

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.			
2. Include a copy of any correspondence and file notes of any discussions with your insurer on the Client's file.			
3. Update your Risk Management Framework to document any changes to your risk in accordance with APES 325 Risk Management for Firms.			
4. Determine whether the credit contract is regulated by the National Credit Act. If yes, do not provide credit assistance unless you are licensed under an Australian Credit Licence (ACL) ¹ .			
5. Determine whether the Accountant's Letter will provide assurance. If yes, then: <ul style="list-style-type: none"> Do you have the relevant experience and expertise to comply with these standards? Does your letter comply with Auditing and Assurance Standards? Does your letter comply with APES 210 Conformity with Auditing and Assurance Standards? 			
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 either <ul style="list-style-type: none"> Decline to accept the engagement; or Vary or reduce the scope of the engagement to providing historical information to the lender, and/or assisting the client to prepare information that they will provide to the lender. If you have varied or reduced the scope, determine whether you intend to provide a letter with client documents, or an 'Accountant's Letter' using the 'Accountant's letter template' for your client.			
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 and whether you are licensed under an ACL.			
2. Advise the client whether you intend to provide the lender with documents or an Accountant's Letter (specify the information you will be providing), or wish to decline the engagement.			
3. When agreeing to support the client, review your engagement letter with the Client and amend it if necessary to reflect the change in scope of the engagement.			

¹ You must hold or be licensed under an ACL to provide credit assistance in relation to a contract regulated by the National Credit Act.

4. Discuss with the client any additional fees that you may wish to charge for the engagement.			
5. Obtain and document your client's consent to provide their confidential information to a third party.			
6. Provide the Client with an Amended Engagement Letter and Fee advice ⁵ .			

Preparation of the 'Accountant's Letter'	Yes	No	Comments/Notes
1. Is the information you are providing limited to historical statement/s of fact?			
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'?			
3. Have you confirmed that you are not executing an engagement under Audit and Assurance Standards (unless you are providing assurance)?			
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?			

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"> • Request from lender/client. • Correspondence/advice/file notes from discussions with Insurers. • File note detailing discussions with your client including your explanation of what you can and cannot provide. • An amended engagement letter and fee advice document. • Consent from client to provide confidential information to a third party. • Update your quality management and risk management manuals to reflect the firm's policies for managing requests for 'Accountant's Letters'. 			