

Proposed Amendments to Auditing Standards: Public Interest Entities

Feedback Forum

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Agenda

- Welcome
- Understanding who's here
- Project background
- NZ proposals and impact – your views

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Understanding who's here

Polling questions

Q1. Which category best reflects your interests?

- Preparer
- Governance
- Auditor
- Other

Q2. Which sector best applies to you?

- For profit
- Not-for-profit
- Public sector

Q3. Which reporting tier best applies to you?

- Tier 1
- Tier 2
- Tier 3 or 4

Q4. Do you audit FMC reporting entities considered to have a higher level of public accountability?

- Yes
- No

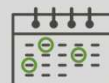
Q5. Do you audit tier 1 public sector or not for profit reporting entities?

- Yes
- No

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Public interest entity amendments



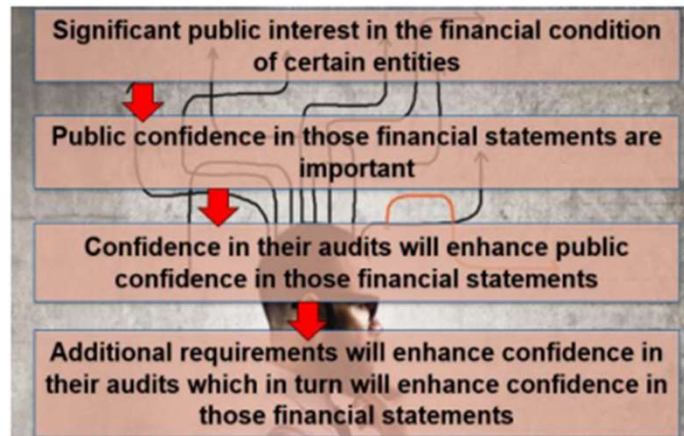
[Public Interest Entity Amendments to ISAs \(NZ\)](#)

Closes 4 June

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Public interest entity



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Public interest entity defined

“Top down” – global

- (a) a publicly traded entity;
- (b) an entity one of whose main functions is to take deposits from the public;
- (c) an entity one of whose main functions is to provide insurance to the public; or
- (d) An entity, specified as such by law or regulation

“Bottom up” – jurisdictional

- (a) Law, regulation or professional standards may add categories of PIEs
- (b) Firm may determine that it is appropriate to treat other entities as PIEs

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Public interest entity in NZ



Tier 1 reporting entities

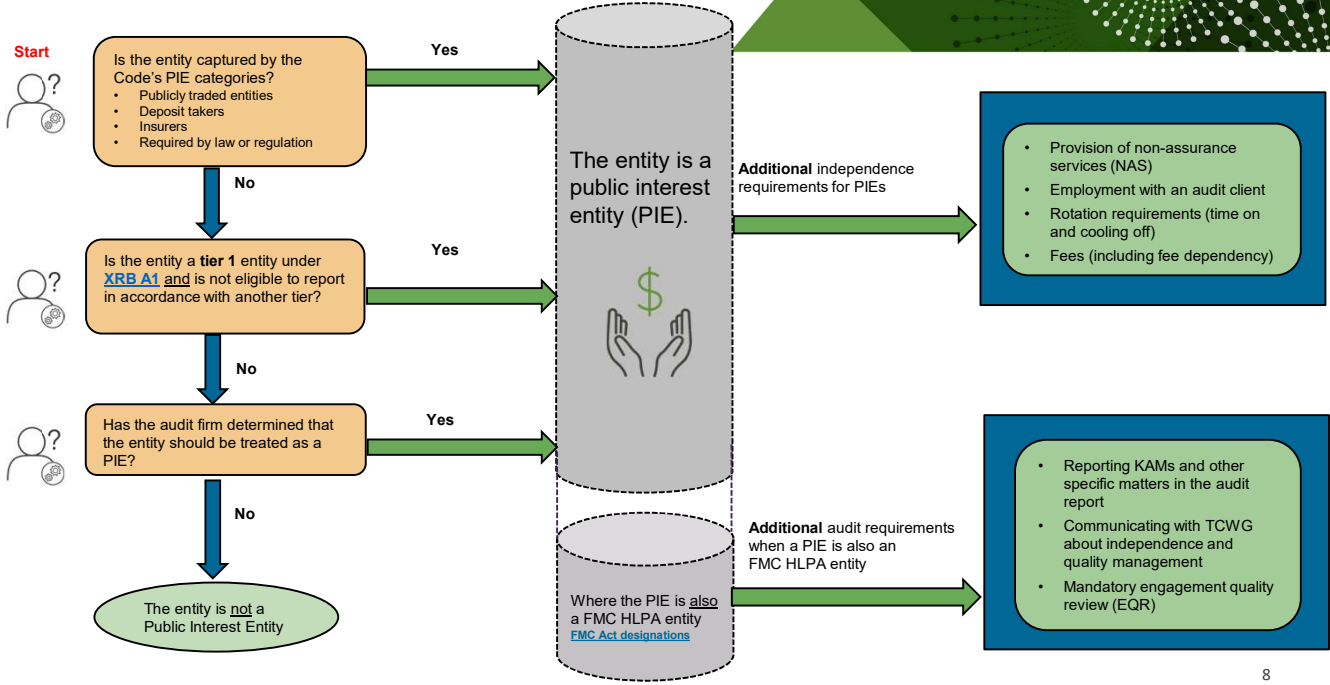
FMC with higher public accountability

Large public sector (total expenses >\$33m)

Large charities (total expenses >\$33m)

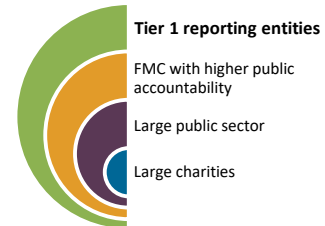
- listed issuers
- registered banks
- licensed insurers
- credit unions
- building societies
- issuers of equity or debt securities
- managers of registered schemes

Flow Diagram – Requirements for Public Interest Entities (PIEs) versus FMC Entities with a Higher Level of Public Accountability (FMC HPLA)



Public interest entity

Q6. Do you agree that same definition of PIE should be used for the auditing standards and the professional and ethical standards?



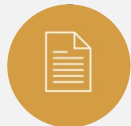
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Differential requirements



Engagement quality review



Key audit matters



Communications with governance

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Mandatory EQR for PIEs

Q7. Do you agree that mandatory engagement quality review is an appropriate response for audits of public interest entities?

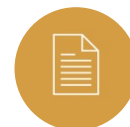


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Reporting Key Audit Matters

Q8. Do you agree with reporting of key audit matters for audits of public interest entities?



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Communications with governance

Q9. Do you agree with expanding the required communications to those charged with governance to public interest entities?



Questions

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