

Deferral of NZ AS 1 - The Audit of Service Performance Information

Frequently asked questions

Why has the mandatory effective date of NZ AS 1 been deferred?

The Office of the Auditor-General has raised concerns regarding the suitability of NZ AS 1 for the public sector. The standard has been deferred to allow time for the XRB to work with the Office of the Auditor-General to address these concerns and consider the future application of NZ AS 1.

Does this mean entities can defer requirements to have their service performance information audited?

No, deferring the mandatory effective date of NZ AS 1 does not have any impact on an entity's requirements to have an audit.

Has the effective date for PBE FRS 48 Service Performance Reporting (PBE FRS 48) also been deferred for a further 12 months?

No, PBE FRS 48 *Service Performance Reporting* is still effective for periods beginning on or after 1 January 2022

Can we still early adopt NZ AS 1?

Yes. NZ AS 1 has not been withdrawn, and early adoption is permitted. We understand that some auditors have already started to apply NZ AS 1. Auditors can continue to elect to apply NZ AS 1 early but are not required to do so.

My client is required to have an audit of service performance information? What standard do I use?

If your client is a not-for-profit entity, then NZ AS 1 has not been withdrawn, and early adoption is permitted, so one option is to apply NZ AS 1.

Alternatively, the audit should be conducted in accordance with ISAE (NZ) 3000 (Revised) *Assurance engagements Other than Audits or Reviews of Historical Financial Information*. EG AU 9 *Guidance on the Audit or Review of the Performance Report for Tier 3 Not For Profit Public Benefit Entities* and the IAASB *Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and other Extended External Reporting (EER) Assurance Engagements* will provide useful guidance.

If your client is a public sector entity, the audit is required to be undertaken by the Auditor-General's Auditing standards, in which case the applicable standard is AG 4 *The Audit of Performance Reports*.

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