



THE TREASURY
Kaitohutohu Kaupapa Rawa

File Reference: ST-4-2

14 July 2017

WA.
14/7/17.

Warren Allen
External Reporting Board
P O Box 11250
Manners St Central
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Dear Warren

Service Performance Reporting – Limited Scope Consultation

We thank the NZASB for revising the Service Performance Reporting standard to reflect feedback from submissions on Exposure Draft 2016-6.

The Treasury doesn't have additional comments on the workability of the revised proposals and we don't currently foresee any unintended consequences from the proposals. Having a standard for service performance information is a significant new development and it has been a long awaited initiative for the public sector. It is therefore expected that lessons will be learned on how to apply this principles-based standard in the first couple of years of implementation. We believe that best practice will develop over time as entities come to grips with the requirements. We encourage the NZASB to schedule a post-implementation review to pick up lessons learnt, check that the standard is operating as intended and determine what, if any, changes may be needed to the standard.

We understand that a complimentary Auditing Standard for Service Performance reporting is currently being drafted. We believe it is critically important that this standard reinforces the flexibility available to agencies to report their service performance in the most appropriate way.

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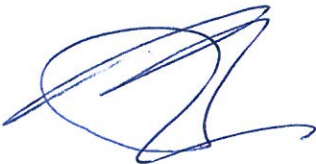
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The application of the Auditing Standard will also be important as we do receive feedback from agencies that a focus only on quantitative measures by auditors can be a barrier to providing service performance information that is useful for accountability and decision making purposes.

The Guidance, to be issued by the NZASB to assist with implementation of the Service Performance Reporting standard, is an opportunity to demonstrate the flexibility available to agencies to report their service performance in the way that best demonstrates the value that has been created through the delivery of a particular service. We often hear from agencies that they want examples of “what good looks like” and we encourage the NZASB to work with agencies and auditors to pull together a series of examples. We suggest that this guidance be updated as good examples emerge from application of the standard.

We look forward to continuing to work alongside NZASB to achieve better service performance reporting in the State sector.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Megan Taylor', with a stylized, cursive script.

Megan Taylor
Team Leader, Strategic Performance Improvement