



External Reporting Board

Chair of the New Zealand Auditing and Assurance Standards Board

Role Description

The XRB

The External Reporting Board (XRB) is an independent Crown entity with responsibility for all aspects of financial reporting, auditing and assurance standard setting, and more recently, climate reporting standards for New Zealand.

The XRB has established two boards, as committees of the XRB Board, one with responsibility for accounting standard setting and the other for auditing and assurance standard setting. A new Project Steering Committee is responsible for Climate-related Disclosures.

The XRB's goal, of high-quality financial reporting, is addressed in the following ways:

- Developing and implementing an overall strategy for financial reporting standards and auditing and assurance standards (including developing and implementing tiers of financial reporting and assurance). Recently, climate standards have been added to this strategy.
- Preparing and issuing financial reporting standards.
- Preparing and issuing auditing and assurance standards.
- Preparing and issuing professional and ethical standards that govern the professional conduct of auditors;
- Preparing and issuing climate standards; and
- Liaising with national and international organisations that exercise functions that correspond with, or are similar to, those conferred on the XRB.

Role

The New Zealand Auditing and Assurance Standards Board (NZAuASB) has delegated responsibility from the XRB for the development, approval, and promulgation of auditing, assurance and ethical standards for application in New Zealand. The Chair of the NZAuASB acts in a governance capacity. The Chair leads the NZAuASB to ensure it implements the XRB audit and assurance strategy as it relates to audit and assurance and ethical and professional standards, chairs meetings of the NZAuASB, and represents the Board at relevant fora and occasions. The NZAuASB Chair works closely with the Director of Auditing and Assurance Standards who holds the key management role for the NZAuASB.

Accountabilities and Authorities

The NZAuASB's authorities are provided under delegation from the XRB. This includes the authority for the NZAuASB to issue auditing and assurance standards after following due process, subject to any requirements under section 33 of the Financial Reporting Act for the Chair or Deputy Chair of the XRB to sign certificates of determination.

The Chair is accountable to the XRB through the Chair of the XRB. The NZAuASB Terms of Reference, which the XRB reviews periodically, is an important document in this context.

The Chair is expected to maintain open lines of communication with the XRB Chair and the Chief Executive in relation to strategic issues. The Chair is expected to operate a "no-surprises" policy ensuring that the XRB Chair and the Chief Executive are informed of matters of significance to the XRB.

The Chair is expected to maintain a close working relationship with the Director, Auditing and Assurance Standards, who holds the key management role for the NZAuASB and oversees the staff assigned to auditing and assurance work.

The Chair works collaboratively with the Chief Executive of the XRB, who holds the senior management role for the XRB organisation as a whole and leads the XRB in the successful execution of the XRB's mission, strategy, and annual objectives.

The Chair works collaboratively with the Chair of the New Zealand Accounting Standards Board, the Board with delegated authority for the development, approval and promulgation of accounting standards, and with the Chairs of the counterpart Australian boards that are responsible for audit and assurance standards and ethical standards (the Auditing and Assurance Standards Board (AUASB) and the Australian Professional Ethical Standards Board.

In addition, the XRB has a cross-appointment arrangement between the NZAuASB and the AUASB. It is likely, therefore, that the Chair of the NZAuASB will also be invited by the Australian Financial Reporting Council to be a member of the AUASB.

Specific Responsibilities

The Chair is responsible for:

- Contributing to the XRB's strategic and operational planning processes, including contributing to the development of the XRB's strategy as it relates to auditing and assurance standards, oversight of the NZAuASB's annual workplan approved by the XRB.
- Reporting regularly to the XRB on the NZAuASB activity against the NZAuASB's annual workplan.
- Chairing meetings of the NZAuASB, and communicating with members between

meetings, as necessary, concerning NZAuASB activities.

- Leading the NZAuASB's role in the development and implementation of the NZAuASB's work programme, including advising the XRB Board on priorities.
- Representing the NZAuASB at domestic and international accounting standard setting fora in accordance with the NZAuASB's annual workplan approved by the XRB. Additional fora may be attended if appropriate and approved by the Chief Executive.
- Ensuring the NZAuASB acts consistently with the requirements of the Financial Reporting Act, the auditing and assurance strategy established by the XRB, any other additional written instructions or parameters issued by the XRB from time to time, and the requirements of the NZAuASB's Terms of Reference.
- Serving as an XRB spokesperson on auditing and assurance and professional and ethical standards matters, for both the media and the public, as required in consultation with the Director and Chief Executive.
- Making in-person and virtual presentations nationally and internationally on auditing and assurance and professional and ethical standards matters as requested by and agreed with the Director and Chief Executive.
- Monitoring the performance of the NZAuASB as a whole, and of individual members, and identifying ways to improve Board performance over time.
- Providing advice to the XRB on the composition of membership of the NZAuASB, including in relation to the reappointment of existing members and/or additional skills or perspectives required.
- Providing feedback to the Chief Executive on the performance of the Director of Auditing and Assurance Standards and other relevant XRB staff for the purposes of annual performance processes.

Time Commitment and Remuneration

The Chair's workload is expected to be equivalent of up to approximately 60 days per annum. Remuneration is based on this level at a fixed daily rate established by the Remuneration Authority. Currently this rate is under review. Some travel nationally and internationally is expected (subject to COVID-19 restrictions); all reasonable related expenses will be reimbursed.

Person Specification

The Chair will be expected to have:

- A professional qualification in accounting, finance, law, or a related discipline.

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- Extensive knowledge and experience as an accounting or auditing practitioner, an academic, or in corporate governance or management in a business, not-for-profit, public sector or regulatory setting.
- Standard-setting experience in the area of auditing and assurance (highly desirable but not essential) or a similar context.
- A good understanding of the role of auditing and assurance standards in the economy and society, including the importance of standards being suitably responsive to the public interest. An understanding of developments in external reporting of and assurance on non-financial information (including climate-related information) would be highly desirable.
- An ability to consider and address auditing and assurance issues at a detailed technical level.
- Good standing in the international and/or domestic auditing community or a similar professional community, and the ability to influence standard setting in the international, trans-Tasman and domestic contexts.
- Strong strategic skills and an ability to deal with issues at the conceptual level.
- Proven people skills.
- Good interpersonal and chairing skills including the ability to work to achieve consensus while maintaining the highest standards of standard setting.
- The capacity and enthusiasm to commit the required time and energy to the role.