

10 August 2020

April Mckenzie FCA
Chief Executive
External Reporting Board
PO Box 11250
Manners Street Central
Wellington 6142

Via website: <https://www.xrb.govt.nz/accounting-standards/standards-in-development/open-for-comment/proposed-2020-amendments-to-pbe-frs-48/>

Dear April

Submission on Exposure Draft: ED 2020-1 Proposed 2020 Amendments to PBE FRS 48

Thank you for the opportunity to provide feedback on the above Exposure Draft (“the ED”). The current COVID-19 pandemic has had a significant impact on many public benefit entities (PBEs), and we appreciate the speed and willingness with which the XRB has responded to these challenges.

We therefore support the board’s proposal to defer the effective date of FRS 48 *Service Performance Reporting (FRS 48)* by one year. This will provide affected Tier 1 and Tier 2 PBEs with more time, in the current circumstances, to implement this new standard. We also support the standard remaining available for early adoption for those PBEs that are still in a position to implement it come the original effective date.

Nevertheless, we also reiterate our support for the NZASB’s view that service performance information is important for users of PBE financial reports and that the PBE FRS 48 provides valuable principles and requirements that guide an entity when presenting this information. As the economy recovers from COVID-19 the role of service performance information to inform stakeholders, and bring a better understanding of service performance delivered by the sector, will take on a renewed importance.

Appendix A contains our responses to the specific questions raised in the ED. Appendix B provides information about Chartered Accountants Australia and New Zealand (CA ANZ). If you have any questions about our submission, please contact Amir Ghandar, Assurance and Reporting Leader at Amir.Ghandar@charteredaccountantsanz.com.

Yours sincerely



Amir Ghandar FCA
Leader, Reporting and Assurance



Simon Grant FCA
Group Executive, Advocacy and Professional Standing

Appendix A

Responses to specific questions

- 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.**

We support 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). Unfortunately, some PBEs are not as far progressed as they would have hoped at this stage, and given the importance of service performance information for users of PBE financial reports, we do not want it to become just another box ticking compliance exercise. The deferral will provide preparers with much needed relief to assist them to successfully implement this new standard and meet its objective.

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

We agree that as currently written, the scope of the requirement is not clear. Therefore, we support making these amendments whilst the standard is being reopened.

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

We agree with the proposed effective date of the amendments and support the retention of the option of early adoption. We also recommend the XRB encourages early adoption for those PBEs that are more advanced in the development of their service performance reporting.

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

We have no further comments.

Appendix B

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 125,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live. Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.