

**EXPOSURE DRAFT NZAuASB 2021-1  
ANNUAL IMPROVEMENTS 2020**

**Invitation to Comment**

**January 2021**

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## **Exposure Draft NZAuASB 2021-1 Annual Improvements 2020**

# Information for respondents

## Invitation to Comment

The New Zealand Auditing and Assurance Standards Board (NZAuASB)<sup>1</sup> is seeking comments on the specific matters raised in this Invitation to Comment. We will consider all responses before finalising Annual Improvements 2020.

If you want to comment, please supplement your opinions with detailed comments, whether supportive or critical of the proposals, as both supportive and critical comments are essential to a balanced view.

Comments are most useful if they indicate the specific paragraph to which they relate, contain a clear rationale and, where applicable, provide a suggestion for an alternative. Feel free to provide comments only for those questions, or issues, that are relevant to you.

Comments should be submitted electronically using our 'Open for Comment' page at <https://xrb.govt.nz/assurance-standards/standards-in-development/open-for-comment/ed-nzauasb-2021>

The closing date for submission is 15 February 2021.

## Publication of Submissions, the Official Information Act and the Privacy Act

We intend publishing all submissions on the XRB website (xrb.govt.nz) unless the submission may be defamatory. If you have any objection to publication of your submission, we will not publish it on the internet. However, it will remain subject to the Official Information Act 1982 and, therefore, it may be released in part or full. The Privacy Act 1993 also applies.

If you have any objection to the release of any information contained in your submission, we would appreciate you identifying the parts of your submission to be withheld, and the grounds under the Official Information Act 1982 for doing so (e.g. that it would be likely to unfairly prejudice the commercial position of the person providing the information).

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<sup>1</sup> The NZAuASB is a sub-Board of the External Reporting Board (XRB Board) and is responsible for setting auditing and assurance standards.

## List of abbreviations

The following abbreviations are used in this Invitation to Comment.

ED	Exposure Draft
ISA (NZ)	International Standard on Auditing (New Zealand)
ITC	Invitation to comment
NZAuASB	New Zealand Auditing and Assurance Standards Board
XRB	External Reporting Board

## Summary of questions for respondents

The NZAuASB is interested in hearing from constituents as to whether they agree with the limited proposed amendment. Respondents are asked to consider the following specific questions and to respond to the NZAuASB by 15 February 2021:

1. Do you agree with the NZAuASB's proposal to amend Professional and Ethical Standard 1 as described in the exposure draft? If not, please explain why not, and what alternative do you propose.
2. Do you agree with the proposed effective date? If not, please explain why not, and what alternative do you propose?

# 1. Introduction and Overview of proposed amendment

## 1.1 Background

1. This ED proposes to amend the definition of assurance practitioner in Professional and Ethical Standard 1, *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the NZAuASB to align with the revised definition of assurance practitioner in External Reporting Board (XRB) Standard Au1<sup>2</sup>.

## 1.2 Purpose of this Invitation to Comment

2. The purpose of the Invitation to Comment (ITC) is to seek feedback from stakeholders on Exposure Draft (ED) *Annual Improvements 2020*.

## 1.3 Timeline and next steps

3. Submissions on ED 2021-1 are due by 15 February 2021. Information on how to make submissions is provided on page 4 of this ITC.
4. The NZAuASB will consider the submissions received immediately after the consultation period ends. Subject to that feedback, the NZAuASB plans to issue *Annual Improvements 2020* in April 2021.

## 1.4 Proposed effective date

5. The NZAuASB proposes amendments to be effective on 15 June 2021.

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<sup>2</sup> XRB Au1 *Application of Auditing and Assurance Standards (Legislative Update)*

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ANNUAL IMPROVEMENTS 2020**

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**A: INTRODUCTION**

**B: AMENDMENT TO PROFESSIONAL AND ETHICAL STANDARD 1**

**C: EFFECTIVE DATE**

## **A: INTRODUCTION**

This document sets out the proposed amendment to Professional and Ethical Standard 1 issued by the NZAuASB for consistency with other standards. Underline and strikethrough are used to indicate proposed changes.

## **B: AMENDMENT TO PROFESSIONAL AND ETHICAL STANDARD 1**

### **B1 Definition of Assurance Practitioner**

The definition of assurance practitioner in Professional and Ethical Standard 1 is amended to align with the revised definition of assurance practitioner in External Reporting Board Standard Au1, *Application of Auditing and Assurance Standards (Legislative Update)*.

In the glossary,

[NZ] Assurance practitioner	A person or <u>an</u> organisation, whether in public practice, industry, commerce or the public sector, appointed or engaged to undertake assurance engagements <u>or related services</u> .
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## **C: EFFECTIVE DATE**

The proposed amendment described in section B will be effective on 15 June 2021.