

AG ISA (NZ) 200

The Auditor-General's Statement on
Overall Objectives of the Independent
Auditor and the Conduct of an Audit
in Accordance with International
Standards on Auditing (New Zealand)



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Introduction

At a glance

The standard expands on the [underlying standard ISA \(NZ\) 200 \(XRB website\)](#) in that you need to identify and report on any matters of interest to the Auditor-General regardless of materiality. Matters of interest include issues relating to effectiveness and efficiency, compliance with laws and regulations, waste, and lack of probity or financial prudence.

Scope of this Statement

1. This Auditor-General's Auditing Statement:
 - (a) establishes the Auditor-General's objectives and requirements in relation to [ISA \(NZ\) 200 *Overall objectives of the independent auditor and the conduct of an audit in accordance with International Standards on Auditing \(New Zealand\)*](#) (ISA (NZ) 200);¹ and
 - (b) provides 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 ISA (NZ) 200 and the additional requirements included in this Statement.
3. This Statement applies to audits of financial statements and/or performance information commencing on or after 1 April 2023.

Objectives

4. The objectives of the Appointed Auditor in terms of this statement are to comply with the Auditor-General's auditing standards which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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

- For the purpose of this Auditor-General's Auditing Statement, the defined term listed below has the following meaning:

Appointed Auditor

means the person or persons appointed by the Auditor-General to carry out the annual audit or other engagement on behalf of the Auditor-General, and who are supported by other members of the audit team. Where an Auditor-General's Statement or Standard expressly intends that a requirement be fulfilled by the Appointed Auditor personally, the requirement will indicate that the Appointed Auditor shall personally satisfy the requirement.

Requirements

Complying with auditing standards applicable to the annual audit in the public sector

- Appointed Auditors shall carry out the annual audit in accordance with the Auditor-General's Auditing Standards to achieve the overall objectives ([Ref: Para. A1-A3](#)).
- Appointed Auditors shall assume a dual role of:
 - expressing an opinion on an entity's financial statements and performance information; and
 - identifying and reporting on any other matters of interest to the Auditor-General regardless of their effect on the audit of an entity's financial statements and performance information ([Ref: Para. A4](#)).

Application and other explanatory material

The Auditor-General's auditing standards that apply to annual audits

[\(Ref: Para. 6-7\)](#)

- A1. The Auditor-General has prepared statements and specific standards that apply to annual audits for the purpose of reflecting the public sector perspective, in addition to the standards issued by the External Reporting Board (the XRB) that also apply to annual audits.
- A2. Collectively, the standards issued by the XRB, together with the Auditor-General's statements and specific standards, are called the Auditor-General's Auditing Standards.
- A3. Appendix 1 outlines the Auditor-General's statements that apply to annual audits and the equivalent XRB standards. In addition, Appendix 1 also identifies the Auditor-General's specific standards that apply to annual audits.
- A4. Collectively, Appointed Auditors and their staff are the "eyes and ears" of the Auditor-General. It is important that, during the audit, Appointed Auditors and their staff maintain an awareness of the matters of interest to the Auditor-General so that those matters can be identified and reported.

Appendix 1 – Auditing Standards that apply to annual audits

Auditing standards that apply to annual audits

Applicable XRB Standards	Applicable Auditor-General's Statement	Name of Statement or Standard
PES 1	The Auditor-General's Code of Ethics	Code of ethics for assurance practitioners
PES 3	AG PES 3	Quality management
PES 4	AG PES 4	Engagement quality reviews
ISA (NZ) 200	AG ISA (NZ) 200	Overall objectives of the independent auditor and the conduct of an audit in accordance with International Standards on Auditing (New Zealand)
ISA (NZ) 210	AG ISA (NZ) 210	The terms of audit engagements
ISA (NZ) 220	-	Quality control for an audit of financial statements
ISA (NZ) 230	-	Audit documentation
ISA (NZ) 240	AG ISA (NZ) 240	The auditor's responsibilities relating to fraud in an annual audit
ISA (NZ) 250 (Revised)	AG ISA (NZ) 250	Consideration of laws and regulations
ISA (NZ) 260 (Revised)	AG ISA (NZ) 260	Communication with those charged with governance
ISA (NZ) 265	-	Communicating deficiencies in internal control
ISA (NZ) 300	AG ISA (NZ) 300	Planning the annual audit
ISA (NZ) 315 (Revised 2019)	AG ISA (NZ) 315	Identifying and assessing the risks of material misstatement
ISA (NZ) 320	AG ISA (NZ) 320	Materiality in planning and performing an annual audit
ISA (NZ) 330	-	The auditor's responses to assessed risks
ISA (NZ) 402	-	Audit considerations relating to an entity using a service organisation
ISA (NZ) 450	-	Evaluation of misstatements identified during the annual audit

Applicable XRB Standards	Applicable Auditor-General's Statement	Name of Statement or Standard
ISA (NZ) 500	-	Audit evidence
ISA (NZ) 501	-	Audit evidence – specific considerations for selected items
ISA (NZ) 505	-	External confirmations
ISA (NZ) 510	-	Initial audit engagements – opening balances
ISA (NZ) 520	-	Analytical procedures
ISA (NZ) 530	-	Audit sampling
ISA (NZ) 540	-	Auditing accounting estimates
ISA (NZ) 550	-	Related parties
ISA (NZ) 560	-	Subsequent events
ISA (NZ) 570 (Revised)	AG ISA (NZ) 570	Going concern
ISA (NZ) 580	AG ISA (NZ) 580	Written representations
ISA (NZ) 600	AG ISA (NZ) 600	Special considerations – audits of group financial and performance information (including the work of component auditors)
ISA (NZ) 610 (Revised 2013)	-	Using the work of internal auditors
ISA (NZ) 620	-	Using the work of an expert
ISA (NZ) 700 (Revised)	AG ISA (NZ) 700	Forming an opinion and reporting on financial and performance information
ISA (NZ) 701	AG ISA (NZ) 701	Communicating key audit matters in the independent auditor's report
ISA (NZ) 705 (Revised)	AG ISA (NZ) 705	Modifications to the opinion in the independent auditor's report
ISA (NZ) 706 (Revised)	AG ISA (NZ) 706	Emphasis of matter paragraphs and other matter paragraphs in the independent auditor's report
ISA (NZ) 710	-	Comparative information
ISA (NZ) 720 (Revised)	-	The auditor's responsibilities relating to other information
ISA (NZ) 800 (Revised)	-	Audits of financial statements prepared in accordance with special purpose frameworks

Applicable XRB Standards	Applicable Auditor-General's Statement	Name of Statement or Standard
ISA (NZ) 805 (Revised)	-	Audits of single financial statements and specific elements, accounts or items of a financial statement
ISA (NZ) 810 (Revised)	AG ISA (NZ) 810	Engagements to report on summary financial and performance information

Applicable Auditor-General's Specific Standards	
AG-1	Reporting to the OAG
AG-2	The appropriation audit and the Controller function
AG-3	The approach to issues arising from section 16(1) of the Public Audit Act 2001
AG-4	Performance reports