



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

Update from the NZAuASB

June 2021





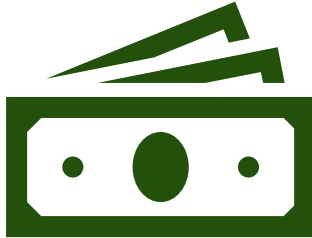
Ethics projects of the NZAuASB

- Non-assurance services
- Fees
- Public interest entity (PIE) definition

NZ Non-assurance services ED (under development)

- Hybrid of “permitted services” and “black list” approach to strengthen the IESBA standard
 - Guidance emphasising heightened expectations regarding the firm’s independence when determining whether to accept a NAS engagement for a PIE.
 - Guidance that additional work performed by the firm will ordinarily not create threats to independence when such work is assurance-related; with examples.
 - Expressly prohibit the provision of tax advisory and tax planning services to an audit or review client that is a PIE.
- Considering expanded prohibition on other tax services

Fees



Propose to adopt IESBA fees standard
without change when finalise NAS



NZASB working to revise disclosure of
audit fees (with AASB)

Public interest entity definition

- NZAuASB supportive of IESBA proposals
- NZ PIE definition already includes FMC reporting entities with higher public accountability (includes large public sector and large charities)
- Mixed views on proposal to disclose whether the PIE requirements have been applied, and if so how

Public Interest Oversight Board update

- MG reforms: transition to new regime (including PIOB responsibility for SSB nominations and SSB governance, and broader stakeholder base for PIOB membership); implementation subject to funding
- Public interest issues list:
 - now public; consulted with IESBA chair
 - strong emphasis on technology project, PIE definition, tax planning; some concern about benchmarking project
- PIOB transparency – observation reports, annual public report



16th
PUBLIC
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FOLLOW THE WAY



PIOB
Enhancing Public Interest



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Questions?

