



Te Kāwai Ārahi Pūrongo Mōwaho  
EXTERNAL REPORTING BOARD

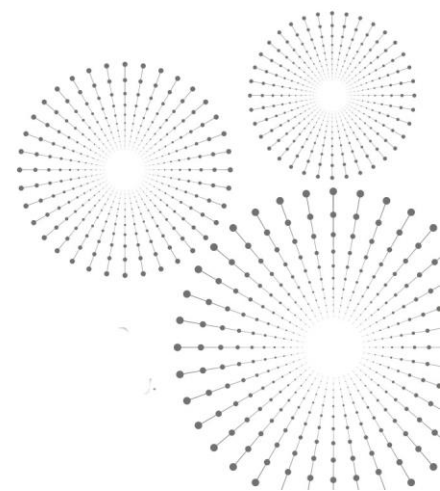
## **NZAuASB Exposure Draft 2021-5**

# **Proposed Amendments to NZ AS 1 *The Audit of Service Performance Information***

**(NZAuASB ED 2021-5)**

**Invitation to Comment**

**October 2021**



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PO Box 11250  
Manners St Central, Wellington 6142  
New Zealand  
<http://www.xrb.govt.nz>

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## Information for respondents

### Invitation to Comment

The New Zealand Auditing and Assurance Standards Board (NZAuASB)<sup>1</sup> is seeking comments on the specific matters raised in this Invitation to Comment. We will consider all responses before finalising the proposal to defer the effective date of NZ AS 1 *The Audit of Service Performance Information* to align with the effective date of PBE FRS 48 *Service Performance Reporting*.

If you want to comment, please supplement your opinions with detailed comments, whether supportive or critical of the proposals, as both supportive and critical comments are essential to a balanced view.

Comments are most useful if they indicate the specific paragraph to which they relate, contain a clear rationale and, where applicable, provide a suggestion for an alternative. Feel free to provide comments only for those questions, or issues, that are relevant to you.

Comments should be submitted electronically using our 'Open for Comment' page at

<https://www.xrb.govt.nz/assurance-standards/standards-in-development/open-for-comment/nzauasb-ed-20215>

The closing date for submissions is **22 November 2021**.

### Publication of submissions, the Official Information Act and the Privacy Act

We intend publishing all submissions on the XRB website (xrb.govt.nz) unless the submission may be defamatory. If you have any objection to publication of your submission, we will not publish it on the internet. However, it will remain subject to the Official Information Act 1982 and, therefore, it may be released in part or full. The Privacy Act 1993 also applies.

If you have any objection to the release of any information contained in your submission, we would appreciate you identifying the parts of your submission to be withheld, and the grounds under the Official Information Act 1982 for doing so (e.g., that it would be likely to unfairly prejudice the commercial position of the person providing the information).

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<sup>1</sup> The NZAuASB is a sub-Board of the External Reporting Board (XRB Board) and is responsible for setting auditing and assurance standards.

## List of abbreviations

The following abbreviations are used in this Invitation to Comment.

ED	Exposure Draft
ITC	Invitation to comment
NZAuASB	New Zealand Auditing and Assurance Standards Board
NZ AS 1	NZ AS 1 <i>The Audit of Service Performance Information</i>
PBE FRS 48	PBE FRS 48 <i>Service Performance Reporting</i>
XRB	External Reporting Board

## Questions for respondents

Respondents are asked to consider the following question and to respond to the NZAuASB by 22 November 2021:

Question 1 Do you agree with the proposal to defer the effective date of NZ AS 1 *The Audit of Service Performance Information* by one year (from 1 January 2021 to 1 January 2022)? If you disagree, please explain why.

# 1. Introduction

## 1.1 Purpose of this Invitation to Comment

The purpose of this Invitation to Comment (ITC) is to seek feedback from stakeholders on the proposal to defer the effective date of NZ AS 1 *The Audit of Service Performance Information* (NZ AS 1) by one year (from 1 January 2021 to 1 January 2022). The proposal is relevant for audits of general purpose financial reports that include service performance information.

## 1.2 Proposed deferral of effective date

1. The New Zealand Accounting Standards Board of the External Reporting Board has deferred the effective date of PBE FRS 48 *Service Performance Reporting* (PBE FRS 48) by one year (from 1 January 2021 to 1 January 2022).
2. The relief was granted because, as a result of the disruption caused by the COVID-19 pandemic, some entities may have experienced difficulty in collecting the information that would be required to report in accordance with PBE FRS 48. PBE FRS 48 applies to tier 1 and tier 2 public benefit entities.
3. Deferring the mandatory effective date of NZ AS 1 to align with the effective date of PBE FRS 48 may help to avoid any confusion between the mandatory reporting and mandatory audit requirements for tier 1 and tier 2 entities.
4. The NZAuASB consider that there is no unintended consequences to deferring the mandatory effective date of NZ AS 1, because tier 1 and 2 entities would not be reporting the information and therefore this information would not fall part of the statutory audit.
5. NZ AS 1 is not being withdrawn and will remain in issue, and early adoption is permitted. Therefore, auditors of any tier 3 not-for-profit entities can apply this standard as appropriate.

### Question for respondents

1. Do you agree with the proposal to defer the effective date of NZ AS 1 by one year (from 1 January 2021 to 1 January 2022)? If you disagree, please explain why.

## 1.3 Timeline and next steps

6. Submissions on NZAuASB ED 2021-5 are due by **22 November 2021**. Information on how to make a submission is provided on page 5 of this ITC.

After the consultation period ends, we will consider the submissions received, and subject to the comments in those submissions, we expect to finalise and issue the amendment in December 2021.



## **Exposure Draft NZAuASB 2021-5**

### ***Amendments to NZ AS 1 *The Audit of Service Performance Information****



## **CONTENTS**

**A: Introduction**

**B: Amendment of effective date of NZ AS 1 *The Audit of Service Performance Information***

## **A: INTRODUCTION**

This document sets out the proposed amendment to NZ AS 1 *Audit of Service Performance Information* issued by the NZAuASB to amend the effective date of the standard. Underline and strikethrough are used to indicate proposed changes.

## **B: AMENDMENT OF EFFECTIVE DATE OF NZ AS 1 Audit of Service Performance Information**

Paragraph 5:

### **Effective Date**

This NZ AS is effective for audits of service performance information included in the general purpose financial report for periods beginning on or after 1 January ~~2021~~ 2022. Early adoption is permitted.