

New Zealand Auditing and Assurance Standards Board (NZAuASB)

Minutes of the Meeting of the NZAuASB held at 9:00am on Wednesday, 8 October 2025

- Present:** Graeme Pinfold, Chair
Mike Bradbury, Board Member
Todd Beardsworth, Board Member
Darby Healey, Board Member
Richard Kirkland, Board Member
Doug Niven, Board Member
Rebecca Palmer, Deputy Chair
Vasana Vanpraseuth, Board Member
- In attendance:** Wendy Venter, Chief Executive (Agenda 1-4, 11-15)
Misha Pieters, Director Audit and Assurance
Karen Tipper, Technical Director
Anna Herlender, Project Manager
Lisa Thomas, Senior Project Manager (Agenda 9 and 11)
Bruce Mcniven, Project Manager (Agenda 12-13)
Sharon Walker, Senior Project Manager (Agenda 2, 4, 5 and 6)
Thinus Peyper, Senior Project Manager (Agenda 10)

PUBLIC SESSION – AGENDA ITEM 2

2. BOARD MANAGEMENT

2.1 Action list

The Board NOTED the actions arising from prior meetings.

2.2 NZAuASB Chair Update

The Board RECEIVED a verbal update from the Chair, including on induction, time with the assurance team and upcoming attendance at the October AUASB meeting.

2.3 AUASB Update

The Board RECEIVED a verbal update on Australian developments, including:

- Consideration of the IAASB September topics, noting the progress on the ISRE 2410 project, jointly resourced by the AUASB and XRB and key areas of interest in the developing audit evidence and risk response project, in relation to test of controls
- That the AUAUSB has recently loaded webpages to support implementation of the sustainability assurance requirements including FAQs on the practical implications of using the same or separate lead auditors or audit firms for the financial and sustainability reports
- Good progress on the joint project with XRB on the Audit Implications of the Use of Service Organisations for Investment Management Services intended to be finalised early 2026.

2.4 Chief Executive Update

The Board received a verbal update from the Chief Executive including:

- The recent XRB strategy day focussed on strategy and sustainability reporting/assurance, He Tauira and technology
- Progress of the inquiry on performance reporting with submissions due end of October
- The issue of the XRB's annual report which reflected the good results from the stakeholder survey and preparation for scrutiny week
- Attendance of international meetings (IFRS Foundation, FRC UK, IFAC, Public Standards Setting Forum, IESBA ethics conference) and the developing XRB's international strategy

2.5 IESBA Meeting Highlights and Decisions

The Board NOTED the highlights from the IESBA's June meeting.

2.6 IAASB Report

The Board NOTED the June IAASB meeting report.

2.7 Prioritisation Plan

The Board NOTED the assurance portfolio and DISCUSSED:

- A request to include a summary paper to highlight matters of particular importance to focus the board conversation
- The need to clarify what "at risk" means, and to include commentary that is forward looking about actions or next steps
- Whether the XRB consults on this or forward action plans.

2.8 Meeting plans for 2025/26

The Board NOTED the forward meeting plan and found the additional information helpful.

2.9 Consultation and engagement overview

The Board NOTED the consultation and engagement overview and found the way it is presented helpful.

PUBLIC SESSION – AGENDA ITEM 4 - 12

4. REISSUE OF ISAs (NZ) AND CONFORMING AMENDMENTS

The Board AGREED not to include the definition of "publicly traded entities" in the standards amended by the IAASB internationally and clarified that the rationale is to reflect that FMC with higher levels of public accountability (HLPAs) are appropriate for New Zealand and is consistent with what is permitted in the IAASB's standards.

The Board DISCUSSED the reissue of ISAs (NZ) and expressed a preference that the agreed way forward for naming conventions, i.e., to remove “revised” from titles, be applied retrospectively to all ISAs (NZ) where applicable, not just to the new fraud and going concern standards. The Board considered it useful to have a complete fresh start, and that this approach would make it simpler to communicate to our stakeholders. It was NOTED that this will impact a further 8 ISAs (NZ) and will require additional time and resource. The Board REQUESTED staff to communicate back to the Board if this additional work would defer or delay other priority work.

The Board NOTED that all of the documentation is expected to be updated to reflect the revocation of standards, to replace the language of repeal. The Board EXPLORED how revoking the standards works with the application date and AGREED that this should be further clarified, pending any legal advice.

Subject to changes to:

- In the explanation for decisions made, soften the language “Entities listed on these platforms do not fall under the definition of FMC HLPAs” to recognise that entities listed on platforms such as Unlisted or Catalyst may not, albeit some are, FMC HLPAs and clarify the rationale for the decision relating to FMC HLPAs
- Update the language in the conformity statement that the term publicly traded entity (PTE) has been clarified for New Zealand aligned with local terms
- Update the list of ISAs (NZ) impacted to include the additional standards identified
- Refine the explanation noting agreement to reissue of all of the ISAs (NZ)
- Ensure that references to PTE in application material in the standards are amended in New Zealand as appropriate
- Use the correct legal terminology to revoke the standards as appropriate
- Any further changes to the amending standard to capture name change conventions that impact other standards
- Ensure that our communication is clear that early adoption is not permitted

the Board AGREED to approve the ISAs (NZ) for reissue, together with amending standard, explanation for decision made and signing memorandum by a circular resolution.

5. CONFORMING AMENDMENTS – REVIEW ENGAGEMENTS

The Board DISCUSSED the conforming amendments to the review engagement standards to ensure interoperability with Professional and Ethical Standard 1 including whether the required statement in the auditor’s interim review report should refer to relevant ethical requirements applicable to “audits”, “reviews”, or “audits and reviews”, of certain entities. Given that the independence requirements for audit and review engagements are the same, the Board AGREED to refer to both “audits and reviews” in the requirements. This was considered to be most transparent for users of the auditor’s interim review report.

The Board APPROVED the *Amendments to Review Engagement Standard 2025* subject to further refinement that may be necessary in light of decisions taken in agenda item 4 and editorial correction to paragraph 36(d) of NZ SRE 2410 (Revised) to change “or” to “and”.

The Board APPROVED the signing memorandum subject to updating the section on harmonisation with Australia, noting that the AUASB will discuss this matter at their October meeting.

6. GOING CONCERN

The Board NOTED the minor edits made to the revised going concern standard and reaffirmed APPROVAL subject to completion of consistency checks.

The Board DISCUSSED changes to the signing memorandum, asking staff to refine the timing, application, and gazetting section of the memo. The memorandum was APPROVED subject to the requested update.

AMENDMENTS TO NZ SAE 1

Agenda item deferred.

7. SUSTAINABILITY CONSULTATION

The Board RECEIVED a verbal update of preliminary messages heard from outreach noting that the closing date for submissions was following the October meeting, including:

- indications that all practitioners who are active in the mandatory greenhouse gas regime intend to apply ISSA 5000, *General Requirements for Sustainability Assurance Engagements*, by the applicable date of 15 December 2026.
- a clear preference from practitioners that ISAE (NZ) 3410 should be removed as one of the standards within NZ SAE 1 and that this should be replaced by ISSA (NZ) 5000.
- Questions around the ongoing need for the temporary standard NZ SAE 1 given the indicative support for the new standards.

The Board EXPLORED the timeline for reaching a more permanent decision. Although indicative feedback was that practitioners aspired to move to the new standards, they also indicated that they needed time and support to do so, particularly those with limited support from global networks. The Board DISCUSSED developing timelines to get to the permanent solution.

Next steps will be to analyse all feedback received, and to provide an update to the XRB Board for strategic considerations. Timelines will be reassessed once an analysis has been completed.

8. SERVICE PERFORMANCE INFORMATION

The Board DISCUSSED the feedback from the consultation, NOTING that the NZASB was also discussing the feedback at its October meeting. The Board discussed:

- Challenges in assuring qualitative information and obtaining robust audit evidence to support a reasonable assurance conclusion
- Legal constraints that restrict the ability to move to limited assurance over service performance information
- Whether using copilot to summarise key themes from submissions would be a useful.

In principle the Board SUPPORTED the development of guidance targeting both preparers and auditors as a possible way forward, noting that the NZASB was still to deliberate on feedback.

The Board SUPPORTED the issue of the staff guidance on audit evidence over service performance information subject to inclusion of feedback from stakeholders.

9. TECHNOLOGY

The Board DISCUSSED possible topics for local guidance informed by discussions with auditors from a range of audit firms and other stakeholders, including:

- International guidance exists and is available under the “Support and resources” section of the XRB’s website. However, guidance on emerging technologies is limited. Internationally there is a focus on emerging technology, which explores both standard setting and guidance. The time it takes to amend international standards or issue guidance was highlighted as a challenge in light of how fast technology is moving. E.g., the exposure drafts on audit evidence and risk response are delayed to June 2026 while other projects are still at the information gathering phase.
- No urgent need for guidance has been raised by New Zealand stakeholders.
- Clarity is needed on what we mean by technology i.e. to distinguish between technology that is established in use and emerging technology, namely GenAI and Agentic AI. Any guidance should specify which aspects of technology are in and out of scope.
- Any guidance should be tool agnostic due to the fast-evolving nature and should principles based. The aim of any guidance may be to achieve consistent application of the principles-based requirements of the standards across audit firms and regulators.
- Prioritisation of actions should consider the risk that we are trying to mitigate from a standard setter perspective.
- All stakeholders, including regulators should be involved to achieve a balanced view.
- Additional topics to consider include, the risk of fraudulent documents being produced by the entity; and a trend of using small models rather than large language models.

The Board AGREED that we are in a discovery phase and should continue to actively monitor emerging technologies and have discussions with stakeholders to inform priorities, and remain mindful of the need to reprioritise guidance development if urgent matters arise.

10. UPCOMING POST IMPLEMENTATION REVIEWS

The Board NOTED the upcoming post implementation reviews (PIRs) by:

- IESBA for the restructured Code of Ethics and non-compliance with laws and regulations (NOCLAR) contained within the Code; and
- IAASB for ISA 540 (Revised) *Auditing Accounting Estimates and Related Disclosures*.

The Board NOTED that IESBA will seek feedback at the next Jurisdictional Standard Setting meeting to inform the PIR survey. Public surveys for the PIRs are expected January 2026.

11. MODIFIED AUDIT REPORTS

The Board CONSIDERED the findings of the modified audit reports memorandum. The Board AGREED that there are no implications for the auditing and assurance standards from the modified audit reports received from 1 October 2024 to 30 September 2025. The modifications appear consistent; there are no areas that require further guidance or changes to the auditing and assurance standards.

The Board CONSIDERED the updated modified audit reports policy and memorandum. The Board recommended adding reference to service performance information alongside financial statements in the policy, given modified audit reports may be received from auditors of Public Benefit Entities.

12. **ISA (NZ) FOR LCE**

The Board received an update on the adoption and implementation activities being undertaken, and the IAASB's maintenance plans of the standard.

The next meeting of the Board will be held on 3 December 2025 in Wellington.

The meeting closed at 5 pm.