

## Working paper file checklist – Accountant’s letters

Receipt of Request for an Accountant’s Letter	Yes	No	Comments/Notes
1. Consult with your insurer to determine any potential exposures or liability.	<input type="checkbox"/>	<input type="checkbox"/>	
2. Include a copy of any correspondence and file notes of any discussions with your insurer on the Client’s file.	<input type="checkbox"/>	<input type="checkbox"/>	
3. Update your Risk Management Framework to document any changes to your risk in accordance with APES 325 Risk Management for Firms.	<input type="checkbox"/>	<input type="checkbox"/>	
4. Determine whether the credit contract is regulated by the National Credit Act. If yes, then ensure you hold an Australian Credit Licence (ACL) <sup>1</sup>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Determine whether the Accountant’s Letter is providing assurance. If yes, then: <ul style="list-style-type: none"> <li>Do you have the relevant experience and expertise to comply with these standards?</li> <li>Does your letter comply with Auditing and Assurance Standards?</li> <li>Does your letter comply with APES 210 Conformity with Auditing and Assurance Standards?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Determine whether the request is to estimate or provide future earnings, expenses, solvency or the ongoing ability to service a loan. If yes, then: <ul style="list-style-type: none"> <li>Decline to accept the engagement.</li> <li>Vary or reduce the scope of the engagement to historical information.</li> <li>Determine whether you intend to provide an ‘Accountant’s Letter’ for your client.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	
Discussion with and Instructions from Client	Yes	No	Comments/Notes
1. Discuss the request for an ‘Accountant’s Letter’ with your client. Ensure that you explain what information you can and cannot provide to their lender based on your insurance coverage.	<input type="checkbox"/>	<input type="checkbox"/>	
2. Advise the client whether you intend to provide them with an ‘Accountant’s Letter’ or wish to decline the engagement.	<input type="checkbox"/>	<input type="checkbox"/>	
3. When agreeing to provide an ‘Accountant’s Letter’, review your engagement letter with the Client and be sure to adjust if necessary to reflect the change in scope of the engagement.	<input type="checkbox"/>	<input type="checkbox"/>	
4. Discuss with the client any additional fees that you may wish to charge for the provision of an ‘Accountant’s Letter’.	<input type="checkbox"/>	<input type="checkbox"/>	
5. Obtain and document your client’s consent to provide their confidential information to a third party.	<input type="checkbox"/>	<input type="checkbox"/>	
6. Provide the Client with an Amended Engagement Letter and Fee advice <sup>2</sup> .	<input type="checkbox"/>	<input type="checkbox"/>	

1 You must hold an ACL to provide any information for a contract regulated by the National Credit Act. You cannot accept the engagement if you do not hold this licence.

2 While not required by APES 305 – Terms of Engagement, it is best practice to have your client sign amended engagement documentation.

Preparation of the ‘Accountant’s Letter’	Yes	No	Comments/Notes
1. Is the information you are providing in the letter limited to historical statement/s of fact?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are you satisfied that source documents/information/evidence exists and is accurate in order to support historical facts included in your Accountant’s Letter’?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Have you confirmed that you are not executing an engagement under the Audit and Assurance Standards?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Have you included appropriate disclaimers and limitations on the information you are providing in accordance with your policies, procedures or advice from Insurers/Lawyers?	<input type="checkbox"/>	<input type="checkbox"/>	
Documentation	Yes	No	Comments/Notes
1. Ensure you retain a copy of all relevant documents on file including but not limited to: <ul style="list-style-type: none"> <li>• Request from lender/client.</li> <li>• Correspondence/advice/file notes from discussions with Insurers.</li> <li>• File note detailing discussions with your client including your explanation of what you can and cannot provide.</li> <li>• An amended engagement letter and fee advice document.</li> <li>• Consent from client to provide confidential information to a third party.</li> <li>• Update your quality control and risk management manuals to reflect the firm’s policies for managing requests for ‘Accountant’s Letters’.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	