



Level 38, International Towers Three  
300 Barangaroo Avenue  
Sydney NSW 2000

P O Box H67 Australia Square  
Sydney NSW 1213  
Australia

ABN: 51 194 660 183  
Telephone: +61 2 9335 7621  
Facsimile: +61 2 9335 7001  
DX: 1056 Sydney  
www.kpmg.com.au

Auditing and Assurance Standards Board  
PO Box 204, Collins Street West  
Melbourne Vic 8007

Sub 6 - CP5000 Direct Assistance

29 November 2024

Dear Chair,

**KPMG submission: Prohibiting Sustainability Assurance Practitioners from using Direct Assistance by Internal Auditors**

As a leading professional services firm, KPMG Australia (KPMG) is committed to meeting the requirements of all our stakeholders – not only the organisations we audit and advise but also employees, Governments, regulators – and the wider community. We strive to contribute in a positive way to the debate that is shaping the Australian economy, and we welcome the opportunity to comment on the consultation paper.

KPMG strongly supports maintaining consistency with the current approach applied to financial statement audits as per ASA 610, which prohibits auditors from using internal auditors to provide direct assistance in an independent audit or review of a financial report conducted in accordance with the Australian Auditing Standards.

We also note, as stated in the consultation paper, that APES 110 *Code of Ethics for Professional Accountants* requires auditors and audit firms to be independent when undertaking audit and review engagements. Audit engagement teams in Australia specifically exclude individuals within an entity's internal audit function, as direct assistance by the internal audit function to the external auditor is prohibited.

Ensuring that the same requirements apply to sustainability assurance engagements is important in maintaining consistency with audit principles and practices in Australia. We believe that this approach is crucial in avoiding tiers of quality and independence.

We appreciate the opportunity to contribute to this consultation and are available to discuss our submission further if required.

Yours faithfully,

**Julian McPherson**  
National Managing Partner - Audit &  
Assurance  
KPMG Australia

**Jennifer Travers**  
Partner, Audit & Assurance  
KPMG Australia