

AG ISA (NZ) 330
THE AUDITOR-GENERAL'S STATEMENT ON
THE AUDITOR'S RESPONSES TO ASSESSED RISKS

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Introduction

Scope of this Statement

1. This Auditor-General's Auditing Statement:
 - (a) establishes the Auditor-General's requirements in relation to ISA (NZ) 330: *The Auditor's Responses to Assessed Risks* (ISA (NZ) 330);¹ and
 - (b) provides additional guidance to reflect the public sector perspective.

Application

2. Compliance with this Statement is mandatory for Appointed Auditors who carry out annual audits on behalf of the Auditor-General. This Statement requires compliance with all of the requirements of ISA (NZ) 330, except to the extent that this Statement provides otherwise. Where a conflict between this Statement and ISA (NZ) 330 exists, the requirements of this Statement shall prevail.
3. This Statement applies to audits of financial statements and/or performance information which has been prepared for reporting periods beginning on or after 1 April 2017.

Objectives

4. The objectives of the Appointed Auditor are to:
 - (a) obtain sufficient appropriate audit evidence about the assessed risks of material misstatement in the financial and performance information, through designing and implementing appropriate responses to those risks in keeping with the requirements in ISA (NZ) 330;
 - (b) maintain an awareness of, and report to the OAG, any additional matters identified during the audit that may be significant in the context of the public sector; and
 - (c) respond to any specific directions, instructions, or requirements issued by the OAG, which may be issued from time to time.

¹ The ISA (NZ) auditing standards are scoped so that they apply to audits of "historical financial information". However, for the purposes of the Auditor-General's auditing standards and statements, all references to "historical financial information" should be read as the audit of "historical financial and historical performance information".

Definitions

5. For the purpose of this Auditor-General's Auditing Statement the defined terms have the meanings attributed:
- (a) in the Glossary of Terms issued by the New Zealand Auditing and Assurance Standards Board (the NZAuASB glossary) of the External Reporting Board (although where a term with a specific meaning in the New Zealand public sector differs from the NZAuASB glossary, the New Zealand public sector definition shall prevail); and
 - (b) in the Auditor-General's Glossary of Terms.

Requirements

Maintaining an awareness of public sector matters during the annual audit

6. In keeping with the objective in paragraphs 4(b) and (c) above, the Appointed Auditor shall maintain an awareness of, and report to the OAG, any additional matters identified during the annual audit that may be significant in the context of the public sector. In particular, the Appointed Auditor shall:
- (a) apply the requirements for annual audits that are outlined in:
 - (i) AG ISA (NZ) 250: *Consideration of laws and regulations*;
 - (ii) AG-3: *The auditor's approach to issues of effectiveness and efficiency, waste and a lack of probity or financial prudence*; and
 - (iii) AG-4: *The audit of performance reports*.
 - (b) apply the specific public sector factors where they are applicable to aspects of the audit work to be carried out that are outlined in AG-2: *The appropriation audit and the controller function*; and
 - (c) apply, where applicable, any requirements that may be specified in directives from the OAG, such as audit briefs.