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Dear Merran

ED 02/13 PROPOSED AUDITING STANDARD ASA 610 (REVISED) USING THE WORK OF INTERNAL AUDITORS

Thank you for allowing us to make a late comment on the abovementioned exposure draft.

We do not support the proposals in ED 02/13 that prohibit the use of internal auditors to provide direct assistance in an audit or review conducted in accordance with Australian Auditing Standards. Direct assistance should only be obtained in appropriate circumstances.

As the ISA 610 does not contain such a prohibition, and given the Government's preference for compliance with International Standards, such a prohibition does not need to be applied in Australia. The ISA 610 provides a robust framework and establishes a set of safeguards for the use of direct assistance, which appear to ensure that the independence of the internal audit function is not compromised. It would seem that ISA 610 could be adopted here with suitable "Australianisations".

Using the work of internal audit can provide advantages to audit quality - a constructive and complementary relationship between external and internal auditors including, where appropriate, the possibility of coordination and cooperation.

Yours sincerely



Peter Jones
Chief Executive Officer