

EXPLANATORY GUIDE Au11

New Zealand context for the Non-Authoritative Guidance on Applying ISAE (NZ) 3000 (Revised) to Extended External Reporting (EER) Assurance Engagements

This Explanatory Guide issued by the New Zealand Auditing and Assurance Standards Board (NZAuASB) provides the New Zealand context for the non-authoritative guidance published by the International Auditing and Assurance Standards Board (IAASB) in 2021. The IAASB prepared the guidance in response to a global consultation process, which identified ten key stakeholder-identified challenges commonly encountered in EER assurance engagements when applying ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

The NZAuASB decided to publish the guidance in New Zealand, without amendment or adaption. This will achieve maximum exposure for the guidance and promote the voluntary use of assurance on EER reports.

The non-authoritative EER assurance guidance together with:

- the Credibility and Trust Model Relating to EER; and
- the Illustrative Examples of Selected Aspects of EER Assurance Engagements,

provide a comprehensive package of information to promote consistent, high-quality application of the assurance standard ISAE (NZ) 3000 (Revised) to EER assurance engagements. Together with ISAE(NZ) 3000 (Revised), ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements*, and NZ AS 1 (Revised) *The Audit of Service Performance Information*, the guidance forms a strong package that will help enhance confidence in EER assurance reports.

References

References within the guidance are to the international standards issued by the IAASB, not to the XRB's assurance standards. The international references have not been updated to the New Zealand equivalents within the body of the guidance as the text is non-authoritative and the paragraph references are the same.

The New Zealand equivalent standards to refer to when reading the guidance are as follows:

International Standard	New Zealand standard to refer to
ISAE 3000 (Revised)	ISAE (NZ) 3000 (Revised)
ISAE 3410	ISAE (NZ) 3410
ISQC 1/ISQM 1	PES 3 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements
International Code of Ethics for Professional Accountants <i>(Including International Independence Standards)</i>	PES 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)
ISA	ISA (NZ)
ISA 315 (Revised 2019)	ISA (NZ) 315 (Revised 2019)

New Zealand defined terms

The table below summarises the terms to substitute from ISAE (NZ) 3000 (Revised):

Term in the guidance	Substitute the New Zealand defined term	Comment
Practitioner	Assurance practitioner	The guidance is expected to be helpful for anyone engaged to perform an EER assurance engagement in accordance with the assurance standards issued by the XRB, not only professional accountants.
Practitioner's expert	Assurance practitioner's expert	
Engagement partner	Lead assurance partner	To clarify that the application of the standard is not limited to assurance practitioners in traditional audit firms

New Zealand additional requirements

ISAE (NZ) 3000 (Revised) includes the following additional requirements which are not covered by the guidance:

- NZ33.1 The lead assurance practitioner shall form a conclusion on compliance with independence requirements that apply to the engagement.
- Within the assurance report, NZ69.1 requires that the assurance report include a statement as to the existence of any relationship (other than that of assurance practitioner) which the assurance practitioner has with, or any interests in the entity or its subsidiaries.

The New Zealand standards conform with the international equivalent standards. Any New Zealand additional requirements to the international equivalent are summarized in the Conformity to International Standards at the end of each standard.

Audit of service performance information

In New Zealand, auditors are required to apply NZ AS 1 (Revised) *The Audit of Service Performance Information* when engaged to audit a general purpose financial report that includes service performance information. The EER guidance is developed for practitioners applying ISAE 3000 (Revised) and does not refer to NZ AS 1 (Revised). However, the challenges identified and addressed by the guidance are the same challenges that auditors encounter when auditing service performance information. Auditors of service performance information are therefore encouraged to refer to the guidance when meeting the requirements of NZ AS 1 (Revised).

However, in the event of any inconsistency between the application material in NZ AS 1 (Revised) and this Explanatory Guide, the former will prevail.