

# NZICA Professional & Ethical Standards

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*Due Process and Working Procedures*



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Issue Date: 25 March 2021

## 1. Introduction

The purpose of this document is to describe the due process and working procedures which are followed by the New Zealand Regulatory Board (NZRB) in reviewing and developing NZICA professional and ethical standards (NZPES).

These procedures will be revised periodically in order to ensure they remain fit for purpose.

## 2. Authority

The New Zealand Institute of Accountants (NZICA) regulates Chartered Accountants Australia and New Zealand (CA ANZ) members in New Zealand under the New Zealand Institute of Chartered Accountants Act 1996 (NZICA Act) and the terms of the amalgamation agreement between Institute of Chartered Accountants in Australia and NZICA.

### NZICA Act 1996

Section 5A of the NZICA Act 1996 requires NZICA to maintain, monitor compliance with and enforce professional and ethical standards including the Code of Ethics (NZICA Code).

Section 7 of the NZICA Act 1996 requires NZICA to have a Code of Ethics that governs the professional conduct of its members, and for that Code of Ethics to be prescribed by the NZRB. The NZICA Act states, in section 8, that the NZICA Code is a disallowable instrument for the purposes of the Legislation Act 2012. This means that the Code of Ethics must be tabled in Parliament and can be disallowed by Parliament.

### CAANZ By-laws / NZICA Rules

CA ANZ By-law 38A and Rule 4 of the NZICA Rules require CA ANZ members resident in New Zealand to (amongst other things) comply with the NZICA Code of Ethics, any standards or pronouncements issued by NZICA, the External Reporting Board (XRB), the New Zealand Auditing and Assurance Standards Board (NZAuASB), and the New Zealand Accounting Standards Board (NZASB) (or their successor entities).

## 3. Alignment

### IFAC

As an accredited body under the Auditor Regulation Act 2011, NZICA is required to comply with the current membership criteria of the International Federation of Accountants (IFAC). Members of IFAC are required to have professional and ethical standards at least as stringent as those issued by the international standards boards (which includes the International Ethics Standards Board of Accounting (IESBA) and the International Auditing and Assurance Standards Board (IAASB)) (see IFAC Statement of Membership Obligations 1, 3, and 4).

CA ANZ is also a member of IFAC and subject to the same membership criteria.

## XRB

The External Reporting Board (XRB) is responsible for setting accounting, auditing and assurance standards (including professional and ethical standards) for assurance practitioners in New Zealand (Section 12 of the Financial Reporting Act 2013). Both NZICA and the New Zealand Auditing and Assurance Standards Board (NZAuASB) maintain a Code of Ethics and a quality control standard that are based on the standards issued by the international standards boards.

This means that CA ANZ members resident in New Zealand who provide assurance services must, in addition to complying with NZPES, also adhere to the standards issued by NZAuASB.

## Modification criteria

On this basis, there is very little scope to deviate from the equivalent international standards. Modification may arise in rare circumstances where:

1. The equivalent international standard does not reflect, or is not consistent with:
  - a. the New Zealand regulatory environment; or
  - b. practices that are considered appropriate for members (including in the use of significant terminology); and
2. The equivalent international standard can be modified so as to result in a standard that:
  - a. promotes significant improvement in the New Zealand or member environment(s); and
  - b. does not conflict with, or result in lesser requirements than, the equivalent international standard; and
3. The relative benefits of making a change outweigh the costs (with cost primarily being compliance cost).

## Avoidance of duplication

In addition, NZICA avoids duplicating NZAuASB pronouncements where it is not necessary for NZICA to also have a pronouncement by virtue of the existence of Rule 4 of the NZICA Rules i.e. pronouncements that relate solely to audit, review, other assurance engagements and related services that come within mandate of the XRB. For example, NZICA has not replicated the international independence standards (Parts 4A and 4B) in the NZICA Code and, instead refers members to Parts 4A and 4B of PES 1 issued by NZAuASB. Similarly, when the XRB's mandate was extended to include related services, NZICA withdrew its agreed upon procedures standard when the NZAuASB put an equivalent standard in place.

## APESB

CA ANZ By-law 38A requires CA ANZ members in Australia (and elsewhere) to (amongst other things) comply with professional and ethical pronouncements issued by Australian Accounting Professional and Ethical Standards Board (APESB). APESB pronouncements are based on professional and ethical standards

issued by the international standards boards where equivalent standards are available. However, where no international standards are available, APESB has developed its own standards with reference to the historical standards of its member bodies (ICAA, CPA Australia, and the Institute of Public Accountants) and professional and ethical standards of comparable jurisdictions.

All CA ANZ members, regardless of country of residence, should be held to the same standards of professional and ethical behaviour (as far as practicable).

Therefore, it is important that the professional obligations set out in the NZICA and APESB pronouncements are aligned wherever possible to ensure that members are not subject to differing, and potentially conflicting, requirements.

### 3. NZICA professional and ethical standards

NZPES comprise:

- a) NZICA Code
- b) Standards; and
- c) Guidelines

A diagrammatic presentation of the current structure of ethical and professional standards is contained in the appendix to the Explanatory Forward.

#### a) NZICA Code

The NZICA Code prescribes:

- the fundamental principles that members must apply to any business or professional activity;
- a framework that members must use to identify, evaluate and address threats to the fundamental principles; and
- how the conceptual framework should be applied to particular issues or in particular situations.

The NZICA Code is based on the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code).

The NZRB supplements the IESBA Code with New Zealand specific requirements and guidance where it considers appropriate based on the modification criteria. In determining New Zealand specific requirements and guidance, NZRB takes into consideration New Zealand specific requirements and guidance of NZAuASB and, where also applicable to New Zealand, Australian specific requirements and guidance of APESB.

## b) NZICA Standards

NZICA Standards are designed to promote competent, professional and ethical practice for the particular issue(s) or situation(s) it addresses. They expand on the application of the NZICA Code to those issue(s) or situation(s) and prescribe other additional professional requirements for those issues(s) or situation(s).

CA ANZ By-law 38A, Rule 4 of the NZICA Rules and paragraph NZ R113.1(b) of the NZICA Code all require every member to comply with these standards.

The NZICA Standards are usually based on professional and ethical standards issued by a relevant international standards board or, where no equivalent international standard exists, promulgated with reference to professional and ethical standards of a comparable jurisdiction (e.g. APESB Standards).

Where an NZICA Standard is based on an international standard, the NZRB supplements that standard with New Zealand specific requirements and guidance where it considers appropriate based on the modification criteria. In determining New Zealand specific requirements and guidance, NZRB takes into consideration New Zealand specific requirements and guidance of NZAuASB (or other applicable NZ authoritative body, if appropriate) and, where also applicable to New Zealand, Australian specific requirements and guidance of APESB.

Where an NZICA standard promulgated with reference to professional and ethical standards of a comparable jurisdiction, the NZRB will seek alignment where possible with both the comparative jurisdiction and NZAuASB but more weight will be given to ensuring that the resulting standard meets the needs of both NZICA and its members.

The NZRB may issue of a NZICA Standard where:

- a) A relevant international standards board issues a standard that should be adopted by NZRB subject to any requirements imposed by New Zealand's legislative and/or regulatory environment;
- b) A standard setting body in another jurisdiction (e.g. APESB) issues a professional or ethical standard and NZRB considers it should issue a New Zealand equivalent;
- c) No existing Standard otherwise addresses the particular ethical considerations to be addressed and/or the essential procedures to be undertaken in respect to a particular aspect of accounting services;
- d) Members and/or other stakeholder(s) request a NZICA Standard be issued and NZRB agrees that it is appropriate to do so.

## c) NZICA Guidelines

NZICA Guidelines generally provide members with interpretative guidance on implementing the NZICA Code and/or NZICA Standards. NZICA Guidelines contain material that can be used by members to improve knowledge and understanding of requirements, basic principles and essential procedures. This material will often be of a more specific nature than that contained in the NZICA Code or NZICA Standards and may not be applicable to every situation. However, the material should be considered indicative of what is expected of members to meet the requirements of the NZICA Code and/or NZICA Standards. NZICA Guidelines do not establish new requirements or alter the requirements of the NZICA Code or a NZICA Standard.

The NZRB may issue a NZICA Guideline where:

- a) The NZRB considers additional guidance on the application of the NZICA Code or an NZICA Standard to an entity, industry or service specific matters is required to assist members to comply with the NZICA Code or an NZICA Standard;
- b) A relevant international standards board or a standard setting body in another jurisdiction issues guidance on a particular matter that is applicable in New Zealand and the NZRB considers the material will assist members to comply with the NZICA Code or an NZICA Standard; or
- c) Members and/or stakeholder(s) request an NZICA Guideline be issued and NZRB agrees that the Guidance is needed.

#### 4. Due process and working procedures

NZRB (and Management on its behalf) follows a due process to maintain appropriate transparency in respect of its development process for NZPES.

Members are able to view this document, obtain copies of exposure drafts, make submissions on those exposure drafts and generally follow the development progress of each new or revised NZPES on the CA ANZ website.

A diagrammatic presentation of this process is contained in Appendix A.

##### a) Workplan

Management will, from time to time, advise the NZRB of the appropriate workplan for the development of NZPES.

This workplan will take into consideration, amongst other things:

- The extent and timing of proposed changes to pronouncements to be issued by relevant international standards boards;
- The extent and timing of changes to New Zealand laws and regulations that impact on NZPES;
- The extent and timing of proposed changes to pronouncements to be issued by a standard setting body in a comparable jurisdiction on which NZPES are referenced or on which NZRB wishes to reference an NZPES;
- The urgency of stakeholder(s) concerns regarding other relevant matters;
- The directions or comments of the NZRB;
- The capacity of Management to deliver the workplan.

##### b) Short-form consultation process

The investment required of NZRB embarking on a full consultation process is likely to exceed the benefit of consultation where:

- An existing NZPES is based on an international standard (i.e. the IESBA Code) and the nature and extent of the changes made to the international standard mean that it is very unlikely that member comment on an exposure draft will result in amendment based on the modification criteria; or
- An existing NZPES requires limited consequential amendment or withdrawal for changes to other NZPES or laws and regulations.

Therefore, NZRB will use a “short-form consultation process” where:

- Amendments to the international standard primarily impact assurance practitioners and the NZAuASB have been through due process in updating their corresponding standard; and/or
- Amendments to the international standard are confined to guidance material (and not requirements) that are consistent with current NZ best practice and expectations regarding the application of the conceptual framework.

Consequential amendments and withdrawals will be considered by the NZRB without consultation.

Where Management considers the “short-form consultation process” is appropriate:

- Management will notify the NZRB of their assessment and seek NZRB confirmation.
- On receipt of NZRB confirmation, Management will notify members through CA ANZ usual communications channels of the proposed amendments and that the amendments will be reflected in the NZPES without further consultation unless members alert Management, within a specified timeframe, of any critical NZ specific issues that should be considered.
- Assuming no critical issues are raised, NZRB approves the amendments after the specified timeframe has passed – refer further to approval of NZPES below.

Except for rare circumstances in which a shorter timeframe is required (i.e. to accommodate a national or international timeframe or there is an urgent member need), the specified timeframe will be at least 2 months.

### c) Exposure draft development

Management will develop exposure drafts as required. This work will include, amongst other things:

- Identification of any applicable international pronouncement on which to base the exposure draft (base pronouncement) or, where no international standard exists, of any applicable pronouncement issued by a standard setting body in a comparable jurisdiction that may be used as a reference point for the development of the exposure draft (reference pronouncement);
- Consideration of the base pronouncement or reference pronouncement viz a viz current New Zealand best practice;
- Consideration of applicable New Zealand laws and regulations;
- Consultation with NZICA Regulation and Professional Conduct (or CA ANZ teams that carry out these functions on behalf of NZICA, as appropriate);
- Consultation with subject matter expert(s) as appropriate;
- Consultation with other stakeholder(s) as appropriate.

Where an existing NZPES is being updated, this work will also include an analysis of the base pronouncement or reference pronouncement viz a viz existing NZICA pronouncements to ensure that the

revised pronouncement does not unnecessarily reduce the scope, requirements and depth of coverage of NZICA pronouncements.

Where Management consult with external subject matter expert(s) or stakeholder(s), any feedback or views received is recorded and considered as part of due process. All development versions of the exposure draft released to external subject matter expert(s) or stakeholder(s) are treated as confidential information by all recipients.

The outcome of this phase is the development of an exposure draft together with a draft invitation to comment.

#### d) Exposure draft approval and consultation

Management will present each exposure draft and invitation to comment to the NZRB for approval.

If approved, members will be invited to download a copy of the exposure draft and invitation to comment from the CA ANZ website and make submissions as directed in the invitation to comment.

The invitation to comment will highlight the reason for the exposure draft and the significant proposals contained therein including any areas where the exposure draft differs from the base pronouncement (where applicable) and any existing NZICA pronouncements.

Members are notified of the release of the exposure draft using CA ANZ usual communications channels. For complex proposals, Management may prepare other communications such as articles to appear on the CA ANZ website or in Acuity outlining the proposed NZPES and drawing attention to any complex issues.

Except for rare circumstances in which the shorter timeframe is required (i.e. to accommodate a national or international timeframe or there is an urgent member need), the submission due date will be at least 2 months from the date of issue of the exposure draft.

If the exposure draft and invitation to comment are not approved, NZRB may direct Management to undertake further work and resubmit it for its approval or to abandon that proposal.

#### e) Consideration of members' comments on exposure drafts

Once the submission due date has past, Management will consider the submissions received from members and prepare a Management Report for consideration by the NZRB.

This Management Report will include (as appropriate):

- a) An overview of the submissions received;
- b) An analysis of the issues raised by respondents, including, where appropriate, a summary of their views and an explanation of the reason(s) why changes recommended by a respondent were actioned or not actioned; and
- c) A 'marked up' version of the proposed NZPES that highlights the changes made (if any) to the proposed NZPES subsequent to the issue of the exposure draft.

This Management Report will be provided to the NZRB for consideration.

## f) Approval of NZPES

Following consideration of the Management Report, the NZRB may:

- a) Approve the proposed NZPES together with any approved changes for issue and distribution to members;
- b) Approve the proposed NZPES together with any approved changes for re-exposure, in which case the procedures outlined above for exposure drafts are repeated;
- c) Abandon the proposed NZPES under consideration.

Where the approved NZPES is the NZICA Code, Management will arrange for a copy to be tabled in parliament (section 8 of the NZICA Act) and delivered to the Registrar of companies (section 7 of the NZICA Act)

Once issued, the NZPES is placed on the CA ANZ website and can be downloaded together (except where the “short-form consultation process has been used) with a copy of the Management Report and each submission received.

Members are notified of the issue of an NZPES through CA ANZ usual CA ANZ member communications channels. For complex NZPES, Management may prepare other communications and resources to assist members with the implementation of the NZPES.

This notification will include any consequential withdrawal of any existing NZICA pronouncement.

## 5. Drafting Approach

### a) Base pronouncement / reference pronouncement

The base pronouncement will be the equivalent IFAC pronouncement or, if it is consistent with current drafting principles and conventions, the existing NZICA pronouncement. Where the base pronouncement is an IFAC pronouncement, it is critical that approval to use the IFAC pronouncement is provided by IFAC **before** NZICA issues an exposure draft for consultation and **before** it issues the final pronouncement.

If there is no base pronouncement, suitable reference pronouncements should be used to inform the content of the NZPES.

However, when selecting the appropriate document on which to “mark-up” the appropriate “tracked changes” the following scenarios should be considered:

- a) An equivalent IFAC pronouncement exists that is identical or differs only slightly from the existing NZPES i.e. it only differs because NZ specific provisions have been added to prior versions of the IFAC pronouncement – *In this scenario, the existing NZPES is used as the starting point as it already includes appropriate NZ modifications.*
- b) An equivalent IFAC pronouncement exists that differs significantly from the existing NZPES i.e. a substantial update of the equivalent IFAC pronouncement has occurred – *In this scenario, the IFAC pronouncement is used as the starting point and, where appropriate, NZ provisions are inserted.*
- c) No equivalent IFAC pronouncement exists and the existing NZPES is consistent with current drafting principle and conventions - *In this scenario, the existing NZPES is used as a starting point*

*and, where appropriate, other reference pronouncements are considered in determining whether additional requirements and guidance is inserted.*

- d) No equivalent IFAC pronouncement exists and there is no existing NZPES or the existing NZPES is inconsistent with current drafting principles and conventions – *In this scenario, reference pronouncements (including the existing NZPES) should be used for determining the content to be inserted into a format consistent with current drafting conventions.*

## b) Drafting conventions

The following drafting principles and conventions apply to all NZPES drafted post 15 June 2019:

- a) Mandatory requirements and application material are shown in separate paragraphs.
- b) Paragraphs containing requirements are designated with the letter “R” and denoted in bold type.
- c) Paragraphs containing application material are designated with the letter “A” shown in normal type. Application material provides explanations, context, matters the member might consider, suggested procedures the member might perform, examples of those procedures and other guidance in respect to a requirement(s) or in the context of the issue or situation being addressed.
- d) The word ‘shall’ is used within requirements paragraphs to denote the obligations a member is required to comply with.
- e) The word ‘might’ is used in application material to denote matters that members have a professional obligation to consider when complying with a requirement. In making the determination whether to follow the material denoted as ‘might’ or not, the member must consider the specific circumstances of the issue or situation they are addressing and exercise professional judgement to determine whether the guidance is relevant and applicable in the circumstances. It is possible that in certain circumstances the member will be able to comply with the requirement or achieve the objectives of the guidance by undertaking alternative procedures rather than the recommended procedures in the NZPES or in other circumstances the guidance may not be relevant. Where a member determines that it is appropriate to undertake alternative procedures or not to follow guidance, the member should be prepared to be able to justify their actions to the client, employer, NZICA or any relevant regulator.
- f) Requirements that exist in another NZPES are anchored back to the original requirement when repetition is considered necessary for understanding and context.
- g) New Zealand supplements to IFAC pronouncements will be prefaced by the letters NZ.
- h) Defined terms are in *italic* case and included in the Glossary.

### c) Application of NZPES

NZPES drafted after 15 June 2019 are to be applied in the following manner:

- a) The NZICA Code and Standards have mandatory requirements in black lettering and application material in grey lettering; and
- b) Guidelines have only application material in grey lettering.

NZPES drafted prior to 15 June 2019 are applied in accordance with the ordinary meaning of their wording.

### d) Elements of NZPES

Where there is a base pronouncement, the NZPES usually contains the following elements, **in addition** to the elements contained in the base pronouncement:

- a) *Application date* – the application date specifies the date from which the standard is to be applied. In some cases, a standard can be applied earlier than the specified application date. The NZPES remains in force until:
  - The application date of any amendment to that NZPES; or
  - The NZPES is withdrawn by NZRB.
- b) *New Zealand Preface* – the New Zealand preface states the base pronouncement for the NZPES and describes the relationship with the corresponding NZAuASB standard where applicable.
- c) *New Zealand Scope and Application* - NZPES are applicable to all CA ANZ members in New Zealand.

Generally, paragraphs will be included in the “scope and application” of each NZPES that will communicate:

- Members are required to comply with requirements of NZPES and should follow application material in NZPES to the extent that they are not prevented from doing so by laws and regulations.
  - In applying the requirements or guidance outlined in NZPES, members must be guided not merely by the words but also by the spirit of the pronouncement (and the NZICA Code).
  - Any other NZ specific matter that the NZRB considers should be highlighted to members in respect to the subject matter of that NZPES.
- d) *Glossary* – definitions contained in NZPES are to be applied in the interpretation of NZPES and are consistent (unless not appropriate) across all NZPES issued by NZRB.
  - e) *Conformity statements* – conformity statements explain the relationship of an NZPES with an equivalent IFAC, NZAuASB or APESB pronouncement. In cases where there is no equivalent IFAC, NZAuASB or APESB pronouncement, the conformity statement will state that no equivalent pronouncement exists.

The NZICA Code will also include a “*notice of legal status*”.

Other NZPES usually contain the following elements:

- a) *Application date* – the application date specifies the date from which the standard is to be applied. In some cases, a standard can be applied earlier than the specified application date. It remains in force until:
- The application date of any amendment to the NZPES; or
  - The NZPES is withdrawn by NZRB.
- b) *Scope and application* – NZPES are applicable to all CA ANZ members in New Zealand. Generally, paragraphs will be included in the “scope and application” of each NZPES that will communicate:
- Members are required to comply with requirements of NZPES and should follow application material in NZPES to the extent that they are not prevented from doing so by laws and regulations.
  - Members are required to take reasonable steps to ensure that all persons associated with member comply with the NZPES when assisting the member to provide professional services or undertake a professional activity.
  - The NZPES is confined to the professional and ethical aspects of the provision of the professional service or activity as distinct from any responsibilities that may be imposed by laws and regulations. Members are responsible for determining the laws and regulations that are applicable to the relevant professional activity.
  - Members need to comply with the NZICA Code and other relevant professional and ethical requirements.
  - In applying the requirements or guidance outlined in NZPES, members must be guided not merely by the words but also by the spirit of the pronouncement and the NZICA Code.
- c) *Fundamental obligations* – paragraphs will be included in “fundamental obligations” where it is appropriate to provide additional requirements and guidance material applicable to member’s compliance with the member’s public interest obligations, and the fundamental principles.
- d) *Members in Business / Relationship between the member and the members’ firm* - paragraphs will be included in the “Members in Business / Relationship between the member and the member’s firm” where it is appropriate to provide additional requirements and guidance material applicable to matters covered by Part 2 of the NZICA Code.
- e) *Members in Public Practice* - paragraphs will be included in “Members in Public Practice” that provide additional requirements and guidance material applicable to matters covered by Part 3 of the NZICA Code.
- f) *Professional Independence* – paragraphs will be included in “Professional Independence” about whether professional independence is required and, if so, the requirements and guidance material applicable.
- g) *Engagement performance* - paragraphs will be included in “Engagement Performance” that provide additional requirements and guidance material applicable to the performance of the engagement.
- h) *Documentation and quality control* – paragraphs will be included in “Documentation and Quality Control” that provide additional requirements and guidance material applicable to those topics.
- i) *Glossary* – definitions contained in NZPES are to be applied in the interpretation of NZPES and are consistent across all NZPES issued by NZRB.

- j) *Conformity statements* – conformity statements explain the relationship of an NZPES with an equivalent IFAC, NZAuASB or APESB pronouncement. In cases where there is no equivalent IFAC, NZAuASB or APESB pronouncement, the conformity statement will state that no equivalent pronouncement exists.

## e) Amendment and replacement of existing NZPES

### i. Amendment

From time to time, issued NZPES may require minor amendment to incorporate editorial and other changes. Where NZRB amends an NZPES, the NZPES will:

- Indicate the date of original issue and the date of each amendment;
- [post 15 June 2019] Include a note that details the nature of the revision and application date.

### ii. Replacement

From time to time, NZPES may require substantial amendments and NZPES will issue substantially revised pronouncements. Where NZRB replaces a NZPES, the NZPES will:

- Indicate what NZPES it replaces and the application date; and
- Include a note that highlights the primary changes to the extant NZPES.

## f) Withdrawal of NZPES

The NZRB votes on the withdrawal of an NZPES whether that withdrawal is due to the issue of a new or revised NZPES that incorporates or replaces the subject matter of the existing NZPES or for any other reason (such as the issue of a corresponding standard by the NZAuASB).

## 6. Communications

### a) CA ANZ Website

CA ANZ, on behalf of the NZRB, will make relevant information available for public viewing on its website ([www.charteredaccountantsanz.com](http://www.charteredaccountantsanz.com)) including:

- a) The current version of the *NZICA Professional Standards: Due Process and Working Procedures*;
- b) All issued NZPES;
- c) Copies of current or recent exposure drafts;
- d) Submissions received on current or recent exposure drafts when confidentiality has not been requested;

- e) Management reports for current or recent exposure drafts;
- f) Any general guidance and resources developed to assist members with the implementation of the NZPES.

## b) Notifications to members

Members are notified (at a minimum) of the release of an exposure draft (or the decision to use the “short-form” process) and the release of a NZPES using CA ANZ usual communications channels.

An individual communications plan will be designed and communicated to the NZRB for each initiative but will typically include use of both CA ANZ newsletters and social media. EDM will only be used in exceptional circumstances (i.e. fundamental changes to the NZICA Code).

For complex changes, CA ANZ Management may also prepare other communications such as articles to appear on the CA ANZ website or in Acuity outlining the proposed or approved NZPES and drawing attention to any complex issues.

## c) Requests for advice

NZRB (and Management on its behalf) and CA ANZ do not provide advice on how NZPES should be interpreted in practice by members.

However, from time to time, NZRB (and Management on its behalf) or CA ANZ may develop general guidance and resources to assist members with the implementation of the NZPES. The need for this material will be assessed on a case by case basis based on, amongst other things:

- a) The complexity of the NZPES;
- b) The number and type of members affected; and
- c) The resourcing available to prepare the general guidance and resources.

## 7. Review and evaluation

NZRB (and Management on its behalf) undertakes a regular program of review of NZPES. This regular review process monitors the continued appropriateness of NZPES.

### a) On-going review

On behalf of the NZRB, Management monitors the external environment to identify:

- Changes to applicable IFAC pronouncements or to applicable pronouncements issued by standard setting bodies in other jurisdictions (in particular, APESB);
- Changes to current New Zealand best practice;
- Changes to applicable New Zealand laws and regulations;

- Issues identified by NZICA Regulation and Professional Conduct (or CA ANZ teams that carry out these functions on behalf of NZICA);
- Issues otherwise logged by members in the Issues Register.

These changes and issues inform the workplan.

## b) Issues register

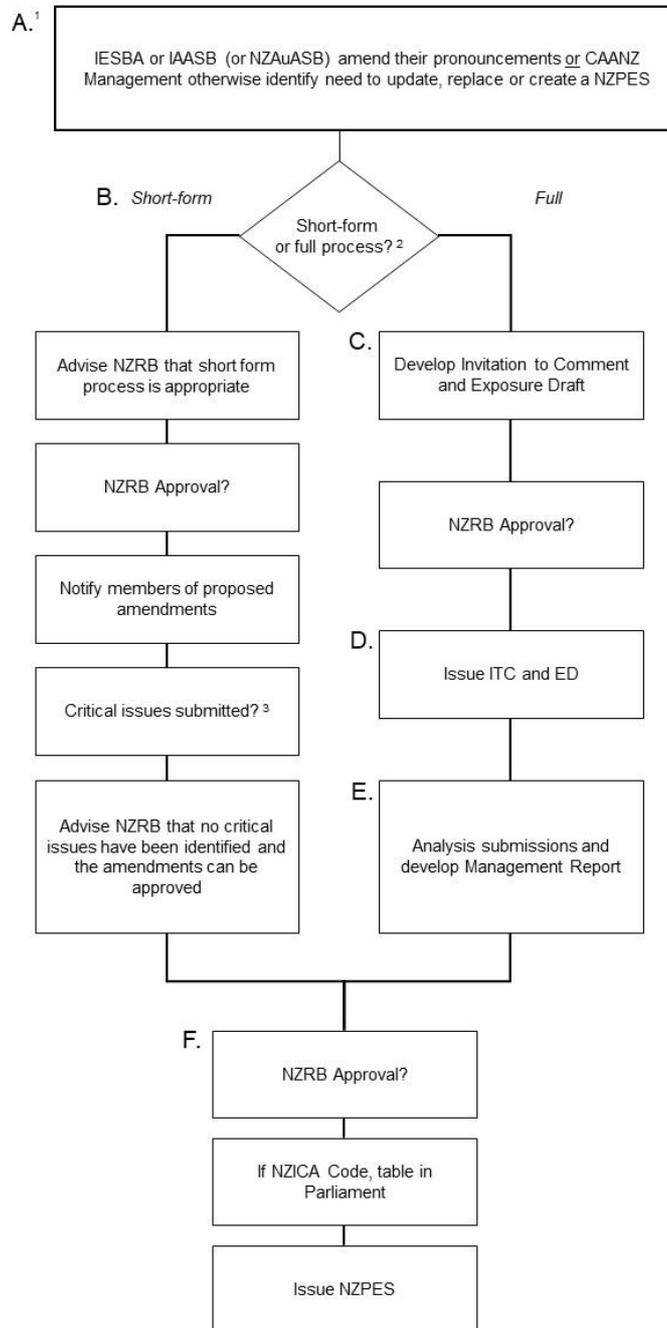
Management maintains an issues register. Issues logged on the register provide the basis for future NZPES amendments.

For each issue logged on the issues register, Management describes the issue, affected stakeholders, proposed response and current status.

Members can request that issues are added to the issues register by sending an e-mail to [regulation.nzica@charteredaccountantsanz.com](mailto:regulation.nzica@charteredaccountantsanz.com) (attention: NZ professional standards). The e-mail should detail the pronouncement and paragraph number concerned, the issue and the affected stakeholders.

# Appendix A

## Due Process for setting NZICA Ethical and Professional Standards



<sup>1</sup> Corresponds to paragraphs with NZICA Professional & Ethical Standards: Due process & working procedures

<sup>2</sup> Consequential amendments and withdrawals will be considered by the NZRB without amendment

<sup>3</sup> Where critical issues are identified, the project will become subject to the full process