

[Date]

[External Audit Firm Name]

[Address]

[City, State, Zip Code]

Re: Reliance on the Internal Audit Function for the Audit of [Company Name]

Dear [External Auditor Name/Engagement Partner],

In connection with your audit of the financial statements of [Company Name] for the period ended [Date], this letter confirms the coordination between the Internal Audit department and [External Audit Firm Name].

The Internal Audit department has performed specific procedures and audits as outlined in the attached [Annual Audit Plan/Specific Project List]. You have indicated your intention to rely on the work performed by Internal Audit to satisfy certain audit objectives and to reduce the scope of your direct testing in the following areas:

- [Area 1: e.g., Internal Controls over Financial Reporting]
- [Area 2: e.g., Inventory Observation]
- [Area 3: e.g., Revenue Recognition Testing]

We confirm that:

1. The Internal Audit department maintains organizational independence and reports directly to the Audit Committee.
2. The work was performed by staff with adequate technical training and proficiency.
3. All internal audit reports, working papers, and supporting documentation related to the areas mentioned above have been made available for your review and evaluation.
4. We will notify you of any significant findings or changes to the audit plan that may impact your risk assessment.

It is understood that the responsibility for the audit opinion on the financial statements rests solely with [External Audit Firm Name], and your reliance on our work is subject to your own evaluation of our competence, objectivity, and the quality of the specific work performed.

Sincerely,

[Signature]

[Name of Chief Audit Executive]

[Title]

[Company Name]

Acknowledged by:

[Signature of External Auditor]

[Name], Partner

[External Audit Firm Name]