Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

New Zealand Auditing and Assurance Standards Board (NZAuASB)

Minutes of the Meeting of the NZAuASB held at 9:00am on Wednesday 11 February 2026

Present:	Graeme Pinfold, Chair Rebecca Palmer, Deputy Chair Mike Bradbury, Board Member Todd Beardsworth, Board Member (Agenda items 1-7) Darby Healey, Board Member (Agenda items 1-7 and 9) Richard Kirkland, Board Member Doug Niven, Board Member Vasana Vanpraseuth, Board Member
In attendance:	Misha Pieters, Director Audit and Assurance Lisa Thomas, Senior Project Manager Karen Tipper, Technical Director Anna Herlender, Project Manager (Agenda item 7) Thinus Peyper, Senior Project Manager (Agenda item 4) Becky Lloyd (Agenda item 5) Amelia Sharman, Director Sustainability (Agenda item 5) Greg Schollum (Agenda item 4)
Apologies	Wendy Venter, Chief Executive

AGENDA ITEMS 1 - 12

1. NON-PUBLIC SESSION

2. BOARD MANAGEMENT

2.0 Action list

Reissue of ISAs (NZ) and amending standards

The NZAuASB NOTED that the revocation and reissue of the ISAs (NZ) was complete. The NZAuASB also NOTED that the amending standards had been delayed, pending drafting advice.

The NZAuASB DISCUSSED that four amending standards, approved previously or at this meeting, impact remaining assurance standards. Given delays in finalising the drafting approach, the NZAuASB AGREED that the impacted standards should be revoked and reissued. This approach results in most assurance standards reflecting the refreshed drafting approach.

The NZAuASB NOTED that conforming and editorial changes to the standards had previously been approved. The NZAuASB AGREED to delegate final approval of the revocation and reissue of the impacted standards to the Chair.

Sustainability standards

The NZAuASB DISCUSSED that drafting advice is still outstanding on:

- revocation of the temporary standard to permit early adoption of IESSA (NZ) or ISSA (NZ) 5000[1]
- transitional provisions.

The outstanding advice is delaying the issue of the sustainability standards approved by circular resolution in January 2026. Once this drafting advice is final, the NZAuASB AGREED to delegate final approval of the sustainability standards to the Chair.

Staff guidance on going concern

The NZAuASB DISCUSSED progress in finalising joint staff guidance on going concern. The NZAuASB noted that this is staff guidance and does not require formal approval. Given its importance, the NZAuASB requested that Mike Bradbury and Darby Healey provide a fatal flaw review before it is issued.

The NZAuASB also DISCUSSED the development of a principles-based framework to clarify the process for the issue of guidance materials. Initial views included that guidance should be demand driven, may involve board member input based on risk, should leverage from international sources where possible, and be locally relevant. The NZAuASB emphasised the importance of making guidance easy for stakeholders to understand and to find on the website.

2.1 CHAIR REPORT

The Chair ACKNOWLEDGED the work of the assurance team in leading the secondary legislation project for the XRB and NOTED the XRB Chair and CE's thanks.

2.2 AUASB UPDATE

The AUASB Chair provided an UPDATE on the illustrative Corporations Act sustainability assurance reports issued by the AUASB in January 2026. These illustrations amend the IAASB's illustrative reports considering the specific requirements of the Corporations Act in Australia. There is demand for more guidance as practitioners work through issues relating to voluntary and mandatory assurance, implications of the specific reporting framework and Corporations Act criteria, ethical statements, limited assurance, etc. There is opportunity for ongoing close collaboration between the AUASB and XRB staff, as these new standards are adopted and implemented.

2.3 IESBA DECEMBER MEETING HIGHLIGHTS

The NZAuASB NOTED the IESBA December meeting highlights.

3. NZAuASB WORKPLAN

The NZAuASB NOTED progress made against the 2025/26 workplan, noting that the forward agenda plans and consultation overview is a useful summary.

4. IAASB MEMBER UPDATE

Greg Schollum, IAASB Board member, UPDATED the NZAuASB on:

- His reappointment to the IAASB for a further 3-year term

[1] ISSA (NZ) 5000, *General Requirements for Sustainability Assurance Engagements*

- Possible future governance changes over the international standard setting boards and progress to implement the monitoring group reforms, to reflect the staff led model
- The continued close collaboration between the IESBA and the IAASB is mission critical
- The intersection between the IESBA's firm culture and governance project and the IAASB's ISQM 1 requirements
- Key matters being explored in the audit evidence and risk response project. This includes the possible removal of the requirement to perform substantive procedures on material balances where no risk of material misstatement is identified
- The success of the JSS contribution to assist the IAASB to develop an exposure draft to revise ISRE 2410[2], which is long overdue. It is necessary to ensure that a review engagement performed by the auditor is seen as a separate engagement, informed by requirements in both the auditing and review engagement standards, but remains a unique product.

5. SRB UPDATE

Becky Lloyd, Sustainability Reporting Board Chair and Amelia Sharman, Director Sustainability UPDATED the NZAuASB on key upcoming projects and the intersection with assurance including:

- Developing a Climate Reporting Roadmap informed by feedback from the 2025 request for information. There is a clear desire from stakeholders for international alignment but not to make changes to the requirements too quickly
- Staff guidance to support disclosure of anticipated financial impact
- Learning from pilot testing of He Tauira at both Māori and non Māori entities
- Exploring the need for an amendment to the New Zealand Aotearoa Climate Standards greenhouse gas emission disclosures given the decision by IFRS to exclude certain financed emissions
- Climate reporting practices for entities who are no longer included within the mandatory regime.

6. SUSTAINABILITY ASSURANCE

The NZAuASB CONSIDERED arguments for and against retaining a mandatory requirement for an engagement quality review (EQR) for all mandatory assurance engagements over the Greenhouse Gas (GHG) disclosures. An EQR is required for financial statement audits for the clients that are in the mandatory regime, and the discussion explored whether there needs to be equivalence for the mandatory GHG assurance engagements.

On balance, the NZAuASB AGREED not to include a mandatory requirement for an EQR when NZ SAE 1[3] is revoked. PES 3 already requires an EQR when the firm determines it is an appropriate response to one or more quality risks. The NZAuASB considered this risk-based approach appropriate under the current regime.

[2] ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*
[3] NZ SAE 1, *Assurance Engagements over Greenhouse Gas Emissions Disclosures*

In making this decision, the NZAuASB DISCUSSED:

- The importance of quality of assurance over Greenhouse Gas Disclosures and the existing quality standards applicable
- The importance of international and Trans-Tasman alignment, noting that neither the IAASB, nor the AUASB, require an EQR for sustainability assurance engagements. Stakeholders have reiterated the importance of international and Trans-Tasman alignment in the feedback received
- The EQR requirement in NZ SAE 1 was included before the international sustainability standard was developed and the context has since changed. Firms have since developed methodologies and experience, and they understand the quality risks that would require an EQR as a response when applying the risk-based approach required by PES 3
- That mandating an EQR for mandatory GHG assurance engagements could create confusion and unintended implications and expectation gaps for voluntary engagements. Risks are often in the other disclosures, which may not be subject to mandatory assurance.
- That mandating an EQR may not always add value where the risks associated with the emissions disclosures are not complex when considered by the firm when applying the considerations in PES 3.

7. NARROW SCOPE AMENDMENTS USE OF EXPERTS

The NZAuASB DISCUSSED:

- Early adoption challenges given that the reissued ISA (NZ) 620[4] does not permit early adoption. In practical terms, given the minor nature of the changes, the NZAuASB agreed that permitting or not permitting early adoption of the conforming amendments in ISA (NZ) 620, would not impact practice.
- The revisions to PES 1 relating to the use of an external expert require the assurance practitioner to request the external expert to provide in writing information about financial interests, actual or potential conflicts of interest and any previous engagements with the entity (refer R390.5 and R390.12-R390.17). The conforming amendments to ISA (NZ) 620 referring to the requirements relating to the provision of information in writing from an auditor's expert ensure consistency between ethical requirements and the auditing standards.

The NZAuASB APPROVED the text of the amendments subject to editorial corrections identified. The NZAuASB delegated final approval of the standards to the Chair of the NZAuASB, noting that the amendments would be consolidated into principal standards to be revoked and reissued.

The NZAuASB APPROVED the signing memorandum subject to minor changes.

8. IAASB and IESBA STRATEGY AND WORKPLAN 2028 -2031

The NZAuASB NOTED that the preliminary draft response in the agenda pack was intended to guide the discussion. A further developed response will be brought to the April meeting for

[4] ISA (NZ) 620, *Using the Work of an Auditor's Expert*

approval. The NZAuASB DISCUSSED key matters to explore in the response to the joint IESBA and IAASB workplan and strategy survey including:

- Stressing the importance of close collaboration between the two standard setting boards (SSBs) and encouraging this to continue and to become closer. In addition, the SSBs should continue to collaborate closely with the other standard setting boards, for example the IASB and ISSB
- A focus on engaging users could be beneficial
- The need to be both future focussed, and agile as well as retrospective in their thinking and standard setting in order to be relevant, responsive and impactful. The SSBs may need, strategically, to take on more risk to remain relevant and responsive, and be prepared to lead, not follow. A cautious, overly process driven approach may impact the value they can deliver in an environment that is changing quickly. The SSBs may need to adjust their processes.
- The need to be increasingly 'geopolitically savvy' when global objectives or approaches are at risk of fragmentation
- The greatest disruptor to future standard setting is technology, especially given the speed of change. The speed of standard setting may need to increase to match this speed and increase the requirement for agility of the SSBs
- The importance of balancing of quality, cost and benefit to users when developing or changing a standard so that audit continues to be an economically viable product
- Scalability and proportionality of the standards to be relevant in the New Zealand context
- In broadening perspectives, the indigenous voice was important to consider in standard setting
- A need to reflect on how best to signal where the XRB considers the SSBs should prioritise their limited resources
- Incentives and threats to quality and ethics as structures of the firms evolve.

9. FIRM CULTURE AND GOVERNANCE

The NZAuASB DISCUSSED the IESBA's viewpoints on firm culture and governance, noting that the eight interconnected were logical, aligned with current practice and reinforced the importance of ethical leadership and incentives.

The NZAuASB DISCUSSED that the benefits of a firm culture and governance framework may also be to draw attention to an issue of importance. Many of these ideas are not new, but they are important and encourage self-evaluation and reflection.

The NZAuASB DISCUSSED that firms will want clarity on what, if anything, is required in addition to PES 3/ISQM 1. This applies across the whole firm, not only to assurance engagements.

The NZAuASB also DISCUSSED the lack of clarity around the intended end users of the viewpoints and where the FCG framework may sit, noting that its placement inside or outside the Code would directly affect its authority and accountability. Various views to balance include:

- Incorporation into the Code would elevate its authority but raises questions regarding enforceability. How does one regulate culture? Would it be enforced for the individual or the firm?
- Having a framework outside of the Code may reduce its usefulness. If it were like the principles of corporate governance, who would assess if it is followed? The viewpoints are aspirational, useful as a stand back reflective tool.

10. INTERPRETATION STANDARD

The NZAuASB noted the update on the work underway to update the Explanatory Guide Au4 Glossary of Terms.

11. NON-PUBLIC SESSION

12. CLOSE MEETING

The next meeting of the NZAuASB will be held on 1 April 2026.

The meeting closed at 4:15 pm.