



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

Audit of Service Performance Information NZ AS 1 (Revised)

Feedback Forum

23 February 2023



Presentation Overview



- Introduction
- Overview of the proposals
- Consultation questions

Your presenter

Lisa Thomas

Senior Project Manager,
Assurance Standards

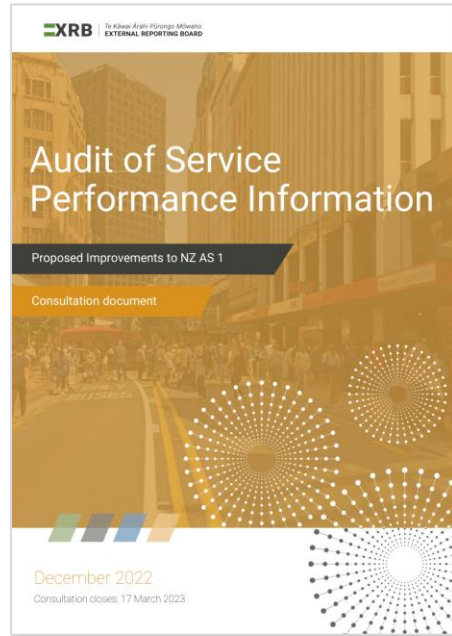
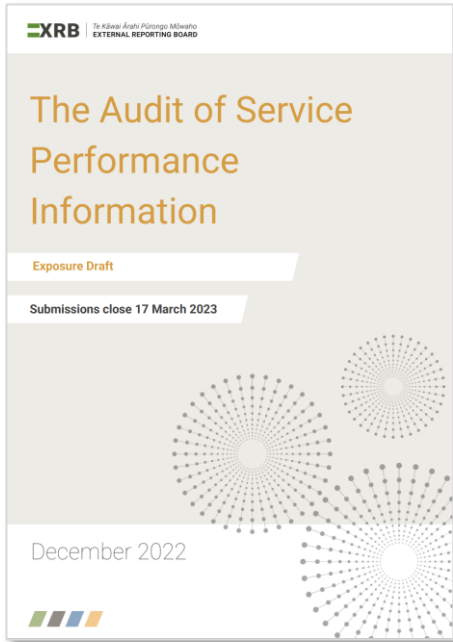
Reporting Requirements



PBE FRS 48 *Service Performance Reporting* now applicable for Tier 1 and Tier 2 public benefit entities

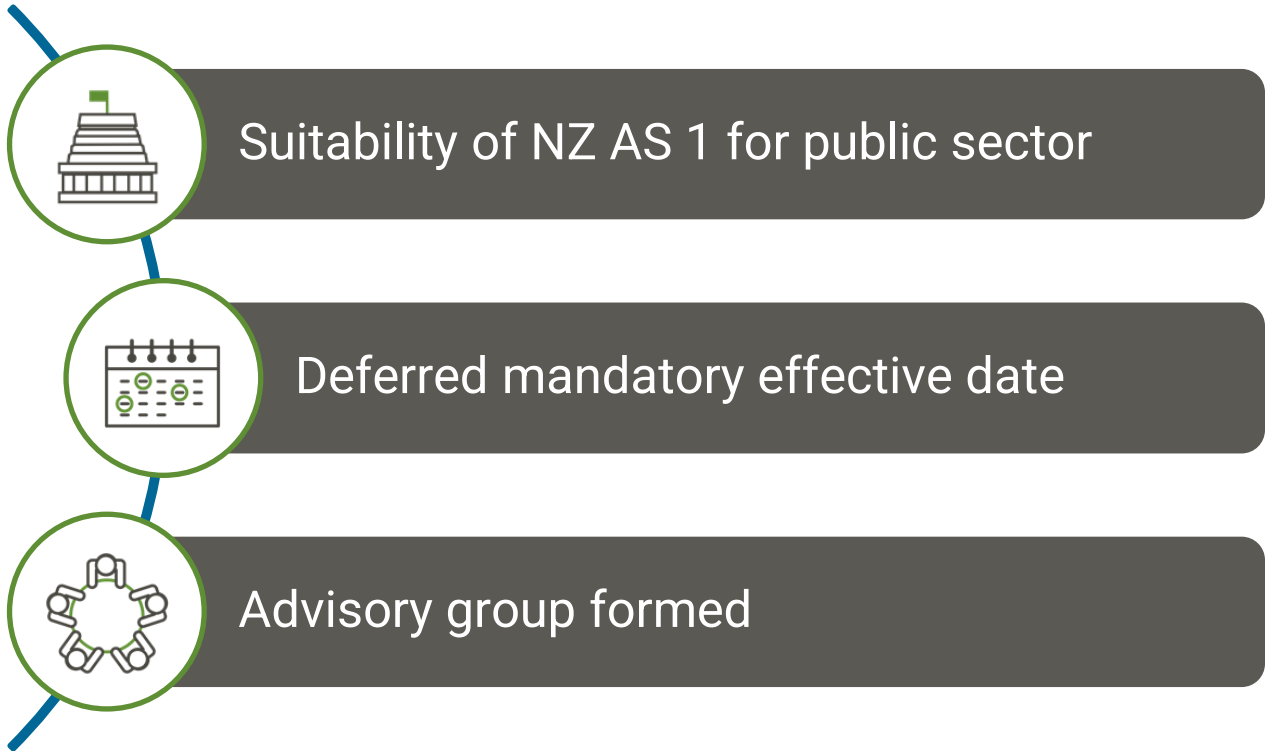
Tier 3 and Tier 4 consultation public benefit entities

Consultation at a Glance



Comments due by
17 March 2023

Why a revised standard?



The Audit of Service Performance Information







ISAs (NZ)

NZ AS 1
(Revised)

Financial and
SPI audited
concurrently

Proposed Changes

-  Greater alignment with the financial reporting standards
-  Use of simplified language and examples
-  Sector-specific guidance
-  No added compliance costs

Overview of the proposals



Alignment with financial reporting standards

For example:
“Appropriate and Meaningful”

Extant NZ AS 1

Suitability of Service
Performance Criteria.



Overview of the proposals



Proposed NZ AS 1 (Revised) para. 25 & 26

“The auditor shall evaluate whether the service performance information reported or intended to be reported is in accordance with the applicable financial reporting .

*The auditor shall evaluate **whether the service performance information is appropriate and meaningful** including whether:*

a) It relates to an element/aspect of service performance that significantly contributes to the entity’s core purpose, functions or objectives.”

Extant NZ AS 1 para. 22

*“The auditor shall evaluate whether the **service performance criteria are suitable** so as to result in service performance information in accordance with the applicable financial reporting framework, in that they exhibit the following characteristics:*
a) Relevance.”



Question 1



Do you agree that the proposed standard strengthens the alignment between the auditing and financial reporting standards?

If no, please share in the “chat” or put on your microphone to share what further changes do you recommend?

Overview of the proposals



Simplified language and use of examples

Simplified language: the 3 layers of service performance information:

1. Aspects or elements of service performance
2. Performance measure or description
3. Measurement basis or evaluation method

Extant NZ AS 1
Service Performance Criteria



Overview of the proposals



For example:

1.

Aspects or elements of service performance
Provide safe drinking water

2.

Performance measure or description
100% of drinking water is safe

3.

Measurement basis or evaluation method
Drinking water standards of NZ or internal measurement criteria

Overview of the proposals



Materiality

Approach includes:

- Simplified language
- Use of Examples

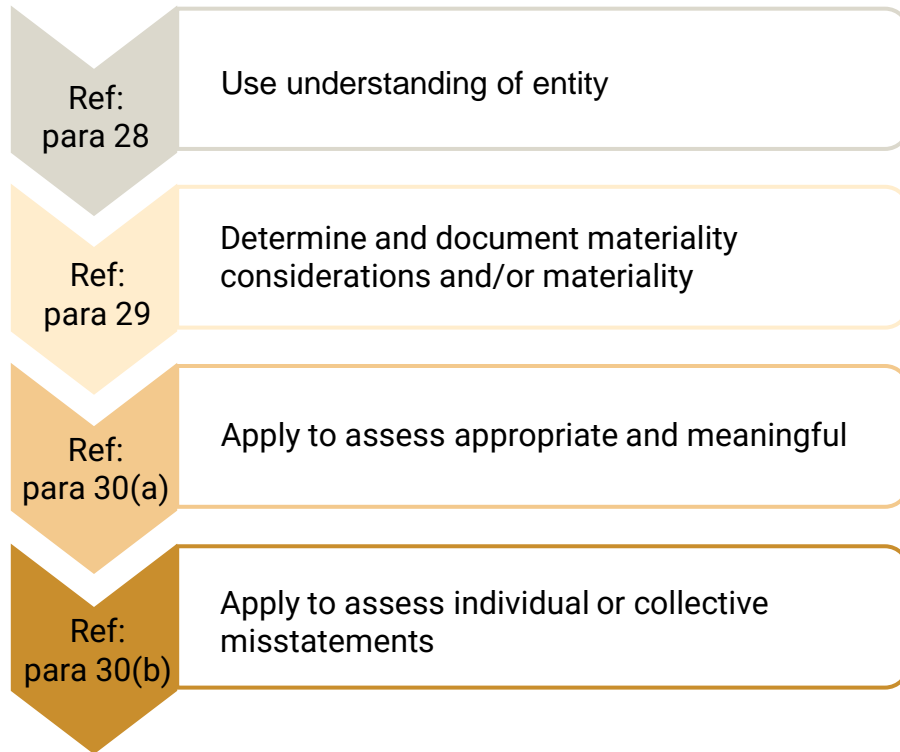
Complex area with
significant professional
judgement



Overview of the proposals



Materiality



Question 2



Do you agree that the proposed revised standard is easier to understand?

If **no**, please share in the “chat”, or feel free to put on your microphone to share any suggestions as to what might assist to clarify the standard further.

Overview of the proposals



Sector specific material

Examples of sector specific matters:



Guidance on
forecast SPI



Other Information

Identified by subheadings
of “Public Sector” or
“Not-for-Profit Sector”



Question 3



Do you agree that the sector specific material is useful to ensure that the standard is clear for both the public and not-for-profit sectors?

If no, please feel free to place a comment in the “chat” or put on your microphone.

Overview of the proposals



No added compliance costs

2 step approach:

1. Is the information appropriate and meaningful?
2. Does the information fairly reflect the actual performance and is not materially misstated?

The proposals do not fundamentally change the way SPI is audited



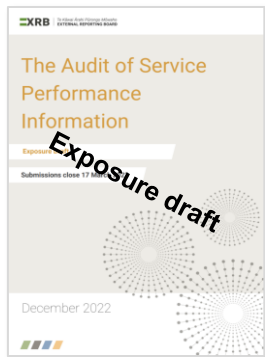
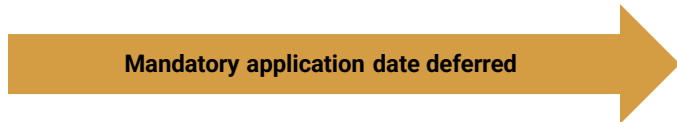
Question 4



Do you agree that the proposed revised standard will not increase compliance costs, when compared to existing NZ AS 1?

If no, then please share in the “chat” or put on your microphone why you think compliance costs will increase.

Application Date



NZ AS 1 (Revised) for periods beginning on or after 1 January 2024

Which to apply until 1 January 2024



1. Voluntarily apply extant NZ AS 1

2. If your client is a **not-for-profit entity**:

apply ISAE (NZ) 3000 (Revised) *Assurance engagements Other than Audits or Reviews of Historical Financial Information*

[EER Assurance Guidance » XRB](#) [Explanatory Guide \(EG Au9\) » XRB](#)

3. If your client is a **public sector entity**:

apply AG-4 *The Audit of Performance Reports*

Question 5



Do you agree with the proposed application date of 1 January 2024?

If **no**, why not? Please feel free to write a comment in the chat or put on your microphone.

How to Comment

You can provide feedback to us via:

Our website:
[Audit of Service
Performance
Information
Consultation](#)

Email us
assurance@xrb.govt.nz

Comment on
[LinkedIn](#)

Comments are due by 17 March 2023

Keep up to date with other information

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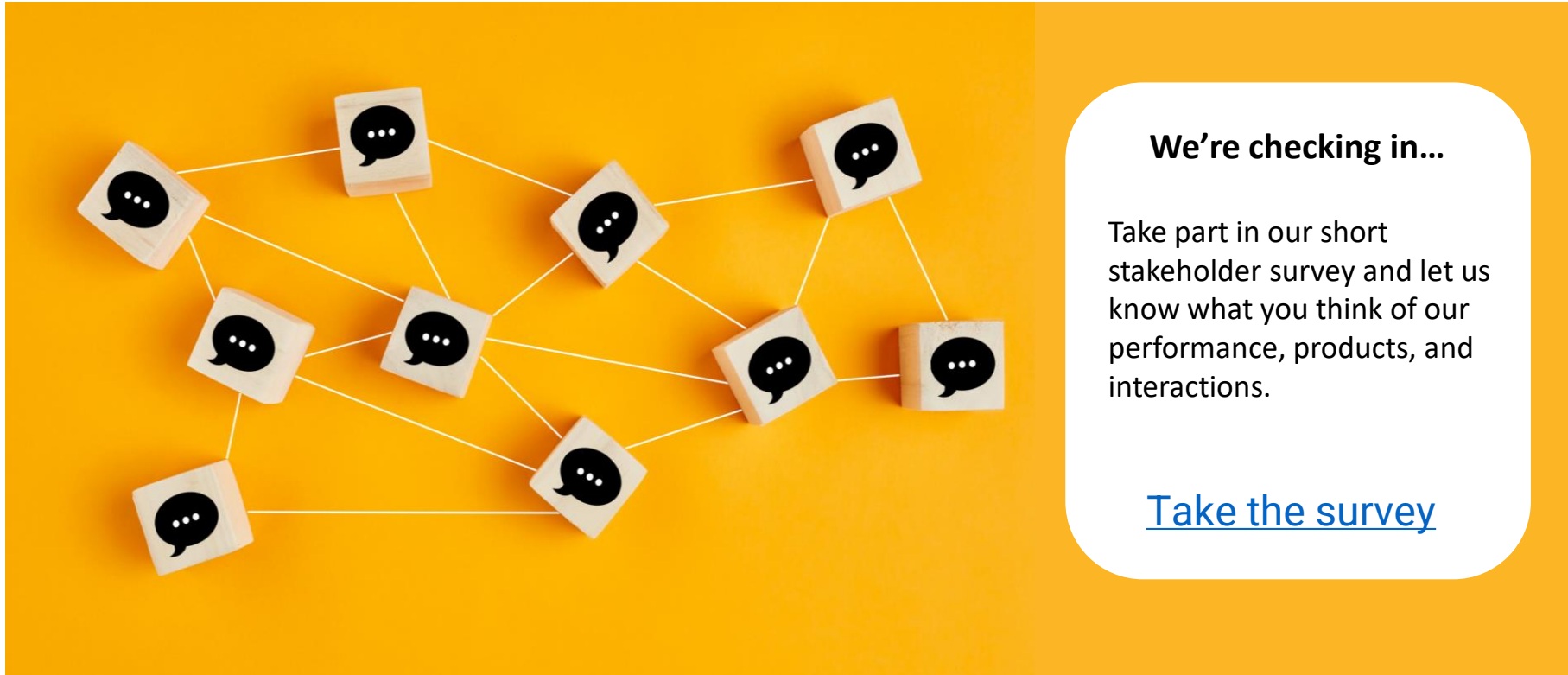
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