



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

CONFORMING AND CONSEQUENTIAL AMENDMENTS TO OTHER STANDARDS AS A RESULT OF THE NEW AND REVISED QUALITY MANAGEMENT STANDARDS

This Standard was issued on 5 May 2022 by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board pursuant to section 12(b) of the Financial Reporting Act 2013.

This Standard is secondary legislation for the purposes of the Legislation Act 2019, and pursuant to section 27(1) of the Financial Reporting Act 2013 takes effect on 2 June 2022.

An auditor that is required to apply this Standard is required to apply the Standard in accordance with the effective date which is set out in Part C.

In finalising this Standard, the New Zealand Auditing and Assurance Standards Board has carried out appropriate consultation in accordance with section 22(1) of the Financial Reporting Act 2013.

This Standard has been issued to reflect the conforming and consequential amendments necessary as a result of the new and revised quality management standards.

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C: EFFECTIVE DATE

Note: The footnote numbers and some paragraphs numbers within these amendments do not align with the actual footnote and paragraph numbers of the standards that will be amended, and reference should be made to those compiled standards.

A: INTRODUCTION

This Standard contains conforming and consequential amendments to other standards as a result of the new and revised quality management standards. A tabular presentation format has been used to show the conforming and consequential amendments to the standards. Underline and strikethrough are used to indicate proposed changes.

These conforming and consequential amendments affect the following standards and are arranged in the following manner:

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B: CONFORMING AND CONSEQUENTIAL AMENDMENTS TO OTHER STANDARDS AS A RESULT OF THE NEW AND REVISED QUALITY MANAGEMENT STANDARDS

Ref.	Conforming and Consequential Amendments to the Standards
ISRE (NZ) 2400	Review of Historical Financial Statements Performed by an Assurance Practitioner who is Not the Auditor of the Entity
ISRE (NZ) 2400, under Contents	Engagement Level Quality Control <u>Management</u>
ISRE (NZ) 2400, paragraph 4	<p>Introduction</p> <p><i>Relationship with Professional and Ethical Standard 3 (Amended)</i>²</p> <p>The system of Quality control<u>Quality control management systems</u>, and policies and <u>or</u> procedures are the responsibility of the firm. Professional and Ethical Standard 3 (Amended) applies to firms of assurance practitioners in respect of a firm’s engagements to review financial statements.³ The provisions of this ISRE (NZ) regarding quality control<u>quality control management</u> at the level of individual review engagements are premised on the basis that the firm is subject to Professional and Ethical Standard 3 (Amended) or requirements that are at least as demanding. (Ref: Para. A3–A5)</p> <p>² Professional and Ethical Standard 3 (Amended), <i>Quality Control<u>Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance <u>or Related Services</u> Engagements</u></i></p> <p>³ Professional and Ethical Standard 3 (Amended), paragraph 45</p>
ISRE (NZ) 2400, paragraph 17(i)	<p><i>Relevant ethical requirements – Principles of professional ethics and e<u>Ethical requirements that are applicable to which assurance practitioners the engagement team is subject to when undertaking reviews of financial statements engagements, which. Relevant ethical requirements</u> ordinarily comprise the provisions of Professional and Ethical Standard 1, <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i>; related to a<u>reviews</u> of financial statements, together with national requirements that are more restrictive.</i></p>
ISRE (NZ) 2400, paragraph 24	<p>Requirements</p> <p>Engagement Level Quality Control<u>Management</u></p> <p>The engagement partner shall possess<u>have</u> competence in assurance skills and techniques, and competence in financial reporting, <u>and capabilities, including having sufficient time</u>, appropriate to the engagement circumstances. (Ref: Para. A26)</p>
ISRE (NZ) 2400, paragraph 25	The engagement partner shall take <u>overall</u> responsibility for: (Ref: Para. A27–A30)

Ref.	Conforming and Consequential Amendments to the Standards
ISRE (NZ) 2400, paragraph 25 (a)	(a) The overall <u>Managing and achieving quality of</u> on each review engagement to which that partner is assigned <u>and being sufficiently and appropriately involved throughout the engagement;</u>
ISRE (NZ) 2400, paragraph 25	(b) The direction, supervision, planning and performance of the review engagement in compliance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board and applicable legal and regulatory requirements; (Ref: Para. A31)
ISRE (NZ) 2400, paragraph 25	(c) The assurance practitioner's report being appropriate in the circumstances; and
ISRE (NZ) 2400, paragraph 25	(d) The engagement being performed in accordance with the firm's quality control <u>management policies or procedures</u> , including the following:
ISRE (NZ) 2400, paragraph 25	(i) Being satisfied that appropriate procedures regarding the <u>firm's policies or procedures for the acceptance and continuance of client relationships and review</u> engagements have been followed, and that conclusions reached are appropriate, including considering whether there is information that would lead the engagement partner to conclude that management lacks integrity; (Ref: Para. A32–A33)
ISRE (NZ) 2400, paragraph 25	(iA) <u>Determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement.</u>
ISRE (NZ) 2400, paragraph 25	(ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities, including <u>having sufficient time, as well as assurance skills and techniques and expertise in financial reporting, to:</u>
ISRE (NZ) 2400, paragraph 25	a. Perform the review engagement in accordance with professional standards and applicable legal and regulatory requirements; and
ISRE (NZ) 2400, paragraph 25	b. Enable a report that is appropriate in the circumstances to be issued; and
ISRE (NZ) 2400, paragraph 25	(iii) Taking responsibility for appropriate engagement documentation being maintained; <u>and</u> (iv) <u>When an engagement quality review is required in accordance with ISQM 1 or the firm's policies or procedures, not dating the report until the completion of the engagement quality review.</u> ^{5A}

^{5A}Professional and Ethical Standard 4, *Engagement Quality Reviews*

Ref.	Conforming and Consequential Amendments to the Standards
ISRE (NZ) 2400, paragraph NZ25.1	<p><i>Reviewing Work Performed</i></p> <p>The engagement partner shall take <u>overall</u> responsibility for reviewing the engagement team’s work in accordance with the firm’s policies andor procedures for review engagements. (Ref: Para. NZA33.1-NZA33.5)</p>
ISRE (NZ) 2400, paragraph NZ25.2	<p><i>Consultation</i></p> <p>The engagement partner shall:</p> <p>(a) Take <u>overall</u> responsibility for the engagement team undertaking appropriate consultation on difficult or contentious matters;</p> <p>...</p>
ISRE (NZ) 2400, paragraph 27	<p><i>Compliance with Relevant Ethical Requirements</i></p> <p>Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the engagement partner’s attention through the firm’s system of quality <u>management control</u> or otherwise that indicate that members of the engagement team have breached relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.</p>
ISRE (NZ) 2400, paragraph NZ27.1	<p><i>Independence</i></p> <p>The engagement partner shall form a conclusion on compliance with independence requirements that apply to the engagement. In doing so, the engagement partner shall: (Ref: Para. NZA33.9)</p> <p>...</p> <p>(b) Evaluate information on identified breaches, if any, of the firm’s independence policies andor procedures to determine whether they create a threat to independence for the review engagement; and</p> <p>...</p>
ISRE (NZ) 2400, paragraph 28	<p><i>Monitoring and Remediation</i></p> <p>An effective firm’s system of quality <u>management control</u> for a firm includes <u>establishing</u> a monitoring and remediation process designed to provide the firm with reasonable assurance that the firm’s policies and procedures relating to the system of quality control are relevant, adequate and operate effectively.</p> <p>(a) <u>Provide the firm with relevant, reliable and timely information about the design, implementation and operation of the system of quality management.</u></p> <p>(b) <u>Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated by the firm on a timely basis.</u></p> <p>The engagement partner shall consider the <u>information from</u>results of the firm’s monitoring and remediation process, as <u>communicated</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>evidenced in the latest information circulated by the firm and, if applicable, other network firms, and whether deficiencies noted in the <u>at</u> information may affect the review engagement.</p>
<p>ISRE (NZ) 2400, paragraph 94</p>	<p>Documentation</p> <p>...</p> <p>In documenting the nature, timing and extent of procedures performed as required in this ISRE (NZ), the assurance practitioner shall record:</p> <ul style="list-style-type: none"> (a) Who performed the work and the date such work was completed; and (b) Who reviewed the work performed for the purpose of quality control <u>management</u> for the engagement, and the date and extent of the review.
<p>ISRE (NZ) 2400, paragraph A3</p>	<p>Application and Other Explanatory Material</p> <p>Scope of this ISRE (NZ) (Ref: Para. 1–2)</p> <p>...</p> <p><i>Relationship with Professional and Ethical Standard 3 (Amended)</i> (Ref: Para. 4)</p> <p>Professional and Ethical Standard 3 (Amended) deals with <u>the firm’s responsibilities to establish and maintain its design, implement and operate a system of quality control <u>management</u> for assurance engagements including review engagements.^{5B} ISQM 1 also deals with the firm’s responsibility to establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews.^{5C} ISQM 2 deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.^{5D}</u></p> <p>Those responsibilities are directed at establishing the firm’s:</p> <ul style="list-style-type: none"> ● Quality control system; and ● Related policies designed to achieve the objective of the quality control system and the firm’s procedures to implement and monitor compliance with those policies, including policies and procedures that address each of the following elements: <ul style="list-style-type: none"> ○ Leadership responsibilities for quality within the firm. ○ Relevant ethical requirements. ○ Acceptance and continuance of client relationships and specific engagements. ○ Human resources ○ Engagement performance. ○ Monitoring. <p><u>A system of quality management addresses the following eight components:^{5E}</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>(a) <u>The firm’s risk assessment process;</u> (b) <u>Governance and leadership;</u> (c) <u>Relevant ethical requirements;</u> (d) <u>Acceptance and continuance of client relationships and specific engagements;</u> (e) <u>Engagement performance;</u> (f) <u>Resources;</u> (g) <u>Information and communication; and</u> (h) <u>The monitoring and remediation process.</u></p> <p><u>Firms or national requirements may use different terminology or frameworks to describe the components of the system of quality management.</u></p> <p>^{5B} ISQM 1, paragraph 1 ^{5C} ISQM 1, paragraph 2(a) ^{5D} ISQM 1, paragraph 2(b) ^{5E} ISQM 1, paragraph 6</p>
ISRE (NZ) 2400, paragraph A4	<p>Under Professional and Ethical Standard 3 (Amended), the <u>objective of the firm has an obligation to establish and maintain</u> <u>is to design, implement and operate a system of quality control management for assurance engagements, including reviews of financial statements, that to provides the firm with reasonable assurance that:</u></p> <p>(a) <u>The firm and its personnel comply fulfil their responsibilities in accordance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and</u></p> <p>(b) <u>Reports</u><u>Engagement reports</u> issued by the firm or engagement partners are appropriate in the circumstances.⁷</p> <p>⁷ Professional and Ethical Standard 3 (Amended), paragraph 1114</p>
ISRE (NZ) 2400, paragraph NZA5.1	<p>Professional and Ethical Standard 3 (Amended) contains requirements which are at least as demanding as its international equivalent, ISQEM 1 <u>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</u>⁸, as it addresses <u>all the elements referred to in</u> requirements of ISQEM 1 and imposes obligations on the firm that achieves the <u>aims of the requirements set out in</u> objective of ISQEM 1.</p>
ISRE (NZ) 2400, paragraph A27	<p>Within the context of the firm’s system of quality <u>control management</u>, engagement teams have a responsibility to implement <u>quality control</u> <u>the firm’s policies or procedures</u> applicable to the engagement, and <u>provide</u> <u>communicate to the firm with relevant information to enable the functioning of that part of</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p><u>arising from the review engagement that is required to be communicated by the firm's policies or procedures to support the firm's system of quality management control relating to independence.</u></p>
<p>ISRE (NZ) 2400, paragraph A28</p>	<p>The actions of the engagement partner and appropriate messages to the other members of the engagement team, in the context of the engagement partner taking <u>overall</u> responsibility for the overall <u>managing and achieving quality</u> on each review engagement, emphasize the fact that quality is essential in performing a review engagement; and the importance to the quality of the review engagement of:</p> <ul style="list-style-type: none"> (a) Performing work that complies with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board and regulatory and legal requirements. (b) <u>Complying with the firm's quality control management policies and/or procedures</u> as applicable. (c) Issuing a report for the engagement that is appropriate in the circumstances. (d) The engagement team's ability to raise concerns without fear of reprisals.
<p>ISRE (NZ) 2400, paragraph A29</p>	<p>Unless information provided by the firm or other parties suggests otherwise <u>Ordinarily, the engagement team is entitled to rely</u> may depend <u>on the firm's system of quality control management unless:</u></p> <ul style="list-style-type: none"> • <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely <u>depend</u> on the firm's system of quality control <u>management</u> in relation to:</p> <ul style="list-style-type: none"> • <u>Competence and capabilities</u> of personnel through their recruitment and formal training. • Independence through the accumulation and communication of relevant independence information. • Maintenance of client relationships through <u>the firm's policies or procedures for acceptance and continuance of client relationships and specific review engagements systems.</u> • Adherence to regulatory and legal requirements through the <u>firm's monitoring and remediation</u> process. <p>In considering deficiencies^{7A} identified in the firm's system of quality control <u>management</u> that may affect the review engagement,</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>the engagement partner may consider measures <u>the remedial actions taken</u> undertaken by the firm to rectify <u>address</u> those deficiencies.</p> <p>^{7A} Professional and Ethical Standard 3, paragraph 16(a)</p>
ISRE (NZ) 2400, paragraph A30	<p>A30. A deficiency in the firm’s system of quality control <u>management</u> does not necessarily indicate that a review engagement was not performed in accordance with standards issued by the External Reporting Board or the New Zealand Auditing and Assurance Standards Board and applicable legal and regulatory requirements, or that the assurance practitioner’s report was not appropriate.</p>
ISRE (NZ) 2400, paragraph A31	<p><i>Assignment of Engagement Teams</i> (Ref: Para. 25(b))</p> <p>When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner may take into consideration such matters as the team’s:</p> <p>...</p> <ul style="list-style-type: none"> • Understanding of the firm’s quality management control policies and <u>Understanding of the firm’s quality management control</u> and <u>procedures.</u>
ISRE 2400, paragraph A32	<p><i>Acceptance and Continuance of Client Relationships and Review Engagements</i> (Ref: Para. 25(d)(i))</p> <p>Professional and Ethical Standard 3 (Amended)^{7B} requires the firm to <u>establish quality objectives that address the acceptance and continuance of client relationships and specify review engagements.</u></p> <p>obtain information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client.</p> <p>Information that assists the engagement partner in determining whether <u>the firm’s policies or procedures for the acceptance and continuance of client relationships and review engagements have been followed, and that conclusions reached</u> are appropriate, may include information concerning:</p> <ul style="list-style-type: none"> • The integrity of the principal owners, key management and those charged with governance; and • Significant matters that have arisen during the current or a previous review engagement, and their implications for continuing the relationship. <p>^{7B} Professional and Ethical Standard 3, paragraph 30</p>
ISRE (NZ) 2400, paragraph A34	<p>Acceptance and Continuance of Client Relationships and Review Engagements (Ref: Para. 29)</p> <p>The assurance practitioner’s consideration of <u>acceptance and engagement continuance of client relationships and review engagements</u>, and relevant ethical requirements, including independence, occurs throughout the engagement, as conditions and changes in circumstances occur. Performing initial procedures on</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>acceptance and engagement continuance of client relationships and review engagements and evaluation of relevant ethical requirements (including independence) at the beginning of an engagement informs the assurance practitioner's decisions and actions prior to the performance of other significant activities for the engagement.</p>
ISRE (NZ) 2400, paragraph A151	<p>Documentation</p> <p>Professional and Ethical Standard 3 (Amended) requires the firm to establish a quality objective that engagement documentation is assembled time limits that reflect the need to complete the assembly of final engagement files on a timely basis <u>after the date of the engagement report.</u></p>
ISAE (NZ) 3000 (Revised)	Assurance Engagements Other than Audits or Reviews of Historical Financial Information
ISAE (NZ) 3000 (Revised), under Contents	Quality Control <u>Management</u>
ISAE (NZ) 3000 (Revised), paragraph 3	<p>Introduction</p> <p>...</p> <p>(a) The members of the engagement team and the engagement quality control-reviewer (for those engagements where one has been appointed) are subject to Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> related to assurance engagements, or other professional requirements, or requirements in law or regulation, that are at least as demanding; and (Ref: Para. A30–A34)</p> <p>(b) The assurance practitioner who is performing the engagement is a member of a firm that is subject to Professional and Ethical Standard 3 (Amended)¹ or other professional requirements, or requirements in law or regulation, regarding the firm's responsibility for its system of quality control <u>management</u>, that are at least as demanding as Professional and Ethical Standard 3 (Amended). (Ref: Para. A61–A66)</p> <p>¹ Professional and Ethical Standard 3 (Amended), "Quality Control <u>Management</u> for Firms that Perform Audits and <u>or</u> Reviews of Financial Statements, and <u>or</u> Other Assurance <u>or</u> Related Services Engagements."</p>
ISAE (NZ) 3000 (Revised), paragraph 4	<p>Quality control <u>management</u> within firms that perform assurance engagements, and compliance with ethical principles, including independence requirements, are widely recognized as being in the public interest and an integral part of high quality assurance engagements. Assurance practitioners will be familiar with such requirements. If a competent assurance practitioner other than a</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>member of a professional accounting body in public practice chooses to represent compliance with this or other ISAEs (NZ), it is important to recognise that this ISAE (NZ) includes requirements that reflect the premise in the preceding paragraph.</p>
<p>ISAE (NZ) 3000 (Revised), paragraph 12</p>	<p>Definitions</p> <p>...</p> <p>(h) Engagement team—All assurance practitioners and staff performing the engagement, and any <u>other</u> individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes <u>excluding</u> an assurance practitioner’s external expert engaged by the firm or a network firm.</p> <p>...</p> <p>(j) Firm— A sole assurance practitioner, partnership or corporation or other entity of individual assurance practitioners. “Firm” should be read as referring to its, or public sector equivalents where relevant.</p> <p>...</p> <p>NZ12.3 Lead assurance practitioner—The <u>assurance practitioner or other individual, appointed by person in the firm,</u> who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. The “lead assurance practitioner” should be read as referring to its public sector equivalents where relevant.</p>
<p>ISAE (NZ) 3000 (Revised), paragraph 21</p>	<p>The lead assurance practitioner shall be satisfied that <u>the firm’s policies or appropriate procedures for</u> regarding the acceptance and continuance of client relationships and assurance engagements have been followed by the firm, and shall determine that conclusions reached in this regard are appropriate.</p>
<p>ISAE (NZ) 3000 (Revised), paragraph 22 (b)</p>	<p>Acceptance and Continuance</p> <p>...</p> <p>The assurance practitioner shall accept or continue an assurance engagement only when: (Ref: Para. A30-A34)</p> <p>...</p> <p>(b) The assurance practitioner is satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, <u>including having been given sufficient time to perform the engagement</u> (see also paragraph 32); and</p> <p>...</p>

Ref.	Conforming and Consequential Amendments to the Standards
ISAE (NZ) 3000 (Revised), paragraph 23	<p>1. If the lead assurance practitioner obtains information that may^{would} have caused the firm to decline the engagement had that information been <u>known by the firm prior to accepting or continuing the client relationship or specific engagement</u>available earlier, the lead assurance practitioner shall communicate that information promptly to the firm, so that the firm and the lead assurance practitioner can take the necessary action.</p>
ISAE (NZ) 3000 (Revised), paragraph 31	<p>Quality Control Management <i>Characteristics of the Lead Assurance Practitioner</i> The lead assurance practitioner shall:</p> <p>(a) Be a member of a firm that applies Professional and Ethical Standard 3 (Amended)³, or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended);</p>
	<p><i>Engagement Resources</i></p> <p>(aa) <u>Determine that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm’s policies or procedures, and any changes that may arise during the engagement.</u></p> <p>...</p> <p>³ The term “lead assurance practitioner” is referred to in Professional and Ethical Standard 3 (Amended) as the “engagement partner”.</p>
ISAE (NZ) 3000 (Revised), paragraph 32(a)	<p><i>Assignment of the Team</i></p> <p>The lead assurance partner shall: (Ref: Para. A69)</p> <p>(a) Be satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, <u>including having sufficient time to: ...</u></p>
ISAE (NZ) 3000 (Revised), paragraph 33	<p><i>Responsibilities of the Lead Assurance Practitioner</i></p> <p>The lead assurance practitioner shall take <u>overall</u> responsibility for the overall<u>managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement.</u> This includes responsibility for:</p> <p>(a) <u>Being satisfied that the firm’s policies or procedures for Appropriate procedures being performed regarding the acceptance and continuance of client relationships and assurance engagements have been followed;</u></p> <p>(b) The engagement being planned and performed (including appropriate direction and supervision <u>of engagement team</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>members) to comply <u>in accordance</u> with professional standards and applicable legal and regulatory requirements;</p> <p>(c) Reviews being performed in accordance with the firm's review policies and <u>or</u> procedures and reviewing the engagement documentation on or before the date of the assurance report; ...</p>
ISAE (NZ) 3000 (Revised), paragraph NZ33.1	<p>The lead assurance practitioner shall form a conclusion on compliance with independence requirements that apply to the engagement. In doing so, the lead assurance practitioner shall:</p> <p>...</p> <p>(b) Evaluate information on identified breaches, if any, of the firm's independence policies and <u>or</u> procedures to determine whether they create a threat to independence for the assurance engagement; and</p> <p>...</p>
ISAE (NZ) 3000 (Revised), paragraph 34	<p>Throughout the engagement, the lead assurance practitioner shall remain alert, through observation and making enquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the lead assurance practitioner's attention through the firm's system of quality control <u>management</u> or otherwise that indicate that members of the engagement team have breached relevant ethical requirements, the lead assurance practitioner, in consultation with others in the firm, shall determine the appropriate action.</p>
ISAE (NZ) 3000 (Revised), paragraph 35	<p>The lead assurance practitioner shall <u>consider the information from results of the firm's monitoring and remediation process, as communicated evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that</u> the information may affect the assurance engagement.</p>
ISAE (NZ) 3000 (Revised), paragraph 36	<p><i>Engagement Quality Control Review</i></p> <p>For those engagements, if any, for which <u>an engagement quality control review is required by law or regulation or for which the firm has determined that an engagement quality control review is required in accordance with Professional and Ethical Standard 3 or the firm's policies or procedures;</u></p> <p>(a) The lead assurance practitioner shall take responsibility for <u>discussing significant matters and significant judgements</u> arising during the engagement with the engagement quality control reviewer, and not date the assurance report until completion of that review. ^{2A}; and</p> <p>(b) The engagement quality control reviewer shall perform an objective evaluation of the significant judgements made by the engagement team, and the conclusions reached in formulating</p>

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	<p>the assurance report. This evaluation shall involve: (Ref: Para. A75)</p> <ul style="list-style-type: none"> (i) Discussion of significant matters with the lead assurance practitioner; (ii) Review of the subject matter information and the proposed assurance report; (iii) Review of selected engagement documentation relating to the significant judgements the engagement team made and the conclusions it reached; and (v) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate. <p>^{2A} ISQM 2, <i>Engagement Quality Reviews</i></p>
<p>ISAE (NZ) 3000 (Revised), paragraph 69</p>	<p>Preparing the Assurance Report</p> <p><i>Assurance Report Content</i></p> <p>The assurance report shall include, at a minimum, the following basic elements:</p> <p>...</p> <ul style="list-style-type: none"> (i) A statement that the firm of which the assurance practitioner is a member applies Professional and Ethical Standard 3 (Amended), or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended). If the assurance practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as Professional and Ethical Standard 3 (Amended). (Ref: Para. A172) <p>...</p> <ul style="list-style-type: none"> (n) The date of the assurance report. The assurance report shall be dated no earlier than the date on which: <ul style="list-style-type: none"> <u>(i) The assurance practitioner has obtained the evidence on which the assurance practitioner’s conclusion is based, including evidence that those with the recognised authority have asserted that they have taken responsibility for the subject matter information; and</u> <u>(ii) When an engagement quality review is required in accordance with ISQM 11 or the firm’s policies or procedures, the engagement quality review is complete.</u> (Ref: Para. A184A–A185A) <p>...</p>

Ref.	Conforming and Consequential Amendments to the Standards
ISAE (NZ) 3000 (Revised), paragraph A60	<p>Quality ControlManagement</p> <p><i>Assurance Practitioners in Public Practice</i> (Ref: Para. 20, 31(a)–(b))</p> <p>This ISAE (NZ) has been written in the context of a range of measures taken to ensure the quality of assurance engagements undertaken by assurance practitioners in public practice. Such measures include:</p> <ul style="list-style-type: none"> • Competency requirements, such as education and experience benchmarks for entry to membership, and ongoing continuing professional development as well as life-long learning requirements. • <u>A system of quality management</u> Quality control policies and procedures implemented across the firm. Professional and Ethical Standard 3 (Amended) applies to all firms of assurance practitioners in respect of assurance <u>and related services</u> engagements. • A comprehensive Code of Ethics, including detailed independence requirements, founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.
ISAE (NZ) 3000 (Revised), paragraph A61	<p><i>Firm Level Quality ControlManagement</i> (Ref: Para. 3(b), 31(a))</p> <p>Professional and Ethical Standard 3 (Amended) deals with the firm’s responsibilities to establish and maintain <u>design, implement and operate a its-system of quality controlmanagement</u> for assurance engagements.^{3A} It sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with <u>reasonable assurance that the firm and its personnel comply quality objectives that address the fulfillment of responsibilities in accordance with relevant ethical requirements, including those pertaining related to independence. Professional and Ethical Standard 3 also deals with the firm’s responsibility to establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews.</u>^{3B} Professional and Ethical Standard 4 deals with the <u>appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.</u>^{3C}</p> <p>Compliance with Professional and Ethical Standard 3 (Amended) requires, among other things, that the firm establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements, and that it documents its policies and procedures and communicates them to the firm’s personnel. A system of quality management addresses the following eight components:^{3D}</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>(a) The firm's risk assessment process<u>Leadership responsibilities for quality within the firm;</u></p> <p>(b) <u>Governance and leadership;</u></p> <p>(bc) <u>Relevant ethical requirements;</u></p> <p>(ed) <u>Acceptance and continuance of client relationships and specific engagements;</u></p> <p>(e) <u>Engagement performance; and</u></p> <p>(df) Human r<u>Resources;</u></p> <p>(g) <u>Information and communication; and</u></p> <p>(fh) Monitoring<u>The monitoring and remediation process.</u></p> <p><u>Firms or national requirements may use different terminology or frameworks to describe the components of the system of quality management.</u></p> <p>^{3A} ISQM 1, paragraph 1</p> <p>^{3B} ISQM 2, Engagement Quality Reviews</p> <p>^{3B} ISQM 1, paragraph 2(a)</p> <p>^{3C} ISQM 1, paragraph 2(b)</p> <p>^{3D} ISQM 1, paragraph 6</p>
ISAE (NZ) 3000 (Revised), paragraph A62	<p>Other professional requirements, or requirements in law or regulation that deal with the firm's responsibilities to <u>design, implement, and operate</u>establish and maintain a system of quality control<u>management</u>, are at least as demanding as Professional and Ethical Standard 3 (Amended) when they address <u>all the requirements of Professional and Ethical Standard 3</u> matters referred to in the preceding paragraph and impose obligations on the firm to<u>that achieve the aims of the requirements set out in</u> objective of Professional and Ethical Standard 3 (Amended).</p>
ISAE (NZ) 3000 (Revised), paragraph A63	<p>The actions of the lead assurance practitioner, and appropriate messages to the other members of the engagement team, in the context of the lead assurance practitioner taking <u>overall</u> responsibility for the overall <u>managing and achieving quality on each engagement and being</u> ing <u>sufficiently and appropriately involved throughout the engagement</u>, emphasize the fact that quality is essential in performing an assurance engagement, and the importance to the quality of the assurance engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements.</p> <p>(b) Complying with the firm's quality control <u>quality control policies and/or</u> procedures as applicable.</p> <p>(c) Issuing a report for the engagement that is appropriate in the circumstances.</p>

Ref.	Conforming and Consequential Amendments to the Standards
	(d) The engagement team's ability to raise concerns without fear of reprisals.
ISAE (NZ) 3000 (Revised), paragraph A64	<p>An effective firm's system of quality control<u>management</u> includes <u>establishing a monitoring and remediation process designed to provide the firm with reasonable assurance that its policies and procedures relating to the system of quality control are relevant, adequate and operating effectively:</u></p> <p>(a) <u>Provide the firm with relevant, reliable and timely information about the design, implementation and operation of the system of quality management.</u></p> <p>(b) <u>Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated by the firm on a timely basis.</u></p>
ISAE (NZ) 3000 (Revised), paragraph A65	<p>Unless information provided by the firm or other parties suggests otherwise<u>Ordinarily, the engagement team is entitled to rely</u>may depend<u>on the firm's system of quality control.</u>management unless:</p> <ul style="list-style-type: none"> • <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely<u>depend</u> on the firm's system of quality control<u>management</u> in relation to:</p> <p>(a) <u>Competence and capabilities of personnel through their recruitment and formal training.</u></p> <p>(b) <u>Independence through the accumulation and communication of relevant independence information.</u></p> <p>(c) <u>Maintenance of client relationships through the firm's policies or procedures for acceptance and continuance systems of client relationships and assurance engagements.</u></p> <p>(d) <u>Adherence to regulatory and legal requirements through the firm's monitoring and remediation process.</u></p> <p>In considering deficiencies^{4A} identified in the firm's system of quality control<u>management</u> that may affect the assurance engagement, the lead assurance practitioner may consider <u>the remedial actions</u>measures <u>undertaken by the firm to rectify</u>address those deficiencies.</p> <p>^{4A} ISQM 1, paragraph 16(a)</p>

Ref.	Conforming and Consequential Amendments to the Standards
ISAE (NZ) 3000 (Revised), paragraph A66	<p>A deficiency in the firm’s system of quality control<u>management</u> does not necessarily indicate that an assurance engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner’s report was not appropriate.</p>
ISAE (NZ) 3000 (Revised), paragraph A69	<p>Assignment of the Team<u>Engagement Resources</u></p> <p>Collective Competence and Capabilities (Ref: Para. 32)</p> <p>Professional and Ethical Standard 3 (Amended) requires the firm to establish policies and procedures<u>quality objectives that address</u>for the acceptance and continuance of client relationships and assurance<u>specific engagements</u>., designed to provide the firm with reasonable assurance that it will only undertake<u>The quality objectives deal with the appropriateness of judgements by the firm about whether to accept or continue relationships and engagements that are based on the firm’s ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements</u>where the firm is competent to perform the engagement and has the capabilities, including time and resources, to do so.⁵</p> <p>⁵ Professional and Ethical Standard 3 (Amended), paragraphs 2630(a)(ii) and A72</p>
ISAE (NZ) 3000 (Revised), paragraph A74	<p><u>Review Responsibilities</u> (Ref: Para. 33(c))</p> <p>Under Professional and Ethical Standard 3 (Amended), the firm’s <u>is required to establish a quality objective that addresses the nature, timing and extent of the direction and supervision of engagement teams and review of their work. review responsibility policies and procedures are determined</u> Professional and Ethical Standard 3 also <u>requires that such direction, supervision and review is planned and performed</u> on the basis that the work <u>performed by</u>of less experienced <u>engagement</u> team members is <u>directed, supervised and reviewed</u> by more experienced <u>engagement</u> team members.⁶</p> <p>⁶ Professional and Ethical Standard 3 (Amended), paragraph 3331(b)</p>
ISAE (NZ) 3000 (Revised), paragraph A75	<p>Engagement Quality Control<u>Review</u> (Ref:Para. 36(b))</p> <p>Other matters that may be considered in an engagement quality control review include:</p> <ul style="list-style-type: none"> (a) The engagement team’s evaluation of the firm’s independence in relation to the engagement; (b) Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations; and (c) Whether engagement documentation selected for review reflects the work performed in relation to the significant judgements and supports the conclusions reached.

Ref.	Conforming and Consequential Amendments to the Standards
ISAE (NZ) 3000 (Revised), paragraph A86	<p>Planning and Performing the Engagement</p> <p><i>Planning</i> (Ref: Para. 40)</p> <p>Planning involves the lead assurance practitioner, other key members of the engagement team, and any key assurance practitioner’s external experts developing an overall strategy for the scope, emphasis, timing and conduct of the engagement, and an engagement plan, consisting of a detailed approach for the nature, timing and extent of procedures to be performed, and the reasons for selecting them. Adequate planning helps to devote appropriate attention to important areas of the engagement, identify potential problems on a timely basis and properly organize and manage the engagement in order for it to be performed in an effective and efficient manner. Adequate planning also assists the practitioner to properly assign work to engagement team members, and facilitates the direction, <u>and supervision of engagement team members</u>, and the review of their work. ...</p>
ISAE (NZ) 3000 (Revised), paragraph A121	<p><i>Considerations When an Assurance Practitioner’s Expert Is Involved on the Engagement</i></p> <p>Nature, Timing and Extent of Procedures (Ref: Para. 52)</p> <p>The following matters are often relevant when determining the nature, timing and extent of procedures with respect to the work of an assurance practitioner’s expert when some of the assurance work is performed by one or more assurance practitioner’s expert (see paragraph A70):</p> <p>...</p> <p>(e) Whether that expert is subject to the assurance practitioner’s firm’s quality control management policies <u>and</u> or procedures (see also paragraphs A124–A125).</p>
ISAE (NZ) 3000 (Revised), paragraph A124	<p>The assurance practitioner’s firm’s quality control <u>management</u> policies <u>and</u> or procedures</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>An assurance practitioner's internal expert may be a partner or staff, including temporary staff, of the assurance practitioner's firm, and therefore subject to the <u>firm's system of quality management, including its control policies and/or procedures, of that firm</u> in accordance with Professional and Ethical Standard 3 (Amended) or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended). Alternatively, an assurance practitioner's internal expert may be a partner or staff, including temporary staff, of a network firm, which may share common quality control management policies and/or procedures with the assurance practitioner's firm. An assurance practitioner's external expert is not a member of the engagement team and is not subject to quality control policies and procedures in accordance with Professional and Ethical Standard 3 (Amended).</p>
<p>ISAE 3000 (Revised), paragraph A125</p>	<p>Engagement teams are entitled to rely on the firm's system of quality control, unless information provided by the firm or other parties suggests otherwise. Ordinarily, the engagement team may depend on the firm's system of quality management (see paragraph A65). The extent of that reliance <u>dependence</u> will vary with the circumstances, and may affect the nature, timing and extent of the assurance practitioner's procedures with respect to such matters as:</p> <p>...</p> <ul style="list-style-type: none"> • The assurance practitioner's evaluation of the adequacy of the assurance practitioner's expert's work. For example, the firm's training programs may provide the assurance practitioner's internal experts with an appropriate understanding of the interrelationship of their expertise with the evidence gathering process. Reliance <u>Depending</u> on such training and other firm processes, such as protocols for scoping the work of the assurance practitioner's internal experts, may affect the nature, timing and extent of the assurance practitioner's procedures to evaluate the adequacy of the assurance practitioner's expert's work. • Adherence to regulatory and legal requirements, through <u>the firm's monitoring and remediation</u> processes. <p>...</p> <p>Such dependence <u>reliance</u> does not reduce the assurance practitioner's responsibility to meet the requirements of this ISAE (NZ).</p>
<p>ISAE (NZ) 3000 (Revised), paragraph A126</p>	<p>The Competence, Capabilities and Objectivity of the Assurance Practitioner's Expert (Ref: Para. 52(a))</p> <p>Information regarding the competence, capabilities and objectivity of an assurance practitioner's expert may come from a variety of sources, such as:</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>...</p> <ul style="list-style-type: none"> • The firm's quality control <u>management policies and procedures</u> (see also paragraphs A124–A125).
<p>ISAE (NZ) 3000 (Revised), paragraph A147</p>	<p>Forming the Assurance Conclusion</p> <p><i>Sufficiency and Appropriateness of Evidence</i> (Ref: Para. 12(i), 64)</p> <p>Evidence is necessary to support the assurance practitioner's conclusion and assurance report. It is cumulative in nature and is primarily obtained from procedures performed during the course of the engagement. It may, however, also include information obtained from other sources such as previous engagements (provided the assurance practitioner has determined whether changes have occurred since the previous engagement that may affect its relevance to the current engagement) or a firm's quality control <u>quality control policies or procedures for the client acceptance and continuance of client relationships and assurance engagements</u>. Evidence may come from sources inside and outside the appropriate party(ies). Also, information that may be used as evidence may have been prepared by an expert employed or engaged by the appropriate party(ies). Evidence comprises both information that supports and corroborates aspects of the subject matter information, and any information that contradicts aspects of the subject matter information. In addition, in some cases, the absence of information (for example, refusal by the appropriate party(ies) to provide a requested representation) is used by the assurance practitioner, and therefore, also constitutes evidence. Most of the assurance practitioner's work in forming the assurance conclusion consists of obtaining and evaluating evidence.</p>
<p>ISAE (NZ) 3000 (Revised), paragraph A156</p>	<p>Scope Limitations (Ref: Para. 26, 66)</p> <p>A scope limitation may arise from:</p> <p>...</p> <ul style="list-style-type: none"> (c) Limitations imposed by the responsible party, the measurer or evaluator, or the engaging party on the assurance practitioner that, for example, may prevent the assurance practitioner from performing a procedure the assurance practitioner considers to be necessary in the circumstances. Limitations of this kind may have other implications for the engagement, such as for the assurance practitioner's consideration of engagement risk and <u>the engagement acceptance and continuance of the client relationship and the assurance engagement</u>.

Ref.	Conforming and Consequential Amendments to the Standards
ISAE (NZ) 3000 (Revised), paragraph A172	<p>Preparing the Assurance Report</p> <p>Applicable Quality Control<u>Management</u> Requirements (Ref: Para. 69(i))</p> <p>The following is an illustration of a statement in the assurance report regarding applicable quality control<u>management</u> requirements:</p> <p style="padding-left: 40px;">The firm applies Professional and Ethical Standard 3 (Amended) and, accordingly, maintains a comprehensive <u>which requires the firm to design, implement and operate a system of quality control<u>management</u> including documented policies and/or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</u></p>
ISAE (NZ) 3000 (Revised), paragraph A205	<p><i>Assembly of the Final Engagement File</i></p> <p>Professional and Ethical Standard 3 (Amended)-(or other professional requirements, or requirements in law or regulation that are at least as demanding as Professional and Ethical Standard 3 (Amended))<u>requires firms to establish a quality objective that addresses policies and procedures for the timely completion of the assembly of engagement files documentation on a timely basis after the date of the engagement report.</u>¹² An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report.¹³</p> <p>¹² Professional and Ethical Standard 3 (Amended), paragraph 4531(f)</p> <p>¹³ Professional and Ethical Standard 3 (Amended), paragraph A54A83</p>
ISAE (NZ) 3000 (Revised), paragraph A207	<p>Professional and Ethical Standard 3 (Amended) <u>requires firms to establish a quality objective policies and procedures that addresses for the maintenance and retention of engagement documentation to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards.</u>¹³ The retention period for assurance engagements ordinarily is no shorter than five years from the date of the assurance report.¹⁴</p> <p>¹³ Professional and Ethical Standard 3 (Amended), paragraph 4731(f)</p> <p>¹⁴ Professional and Ethical Standard 3 (Amended), paragraph A61A85</p>
ISAE (NZ) 3402	Assurance Reports on Controls at a Service Organization
ISAE (NZ) 3402, paragraph 6	<p>Compliance with ISAE (NZ) 3000 (Revised) requires, among other things, compliance with the provisions of Professional and Ethical Standard 1⁵ <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i>, issued by the New Zealand Auditing and Assurance Standards Board, or other professional requirements, or requirements imposed by law and regulation, that are at least as demanding.⁶ It also requires the lead assurance practitioner⁷ to be a</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>member of a firm that applies Professional and Ethical Standard 3 (Amended) or requirements that are at least as demanding.⁸</p> <p>⁷ The term “lead assurance practitioner” is referred to in Professional and Ethical Standard 3 (Amended) as the “engagement partner.”</p> <p>⁸ ISAE (NZ) 3000 (Revised), paragraph 3(b) and 31(a). Professional and Ethical Standard 3 “Quality Control<u>Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance or Related Services Engagements</u> (Amended)”.</p>
ISAE (NZ) 3402, paragraph 50	<p>The service auditor shall assemble the documentation in an engagement file and complete the administrative process of assembling the final engagement file on a timely basis after the date of the service auditor’s assurance report.¹²</p> <p>¹² Paragraphs A54–A55A83–A85 of Professional and Ethical Standard 3 (Amended) provide further guidance.</p>
ISAE (NZ) 3402, paragraph 53	<p>Preparing the Service Auditor’s Assurance Report</p> <p><i>Content of the Service Auditor’s Assurance Report</i></p> <p>The service auditor’s assurance report shall include, at a minimum, the following basic elements: (Ref: Para. A47)</p> <p>...</p> <p>(h) A statement that the firm of which the assurance practitioner is a member applies Professional and Ethical Standard 3 (Amended), or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended). If the assurance practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as Professional and Ethical Standard 3 (Amended).</p> <p>...</p> <p>(n) The date of the service auditor’s assurance report, which shall be no earlier than the date on which:</p> <p>(i) <u>The service auditor has obtained the evidence on which the service auditor’s opinion is based;</u> and</p> <p>(ii) <u>When an engagement quality review is required in accordance with Professional and Ethical Standard 3 or the firm’s policies or procedures, the engagement quality review is complete.</u></p>
ISAE (NZ) 3402, paragraph A46	<p>Documentation</p> <p>Professional and Ethical Standard 3 (Amended)¹⁷ (or other professional requirements, or requirements in law or regulation that are at least as demanding as Professional and Ethical Standard 3 (Amended)) requires firms to establish <u>a quality objective that addresses the assembly of engagement documentation on a timely</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>basis after the date of the engagement report policies and procedures for the timely completion of the assembly of engagement files.¹⁸ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the service auditor’s report.¹⁹</p> <p>¹⁷ Professional and Ethical Standard 3 (Amended), “Quality ControlManagement for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance or Related Services Engagements”.</p> <p>¹⁸ Professional and Ethical Standard 3 (Amended), paragraph 4531(f)</p> <p>¹⁹ Professional and Ethical Standard 3 (Amended), paragraph A54A83</p>
ISAE (NZ) 3402, Appendix 2	<p>Example 1: Type 2 Service Auditor’s Assurance Report</p> <p>...</p> <p><i>Our Independence and Quality ManagementControl</i></p> <p>We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies Professional and Ethical Standard 3 (Amended)²² and accordingly maintains a comprehensive, which requires the firm to design, implement and operate a system of quality control management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>²² Professional and Ethical Standard 3 (Amended), “Quality ControlManagement for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance or Related Services Engagements</p>
ISAE (NZ) 3402, Appendix 2	<p>Example 2: Type 1 Service Auditor’s Assurance Report</p> <p>...</p> <p><i>Our Independence and Quality ManagementControl</i></p> <p>We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised) <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies Professional and Ethical Standard 3 (Amended)²⁴ and accordingly maintains a comprehensive, which requires the firm to design, implement and operate a system of quality control management including documented policies and procedures regarding compliance</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>²⁴ Professional and Ethical Standard 3 (Amended), “Quality Control<u>Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance or Related Services Engagements</u>”</p>
ISAE (NZ) 3410	Assurance Engagements on Greenhouse Gas Statements
ISAE (NZ) 3410, paragraph 10	<p>Compliance with ISAE (NZ) 3000 (Revised) requires, among other things, compliance with the provisions of Professional and Ethical Standard 1⁶ <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by New Zealand Auditing and Assurance Standards Board related to assurance engagements, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding.⁷ It also requires the lead assurance practitioner⁸ to be a member of a firm that applies Professional and Ethical Standard 3 (Amended),⁹ or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended). (Ref: Para. A5–A6)</p> <p>⁸ The term “lead assurance practitioner” is referred to in Professional and Ethical Standard 3 (Amended) as the “engagement partner.”</p> <p>⁹ ISAE (NZ) 3000 (Revised), paragraphs 3(b) and 31 (a). Professional and Ethical Standard 3 “Quality Control<u>Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance or Related Services Engagements (Amended)</u>”.</p>
ISAE (NZ) 3410, Documentation	<p>Documentation</p> <p>Quality Control<u>Management</u></p>
ISAE (NZ) 3410, paragraph 71	<p>Engagement Quality Control Review</p> <p>For those engagements, if any, for which a quality control review is required by law or regulation or for which the firm has determined that an engagement quality control review is required, the engagement quality control reviewer shall perform an objective evaluation of the significant judgements made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve: (Ref: Para. A130)</p> <p>(a) Discussion of significant matters with the lead assurance practitioner, including the engagement team’s professional competencies with respect to the quantification and reporting of emissions and assurance;</p> <p>(b) Review of the GHG statement and the proposed assurance report;</p> <p>(c) Review of selected engagement documentation relating to the significant judgements the engagement team made and the conclusions it reached; and</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>(d) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate.</p>
<p>ISAE (NZ) 3410, paragraph 76</p>	<p>Assurance Report Content</p> <p>The assurance report shall include, at a minimum, the following basic elements: (Ref: Para. A134)</p> <p>...</p> <p>(i) A statement that the firm of which the practitioner is a member applies Professional and Ethical Standard 3 (Amended), or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended). If the assurance practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as Professional and Ethical Standard 3 (Amended).</p> <p>...</p> <p>(n) The date of the assurance report. The assurance report shall be dated no earlier than the date on which:</p> <p>(i) the assurance practitioner has obtained the evidence on which the assurance practitioner's conclusion is based, including evidence that those with the recognised authority have asserted that they have taken responsibility for the GHG statement; <u>and</u></p> <p>(ii) <u>When an engagement quality review is required in accordance with Professional and Ethical Standard 3 or the firm's policies or procedures, the engagement quality review is complete.</u></p> <p>...</p>
<p>ISAE (NZ) 3410, paragraph A128</p>	<p>Documentation</p> <p><i>Matters Arising after the Date of the Assurance Report</i> (Ref: Para. 68)</p> <p>Examples of exceptional circumstances include facts which become known to the assurance practitioner after the date of the assurance report but which existed at that date and which, if known at that date, might have caused the GHG statement to be amended or the assurance practitioner to modify the conclusion in the assurance report, for example, the discovery of a significant uncorrected error. The resulting changes to the engagement documentation are reviewed in accordance with the firm's policies and/or procedures with respect to <u>the nature, timing and extent of the review responsibilities of engagement team members' work as required by</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>Professional and Ethical Standard 3-(Amended),²⁶ with the lead assurance practitioner taking final responsibility for the changes.²⁶</p> <p>²⁶ PES 3-(Amended), “<i>Quality ControlManagement for Firms that Perform Audits andor Reviews of Financial Statements, andor Other Assurance andor Related Services Engagements</i>, paragraphs 32–3331(b)</p>
<p>ISAE (NZ) 3410, paragraph A129</p>	<p><i>Assembly of the Final Engagement File</i> (Ref: Para. 69)</p> <p>Professional and Ethical Standard 3-(Amended)-(or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended)) requires firms to establish <u>a quality objective that addresses policies and procedures the assembly of engagement documentation on a timely basis after the date of the engagement report for the timely completion of the assembly of engagement files.</u>²⁷ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report.²⁸</p> <p>²⁷ PES 3 (Amended), paragraph 4531(f)</p> <p>²⁸ PES 3 (Amended), paragraph A54A83</p>
<p>ISAE (NZ) 3410, paragraph A130</p>	<p>Engagement Quality Control Review (Ref: Para. 71)</p> <p>Other matters that may be considered in an engagement quality control review include:</p> <ul style="list-style-type: none"> • The engagement team’s evaluation of the firm’s independence in relation to the engagement. • Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations. • Whether engagement documentation selected for review reflects the work performed in relation to the significant judgements and supports the conclusions reached.
<p>ISAE (NZ) 3410, Appendix 2 Illustration 1</p>	<p>Illustrations of Assurance Reports on GHG Statements</p> <p><u>Illustration 1:</u></p> <p>...</p> <p><i>Our Independence and Quality ControlManagement</i></p> <p>We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i>, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>The firm applies Professional and Ethical Standard 3-(Amended)³¹ and accordingly maintains a comprehensive, which requires the firm to design, implement and operate a system of quality control management including documented policies and/or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>³¹ Professional Ethical Standard 3-(Amended), “Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements (Amended)”.</p>
<p>ISAE (NZ) 3410, Appendix 2 Illustration 2</p>	<p>Illustrations of Assurance Reports on GHG Statements</p> <p><u>Illustration 2:</u></p> <p>...</p> <p><i>Our Independence and Quality Control Management</i></p> <p>We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1-(Revised) <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies Professional and Ethical Standard 3-(Amended)³⁴ and accordingly maintains a comprehensive, which requires the firm to design, implement and operate a system of quality control management including documented policies and/or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>³⁴ Professional Ethical Standard 3-(Amended), “Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements (Amended)”.</p>
<p>ISAE (NZ) 3420</p>	<p>Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus</p>
<p>ISAE (NZ) 3420, paragraph 8</p>	<p>Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of Professional and Ethical Standard 1³ <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board related to assurance engagements, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding.⁴ It also requires the lead assurance practitioner⁵ to be a member of a firm that applies Professional and Ethical Standard 3-(Amended)⁶, or other professional requirements, or requirements in law or regulation, that</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>are at least as demanding as Professional and Ethical Standard 3 (Amended).</p> <p>³ In Professional and Ethical Standard 1, the term “engagement partner” should be read as referring to “lead assurance practitioner.”</p> <p>⁴ ISAE (NZ) 3000 (Revised), paragraphs 3(a), 20 and 34</p> <p>⁵ The term lead assurance practitioner is referred to in Professional and Ethical Standard 3 as the “engagement partner”.</p> <p>⁶ ISAE (NZ) 3000 (Revised), paragraphs 3(b) and 31(a). Professional and Ethical Standard 3 (Amended), “Quality Control<u>Management</u> for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements”</p>
ISAE (NZ) 3420, paragraph 35	<p>The assurance practitioner’s report shall include, at a minimum, the following basic elements: (Ref: Para. A57)</p> <p>...</p> <p>(g) A statement that the firm of which the assurance practitioner is a member applies Professional and Ethical Standard 3 (Amended), or other professional requirements, or requirements in law or regulation, that are at least as demanding as Professional and Ethical Standard 3 (Amended). If the assurance practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as Professional and Ethical Standard 3 (Amended).</p> <p>...</p>
ISAE (NZ) 3420, Appendix	<p>Illustrative Practitioner’s Report with an Unmodified Opinion</p> <p>...</p> <p><i>Our Independence and Quality Management<u>Control</u></i></p> <p>We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 <i>International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)</i> issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies Professional and Ethical Standard 3 (Amended)¹⁴ and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p><u>The firm applies Professional and Ethical Standard 3¹⁴, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	¹⁴ Professional and Ethical Standard 3 (Amended), “Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements”.
ISRS (NZ) 4400	Agreed-Upon Procedures Engagements
ISRS (NZ) 4400, under Contents	Engagement Level Quality Control Management
ISRS (NZ) 4400, paragraph 3	<p>Introduction</p> <p>Scope of this ISRS (NZ)</p> <p><i>Relationship with Relevant Quality Control Standards) Professional and Ethical Standard 3¹</i></p> <p>The system of Quality control systems management, and policies and/or procedures are the responsibility of the firm. Relevant quality control standards Professional and Ethical Standard 3 apply to firms of professional accountants in respect of a firm’s agreed-upon procedures engagements.^{1A} The provisions of this ISRS (NZ) regarding quality control management at the level of individual agreed-upon procedures engagements are premised on the basis that the firm is subject to relevant quality control standards Professional and Ethical Standard 3 or requirements that are at least as demanding. (Ref: Para. A3–A8)</p> <p>¹ For related services engagements, including agreed-upon procedures engagements, relevant quality control standards means PS-1 Quality Control issued by the New Zealand Institute of Chartered Accountants. Professional and Ethical Standard 3, <i>Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements</i></p> <p>^{1A} Professional and Ethical Standard 3, paragraph 5</p>
ISRS (NZ) 4400, Paragraph 5	<p>The value of an agreed-upon procedures engagement performed in accordance with this ISRS (NZ) results from:</p> <p>...</p>
ISRS (NZ) 4400, Paragraph 12	<p>The practitioner’s objectives in an agreed-upon procedures engagement under this ISRS (NZ) are to:</p> <p>...</p> <p>(c) Communicate the procedures performed and the related findings in accordance with the requirements of this ISRS (NZ).</p>
ISRS (NZ) 4400, Paragraph 13	<p>Definitions</p> <p>For purposes of this ISRS (NZ), the following terms have the meanings attributed below:</p> <p>...</p> <p>(c) Engagement partner² – The partner or other person in individual, appointed by the firm, who is responsible for the engagement and its performance, and for the agreed-upon</p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>procedures report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>...</p> <p>(e) Engagement team— All partners and staff performing the agreed-upon procedures engagement, and any other individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes excluding a practitioner’s external expert engaged by the firm or a network firm.</p> <p>...</p> <p>(j) Professional judgement - The application of relevant training, knowledge and experience, within the context provided by this ISRS (NZ) and relevant ethical requirements, in making informed decisions about the courses of action that are appropriate in the circumstances of the agreed-upon procedures engagement.</p> <p>...</p> <p>(k) Relevant ethical requirements – <u>Principles of professional ethics and ethical requirements that are applicable to the engagement team is subject to when undertaking agreed-upon procedures engagements. These Relevant ethical requirements ordinarily comprise the provisions of Professional and Ethical Standard (PES) 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand),</u> together with national requirements that are more restrictive.</p>
ISRS (NZ) 4400, paragraph 19	<p><u>Engagement Level Quality Control Management</u></p> <p>The engagement partner shall take <u>overall</u> responsibility for:</p> <p>(a) The overall <u>Managing and achieving quality of</u> on the agreed-upon procedures engagement including, if applicable, work performed by a practitioner’s expert, <u>and being sufficiently and appropriately involved throughout the engagement;</u> and (Ref: Para. A24)</p> <p>(b) The engagement being performed in accordance with the firm’s quality control <u>management</u> policies and <u>or</u> procedures by:</p> <p>(i) Following appropriate <u>the firm’s policies or</u> procedures regarding the acceptance and continuance of client relationships and <u>agreed-upon procedures</u> engagements; (Ref: Para. A25)</p> <p>(iA) <u>Determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p><u>account the nature and circumstances of the engagement, the firm’s policies or procedures, and any changes that may arise during the engagement;</u></p> <ul style="list-style-type: none"> (ii) Being satisfied that the engagement team, and any practitioner's experts who are not part of the engagement team, collectively have the appropriate competence and capabilities, <u>including having sufficient time</u>, to perform the agreed-upon procedures engagement; (iii) Being alert for indications of non-compliance<u>breaches of relevant ethical requirements</u> by members of the engagement team with relevant ethical requirements, and determining the appropriate actions if matters come to the engagement partner’s attention indicating that members of the engagement team have not complied with<u>breached</u> relevant ethical requirements; (Ref: Para. A26) (iv) Directing, and <u>supervising engagement team members, reviewing their work,</u> and performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; and (v) Taking responsibility for appropriate engagement documentation being <u>assembled, appropriately maintained and retained.</u> (vi) <u>When an engagement quality review is required in accordance with ISQM 1 or the firm’s policies or procedures, not dating the report until the completion of the engagement quality review.</u>^{3A} <p>^{3A} ISQM 2, <i>Engagement Quality Reviews</i></p>
ISRS (NZ) 4400, paragraph 21	<p>Engagement Acceptance and Continuance</p> <p>Before accepting or continuing an agreed-upon procedures engagement, the practitioner shall obtain an understanding of the purpose of the engagement. The practitioner shall not accept or continue the <u>agreed-upon procedures</u> engagement if the practitioner is aware of any facts or circumstances indicating that the procedures the practitioner is being asked to perform are inappropriate for the purpose of the agreed-upon procedures engagement. (Ref: Para. A28–A31)</p>
ISRS (NZ) 4400, paragraph 23	<p>If the engagement partner obtains information that may have caused the firm to decline the engagement had that information been <u>known by the firm prior to accepting or continuing the engagement</u> available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take necessary action.</p>

Ref.	Conforming and Consequential Amendments to the Standards
ISRS (NZ) 4400, paragraph 26	<p>Agreeing the Terms of the Engagement</p> <p><i>Recurring Agreed-Upon Procedures Engagements</i></p> <p>On recurring agreed-upon procedures engagements, the practitioner shall evaluate whether circumstances, including changes in the <u>firm's judgements about whether to accept or continue the engagement-acceptance considerations</u>, require the terms of the engagement to be revised and whether there is a need to remind the engaging party of the existing terms of engagement. (Ref: Para. A44)</p>
ISRS (NZ) 4400, paragraph 30	<p>The Agreed-Upon Procedures Report</p> <p>The agreed-upon procedures report shall be in writing and shall include: (Ref: Para. A51)</p> <p>...</p> <p>(g) A statement that the engagement was performed in accordance with ISRS <u>(NZ) 4400-(Revised)</u>;</p> <p>...</p> <p>(m) A statement that the firm of which the practitioner is a member applies relevant quality control standards<u>Professional and Ethical Standard 3</u>, or other professional requirements, or requirements in law or regulation, that are at least as demanding as relevant quality control standards<u>Professional and Ethical Standard 3</u>. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as relevant quality control standards<u>Professional and Ethical Standard 3</u>;</p> <p>...</p>
ISRS (NZ) 4400, paragraph A3	<p>Relationship with Relevant Quality Control Standards<u>Professional and Ethical Standard 3</u> (Ref: Para. 3)</p> <p>Relevant quality control standards<u>Professional and Ethical Standard 3</u> deals with the firm's responsibilities to establish and maintain its design, implement and operate a system of quality control management <u>for related services engagements, including agreed-upon procedures engagements.</u>^{3B} <u>Professional and Ethical Standard 3</u> also deals with the firm's responsibility to <u>establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews. Professional and Ethical Standard 4 deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.</u>^{3C}</p> <p>Those responsibilities are directed at establishing:</p> <ul style="list-style-type: none"> • The firm's quality control system; and

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	<ul style="list-style-type: none"> • The firm’s related policies designed to achieve the objective of the quality control system and its procedures to implement and monitor compliance with those policies. <p>^{3B} Professional and Ethical Standard 3, paragraph 2(a)</p> <p>^{3C} Professional and Ethical Standard 3, paragraph 2(b)</p>
ISRS (NZ) 4400, paragraph A4	<p>Under relevant quality control standards<u>Professional and Ethical Standard 3</u>, the objective of the firm has an obligation to establish and maintain <u>objective of the firm is to design, implement and operate a system of quality control management for related services engagements, including agreed-upon procedures engagements, that provides the firm</u> with reasonable assurance that:</p> <ul style="list-style-type: none"> (a) The firm and its personnel <u>comply</u> fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and (b) Reports<u>Engagement reports</u> issued by the firm or engagement partners are appropriate in the circumstances.^{3D} <p>^{3D} Professional and Ethical Standard 3, paragraph 14</p>
ISRS (NZ) 4400, paragraph A5	<p>A jurisdiction that has not adopted relevant quality control standards<u>Professional and Ethical Standard 3</u> in relation to agreed-upon procedures engagements may set out requirements for quality control management <u>control management</u> in firms performing such engagements. The provisions of this ISRS (NZ) regarding quality control management <u>control management</u> at the engagement level are premised on the basis that quality control management <u>control management</u> requirements adopted are at least as demanding as those of relevant quality control standards<u>Professional and Ethical Standard 3</u>. This is achieved when those requirements <u>address the requirements of Professional and Ethical Standard 3 and impose obligations on the firm to achieve the objective of Professional and Ethical Standard 3.</u>impose obligations on the firm to achieve the aims of the requirements of relevant quality control standards, including an obligation to establish a system of quality control that includes policies and procedures that address each of the following elements:<u>Compliance with Professional and Ethical Standard 3 requires, among other things, that the firm’s system of quality management addresses the following eight components:</u>^{3E}</p> <ul style="list-style-type: none"> (a) <u>The firm’s risk assessment process;</u> (b) <u>Governance and leadership;</u> (c) <u>Relevant ethical requirements;</u> (d) <u>Acceptance and continuance of client relationships and specific engagements;</u> (e) <u>Engagement performance;</u>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>(f) <u>Resources;</u></p> <p>(g) <u>Information and communication; and</u></p> <p>(h) <u>The monitoring and remediation process.</u></p> <ul style="list-style-type: none"> ● Leadership responsibilities for quality within the firm; ● Relevant ethical requirements; ● Acceptance and continuance of client relationships and specific engagements; ● Human resources; ● Engagement performance; and ● Monitoring. <p>^{6A} Professional and Ethical Standard 3, paragraph 6</p>
ISRS (NZ) 4400, paragraph A6	<p>Within the context of the firm's system of quality control<u>management</u>, engagement teams have a responsibility to implement <u>quality control policies or procedures</u> applicable to the engagement.</p>
ISRS (NZ) 4400, paragraph A7	<p>Unless information provided by the firm or other parties suggests otherwise<u>Ordinarily, the engagement team is entitled to rely</u>may depend on the firm's system of quality control<u>management unless:</u></p> <ul style="list-style-type: none"> ● <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> ● <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely<u>depend</u> on the firm's system of quality control<u>management</u> in relation to:</p> <ul style="list-style-type: none"> ● <u>Competence and capabilities of personnel through their recruitment and formal training.</u> ● <u>Maintenance of client relationships through the firm's policies or procedures for acceptance and continuance of client relationships and agreed-upon procedures engagements systems.</u> ● <u>Adherence to legal and regulatory requirements through the firm's monitoring and remediation process.</u> <p>In considering deficiencies^{3F} identified in the firm's system of quality control<u>management</u> that may affect the agreed-upon procedures engagement, the engagement partner may consider measures<u>the remedial actions undertaken by the firm to rectify</u>address the situation<u>those deficiencies that the engagement</u></p>

Ref.	Conforming and Consequential Amendments to the Standards
	<p>partner considers are sufficient in the context of that agreed-upon procedures engagement.</p> <p>^{3F} Professional and Ethical Standard 3, paragraph 16(a)</p>
ISRS (NZ) 4400, paragraph A8	<p>A deficiency in the firm’s system of quality control<u>management</u> does not necessarily indicate that an agreed-upon procedures engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the agreed-upon procedures report was not appropriate.</p>
ISRS (NZ) 4400, paragraph A11	<p>The engaging party may be, under different circumstances, the responsible party, a regulator or other intended user. References to the engaging party in this ISRS (NZ) include multiple engaging parties when relevant.</p>
ISRS (NZ) 4400, paragraph A24	<p>Engagement Level Quality Control<u>Management</u> (Ref: Para. 19–20)</p> <p>The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking <u>overall</u> responsibility for the overall managing and achieving quality on each engagement, emphasize the importance to achieving the quality of the engagement of:</p> <ul style="list-style-type: none"> (a) Performing work that complies with professional standards and regulatory and legal requirements; (b) Complying with the firm’s quality control policies and<u>or</u> procedures as applicable; and (c) Issuing the practitioner’s report for the engagement in accordance with this ISRS (NZ).
ISRS (NZ) 4400, paragraph A25	<p>Relevant quality control standards<u>Professional and Ethical Standard 3</u> requires the firm to establish <u>a quality objectives dealing with the appropriateness of to obtain such</u> its <u>judgements about whether to accept or continue a client relationship or engagement based on information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client</u> obtained <u>about the nature and circumstances of the agreed-upon procedures engagement and information that assists the engagement partner in determining whether acceptance or continuance of client relationships and agreed-upon procedures engagements is appropriate</u> may include information concerning the integrity and ethical values of the principal owners, key client (including management, and, when appropriate, those charged with governance) that is sufficient to support such judgements. If the engagement partner has cause to doubt management’s integrity to a degree that is likely to affect proper performance of the</p>

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	engagement, it may not be appropriate to accept the engagement.
ISRS (NZ) 4400, paragraph A26	<p>Relevant quality control standards <u>Professional and Ethical Standard 3</u> sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply <u>quality objectives that address the fulfillment of responsibilities in relation to</u> with relevant ethical requirements. This ISRS (NZ) sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements.^{7A}</p> <p>^{7A} Professional and Ethical Standard 3, paragraph 29</p>
ISRS (NZ) 4400, paragraph A37	<p>Engagement Acceptance and Continuance (Ref: Para. 21–23)</p> <p><i>Compliance with Independence Requirements</i> (Ref: Para. 22(e), 24(e))</p> <p>Paragraph 22(e) applies when the practitioner is required to comply with independence requirements for reasons such as those set out in paragraph A15. Paragraph 22(e) also applies when the practitioner agrees with the engaging party, in the terms of engagement, to comply with independence requirements. For example, the practitioner may have initially determined that the practitioner is not required by relevant ethical requirements, law or regulation, or other reasons to comply with independence requirements. However, when considering engagement <u>acceptance and continuance of the engagement</u> or agreeing the terms of engagement, the practitioner's knowledge of the following matters may indicate that a discussion with the engaging party as to whether compliance with certain identified independence requirements is appropriate for the purpose of the agreed-upon procedures engagement:</p> <p>...</p>
ISRS (NZ) 4400, paragraph A47	<p>A practitioner's expert may be an external expert engaged by the practitioner or an internal expert who is part of the firm and therefore subject to the firm's system of quality control <u>management</u>. Ordinarily, the practitioner may depend is entitled to rely on the <u>firm's system of quality control management, unless:</u></p> <ul style="list-style-type: none"> • <u>The practitioner's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>information provided by the firm or other parties suggests otherwise. The extent of that reliance dependence will vary with the</p>

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	<p>circumstances and may affect the nature, timing and extent of the practitioner's procedures with respect to matters such as:</p> <ul style="list-style-type: none"> • Competence and capabilities, through recruitment and training programs. • The practitioner's evaluation of the objectivity of the practitioner's expert. • Agreement with the practitioner's expert. <p>Such reliance-dependence does not reduce the practitioner's responsibility to meet the requirements of this ISRS (NZ).</p>
ISRS (NZ) 4400, Appendix 2	<p>Illustration 1</p> <p><i>Professional Ethics and Quality ControlManagement</i></p> <p>...</p> <p>Our firm applies [describe relevant quality control standards], and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p><u>Our firm applies Professional and Ethical Standard 3, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</u></p>
ISRS (NZ) 4400, Appendix 2	<p>Illustration 2</p> <p><i>Professional Ethics and Quality ControlManagement</i></p> <p>...</p> <p>Our firm applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p><u>Our firm applies Professional and Ethical Standard 3, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</u></p>

C: EFFECTIVE DATE

This Standard is effective for:

- (a) reviews of financial statements for periods beginning on or after 15 December 2022;
and
- (b) other assurance and related services engagements beginning on or after 15 December 2022.