

17 July 2017

Mr Warren Allen  
The Chief Executive  
External Reporting Board  
PO Box 11250  
Manners St Central  
Wellington 6142

Dear Sir

**Requests to comment on Limited Scope Review Draft PBE FRS XX Service Performance Reporting**

Thank you for the opportunity to comment on the above Exposure Draft.

We are making this submission to you to assist the New Zealand Accounting Standards Board (NZASB) with the above Exposure Drafts. We are happy for you to publish our comments publicly.

In responding we have addressed the specific questions for respondents in Appendix 1.

We hope that our responses and comments are helpful. Should you wish to discuss any of the points we have raised please contact me ([michael.rondel@bdo.co.nz](mailto:michael.rondel@bdo.co.nz)) should you have any queries or require further information.

Yours faithfully,  
BDO New Zealand



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## Appendix 1 - Comments on specific matters in Invitation to Comment

1. Taking into account the proposals in the 2016 ED, the comments received and the changes made in response to those comments, do you have any comments on the workability of the revised proposals or whether they would have any unintended consequences?

We have reviewed the revised ED and believe that the proposed changes provide entities with far more flexibility in presenting information around their service performance.

There is a wide array of entities in the not-for-profit sector that have vastly different performance frameworks that will benefit from having a more principles based approach to performance reporting than was previously contemplated under the 2016 ED.

Illustrative examples may, however, be required to demonstrate how the disclosures around critical judgements could be made, as this will be an area of unfamiliarity for many entities.

Based on our review of the revised ED, we have not identified any unintended consequences

## **Appendix 2 - Information on BDO**

1. BDO New Zealand is a network of eleven independently owned accounting practices, with fifteen offices located throughout New Zealand.
2. BDO firms in New Zealand offer a full range of accountancy services, including business advisory, audit, taxation, risk advisory, internal audit, corporate finance, forensic accounting and business recovery and insolvency.
3. BDO in New Zealand has 89 partners and over 800 staff.
4. BDO firms throughout New Zealand have a significant number of clients in the not-for-profit sector.
5. Five BDO firms in New Zealand (BDO Auckland, BDO Christchurch, BDO Northland, BDO Waikato and BDO Wellington) are registered audit firms and thirteen audit partners are licensed auditors.
6. Internationally, BDO is the fifth largest full-service audit, tax and advisory firm in the world, with over 67,700 people in 1,401 offices across over 158 countries and territories.