


Preliminary questions

What is your role?

Preparer (i.e. accountant, management, director) 

Please provide your name

Denise Kramer

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

Te Omanga Hospice Trust

Please provide your email address

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Weighing up the potential benefits and issues

Should the XRB adopt the ISA for LCE in New Zealand? *

Yes

No

Please provide your reasoning on why the XRB should (if you answered yes) or should not (if you answered no) adopt the ISA for LCE in New Zealand

Adopting the ISA for LCE in New Zealand for not-for-profits would offer several benefits and be a positive step for not-for-profit.

The ISA for LCE is specifically designed for smaller and less complex entities, which includes many not-for-profits. This standard is easier to navigate and apply compared to the full suite of ISAs, making the audit process more efficient.

Using a globally recognised standard like the ISA for LCE helps maintain consistency and comparability in financial reporting. This can enhance the credibility of financial statements and build trust among stakeholders.

The streamlined nature of the ISA for LCE can reduce the time and resources required for audits, making it a cost-effective option for not-for-profits that often operate with limited budgets.

Adopting the ISA for LCE aligns with international best practices, which can be beneficial for New Zealand's regulatory environment. It ensures that audits of not-for-profits meet high standards of assurance.

The ISA for LCE recognises the unique needs of smaller entities, providing a proportionate approach to auditing that supports the sustainability and growth of not-for-profits.

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

Are there any other potential benefits or issues which should be considered? How might the issues identified be mitigated?

Other Potential Benefits:

Adopting a recognised standard like the ISA for LCE can enhance the confidence of donors, grant providers, and other stakeholders in the financial statements of not-for-profits.

The ISA for LCE is less complex, which can simplify training for auditors and staff within not-for-profits, leading to better understanding and implementation.

The standard allows auditors to focus on areas most relevant to less complex entities, potentially improving the quality and relevance of the audit.

Potential Issues and Mitigation Strategies:

Transitioning to a new standard may incur initial costs related to training and system updates for auditors. This could be mitigated by phased implementation plans and financial support or subsidies for training to ease the transition.

There may be concerns that a simplified standard could lead to a reduction in audit quality. This could be mitigated emphasising that the ISA for LCE still maintains rigorous requirements for obtaining reasonable assurance and ensuring continuous monitoring and feedback mechanisms are in place.

Some auditors and entities may resist changing from the current standards due to familiarity and comfort. This could be mitigated by conducting awareness campaigns highlighting the benefits and providing comprehensive training and support to facilitate the transition.

Strengthening the Authority 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

If you answered no to the above, please comment why

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

no

Do you have any other comments regarding the Authority?

no

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 by auditors of less complex entities? *

Yes

No

If you answered no to the above, please comment why

Do you have comments regarding the audit of service performance information or the addition of Part 11 to the ISA for LCE in New Zealand?

Final questions

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 through to assurance@xrb.govt.nz