



EXTERNAL REPORTING BOARD STANDARD Au1

Application of Auditing and Assurance Standards

This compilation was prepared in November 2016 and incorporates amendments up to and including October 2016.

Effective for assurance engagements beginning on or after 1 January 2013.

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HISTORY OF AMENDMENTS

Table of Pronouncements – XRB Au1 *Application of Auditing and Assurance Standards*

This table lists the pronouncements establishing and amending XRB Au1. This table is based on amendments approved as at December 2012.

Pronouncements	Date approved	Effective date
External Reporting Board Standard Au1 <i>Application of Auditing and Assurance Standards</i>	Dec 2012	Assurance engagements beginning on or after 1 January 2013.
Issue ISAE (NZ) 3410 <i>Assurance Engagements on Greenhouse Gas Statements</i>	December 2012	Assurance reports covering periods ending on or after September 30, 2013.
Professional and Ethical Standard 3 (Amended)	Jan 2013	Effective on 1 January 2014
Professional and Ethical Standard 1 (Revised)	Jan 2013	Effective on 1 January 2014
Issue ISRE (NZ) 2400 <i>Review of Historical Financial Statements Performed by an Assurance Practitioner who is Not the Auditor of the Entity</i>	Dec 2013	Reviews of financial statements for periods ending on or after 31 December 2014
Issue NZ SRE 2410 <i>Review of Financial Statements Performed by the Independent Auditor of the Entity</i>	Dec 2013	Reviews of financial statements for periods ending on or after 31 December 2014
ISAE (NZ) 3000 (Revised) <i>Assurance Engagements other than Audits or Reviews of Historical Financial Information</i>	August 2014	Effective for assurance engagements beginning on or after 1 January 2015
SAE 3150 <i>Assurance Engagements on Controls</i>	July 2015	Effective for assurance engagements beginning on or after 1 January 2016
Conforming amendments to ISAs (NZ) and other pronouncements (Auditor Reporting)	September 2015	Effective for audits of financial statements for periods ending on or after 15 December 2016
International Standards on Auditing (New Zealand) 800, 805 and 810	September 2016	Effective for audits of financial statements for periods ending on or after 15 December 2016

Table of Amended Paragraphs in XRB Au1

Paragraph affected	How affected	By...[date]
Appendix 4	Amended	Inclusion of ISAE (NZ) 3410 <i>Assurance Engagements on Greenhouse Gas Statements</i> [December 2012]

Appendix 1	Amended	Professional and Ethical Standard 3 (Amended) [Jan 2013]
Appendix 1	Amended	Professional and Ethical Standard 1 (Revised) [Jan 2013]
Appendix 3	Amended	Issue of ISRE (NZ) 2400 and NZ SRE 2410 [Dec 2013]
Appendix 4	Amended	ISAE (NZ) 3000 (Revised) [Aug 2014]
Appendix 4	Amended	Inclusion of SAE 3150 <i>Assurance on Engagements on Controls</i> [July 2015]
Appendix 2	Amended	Conforming amendments to ISAs (NZ) and other pronouncements (Auditor Reporting) [Sept 2015]
Appendix 2	Amended	International Standards on Auditing (New Zealand) 800, 805 and 810 [Sept 2016]

Introduction

Reasons for issuing the Standard

- IN 1 This Standard codifies the standards that assurance practitioners are to apply when conducting an assurance engagement in accordance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board.
- IN 2 The appendices to this Standard list the auditing and assurance standards applicable to different assurance engagements.

Objective

1. The objective of this Standard is to codify the standards that assurance practitioners are to apply when conducting an assurance engagement in accordance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board.

Scope

2. This Standard identifies the auditing and assurance standards that shall be applied when conducting different types of assurance engagements in accordance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board.
3. Standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board may be applied by an assurance practitioner even if there is no statutory requirement to do so. Even when applied voluntarily, all of the applicable standards should be applied to ensure that the assurance engagement is of appropriate quality.

Definitions

4. For the purposes of this Standard the following term has the meaning attributed below:
 - (a) Assurance Practitioner – a person or an organisation, whether in public practice, industry, commerce or the public sector, appointed or engaged to undertake assurance engagements.

Application of Standards

5. Assurance practitioners shall apply the professional and ethical standards listed in Appendix 1 in preparing for and conducting all assurance engagements.
6. Assurance practitioners shall apply International Standards on Auditing (New Zealand) listed in Appendix 2 in conducting audits of historical financial information.
7. Assurance practitioners shall apply Review Engagement Standards listed in Appendix 3 in conducting review engagements.
8. Assurance practitioners shall apply Other Assurance Engagement Standards listed in Appendix 4 in conducting other assurance engagements.
9. Audit Guidance Statements and International Auditing Practice Notes (New Zealand) listed in Appendix 5 are for the guidance of assurance practitioners in relevant circumstances but have no legal status. This non-authoritative material does not impose additional requirements on auditors beyond those included in the International Standards on Auditing (New Zealand), nor do they change the auditor's responsibility to comply with all International Standards on Auditing (New Zealand) relevant to the audit. They provide practical assistance to auditors. Depending on the nature of the topic(s) covered they may assist the auditor in:
 - Obtaining an understanding of the circumstances of the entity, and in making judgements about the identification and assessment of risks of material misstatement;

- Making judgements about how to respond to assessed risks, including judgements about procedures that may be appropriate in the circumstances; or
 - Addressing reporting considerations, including forming an opinion on the financial statements and communicating with those charged with governance.
10. A diagrammatic overview of the auditing and assurance standards and the engagements governed by the standards is included in Appendix 6.

Effective Date

11. This Standard is effective for assurance engagements beginning on or after 1 January 2013.

Professional and Ethical Standards

This appendix is an integral part of the Standard.

This appendix lists the Professional and Ethical Standards to be applied in preparing for and conducting all assurance engagements.

- PES 1 (Revised) Code of Ethics for Assurance Practitioners
- PES 3 (Amended) Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements

Appendix 2

International Standards on Auditing (New Zealand)

This appendix is an integral part of the Standard.

This appendix lists the International Standards on Auditing (New Zealand) to be applied in conducting audits of historical financial information.

ISA (NZ) 200	Overall Objective of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (New Zealand)
ISA (NZ) 210	Agreeing the Terms of Audit Engagements
ISA (NZ) 220	Quality Control for an Audit of Financial Statements
ISA (NZ) 230	Audit Documentation
ISA (NZ) 240	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
ISA (NZ) 250	Consideration of Laws and Regulations in an Audit of Financial Statements
ISA (NZ) 260 (Revised)	Communication with Those Charged with Governance
ISA (NZ) 265	Communicating Deficiencies in Internal Control to those Charged with Governance and Management
ISA (NZ) 300	Planning an Audit of Financial Statements
ISA (NZ) 315 (Revised)	Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment
ISA (NZ) 320	Materiality in Planning and Performing an Audit
ISA (NZ) 330	The Auditor's Responses to Assessed Risks
ISA (NZ) 402	Audit Considerations Relating to an Entity Using a Service Organisation
ISA (NZ) 450	Evaluation of Misstatements Identified During the Audit
ISA (NZ) 500	Audit Evidence
ISA (NZ) 501	Audit Evidence – Specific Considerations for Selected Items
ISA (NZ) 505	External Confirmations
ISA (NZ) 510	Initial Audit Engagements – Opening Balances
ISA (NZ) 520	Analytical Procedures
ISA (NZ) 530	Audit Sampling
ISA (NZ) 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
ISA (NZ) 550	Related Parties
ISA (NZ) 560	Subsequent events
ISA (NZ) 570 (Revised)	Going Concern
ISA (NZ) 580	Written Representations

- ISA (NZ) 600 Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors)
- ISA (NZ) 610 Using the Work of Internal Auditors
(Revised 2013)
- ISA (NZ) 620 Using the Work of an Auditor’s Expert
- ISA (NZ) 700 Forming an Opinion and Reporting on Financial Statements
(Revised)
- ISA (NZ) 701 Communicating Key Audit Matters in the Independent Auditor’s Report
- ISA (NZ) 705 Modifications to the Opinion in the Independent Auditor’s Report
(Revised)
- ISA (NZ) 706 Emphasis of Matter Paragraphs and Other Matters Paragraphs in the Independent Auditor’s Report
(Revised)
- ISA (NZ) 710 Comparative Information – Corresponding Figures and Comparative Financial Statements
- ISA (NZ) 720 The Auditor’s Responsibilities Relating to Other Information
(Revised)
- ISA (NZ) 800 Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
(Revised)
- ISA (NZ) 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
(Revised)
- ISA (NZ) 810 Engagements to Report on Summary Financial Statements
(Revised)

Appendix 3**Review Engagement Standards**

This appendix is an integral part of the Standard.

This appendix lists the Review Engagement Standards to be applied in conducting review engagements.

ISRE (NZ) 2400	Review of Historical Financial Statements Performed by an Assurance Practitioner who is Not the Auditor of the Entity
NZ SRE 2410	Review of Financial Statements Performed by the Independent Auditor of the Entity

Appendix 4**Other Assurance Engagement Standards**

This appendix is an integral part of the Standard.

This appendix lists the Other Engagement Standards to be applied in conducting other assurance engagements.

ISAE (NZ) 3000 (Revised)	Assurance Engagements other than Audits or Review of Historical Financial Information
ISAE (NZ) 3402	Assurance Reports on Controls at a Service Organisation
ISAE (NZ) 3410	Assurance Engagements on Greenhouse Gas Statements
ISAE (NZ) 3420	Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus
SAE 3100	Compliance Engagements
SAE 3150	Assurance Engagements on Controls

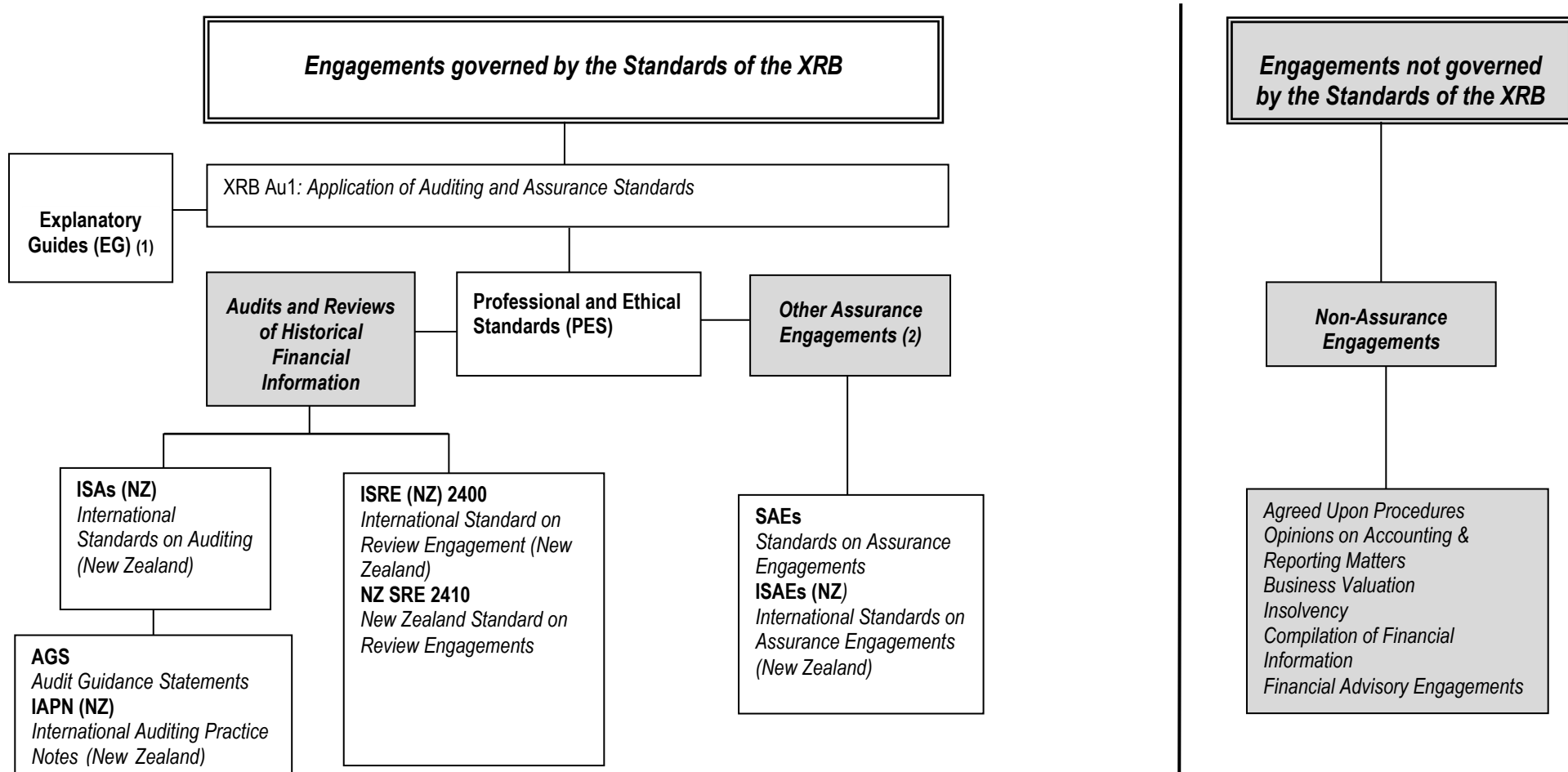
Appendix 5**Audit Guidance Statements and International Auditing Practice Notes
(New Zealand)**

This appendix lists the Audit Guidance Statements and International Auditing Practice Notes (New Zealand) for consideration by assurance practitioners in relevant circumstances. The Audit Guidance Statements and International Auditing Practice Notes provide guidance on interpreting and applying auditing standards and have no legal status. Audit Guidance Statements and International Auditing Practice Notes do not impose additional requirements on auditors beyond those included in the International Standards on Auditing (New Zealand), nor do they change the auditor's responsibility to comply with all International Standards on Auditing (New Zealand) relevant to the audit. Audit Guidance Statements and International Auditing Practice Notes provide practical assistance to auditors.

AGS-1003	Audit Issues Relating to the Electronic Presentation of Financial Reports
IAPN (NZ) 1000	Special Considerations in Auditing Financial Instruments

Appendix 6

Overview of the Auditing and Assurance Standards of the XRB, and the Engagements Governed by the Standards



Note (1): The Explanatory Guides are explanatory documents and have no legal status.

Note (2): The XRB’s legislative mandate is restricted to standards relating for use in assurance engagements required by statute. The Board may also issue standards relating to Other Assurance Engagements where there is no statutory requirement for assurance, provided the Minister of Commerce authorises the XRB to do so.

Basis for Conclusions on XRB Au1

This Basis for Conclusions accompanies, but is not part of, XRB Au1.

Introduction

BC1 This Basis for Conclusions outlines the rationale for the requirements in this Standard.

Auditing and assurance standards

BC2 This Standard is issued to assist assurance practitioners in identifying the relevant auditing and assurance standards to be used in specific circumstances. It was issued to provide a comprehensive list of the auditing and assurance standards that are to be applied by assurance practitioners when conducting an assurance engagement in accordance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board.