

Ref: KLB/TN/RV

28 November 2024

Sub10 - CP5000 Direct Assistance

Dear Chair,

CONSULTATION PAPER – PROHIBITING SUSTAINABILITY ASSURANCE PRACTITIONERS FROM USING DIRECT ASSISTANCE BY INTERNAL AUDITORS

We appreciate the opportunity to provide comment to the Australian Auditing and Assurance Standards Board on the Consultation Paper on Prohibiting Sustainability Assurance Practitioners from Using Direct Assistance by Internal Auditors

Pitcher Partners is an association of independent firms operating from all major cities in Australia. Firms in the Pitcher Partners network are full service firms, and we are committed to high ethical standards across all areas of our practice. Our clients come from a wide range of industries and include listed and non-listed disclosing entities, large private businesses, family groups, government entities, and small to medium sized enterprises.

We acknowledge the Australian Auditing and Assurance Standards Boards' efforts to facilitate greater consultation in the standard setting process. We fully support the proposed prohibition of direct assistance by internal auditors for sustainability consistent with the prohibition for external audit.

Our detailed responses to the questions contained in the Consultation Paper are attached to this letter, and we would welcome the opportunity to engage in any further discussion of this topic with other interested parties.

Please contact either myself or Tim Nesbitt, Director – Audit & Accounting Technical (03 8612 9596 or tim.nesbitt@pitcher.com.au) or Ronnie Vogt Director – Audit & Accounting Technical (03 8610 5118 or ronnie.vogt@pitcher.com.au), in relation to any of the matters outlined in this submission.

Yours sincerely,

K L BYRNE

Partner

T NESBITT

Director, Audit & Accounting Technical

R VOGT

Director, Audit & Accounting Technical

Overall Questions from International the Consultation Paper – Assurance over Climate and Other Sustainability Information

1. Should assurance practitioners be prohibited from using direct assistance by internal auditors in a sustainability assurance engagement conducted in accordance with the Australian Standards on Sustainability Assurance? If not, why not?
Yes, we support the AUASB's proposed amendment.
2. Do you think the AUASB should consider the approach in Australian Standards on Sustainability Assurance separately from the approach in ASA 610? If so, why?
No, as the financial statement auditor has to opine on the sustainability information it is illogical to have a differential standard for internal audit in relation to sustainability measures.
3. Would you like to see the AUASB reconsider the prohibition on the use of internal auditors to provide direct assistance in ASA 610? If so, what are your reasons?
No.
4. Have applicable laws and regulations been appropriately addressed in the proposal?
Yes.
5. Are there any laws or regulations that may, or do, prevent or impede the application of the proposal, or may conflict with the proposal?
We have not identified any.
6. Are there any principles and practices considered appropriate in maintaining or improving audit quality in Australia that may, or do, prevent or impede the application of the proposal, or may conflict with the proposal?
We have not identified any.
7. What, if any, are the additional significant costs to/benefits for auditors and assurance practitioners and the business community arising from compliance with the requirements of this proposal? If significant costs are expected, the AUASB would like to understand: (i) Where those costs are likely to occur; (ii) The estimated extent of costs, in percentage terms (relative to audit fees); and (iii) Whether expected costs outweigh the benefits to the users of sustainability assurance services?
We do not foresee any incremental costs.
8. Are there any other significant public interest matters that stakeholders wish to raise?
We have not identified any.