



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

Role Description for New Zealand Auditing and Assurance Standards Board Members

Latest Revision: November 2021

New Zealand Auditing and Assurance Standards Board

The New Zealand Auditing and Assurance Standards Board (NZAuASB) is a sub-Board of the External Reporting Board (XRB) responsible for the development, approval and promulgation of auditing and assurance standards (including professional and ethical standards) for assurance practitioners undertaking assurance engagements required by New Zealand law.

Responsibilities of the NZAuASB

The NZAuASB's specific responsibilities are:

- Develop or adopt, expose, finalise and promulgate:
 - Auditing and assurance standards for use in audit or assurance engagements required by statute;
 - Professional and ethical standards to be applied by assurance practitioners undertaking statutory audit or assurance engagements (in particular, but not limited to, standards relating to quality and code of ethics relating to independence and competence);
 - Other assurance standards within the scope of the "additional assurance standards" approval provided by the Responsible Minister in accordance with the provisions of the Financial Reporting Act 1993 or the Financial Reporting Act 2013.

Such standards are to be consistent with the "financial reporting strategy parameters" established from time-to-time by the XRB Board and should include the adoption of international standards, development of standards jointly with Australia, or the development of New Zealand specific standards as may be required by the parameters;

- Develop and promulgate guidance material to support the application of issued standards to the extent necessary;
- Undertake or commission research relating to auditing and assurance or matters concerning professional and ethical conduct;
- Liaise with the Australian Auditing and Assurance Standards Board (AUASB) over the harmonisation of New Zealand and Australian auditing and assurance standards within the parameters of the financial reporting strategy established by the XRB Board.
- Prepare submissions to international auditing and assurance and professional and ethical standards standard setting bodies on exposure drafts issued by them and/or matters of importance to auditing and assurance in New Zealand;
- Liaise with, and contribute to the work of, international standard setting bodies in areas of importance to auditing and assurance in New Zealand and which are consistent with the XRB Board's financial reporting strategy;
- Participate in relevant international fora and groupings including those involving national standard-setters;

- Contribute as appropriate to the development of the XRB Strategic Plan;
- Act as thought leaders on assurance issues.

Role and Responsibilities of Individual Board Members

Individual NZAuASB Board Members are responsible for actively contributing to the work of the NZAuASB as outlined above, including the bringing of individual perspectives, expertise and judgement to the development and collective approval of auditing and assurance standards and professional and ethical standards. In doing so, individual Board Members are expected to form views based on their own beliefs, experience and judgement and the discussions they have taken part in, and not according to the views of any firm, organisation or constituency with which they are associated.

In carrying out its responsibilities the NZAuASB will be supported by XRB staff. NZAuASB Members will be expected to work with the staff on standard setting projects as the need arises and the relative contributions of staff and NZAuASB Members to the standard setting process are expected to vary from project to project depending on the expertise individuals have in certain areas.

Accountabilities

Members of the NZAuASB are appointed by the XRB Board and serve at its pleasure. The standard appointment term is three years but appointments may, at the XRB Board's discretion, be for longer or shorter periods in order to ensure appropriate timing of the succession of NZAuASB membership.

NZAuASB Members report to the Chair of the NZAuASB who in turn is accountable to the XRB Board for the performance of the NZAuASB.

Authorities

The NZAuASB will operate with delegated authority from the XRB Board to act in a quasi-autonomous manner in carrying out its responsibilities, including (and in particular) the promulgation of auditing and assurance standards (including professional and ethical standards) without requiring the approval of the XRB Board (subject to any requirements under section 26 of the Financial Reporting Act 2013 for a member of the XRB Board to sign certificates of determination¹).

However, in doing so the NZAuASB, and individual NZAuASB Members, are required to comply with:

- The sections of the Financial Reporting Act 2013 relevant to its functions (including and in particular sections 13, 20, 22, 24, 26, 27, and 28);
- The Terms of Reference for the NZAuASB established by the XRB Board;
- The financial reporting strategy established by the XRB Board; and
- Any other additional written instructions or parameters issued by the XRB Board from time to time.

Time Commitment and Remuneration

The commitment required of NZAuASB Members is expected to be in the range of 16-20 days per annum and involves 6-8 meetings spread throughout the year.

Remuneration is at a fixed daily rate established from time to time by the Remuneration Authority.

Person Specification

Members of the NZAuASB will be expected to have:

- Good standing in the profession, particularly in relation to ethical behaviour;
- A good knowledge of auditing and assurance standards, and professional standards and ethics for assurance practitioners as they currently apply in New Zealand;
- A good understanding of the role of auditing and assurance and professional and ethical standards in the economy and society including the public interest dimension;
- An understanding of the international auditing and assurance and professional standards and ethics standard setting environment;
- An interest in developing assurance requirements for climate reporting entities;
- An ability to consider and address issues at the detailed technical level;
- A good understanding of auditing and assurance practices and issues in one or more of the following areas: large for-profit entities; small or medium sized for-profit entities; public benefit public sector entities; or public benefit not-for-profit entities;
- One or more of the following perspectives: user; assurance practitioner; or academic;
- An ability and willingness to consider and contribute to NZAuASB deliberations and decisions across all of the above areas and perspectives;
- An ability and willingness to actively and constructively contribute to deliberations and discussions in a collegial manner; and
- Proven oral and written communication skills.

An accounting qualification is desirable as is experience as an assurance practitioner. Previous experience with standard setting is an advantage but is not a requirement for appointment.