

## Terms of reference for the NZAuASB

### Terms of Reference for the New Zealand Auditing and Assurance Standards Board

March 2026

#### The NZAuASB and its accountabilities

1. The New Zealand Auditing and Assurance Standard Board (**NZAuASB**) is a committee of the External Reporting Board (**XRB**). The NZAuASB was established under section 73(1)(c) and clause 14 of Schedule 5 of the Crown Entities Act 2004 (**CE Act**).
2. The Chair and members of the NZAuASB are appointed by the XRB Board and serve at its pleasure. Members report to the Chair, who in turn is accountable to the XRB Board for the NZAuASB's performance.

#### Delegation

3. The XRB Board has delegated the following Financial Reporting Act 2013 (**FR Act**) functions and powers to the NZAuASB under section 73(1)(c) of the CE Act:
  - 3.1. Section 12(b) – prepare and issue auditing and assurance standards
  - 3.2. Section 20(2) – prepare and issue:
    - 3.2.1. professional and ethical standards that govern the professional conduct of audit or assurance practitioners
    - 3.2.2. standards for related services
  - 3.3. Section 12(e) – liaise with international or national organisations that perform corresponding or similar functions to those listed in paragraphs 3.1 and 3.2
  - 3.4. Section 12(f) – perform the duties and exercise the powers imposed or conferred on the XRB under the FR Act and other enactments necessary to carry out the functions listed in paragraphs 3.1 to 3.3.
4. The XRB Board may delegate any other specific function in writing from time to time to the NZAuASB.
5. Consistent with section 75 of the CE Act, these delegations by the XRB Board do not affect or prevent the performance of any function or the exercise of any power by the XRB Board. In particular, the XRB Board may at any time notify the NZAuASB that a particular proposed standard or other matter will be addressed by the XRB and not by the NZAuASB under these delegations.

#### Specific expectations

6. In undertaking its functions, powers and duties, the NZAuASB shall:
  - 6.1. promptly inform the XRB Board of matters of significance, particularly where these matters may be controversial or may become the subject of public debate
  - 6.2. promote confidence in auditing, assurance and related services by issuing high quality standards
  - 6.3. consider the impacts of proposed standards on:
    - 6.3.1. auditing and assurance practitioners

6.3.2. preparers and users of audited and assured reports

- 6.4. as requested by the XRB Board, contribute to the development of the XRB's strategy and operating plans
- 6.5. contribute to submissions to international standard-setting bodies on consultation documents and exposure drafts
- 6.6. participate in relevant international forums, including those involving national standard-setters
- 6.7. promptly provide to the XRB Board or Chief Executive, any information either may request relating to any matter under consideration by the NZAuASB
- 6.8. act collaboratively as one organisation, sharing information proactively and communicating and consulting with the two other technical boards on matters of mutual or common interest.

### **Specific responsibilities**

#### **Collective responsibilities**

7. The NZAuASB must act in a manner consistent with:
  - 7.1. the XRB's strategy and Statement of Intent
  - 7.2. the XRB's Statement of Performance Expectations
  - 7.3. general strategy and policy positions issued by the XRB Board
  - 7.4. strategy and policy positions issued by the XRB Board relating to auditing and assurance
  - 7.5. the NZAuASB workplan approved by the XRB Board
  - 7.6. these Terms of Reference
  - 7.7. due process explanatory guides issued by the XRB Board
  - 7.8. the Board communications protocol

#### **Individual responsibilities**

8. NZAuASB members shall:
  - 8.1. comply with the [Code of Conduct for Crown Entity Board Members](#) issued by the Public Service Commissioner under section 17(3) of the Public Service Act 2020
  - 8.2. conduct all contact with the media in accordance with the XRB Board's media policy.

#### **Statutory requirements**

9. In carrying out its work, the NZAuASB must comply with the requirements imposed on the XRB Board under the CE Act and FR Act, as relevant. This includes complying with:
  - 9.1. section 50 of the CE Act by performing its functions:
    - 9.1.1. efficiently and effectively
    - 9.1.2. in a manner consistent with the spirit of service to the public
    - 9.1.3. in collaboration with other public entities, where practicable
  - 9.2. the requirement to act independently under section 13 of the FR Act
  - 9.3. the consultation requirements in section 22 of the FR Act

- 9.4. the duty to not disclose information under section 57 of the CE Act
- 9.5. the conflict-of-interest rules in sections 62-68 of the CE Act, with necessary modifications<sup>1</sup> consistent with the accountabilities and delegations stated in paragraphs 2-4 above
- 9.6. the board procedures described in Schedule 5 of the CE Act including:
  - 9.6.1. clause 5 – exercise of the chair’s function and powers during a vacancy
  - 9.6.2. clause 7 – notice of meetings
  - 9.6.3. clause 8 – methods of holding meetings
  - 9.6.4. clause 9 – quorum
  - 9.6.5. clause 11 – presiding at meetings
  - 9.6.6. clause 12 – voting at meetings.

### **Additional operating procedures**

#### **Conducting meetings**

10. The NZAuASB shall hold all meeting sessions in public when discussing and voting on the exercise of its standard-setting functions.
11. The NZAuASB may, at its discretion, discuss other matters in public or private.
12. The NZAuASB may invite non-member observers to attend and participate in meetings.

#### **Voting**

13. The following requirements apply to the NZAuASB in addition to the voting provisions in clause 12 of Schedule 5 of the CE Act:
  - 13.1. Each member shall vote according to their knowledge, experience and judgement based on the discussions they have taken part in, and not according to the views of any firm, organisation or constituency with which they are associated, or any personal interest contrary to the interests of the XRB.
  - 13.2. The board will ordinarily seek to make decisions by consensus. If consensus cannot be reached, decisions will be made by vote and be approved by all members present without dissent or if a majority of the votes cast on it are in favour of it.
  - 13.3. In addition to their general vote, the chairperson at a meeting has, in the case of an equality of votes, a casting vote.
  - 13.4. Matters may be voted on outside of a meeting by way of circular resolution.
  - 13.5. Non-member observers have no voting rights.

#### **Procedure generally**

14. The NZAuASB may regulate its own procedure, except as otherwise provided under the CE Act, FR Act, any other enactment and these Terms of Reference.

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<sup>1</sup> Section 14(4) of the FR Act states that the members of the XRB are the board for the purposes of the CE Act. ‘Necessary modifications’ is included because technical boards are committees of the XRB Board. This means that technical board members must apply the conflict-of-interest disclosure provisions in sections 62–68 of the CE Act in a manner consistent with being a member of a committee of the XRB, without altering the substance of those statutory duties.