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Dear Warren

PBE FRS XX SERVICE PERFORMANCE REPORTING

Thank you for the opportunity to comment on the limited scope consultation on the above Standard. I believe the Standard in its current form captures the current best practice of performance reporting. It also allows for new forms of reporting to develop to enable Public Benefit Entities (PBEs) to communicate better their performance to users.

I would encourage all PBEs to report under this standard as soon as is practicable. I recognise that the NZASB has weighed the costs and benefits of an early mandatory adoption to decide on the January 2021 implementation date, but would prefer to see a two year instead of three year transition period. This will raise the quality of reporting much more quickly and increase its comparability as well. Two pieces of research I am involved in inform this view.

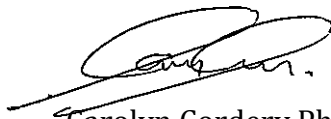
1. Completed cross-jurisdictional research with Danielle McConville from Queens University Belfast where we analysed one year's reporting from matched charities in Australia, New Zealand, the UK and US. It shows that under UK mandatory performance reporting, charities report more in the way of outputs, outcomes (societal and individual) and 'bad news', as well as provide more information to allow these data to be verified (i.e. explanations of how different measures were calculated). And the UK requirement is simply for charities to report on the public benefit they deliver (and the SORP's encouragement for larger charities to 'consider the difference they have made in reference to terms such as inputs activities, outputs, outcomes and impacts'). This encouragement makes a real difference to reporting.
2. Ongoing research being conducted with Janet Mack and Stuart Tooley from QUT in Brisbane considering three years of data from matched charities in Australia, New Zealand and the UK. Preliminary findings suggest that, due

to a lack of guidance, entities change the way they make narrative disclosures about volunteers year-on-year. There also appears to be no effort to standardise across the same entity in the three jurisdictions. Comparability is therefore lacking, making it difficult for GPF users to really understand entities' performance. While comparability is already difficult in the performance reporting arena, it is necessary to encourage PBEs to use qualitative characteristics consistently to increase this reporting's usefulness.

I also suggest a minor wording change to the last sentence of paragraph 25 to match the ideas in the prior sentences. It could be changed to read: 'Examples of broad or longer-term effects include changes to these individuals' and groups' educational achievements or health, or changes to groups' or societal poverty or crime levels.'

Congratulations on the Standard, the Introduction and Basis for Conclusions which I believe spell out the need for this reporting and will assist PBEs to communicate their story to their users.

Regards



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