

Preliminary questions

What is your role? *

Audit engagement partner



Please provide your name *

Chrissie Murray

Please provide the name of the organisation that you are employed by,
or affiliated with *

Personal response, not on behalf of my firm

Please provide your email address *

chrissie.murray@bakertillysr.nz

Weighing up the potential benefits and issues

Do you agree with the potential benefits and costs/risks as outlined in the consultation document?

Yes

No

Are there other benefits or costs and risks to consider? How might the issues identified be mitigated?

Do you consider that the benefits of adopting the ISA for LCE in New Zealand outweigh the costs and risks of doing so? *

Yes

No

Why?

Most audits in the New Zealand market are LCE, when considered on a global scale. The attempted application of full ISAs to these audits tends to result in both higher costs and lower audit quality than is appropriate and useful to users and the economy overall.

Will you or your firm use the ISA (NZ) for LCE?

- Yes
- No
- Not applicable

When? Please provide your rationale.

I would expect to use the LCE standard, in preference to ISAs, for all audits where it is allowable and the client wants to.

Does the timing of the maintenance of the ISA for LCE affect your view on its adoption?

- Yes
- No

Why?

Do you have any other comments regarding the potential benefits and issues, adoption, or maintenance of the ISA for LCE.

It is important the we judge what is an 'LCE' on a global scale, not just on a NZ scale. It's not just applicable to audits that are small for NZ (such as ECE, schools, often cited by XRB). Many, if not most, of our locally 'medium sized' audits (of tier 2 charities and not for profits, and non-issuer companies, including simple groups) are really small / less complex and appropriate for the LCE standard.

Applicability in New Zealand

Do you agree that FMC reporting entities with *higher levels* of public accountability should be prohibited from being audited under the ISA (NZ) for LCE?

Yes

No

Do you agree that we **do not** specifically prohibit FMC reporting entities with *lower levels* of public accountability from being audited under the ISA (NZ) for LCE? *

Yes

No

Are there any other entity types that you believe that we should specifically prohibit to ensure appropriate safeguards exist around the use of the ISA for LCE in New Zealand?

Where a small (5?) % of the shareholders vote to require a ISA-compliant audit

Do you agree with the XRB's position not to have a quantitative threshold within the Authority section of the ISA (NZ) for LCE? *

Yes

No

Do you have any other comments regarding the Authority?

Audit of service performance information (SPI) with the ISA (NZ) for LCE

Do you support the addition of Part 11 to the ISA (NZ) for LCE to enable the audit of SPI?

Yes

No

Are the requirements in Part 11 appropriately tailored for LCEs?

Yes

No

Are there requirements in Parts 1-10 that would be difficult to apply and should be refined? If so, how?

Do you agree that the EEM included in Part 11 is appropriate?

Yes

No

What requirements in proposed ISA (NZ) for LCE could cause challenges for SPI? Do you have any suggestions on how to mitigate these challenges?

Consistency of judgement is always more difficult with SPI than with financial information, but this is not unique to the LCE standard.

Final questions

Do you have any comments on the proposed New Zealand specific amendments or the *Conforming amendments arising from the ISA (NZ) for LCE*?

Do you agree with the proposed application date of periods beginning on or after 15 December 2025?

Yes

No

Do you have any other comments on the proposed standard?

Thank you

We thank you for your time spent completing this feedback form. Please press submit for your response to be recorded.

If you have any further comments or attachments, send them to assurance@xrb.govt.nz