

Reviews of Service Performance Information

Understanding

Appears to be a lot of specific requirements. Consider a higher-level requirement could be more appropriate.

Many entities that are having a review over their service performance information are small (Less than \$1.1m expenditure) however in our experience, those that want reviews are even smaller than this. Typically, clients want to have an audit at any expenditure over \$500k and a review for anything from \$100,000 to \$500,000 expenditure.

Having this range of requirements could make sense for more complex, larger charities, however we think that the most of the organisations that will use it will be quite small and their service performance may not be thought about as in depth as the standard requires. Usually they are very straight forward, simple and items reported on are clearly an obvious choice. For example, number of donations, number of attendees, etc. Going through each of these steps may too cumbersome for clients, and therefore assurance practitioners when we are required to ask them about it. It will also increase the level of documentation required on reviews and this will increase the costs for clients.

We would support a general requirement such as 'obtaining an understanding of the service performance information, the entity objectives, and its intended users in order to determine whether the service performance information is appropriate and reasonable, and whether there is any indication of a heightened risk where the information disclosed may not be materially correct.' Instead of a more granular set of requirements as currently proposed. This is effectively the approach we use currently and it has worked well for our clients and engagements.

Planning

We note that the planning risk assessment appears appropriate and is something that assurance practitioners should already be doing when performing review engagements over service performance information.

Appropriate and Meaningful

We support the alignment with the auditing standards terminology here. We note that this section is a higher-level understanding as the propose requirement is to *consider* whether it is appropriate and meaningful. Typically, this is straight forward and easy to tell based on the small size of reporting entities.

Materiality

Typically, materiality is more difficult to determine for service performance information and use of professional judgement is required here. Having a materiality threshold is important for reviews of service performance information. We support the proposals.

Designing and Performing Procedures

The requirements are in line with other review requirements for financial information and we support this consistency between the two.

Reporting

Whilst the reporting conclusions for service performance information are clear for an assurance practitioner, we note the main users of reviewed accounts are small clubs and charities. They do not typically have a great understanding of audit terminology and review and audit reports are already quite lengthy to the point where it detracts from the purpose of the reports (being whether the auditor or reviewer materially agrees or not with the information provided).

We would support a more concise required wording in the review report that includes the review of service performance information as in scope but not so much wording that it makes the report lengthy and difficult to read for users.

Timeframe

We support the 12 month timeframe for the standard adoption.

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