

Submission from Parliamentary Service on Exposure Draft NZASB 2016-6

Service Performance Reporting

To the Chief Executive, External Reporting Board

Thank you for the opportunity to comment on the above Exposure Draft (ED). We have addressed each of the questions for respondents in turn, where they are applicable. Our understanding is that the ED complements the requirements of the Public Finance Act 1989. This Act outlines the reporting requirements for departments.¹ While the Parliamentary Service (the Service) has reported on non-financial performance information for many years, the ED helps to clarify the nature and type of service performance reporting requirements.

Questions to respondents

1. Do you agree that the dimensions of service performance in the ED are a useful way of identifying the information to be reported by public benefit entities? If not, why not?

Reply:

Yes, we agree that the dimensions of service performance in the ED (What did the entity do? Why did the entity do it? What impact did the entity have?) are a useful way of identifying the information to be reported by public benefit entities.

2. Do you agree that application of the qualitative characteristics and appropriate balancing of the pervasive constraints on information will result in appropriate and meaningful service performance information? If not, please explain why not and identify any alternative proposals.

Reply:

Yes, we agree that the application of the qualitative characteristics and appropriate balancing of the pervasive constraints on information will result in appropriate and meaningful service performance information. The Service applies these characteristics and constraints when devising appropriate performance indicators. Any performance measures reported on externally are also subject to independent scrutiny from Audit New Zealand.

3. Do you agree with the use of the term “appropriate and meaningful”? If not, please explain why not and identify any alternative proposals.

Reply:

The use of the term “appropriate and meaningful” when applied to service performance information is accurate, and we agree with it. This is standard practice for departments.

4. Do you agree with the proposed information to be reported? If not, please explain why not and identify any alternative proposals.
5. Do you agree that cross referencing to information outside of the service performance section of the general purpose financial reports should be permitted?

Reply:

¹ Although the Parliamentary Service is a non-public service agency, it is classed as a ‘department’ under the Public Finance Act 1989 and therefore subject to the same reporting requirements as government departments.

We agree with the proposed information to be reported, namely an entity's outputs, the links between its outputs and the outcomes it seeks to influence. Again, for departments, this is standard practice although we acknowledge that for other organisations, e.g. not-for profit, this will be a new requirement. In addition, including cross-referencing to other information makes sense to reduce duplication and enhance readability and understandability of the service performance information. It will help to provide a complete picture for a reader.

6. Do you agree with the proposed scope in relation to (a) public sector public benefit entities with existing legislative requirements to report service performance information?

Reply:

We agree with this as the proposed ED complements the existing reporting requirements under the Public Finance Act. We do not envisage any additional costs in complying with the ED.

7. Do you agree that a two year implementation period would be appropriate?

Reply:

The implementation period will not apply to the Service – along with a number of other public sector entities – as we report on service performance information as a legislative requirement. We can't comment on whether the two year period would be suitable for not-for-profit and other public sector entities.

8. Do you agree with the proposal to change the title of PBE IPSAS 1 *Presentation of Financial Statements* to *Presentation of Financial Reports* and the proposed amendments to that Standard? If not, please explain why not and indicate your preferred approach.

Reply:

Changing the title of the Standard makes sense as it is being widened to include service performance information. Arguably you may like to consider amending the proposed title to *Presentation of Financial and Service Performance Reports* to make it clear what specific information is being covered.

9. What type of guidance should be NZASB develop to support entities preparing service performance information in accordance with the proposed standard?

10. Do you have any other comments on ED NZASB 2016-6?

Reply:

An Explanatory Guide would be useful. The Treasury produces similar guidance for the preparation of Annual Reports and Statements of Intent, and this may well provide some useful pointers in developing your guidance material.

We have no further comments on ED NZASB 2016-6.