



10 August 2020

Michael Bradbury  
Chair  
New Zealand Accounting Standards Board  
PO Box 11250  
Manners Street Central  
Wellington 6142

Dear Mike

**NZASB ED 2020-1 PROPOSED 2020 AMENDMENTS TO PBE FRS 48**

Thank you for the opportunity to comment on the New Zealand Accounting Standards Board's (NZASB's) exposure draft on proposed amendments to PBE FRS 48.

Our responses to the questions are set out below.

**Question for respondents**

*1. Do you agree with the proposal to defer the effective date of PBE FRS 48 Service Performance Reporting by one year (from 1 January 2021 to 1 January 2022)? If you disagree, please explain why.*

While performance reporting obligations have been in place for public sector public benefit entities for many years, PBE FRS 48 does introduce additional reporting requirements. We consider that the ongoing challenges caused by the COVID-19 environment, including in reporting on service performance, make it appropriate to defer the effective date of the standard by one year.

A consequence of the deferral of PBE FRS 48 is that PBE IPSAS 1 will continue to apply over the deferral period for Tier 1 and 2 entities. The question then arises on whether the latest version of PBE IPSAS 1, effective for reporting periods beginning on or after 1 Jan 2021, also needs to be deferred (or aspects of it). The current version of the standard has specific requirements relating to the statement of service performance (paras 150.1 to 150.10). The updated standard simply states that:

126.1 Service performance information provides users of financial reports with a basis to assess the service performance of the entity. PBE FRS 48 specifies which entities are required to present service performance information in accordance with that Standard and sets out requirements for the reporting of service performance information and related disclosures.

In addition, we have not seen a similar exposure draft from the New Zealand Auditing and Assurance Standards Board (NZAuASB) to defer the effective date of NZ AS 1 *The Audit of Service Performance Information*. We suggest that the NZASB and the NZAuASB consider the audit implications of the deferral of PBE FRS 48.

*2. Do you agree with the proposed clarification regarding explaining variances (see paragraphs 37 and 38A)? If you disagree, please explain why.*

We agree with the proposed clarification to the standard, removing the requirement for explanation of major variances between the current and previous period.

3. Do you agree with the proposed effective date of the amendments? If you disagree, please explain why.

Yes, we agree with the proposed effective date of the amendments.

4. Do you have any other comments on the ED?

No, we have no other comments.

If you have any questions about our submission, please contact Robyn Wells, Manager, Performance Information and Reporting, at 021 222 6239.

Yours sincerely



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Robert Cox  
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