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From: Laura Addinall <Laura@laca.net.nz>
Sent: Wednesday, 10 May 2017 11:21 a.m.
To: submissions
Subject: Auditor Rotation

Hi there

Re ED NZAuASB 2017-1 Proposed Amendments to PES 1 (Revised) Provisions Addressing the Long Association of Personnel with an Assurance Client:

Para 290.168 might have eluded to my query...nevertheless I have the following comment/concern:

I could not find reference in the ED regarding assurance engagements for PBEs (especially Tier 3 and 4; and lower spectrum Tier 2s). For these entities there are a limited number of “one-man” audit practices (that charge at a rate these charities can afford) to facilitate the auditor rotation. A proposal to mitigate the risk associated with “Long Association of Personnel” for the above-mentioned clients, would be to require Peer Review after the 7 cumulative years of engagement, in lieu of the “cooling off” period.

With thanks

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