



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **11**

Meeting Date: 25 November 2014

Subject: AUASB Bulletin: Internal Audit – Impact of Direct Assistance Prohibition on Group Audits

Date Prepared: 14 November 2014

Action Required

For Information Purposes Only

Agenda Item Objectives

To approve the draft AUASB Bulletin: *Internal Audit – Impact of Direct Assistance Prohibition on Group Audits*.

Background

The AUASB has recently revised Auditing Standard ASA 610 *Using the Work of Internal Auditors*. The revised standard reflects recent developments in the internal auditing environment and provides a more robust framework for the evaluation and, where appropriate, use of the work of the internal audit function by the independent external auditor. The revised standard also prohibits the use of internal auditors to provide direct assistance in an independent audit or review conducted in accordance with the Australian Auditing Standards.

For a group audit, this prohibition extends to the use of internal auditors to provide direct assistance in an audit or review of a component, including an overseas component, conducted in accordance with the Australian Auditing Standards.

One of the areas of difficulty impacting auditors since the revision of ASA 610 is around the issues that auditors need to consider when relying on internal auditors in jurisdictions where there is no prohibition on the use of direct assistance, such as in the United States (US).

Matters to Consider

Part A – General

1. Refer Draft AUASB Bulletin.
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Part B – NZAuASB

1. N/A

Part C – “Compelling Reasons” Assessment

1. N/A

The proposed changes conform with IAASB modification guidelines for NSS?

Y N

AUASB Technical Group Recommendations

1. Approve draft Bulletin.

Material Presented

Agenda Item 11 AUASB Board Meeting Summary Paper
Agenda Item 11.1 Draft AUASB Bulletin

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Approve Bulletin	Approval	AUASB	25 November 2014	
