AUDIT ENGAGEMENT DATA SECURITY PROTOCOL

AGREEMENT TEMPLATE

This Data Security Protocol (the "Protocol") is entered into as of _____, and forms an integral part of the Audit Engagement Agreement between the parties identified below.

1. PARTIES TO THE AGREEMENT

Auditing Firm: _____

Client Entity: _____

2. SCOPE OF AUDIT DATA

This Protocol applies to all proprietary, financial, personal, and confidential data provided by the Client to the Auditing Firm during the course of the audit engagement, including but not limited to:

1. Financial ledgers, transaction records, and banking information.
2. Personally Identifiable Information (PII) of employees, customers, and vendors.
3. Tax filings, corporate governance documents, and strategic business plans.
4. System configurations, IT infrastructure documentation, and internal control reports.

3. DATA TRANSMISSION AND STORAGE SECURITY

The Auditing Firm shall implement and maintain appropriate administrative, technical, and physical safeguards to protect Client data, including:

1. **Encryption:** All Client data must be encrypted in transit using industry-standard protocols (e.g., TLS 1.3 or higher) and at rest using strong encryption algorithms (e.g., AES-256).
2. **Transmission Channels:** Data transfers must occur exclusively through secure channels specified below:

Approved Transmission Method	Authorized Access Level / Users

3. **Storage Locations:** Data must be stored on secure servers located in _____ and must not be copied to unencrypted local drives or unauthorized cloud repositories.

4. ACCESS CONTROL

1. Access to Client data shall be restricted to those members of the audit team who require access to perform their professional obligations.
2. Multi-factor authentication (MFA) must be enforced for all audit team members accessing systems containing Client data.
3. The Auditing Firm shall maintain an up-to-date log of all personnel authorized to access Client data, to be provided to the

Client upon request.

5. DATA BREACH NOTIFICATION

1. In the event of an actual or reasonably suspected security incident resulting in unauthorized access, acquisition, alteration, or destruction of Client data, the Auditing Firm shall notify the Client in writing within _____ hours of discovery.
2. The notification shall include a description of the nature of the breach, the categories of data affected, and the immediate mitigation steps taken.

6. RETENTION AND DESTRUCTION

1. The Auditing Firm shall retain Client data only for the period required to comply with professional standards and regulatory retention mandates.
2. Upon expiration of the retention period or upon written request by the Client, the Auditing Firm shall securely delete or destroy all copies of Client data in its possession using industry-recognized sanitization methods (e.g., NIST SP 800-88 R1).
3. A written certificate of destruction must be provided to the Client within _____ days of the destruction process.

7. SIGNATURES AND EXECUTION

By signing below, both parties agree to adhere strictly to the terms of this Data Security Protocol.

For the Auditing Firm:

_____

Authorized Signature

Printed Name: _____

Title: _____

Date: _____

For the Client Entity:

_____

Authorized Signature

Printed Name: _____

Title: _____

Date: _____