a guarantee that the [type of report or information] is free of material misstatement. In undertaking the [type of assurance engagement], we exercised our professional judgement regarding for example:
 - (a) our assessment of materiality, and
 - (b) our selective testing of the data being audited, which involves judgement about both the number of transactions to be audited and the areas to be tested.

This means our Audit Working Papers and any Additional Information may include information and conclusions that may be assessed differently by you in the context of the Transaction.

In addition, the scope of [an audit, a review or other assurance engagement] is normally narrower than an investigation that a [reviewing firm/adviser] might undertake. Therefore, our Audit Working Papers or any Additional Information are subject to these limitations and may not be sufficient or appropriate for the purposes of the Transaction. You should not rely

on them or treat them as such. Furthermore, the **[name of entity]**'s **[type of report or information]**, our **[type of assurance engagement]** of the **[type of report or information]** and accompanying Audit Working Papers, were not planned, conducted or prepared in either contemplation or for the purposes of the Transaction.

6. We make no representation about the accuracy or completeness of the Audit Working Papers or any Additional Information or of any individual amounts, accounts, balances, transactions or disclosures, or the accuracy or completeness of other information included in our Audit Working Papers or any Additional Information. Accordingly, any notations, comments and individual conclusions appearing on the Audit Working Papers or in any Additional Information do not stand alone, and should not be read or relied upon by you as an opinion or conclusion regarding any individual amounts, accounts, balances, transactions or disclosures. While we will provide the Audit Working Papers and any Additional Information in good faith, you are responsible for verifying the accuracy and completeness of anything we provide to you.
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 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.
9. We reserve the right to withhold any information from the Audit Working Papers which is confidential to us. Accordingly, unless we have a legal obligation not to do so, we reserve the right to remove files from our 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.
10. We reserve the right to withhold any information from the Audit Working Papers which is restricted by legislation in Australia and/or the jurisdiction of which access is provided.
11. 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.
12. You, **[reviewing firm/advisers]**, will 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 we may suffer arising out of, or in connection with a breach of clauses 1, 8 and 11 of this letter.¹¹
13. You agree to release and forever discharge **[name of audit firm]**, its partners, officers and employees from, and not assert against us, any action, liability, claim, suit, demand, claims for costs or expenses or any other proceedings arising out of, or in connection with, your access to the Audit Working Papers and the Additional Information.
14. We reserve the right to withdraw our consent to you having access to the Audit Working Papers or to providing any further Additional Information at any time including if you breach any of the terms of this letter.

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

Yours faithfully

¹¹ When agreeing to provide the indemnity contained in Clause 12 of this letter, you should also consider, unless prohibited by law or regulation, obtaining a similar indemnity from the client.

Guidance Statement GS 011 *Providing Access to Audit Working Papers*

[Signature of auditor]

[Audit Firm]

We confirm our acceptance of the terms under which access to the Audit Working Papers and Additional Information will be provided.

[Signature]

[Name of Reviewing Firm/Advisers]

[Date]

EXAMPLE LETTER B2: AUDITOR'S TERMS AND CONSENT FOR ACCESS TO AUDIT WORKING PAPERS BY A PROSPECTIVE PURCHASER, INVESTOR OR LENDER IN CONNECTION WITH A TRANSACTION

The following example letter can be used to inform the prospective purchase/lender/investor of the terms on which access to audit working papers and additional information are made available to a reviewing entity/adviser in relation to a transaction. The letter may be tailored to the specific client circumstances. The letter is from the perspective that the usual practice is to allow access to the working papers and any additional information only to the reviewing entity/adviser, rather than the prospective purchaser/lender/investor.¹² A client consent letter (Example Letter C) is required before this can be provided.

Auditor's Letterhead

[Date]

[Prospective purchaser/investor/lender]

[Address]

[Adviser]

[Address]

Dear [Addressee(s)]

You, [Prospective Purchaser/Investor/Lender], have asked [name of reviewing entity/advisers] to seek access to our working papers of the [type of assurance engagement] of [name of entity] for the year ended [date] (the "Audit Working Papers") in connection with [describe transaction] (the "Transaction"). You have also asked us to answer any questions they may have in relation to the Audit Working Papers ("Additional Information").

[Name of entity] has authorised us at our discretion to give [name of reviewing entity/advisers] access to the Audit Working Papers and provide them with Additional Information. Accordingly, this letter sets out the terms on which we are prepared to grant access to the Audit Working Papers and to provide any Additional Information to [name of reviewing entity/advisers].

You [Prospective Purchaser/Investor/Lender] acknowledge and agree that:

1. [Name of reviewing entity/advisers] may only use the Audit Working Papers and Additional Information in connection with the Transaction.
2. [Name of reviewing entity/advisers] will make a request for any Additional Information in writing.
3. Our work was performed and the Audit Working Papers were prepared in connection with our role as the auditor of [name of entity] for the year ended [year end] and for no other purpose.
4. Events may have occurred since we prepared the Audit Working Papers, which may impact on the information contained in the Audit Working Papers and on the Transaction, however, we are not obliged to update our Audit Working Papers after the [type of report or information] has been issued.
5. In accordance with [Australian Auditing Standards or Standards on Sustainability Assurance], there are inherent limitations in the [type of assurance engagement] of a [type of report or information], accordingly our [type of assurance] report is not a guarantee that

¹² When it is contemplated that access to the auditor's Audit Working Papers will be given to an individual, firm or organisation, other than a professional assurance services (audit) firm, there may be a risk the party seeking access to the Audit Working Papers may not clearly understand the content, purpose and limitations inherent in the Audit Working Papers. In such circumstances, this Letter may need to be adapted to mitigate this risk.

the **[type of report or information]** is free of material misstatement. In undertaking the **[type of assurance engagement]**, we exercised our professional judgement regarding for example:

- (a) our assessment of materiality, and
- (b) our selective testing of the data, which involves judgement about both the number of transactions and the areas to be tested.

This means our Audit Working Papers and any Additional Information may include information and conclusions that may be assessed differently by you in the context of the Transaction.

In addition, the scope of **[an audit, a review or other assurance engagement]** is normally narrower than an investigation that you or a **[reviewing entity/advisers]** might undertake. Therefore, our Working Papers or any Additional Information are subject to these limitations and may not be sufficient or appropriate for the purposes of the Transaction. You should not rely on them or treat them as such. The **[name of entity]**'s **[type of report or information]**, our **[type of assurance engagement]** of the **[type of report or information]** and accompanying Audit Working Papers, were not planned, conducted or prepared in either contemplation or for the purposes of the Transaction.

- 6. We make no representation about the accuracy or completeness of the Audit Working Papers or any Additional Information or of any individual amounts, accounts, balances, transactions or disclosures, or the accuracy or completeness of other information included in our Audit Working Papers or any Additional Information. Accordingly, any notations, comments and individual conclusions appearing on the Audit Working Papers or in any Additional Information do not stand alone, and should not be read or relied upon by you as an opinion or conclusion regarding any individual amounts, accounts, balances, transactions or disclosures. While we will provide the Audit Working Papers and any Additional Information in good faith, you are responsible for verifying the accuracy and completeness of anything we provide to **[name of reviewing entity/advisers]**.
- 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 **[name of reviewing entity's/adviser's]** access to or use of the 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.
- 9. We reserve the right to withhold any information from the Audit Working Papers which is confidential to us. Accordingly, unless we have a legal obligation not to do so, we reserve the right to remove files from our 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.
- 10. We reserve the right to withhold any information from the Audit Working Papers which is restricted by legislation in Australia and/or the jurisdiction of which access is provided.
- 11. 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.
- 12. You, **[purchaser/investor/lender]**, will 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 we may suffer arising out of or in connection with **[reviewing entity's/adviser's]** access to our Audit Working Papers and the Additional Information or arising out of, or in connection with, a breach of clauses 1, 8 and 11 of this letter.

Guidance Statement GS 011 *Providing Access to Audit Working Papers*

13. You agree to release and forever discharge **[name of audit firm]**, its partners, officers and employees from, and not assert against us, any action, liability, claim, suit, demand, claims for costs or expenses or any other proceedings arising out of, or in connection with, your access to the Audit Working Papers and the Additional Information.
14. We reserve the right to withdraw our consent to **[name of reviewing entity/advisers]** having access to the Audit Working Papers or to providing any further Additional Information at any time including if you or **[name of reviewing entity/advisers]** breach any of the terms of this letter.

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

Yours faithfully

[Signature of Auditor]

[Audit Firm]

We confirm our acceptance of the terms under which access to the Audit Working Papers and Additional Information relating to the **[type of assurance]** of **[name of entity]** for the year ended **[date]** will be provided to **[name of reviewing entity/advisers]**.

[Signature]

[Name of Purchaser/Investor/Lender]

[Date]

EXAMPLE LETTER C: AUDITOR'S CLIENT CONSENT LETTER TO ALLOW ANOTHER PARTY ACCESS TO THE AUDITOR'S AUDIT WORKING PAPERS

The following example letter is forwarded to the auditor's client in connection with a request by another party to access the auditor's audit working papers by:

- (a) *the group auditor, when seeking access to the audit working papers of the component auditor for an audit of a financial report or sustainability report prepared under the Corporations Act 2001 or any other assurance engagement applicable to this GS (if a release from client confidentiality has not been obtained as part of the terms of engagement);*
- (b) *a purchaser/investor, lending institution, company and/or the reviewing entity/advisers, when seeking to access the audit working papers of the external auditor in connection with a proposed transaction;*
- (c) *the external auditor of the entity, when seeking to access the internal audit working papers of the internal auditor where the internal audit function has been outsourced; or*
- (d) *a successor auditor, when seeking to access the audit working papers of the predecessor auditor.*

Auditor's Letterhead

[Date]

[Client]

[Address]

Dear **[Client contact person]**

You have asked us to provide access to our audit working papers for **[See Insert 1]**¹³ for the year ended **[date]** (the "Audit Working Papers") to **[See Insert 2]**¹⁴ in connection with **[description of purpose e.g. external audit/ transaction]**. You have also requested that we answer any questions they may have in relation to the Audit Working Papers ("Additional Information"). This letter sets out the basis on which we are prepared to grant access to our Audit Working Papers and any Additional Information to **[Insert 2]**.

You acknowledge that the Audit Working Papers and any Additional Information relate to the work that was undertaken by **[name of firm]** under the terms and conditions contained in our engagement letter dated **[date]**. Accordingly, the Audit Working Papers (including Additional Information) and the scope of our work may not be sufficient or appropriate for the purposes for which **[Insert 2]** has requested access.

We agree to make the Audit Working Papers and any Additional Information available to **[Insert 3 – Refer to Table below regarding the relevant text to be inserted]**:

¹³ **Insert 1** – Insert here either:
'the audit or review of [name of entity or component]'; or 'the sustainability assurance engagement of [name of entity or component],
'the internal audit of [name of entity]', or
'name of entity / target company'—when in relation to a specific transaction.

¹⁴ **Insert 2** – Insert here either:
'**name of external auditor**'—when the request is for access to the working papers of the controlled entity or component or associate or joint venture or internal audit pursuant to ASA 610 *Using the Work of Internal Auditors* or sustainability assurance engagement pursuant to ASSA 5000 *General Requirements for Sustainability Assurance Engagements*,
'**reviewing entity/advisers**'—when the request is in relation to accessing the working papers of the entity for a proposed transaction,
'**name of successor auditor**'—when the request is for access to the working papers of the predecessor auditor by the successor auditor, or
'**prospective purchaser, investor or lender**'—when the request is in relation to accessing the working papers of the entity for a proposed transaction.

Insert the following text in the letter	Attach accompanying letter
‘[name of external auditor] if they sign a letter in the form attached, confirming the terms on which we are willing to provide access.’	If for the release of audit working papers to the: (a) external auditor of the entity, attach Letter A. (b) external auditor in relation to the internal audit working papers for the internal audit, attach Letter D. (c) newly appointed external auditor of the client entity, attach Letter E.
‘[reviewing entity/advisers] if they sign a letter in the form attached, confirming the terms on which we are willing to provide access. In particular, please note clauses 5, 9 and 14 of the attached letter.’	If for the release of audit working papers in relation to a Transaction attach Letter B1.
‘[prospective purchaser, investor or lender] if they sign a letter in the form attached, confirming the terms on which we are willing to provide access. In particular, please note clauses 5, 9 and 14 of the attached letter.’	If for the release of audit working papers in relation to a Transaction attach Letter B2.

To the maximum extent permitted by law:

- (a) we are not responsible to you or any other party for any loss you or any other party may suffer in connection with the access to or use of the Audit Working Papers or any Additional Information by **[Insert 2]**.
- (b) you agree to release and forever discharge **[name of audit firm]** its partners, officers and employees from, and not assert against us, any action, liability, claim, suit, demand, claims for costs or other expenses or any other proceedings arising out of, or in connection with, the release of our Audit Working Papers and the Additional Information to **[Insert 2]**.
- (c) you will 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 we may suffer arising out of, or in connection with, access to the Audit Working Papers and any Additional Information by **[Insert 2]**.

Please acknowledge that you agree to these terms and to the release of the Audit Working Papers and any Additional Information to **[Insert 2]** by signing, dating and returning this letter to us at **[address]**.¹⁵

Yours sincerely

[Signature of Auditor]

[Audit Firm]

We consent to the Audit Working Papers and any Additional Information being made available to **[Insert 2]** and to provide any Additional Information and accept the terms set out above on which such access will be provided.

¹⁵ If vendor is not also the target company then include the following: Please also arrange for this letter to be signed on behalf of [insert target].

Guidance Statement GS 011 *Providing Access to Audit Working Papers*

You have our consent to bill any time and other costs to us at your standard rate. I warrant that I have the necessary authority of the company to commit the company to these terms.

[Signature of Client's Authorised Officer(s)]

[Entity Name]

[Date]

EXAMPLE LETTER D: INTERNAL AUDITOR'S TERMS AND CONSENT TO GRANT THE 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 or sustainability information 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 [Addressee(s)]

You have asked for access to our audit working papers of the internal audit of **[name of entity]**¹⁶ for the year ended **[date]** (the "Internal Audit Working Papers"), under **[Auditing Standard ASA 610 Using the Work of Internal Auditors or Standard on Sustainability Assurance ASSA 5000 General Requirements for Sustainability Assurance Engagements]** in connection with your **[type of assurance engagement]** of the **[type of report or information]** of **[name of entity]** for the year ended **[date]**. 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 **[type of assurance engagement]** 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 **[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 **[type of assurance engagement]** of **[name of entity]**.
6. 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.

¹⁶ Where not an internal audit, refer to other type of engagement, as the case may be.

7. The Internal 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 *Using the Work of Internal Auditors* or Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements***], you have sole responsibility for the [**opinion or conclusion**] on the [**type of report or information**] of [**name of entity**] for the year ended [**date**].

8. 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.
9. We reserve the right to withhold any information from the Internal Audit Working Papers which is restricted by legislation in Australia and/or the jurisdiction of which access is provided.
10. 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.
11. You agree that 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**].
12. 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 7 or 10 of this letter.

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

Yours faithfully

[Signature of Auditor]

[Internal auditor]

We confirm our acceptance of the terms under which access to the Internal Audit Working Papers and Additional Information will be provided.

[Signature of Auditor]

[Date]

[Reviewing external auditor]

EXAMPLE LETTER E: PREDECESSOR AUDITOR'S TERMS AND CONSENT TO ALLOW ACCESS TO AUDIT WORKING PAPERS BY THE SUCCESSOR AUDITOR

The following example letter can be tailored to the specific client circumstances. A client consent letter (Example Letter C) is required before this letter can be provided.

Auditor's Letterhead

[Date]

[Reviewing Auditor]

[Address]

Dear [Name of newly appointed auditor]

You have asked for access to our audit working papers for the [type of assurance engagement] of [name of entity] for the year ended [date] (the "Audit Working Papers") in connection with your appointment as the auditor of [name of entity] for the year ended [date]. You have also asked us to answer any questions you may have in relation to the Audit Working Papers ("Additional Information").

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

1. You may only use the Audit Working Papers and Additional Information in connection with your [type of assurance engagement] 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 Audit Working Papers were prepared in connection with our role as the auditor of [name of entity] for the year ended [date] and for no other purpose.
4. The Audit Working Papers or any Additional Information may not be sufficient or appropriate for your purposes. This is because in performing our [type of assurance engagement] of [name of entity] for the year ended [date] we may not have addressed matters in which you [or name of entity] may be interested or are material to you regarding [name of entity]. You therefore agree it is your responsibility to ensure compliance with applicable [Australian Auditing Standards or Standard on Sustainability Assurance], including the requirements in [ASA 510 Initial Audit Engagements—Opening Balances, Auditing Standard ASA 710 Comparative Information—Corresponding Figures and Comparative Financial Reports and Auditing Standard ASA 600 Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors) or ASSA 5000 General Requirements for Sustainability Assurance Engagements], particularly with regard to your sole responsibility for the [opinion or conclusion] expressed on the [type of report or information] of [name of entity] for the year ended [date].
5. The Audit Working Papers and any Additional Information relate to the period(s) specified within the Audit Working Papers and Additional Information. Events may have occurred since that date which may impact on the information contained in the Audit Working Papers or your [type of assurance engagement] of [name of entity].
6. 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 Audit Working Papers or any Additional Information.
7. 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.

8. We reserve the right to withhold any information from the Audit Working Papers which is confidential to us. Accordingly, unless we have a legal obligation not to do so, we reserve the right to remove files from our 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.
9. We reserve the right to withhold any information from the Audit Working Papers which is restricted by legislation in Australia and/or the jurisdiction of which access is provided.
10. You have sole responsibility for any **[opinion or conclusion]** expressed, or any advice you give **[name of entity]** on the **[type of report or information]** of **[name of entity]** for the year ended **[date]** or any other period.
11. 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.
12. Please acknowledge that you accept these terms by signing, dating and returning this letter to us at **[address]**.

Yours faithfully

[Signature of Auditor]

[Predecessor firm]

We confirm our acceptance of the terms under which access to the Audit Working Papers and Additional Information will be provided.

Signature of Auditor]

[Successor auditor of entity]

[Date]