**Disclaimer: the following example letter has been obtained from ASA 502 Audit Evidence ─ Specific Considerations for Litigation and Claims - Appendix 1, and is to be used as a guide only. Please refer to the standard to determine if it is appropriate for your use.**

**Example of a Letter of Specific Enquiry to External Legal Counsel (For an Audit Client)**

**(Ref: Para. 5 and A7) This example letter relates to specific enquiry directed to the entity’s external legal counsel, but may be adapted, as appropriate, to specific enquiry directed to the entity’s internal legal counsel.**

{{today\_long}}

[Name and Address of External Legal Counsel]

**Dear**

In connection with the preparation and audit of the financial report of {{client\_name}} (and the following subsidiaries and/or divisions) for the reporting period ended {{audit\_period\_date}} we request that you provide to this company, at our cost, the following information:

1. Confirmation that you are acting for the {{client\_name}} (and the following subsidiaries and/or divisions) in relation to the matters mentioned below and that the directors’ description and estimates of the amounts of the financial settlement (including costs and disbursements) which might arise in relation to those matters are in your opinion reasonable.

|  |  |  |
| --- | --- | --- |
| {{client\_name}} (and the following subsidiaries and/or divisions) | Directors’ Description of Matter (including current status) | Directors’ Estimate of the Financial Settlement (inclusive of costs and disbursements)  |

1. Should you disagree with any of the information included in 1 above, please comment on the nature of your disagreement.
2. In addition to the above, a list of open files that you maintain in relation to the company (and the above-mentioned subsidiaries and/or divisions).
3. In relation to the matters identified under 2 and 3 above, we authorise you to discuss these matters with our auditor (name and address), if requested, and at our cost. It is understood that:
	1. the company (and the above-named subsidiaries and/or divisions) may have used other legal counsel in certain matters;
	2. the information sought relates only to information relating to litigation and claims referred to your firm (including branches or subsidiaries) which were current at any time during the above-mentioned reporting period, or have arisen since the end of the reporting period and up to the date of your response;
	3. unless separately requested in writing, you are not responsible for keeping the auditors advised of any changes after the date of your reply;
	4. you are only required to respond on matters referred to you as legal counsel for the company (and the above-mentioned subsidiaries and/or divisions), not on those within your knowledge solely because of the holding of any office as director, secretary or otherwise of the company (and the above-mentioned subsidiaries and/or divisions) by a consultant, partner or employee of your firm; and
	5. your reply is sought solely for the information of, and assistance to, this company in connection with the audit of, and report with respect to, the financial report of the company (and the above-mentioned subsidiaries and/or divisions) and will not be quoted or otherwise referred to in any financial report or related documents of the company (and the above-mentioned subsidiaries and/or divisions) nor will it be furnished to any governmental agency or other person, subject to specific legislative requirements, without the prior written consent of your firm.

Your prompt assistance in this matter will be appreciated. If you are unable to confirm or provide the information requested above, please advise us and our auditor the reasons for any limitation or impediment to fulfilling this request.

Please forward a signed copy of your reply directly to our auditors by [Date]:

{{firm\_name}}

{{firm\_street\_address}}

{{firm\_email}}

Yours faithfully,

{{primary\_contact\_name}}