

# Review of Tier 3 and 4 Public Benefit Entity reporting standards

## Summary of feedback, action taken and next steps

Over the last 12 months we sought feedback on Tier 3 and 4 reporting standards. Thanks to all the individuals and organisations who provided their views, we've gained valuable insights that will inform our work going forward.

**At a high-level, the following three consistent messages came through.**

- The Tier 3 and 4 standards are working well but could be shorter and simpler
- The XRB could do more to promote the use and consistent application of these standards
- Improvements may be needed to make sure the standards work well for Māori entities.

**This is valuable feedback as we continue our mahi to make it easier for you to comply with the standards.**

**We've already taken action by recently publishing a simpler, shorter reporting template for Tier 4 entities and are also working on:**

- Developing improvements to the Tier 3 and 4 standards (including the accompanying templates and guidance material); and
- Developing further guidance to help explain parts of the standards that can be difficult to apply.

**Work is also underway in response to feedback on the following specific areas:**

- Service performance reporting
- The minimum categories for presenting income and expenditure
- Opting-up to the Tier 2 requirements for specific transactions or balances (Tier 3)
- Asset valuation (Tier 3)
- Revenue recognition and illustrative examples (Tier 3)
- Accumulated funds and reserve reporting (Tier 3)
- Requirement to report on resources and commitments (Tier 4)

**The full Feedback Statement and agreed actions can be found here**

<https://xrb.govt.nz/reporting-requirements/review-of-simple-format-reporting-standards>

## Next steps

We are currently developing proposed amendments to the Tier 3 and Tier 4 Standards, Reporting Templates, and accompanying Guidance Material. Proposed amendments are expected to be issued for public consultation in early 2022.

