



Mr Doug Niven
Chair, Auditing and Assurance Standards Board
PO Box 204
Collins St West
VIC 8007

via email: enquiries@auasb.gov.au

29 November 2024

Dear Mr Niven,

Consultation Paper: Prohibiting Sustainability Assurance Practitioners from using Direct Assistance by Internal Auditors.

We welcome the opportunity to respond to your invitation to comment on the Auditing and Assurance Standards Board (AUASB)'s Consultation Paper: Prohibiting Sustainability Assurance Practitioners from using Direct Assistance by Internal Auditors (September 2024) (the Consultation Paper).

We support the AUASB's position of prohibiting the use of internal auditors from providing direct assistance and thereby modifying a local equivalent of the International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements* in this regard. This will be consistent with the practice followed for financial statement audits in Australia, in accordance with ASA 610 *Using the work of Internal Auditors*.

We have responded to the questions posed in the Consultation Paper in Annex 1.



We look forward to further engagement with the AUASB as this area continues to develop. We would be pleased to discuss our comments with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Horlin', written in a cursive style.

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A handwritten signature in black ink, appearing to read 'C. Mara', written in a cursive style.

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Annex 1 - Questions

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?
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?
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?

1. Yes. We support consistency between the financial audit and the sustainability assurance and therefore support the proposal to prohibit assurance practitioners from using direct assistance by internal auditors for the sustainability assurance engagement, in line with ASA 610.
2. Not applicable given response to question 1.
3. We do not believe ASA 610 should be reconsidered at this time.

4. Have applicable laws and regulations been appropriately addressed in the proposal?
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?

4 & 5. No comment.

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?

6. We do not believe any principles or practices impede the application of the proposal.



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?

7. We do not believe there are additional significant costs involved in light of the proposal in the Consultation Paper.

8. Are there any other significant public interest matters that stakeholders wish to raise?

No comment.