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Dear Jeremy

Consultation Paper: Assurance Reports on Bank Disclosure Statements

The External Reporting Board (XRB) is strongly supportive of the Reserve Bank of New Zealand's (RBNZ) project that aims to reduce the complexity of assurance reports on Bank Disclosure Statements and to remove redundant subclauses from the Orders in Council (OiC).

Over a number of years, the XRB has become increasingly aware of concerns from auditors about the length, complexity and lack of readability of the audit reports on Bank Disclosure Statements. The introduction of requirements to report Key Audit Matters (KAM) in XRB auditing standards only added to these concerns. We recognised there was an opportunity to streamline the OiC, given overlap with or repetition of requirements included in the XRB's assurance standards.

We have welcomed the opportunity to be able to assist RBNZ in this project by comparing the requirements of the OiC to the requirements in the applicable auditing and assurance standards in New Zealand, in working with you as you have developed the proposed changes to the OiC and in promoting the consultation document to our constituents.

We believe the proposed changes will result in assurance reports that are easier to read, will be more comprehensible and therefore more useful to users of the assurance reports.

We highly value the cooperative relationship we have with RBNZ in ensuring reporting and assurance in New Zealand promotes trust, confidence, transparency and accountability. We continue to offer our assistance, if needed, based on the feedback that you receive in response to the consultation.

Yours sincerely

s9(2)(a) - protect individual privacy

