

From: Bruce McNiven <Bruce.Mcniven@xrb.govt.nz>
Sent: Monday, 20 March 2023 21:23
To: Yussuf Choonara <ychoonara@irba.co.za>
Cc: Misha Pieters <Misha.Pieters@xrb.govt.nz>
Subject: RE: Proposed Due Process Policy

Dear Yussuf

We have received your email from Matthew at the AUASB, and our team has reviewed the IRBA's Revised Due Process Policy.

Overall it looks very comprehensive and a great policy document.

As requested, we have documented below a few ideas for you to consider, as you finalise the policy document. We have also provided references to our current policy document EG Au 2 [Overview of Auditing and Assurance Standard Setting Process](#) for some additional content that you could consider including in your policy.

1. Paragraph 33 – “A communication is issued to stakeholders” – Does IRBA also hold forums or other events? You could consider adding Para 17 of our Explanatory Guide (EG Au2) [Overview of Auditing and Assurance Standard Setting Process](#) which states “Where appropriate, the IAASB, IESBA or the NZAuASB arranges forums to enable discussion and exchanges of opinion on the document.”
2. Paragraph 40.i. is missing this sentence from the quote of paragraph 8 of IAASB's [guide](#) “NSSs are encouraged to communicate additions falling within paragraph 8(b) to IAASB for future consideration.”
3. Paragraph 43.a. and Paragraph 44.a. – Compelling reasons test “Is not consistent/conflicts with the legal and/or regulatory requirements of the IRBA;” The IAASB [guide](#) (para 8.(a)) suggests that this is wider than the IRBA - it is the national legal and regulatory requirements.
4. Paragraph 44.b. – consider rewording the sentence, and adding the underlined “The modified Standard must not result in requirements lesser than, or in conflict with, the final IAASB Standard.”
5. Paragraph 48 reads “Any modifications made are to be communicated to the IAASB, *for input and future consideration.*” Suggest deleting “input and” as it is superfluous. NZ just has “for future consideration” as does IAASB's guide (para. 8.).
6. Paragraph 56 – For completeness of the policy document, the IRBA could consider including the IAASB's comment period policy. Our [EG Au2](#) (para 19) states “The IAASB's international due process comment period varies depending on the complexity of the topic, but is ordinarily 120 days... Proposed changes that result in only minor amendment to an issued international standard may be progressed more quickly.”

7. Paragraph 56 and 70 – The IRBA could also consider including some content from our [EG Au2](#) around privacy and the ability of stakeholders to directly comment to the IAASB, in particular paragraph 20 of EG Au2.
8. Paragraph 68 – It feels like there is something missing between the exposure draft being issued and the closure of the exposure draft period in paragraph 69. I.e., Does IRBA also have forums or other events? Para 31 of [EG Au2](#) states “Interested parties are notified of the issue of all discussion documents and exposure drafts. Where appropriate, forums are arranged or other arrangements made to enable further discussion and exchanges of opinion.”
9. We note that there is no process for the revocation of standards. IRBA may want to consider including something about this. This is covered in paragraphs 35-39 of our [EG Au2](#).
10. For cases where IRBA may want to make minor editorial changes, you could consider adding “Editorial changes may be approved and issued by IRBA without formal public consultation.” – this is something that we are considering adding to our future revised policy document, which the AUASB already has in their [Due Process](#) policy, para 209.

We hope these ideas help,

Please don't hesitate to reach out to us in the future.

Kind regards

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