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 8:45am on Wednesday 1 April 2026

Present:	Graeme Pinfold, Chair
	Rebecca Palmer, Deputy Chair (except agenda 10 and 13)
	Mike Bradbury, Board Member
	Darby Healey, Board Member
	Richard Kirkland, Board Member
	Doug Niven, Board Member
	Vasana Vanpraseuth, Board Member (except agenda 10, 12 and 13)
In attendance:	Wendy Venter, Chief Executive (Agenda items 2.3 and 3.1)
	Misha Pieters, Director Audit & Assurance
	Karen Tipper, Technical Director
	Thinus Peyper, Senior Project Manager (Agenda items 4, 5, 7 and 13)
	Amelia Sharman, Director Sustainability (Agenda item 4.8)
	Lisa Thomas, Senior Project Manager (Agenda item 8-9)
	Sharon Walker, Senior Project Manager (Agenda item 11)
	Geoff Connor, Principal Advisor (Agenda item 3.1)
Apologies	Todd Beardsworth, Board Member

AGENDA ITEMS 1 – 15

1. NON-PUBLIC SESSION

2. NON-PUBLIC SESSION

3. NON-PUBLIC SESSION

4. BOARD MANAGEMENT

4.1 Action list

The NZAuASB NOTED that the guidance on going concern is currently being reviewed by the Chief Executive and will soon be shared with Mike and Darby prior to issue.

The NZAuASB NOTED that the revocation and reissue of other assurance standards and review standards is underway and is expected to be completed in April. The NZAuASB also NOTED a change to the approved application date for the reissued review standards: for periods beginning on or after 15 December 2026 (with early adoption permitted), aligned to the international application date. This change reflects delays in finalising the amendments and provides practitioners with more time to adjust templates. It also aligns related amendments to a single application date.

The NZAuASB NOTED that when reissuing NZ AS 1, consistent with prior Board decisions, the "Revised" has been removed from the title. This was tested with a few practitioners before reissue, given the impact on the audit report.

The NZAuASB NOTED that the XRB AU1, *Application of Auditing and Assurance* Standards will go to the XRB Board for approval and reissue. This includes amendments from the issue of the sustainability assurance standards.

4.2 Chair report

The Chair update highlighted the preparation for the upcoming jurisdictional standards setter meeting in April and a focus on prioritisation given the current and planned work plan.

4.3 AUASB Update

The AUASB update covered:

- The planned merger of the governing council and standard setting boards in Australia and possible timelines, which are not yet certain
- Sustainability reporting and assurance. The first reports for the 31 December 2025 year ends are now available from some of the Group 1 climate reporting entities in Australia
- The AUASB is not planning to issue guidance through the current reporting season but may aim to issue further guidance ahead of the June year ends. Guidance on the disconnect between preparer and practitioner materiality considerations is being discussed. Opportunities to work cross Tasman, where appropriate, will continue.

4.4 IAASB report

The NZAuASB NOTED the IAASB March 2026 meeting report.

4.5 PIOB IAASB Public interest issues report

The NZAuASB NOTED the PIOB IAASB Public interest issues report.

4.6 IESBA highlights

The NZAuASB NOTED the IESBA March 2026 highlights.

4.7 PIOB IESBA Public interest issues report

The NZAuASB NOTED the PIOB IESBA Public interest issues report.

4.8 Update on narrow scope amendments to climate reporting standards

Amelia Sharman, Director Sustainability UPDATED the NZAuASB on the developing targeted proposed narrow scope amendments to the climate reporting standards for scope 3 category 15 (investments) greenhouse gas emissions. The rationale is to align with recent international developments as stakeholders have concerns that NZ CS 1 is now more onerous than IFRS S2.

5. NZAuASB WORK PLAN

The NZAuASB DISCUSSED a matter raised at the Audit Assistant conference related to the use of the less complex auditing standard and restrictions on reliance on SOC 1 or 2 reports as audit evidence. Staff continue to explore this matter and will update the Board at the next meeting.

The NZAuASB also DISCUSSED the need for clearer processes for staff guidance and post-implementation reviews. The discussion noted that guidance can take different forms and does not need to be written staff guidance. Webinars, events, and communities of practice can also support implementation. The NZAuASB NOTED that a cross-XRB team is developing a framework for written staff guidance, which will be shared in due course.

The NZAuASB DISCUSSED and APPROVED the 2026/27 workplan.

The NZAuASB NOTED the progress against the 2025/26 workplan. Going forward, the completed actions will be presented separately.

The NZAuASB NOTED the forward agenda plan and the forward consultation plan.

6. IAASB / IESBA STRATEGY SURVEY

The NZAuASB DISCUSSED changes to be made to the draft submission, including:

- Explore how to group responses under the themes of relevance, responsive and impactful
- Emphasize concerns around complexity and length of standards. There is opportunity for the standard setting boards (SSBs) to reflect on how standards are written and clearly articulate why changes are needed, and why auditors are required to do something
- Acknowledge that AI is already impacting recruitment. Caution against over inflating the implications of emerging technology for the standards. Encouragement to emphasise the positive impacts of AI in improving audit quality, while re-emphasising audit principles and improving consistency
- The need for collaboration with the IASB to consider accounting for digital assets and assurance thereof in a joined-up manner. Adjust references from “tradability” to “liquidity”.
- The need to clarify the auditor’s responsibility in relation to non-compliance with laws and regulations for financial crimes enabled by technology
- In terms of the changing regulatory landscape, a need to highlight and emphasise the SSBs role to influence the auditor regulation environment
- Encourage the SSBs to mitigate the risk of fragmentation, given their role in influencing and connecting jurisdictions through aligned international standards. Highlight that deregulation may increase costs to the end user
- Further emphasis throughout the response on the importance of requirements being scalable and that the cost and benefits of a standard setting solution should considered throughout the process
- Emphasis on the ethical and cultural implications of different ownership structures rather than only on independence
- Link the talent trend to the length and complexity of the standards. How standards are written, plays a role in retention of senior staff. Remove references to new skillset being needed in the future as this is already happening
- Remove references to experts and service organisations from the increased involvement of non-professional accountants and focus on the changing environment
- Emphasize that the ethical and independence requirements are complex and challenging and require specific expertise to interpret
- Adjust the ranking of trends, showing that regulatory changes are expected to be more important than the challenges in attracting and retaining talent.

The NZAuASB APPROVED the response to the joint IAASB / IESBA Strategy Survey, subject to the amendments noted, or further information from outreach and delegated sign-off to the Chair.

7. EG AU8 UPDATE

The NZAuASB NOTED an update on the progress made and the reasons for a delay in revising EG Au8. A key reason for the delay is the need to further clarify and refine the control objectives per type of service, informed by outreach.

Separate outreach also indicated a need for guidance on auditing the valuation of unlisted investments. The NZAuASB DISCUSSED whether to include this matter in EG Au8, noting it could delay reissue by up to six months. The NZAuASB cautioned against delaying the project for matters outside the approved project plan, unless there is a strong rationale. The discussion highlighted that:

- Audit procedures related to the fair value of unlisted investments are mostly substantive in nature. EG Au8 generally deals with internal controls expected at a service organisation for the types of services outsourced by a managed investment scheme.
- Controls over the outsourced valuation function forms a minor part of the expected controls.

The NZAuASB DISCUSSED whether the valuation matter may be better dealt with in separate guidance, possibly in a frequently asked questions format. The NZAuASB also highlighted the need to engage with regulators (including FMA) to understand their views.

The NZAuASB RECOMMENDED that the project team reflect on the Board's feedback, discuss the feedback with the PAG and with the AUASB at its 15 April 2026 meeting to inform next steps.

The NZAuASB also DISCUSSED:

- The complexity of the EG Au8 update noting that the guidance:
    - covers the user auditor
    - covers the service auditor
    - is used by preparers as the control objectives (per type of service) serve as a framework to design and implement their control activities.

  An option to enhance the dense and lengthy document could be to separate guidance for different audiences (e.g., user auditor; service auditor; preparer-facing information on relevant control types) or to cater for different circumstances that the auditor may face.
- A need to engage with preparers on the revised control objectives and to allow sufficient lead time for any change.

8. POST IMPLEMENTATION REVIEW ISA (NZ) 540

The NZAuASB DISCUSSED preliminary views to inform the development of a response to the IAASB post implementation review survey for ISA 540 including:

- The determination of when it is necessary to engage an expert
- The scalability of the standard and the challenge in understanding what level of detail is required when applying requirements to smaller entities and/or to less complex estimates for larger entities
- The challenge in evaluating estimates when clients only obtain valuations every other year (as an example), and the importance of considering both corroborative and contradictory evidence particularly in volatile environments

- That the time and effort required to perform retrospective reviews is significant
- The need for professional judgement and the challenges of using an expert when evaluating a tolerable range with high levels of uncertainty.
- How an entity's controls, processes and governance over models used, may assist the auditor in auditing management estimates.

The NZAuASB DISCUSSED the outreach plan and emphasised a need to seek regulator views. The NZAuASB will be asked to approve the response at its June 2026 meeting.

9. RESTRUCTURED CODE AND NON-COMPLIANCE WITH LAWS AND REGULATIONS (NOCLAR)

The NZAuASB DISCUSSED preliminary views to inform the development of a response to the IESBA's expected post implementation review survey on the restructured code, including:

- The Code has become too long which acts as a barrier to accessibility and understandability
- Few will refer to the Code. Practitioners rely on firms' methodology. There are only a few with expertise to understand the Code and all its requirements
- The office of the Auditor-General has a 6-page code, with separate guidance.

The NZAuASB generally AGREED with a light touch approach to stakeholder engagement on the restructured Code.

The NZAuASB also DISCUSSED preliminary views to inform the development of a response to the IESBA's expected post implementation review survey on NOCLAR, including:

- Uncertainty about what is considered "inconsequential". Auditors spend significant time on NOCLAR, with concern that this may go beyond the intent of an audit of financial statements
- The increase in expectations on auditors for NOCLAR, and that the provisions should contemplate other parties' roles in NOCLAR
- That the provisions should not duplicate existing legislative responsibilities for NOCLAR to be reported.

10. JURISDICTIONAL STANDARDS SETTERS MEETING

The NZAuASB DISCUSSED matters to inform participation at the upcoming jurisdictional standards setters meeting including:

- Post-implementation reviews (PIRs) can be narrowly scoped, with targeted questions focused on whether a revision met its purpose. The SSBs are encouraged to also ask open-ended questions so stakeholders can provide broader feedback on whether a standard remains fit for purpose. Objectives set years earlier may no longer be relevant if the context has changed.
- ISA 315 is a complex standard, and it is timely for a PIR to commence
- An increasing trend for assurance over AI and AI governance.

The NZAuASB NOTED the response to the Part 4B request for information.

11. 2410 INTERIM REVIEW ENGAGEMENTS

The NZAuASB:

- AGREED to issue a New Zealand consultation document together with the international exposure draft and explanatory memorandum
- REQUESTED that the consultation document include a section addressing the change for New Zealand, given that the XRB has issued a domestic standard on interim review engagements and therefore is coming from a different starting point than the proposed international standard
- REQUESTED that considering the XRB's strategic decision to adopt international standards that questions on costs and benefits be reframed to focus on compelling reason changes that stakeholders may have.

The NZAuASB delegated authority to the Mike Bradbury to approve the final consultation document.

12. SUSTAINABILITY ASSURANCE

The NZAuASB NOTED the proposed plan for adoption and implementation support.

13. TECHNOLOGY

The NZAuASB NOTED the technology catalogue and plans by the IAASB to develop guidance.

The NZAuASB DISCUSSED the planned guidance and expressed the following views:

- The development should not take so long that it is outdated by the time it is issued.
- The process should remain agile to adapt to technological developments as they occur.

The NZAuASB DISCUSSED that the catalogue:

- Is comprehensive, but a large proportion of topics were prioritised as "high", making it difficult to distinguish relative priority.
- Could be narrowed by removing topics that may be less relevant in practice (e.g., continuous auditing given the absence of continuous financial reporting).
- Could provide an improved linkage between technology topics and practical use cases, which might help with prioritisation.

14. NON-PUBLIC SESSION

15. CLOSE MEETING

The next meeting of the NZAuASB will be held in Auckland on 10 June 2026.

The meeting closed at 4:30 pm.