



XRB Stakeholder Survey

May 2018

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Background and Methodology



The External Reporting Board (XRB) was established in 2011 and is responsible for financial reporting strategy and for accounting and auditing & assurance standard setting in New Zealand.

In 2018 XRB would like to understand the perceptions of its performance and communications to its stakeholders.

This is the first time XRB has carried out a satisfaction survey amongst stakeholders.



An online survey was conducted via a link on the XRB website. The survey took an average of five minutes to complete and questions were primarily focused on perceptions of the performance of, and service from XRB, as well as use of the website and contact with stakeholders.



Fieldwork was conducted between 26th April and 14th May 2018.

$$M.E.= \sqrt{\frac{0.25}{n}} \times 1.96$$

182 stakeholders completed the survey. The margin of error on n=182 is ±7.3%

Things XRB is doing well

Overall results reflect positive perceptions of XRB, over three-quarters of XRB stakeholders are satisfied with the service and performance of XRB.

Communications from XRB are also very well received, stakeholders are most likely to think communications are relevant, trustworthy and timely.

The website is rated highly on most aspects, nine out of 10 stakeholders say the information on the website is helpful.

Four out of five stakeholders think the XRB responds well to NZ specific issues when adopting standards, one in five stakeholders think they don't.

Areas to focus on

Stakeholders are slightly less likely to rate stakeholder engagement, or accessibility to XRB well, as reflected in the lower numbers of stakeholders who think it is easy to contact someone at XRB.

One-third of stakeholders are not aware that there are any events to raise awareness of standards or to provide opportunities for consultation. This is reflected in the number of stakeholders who say they don't know how to make a submission on a draft standard.

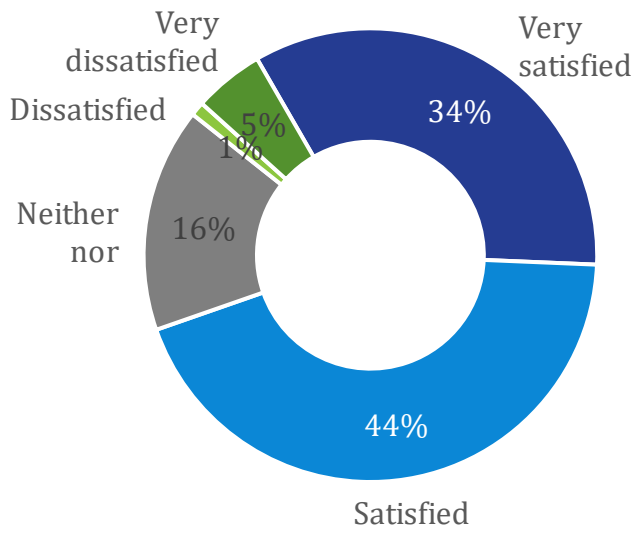
There is some dissatisfaction with the standards themselves, stakeholders find them overly complicated or long winded, and there is particular dissatisfaction with the not-for-profit standards for charities. In addition stakeholders are frustrated with the requirement to align standards internationally, they think adds unnecessary complexity.



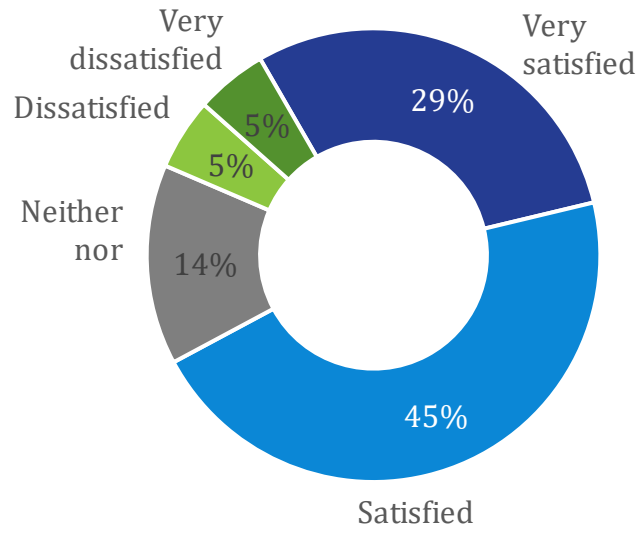
Overall satisfaction

Over three-quarters of stakeholders are satisfied with the service provided by, and the performance of XRB.

Satisfaction with the service

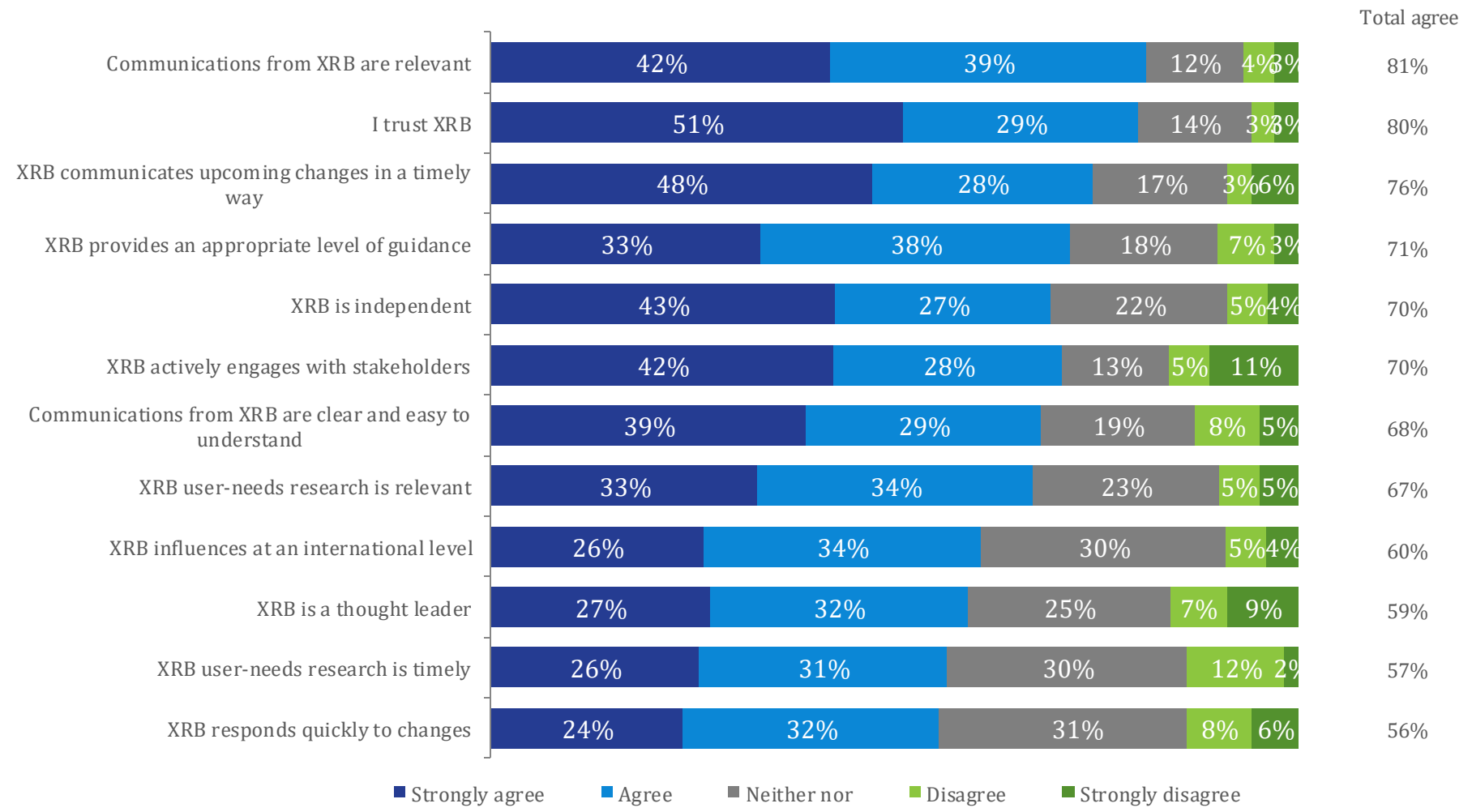


Satisfaction with performance



Q8. Overall, how satisfied or dissatisfied are you with the service provided by XRB?/Q13. Overall, how satisfied are you with the performance of XRB?
Base: All respondents (excl don't know) n=146-149

Communications from XRB are well perceived. They are relevant, trustworthy and timely. Stakeholders are most likely to disagree that XRB actively engages with stakeholders, or that XRB is a thought leader.



Q12. For the next question, please think about your overall perceptions of XRB and its communications, and indicate how much you agree or disagree with each statement.

Base: All respondents (excl don't know) n≈182

Comments from the small group of stakeholders who are dissatisfied...

Dissatisfaction with the service reflects a lack of knowledge about XRB, or a dissatisfaction with specific standards

“

Focus on NZ relevant standards rather than irrelevant international standards.

Sell itself better and more widely.

The accounting standards inflicted on the charitable sector are awful. Stop and try and read them from a layman's terms. They are expressed obtusely. There are too many tiers. The cost of complying with all this is a major burden on the charitable sector. The cost of doing this is diverting resources away from beneficiaries to accountants.

Never knew they were contactable or ran seminars or did anything other than set the standards.

”

While dissatisfaction with performance reflects dissatisfaction with the industry in general

“

More openness, receptive and connected with the widest possible communication base, stop being an introverted "old boys club" protecting its own. NZ needs an active and vibrant capitals market and that won't happen until "all" investors (particularly the retail sector) are respected and treated equally.

Objectivity, independence, and the dismantling of the monopoly/oligopoly power of the big four accounting firms.

XRB has not promoted itself to stakeholders. I did not know it did more than comment on accounting standards. Serious work needs to be done on awareness for your organisation.

”

While stakeholders who are satisfied think the XRB should focus on increasing their profile, as well as providing guidance and material for training.

“

Greater visibility of the excellent work that it does.

Improving public perception. Most people have never heard of it I did not understand its relevance.

XRB could provide more guidance on application of certain standards both in accounting and auditing.

Implementation support through non-mandatory guidance on complex areas of accounting, such as determining control relationships for PBEs, and continuing to promote awareness of the Financial Reporting Framework and the underlying standards - especially new standards.

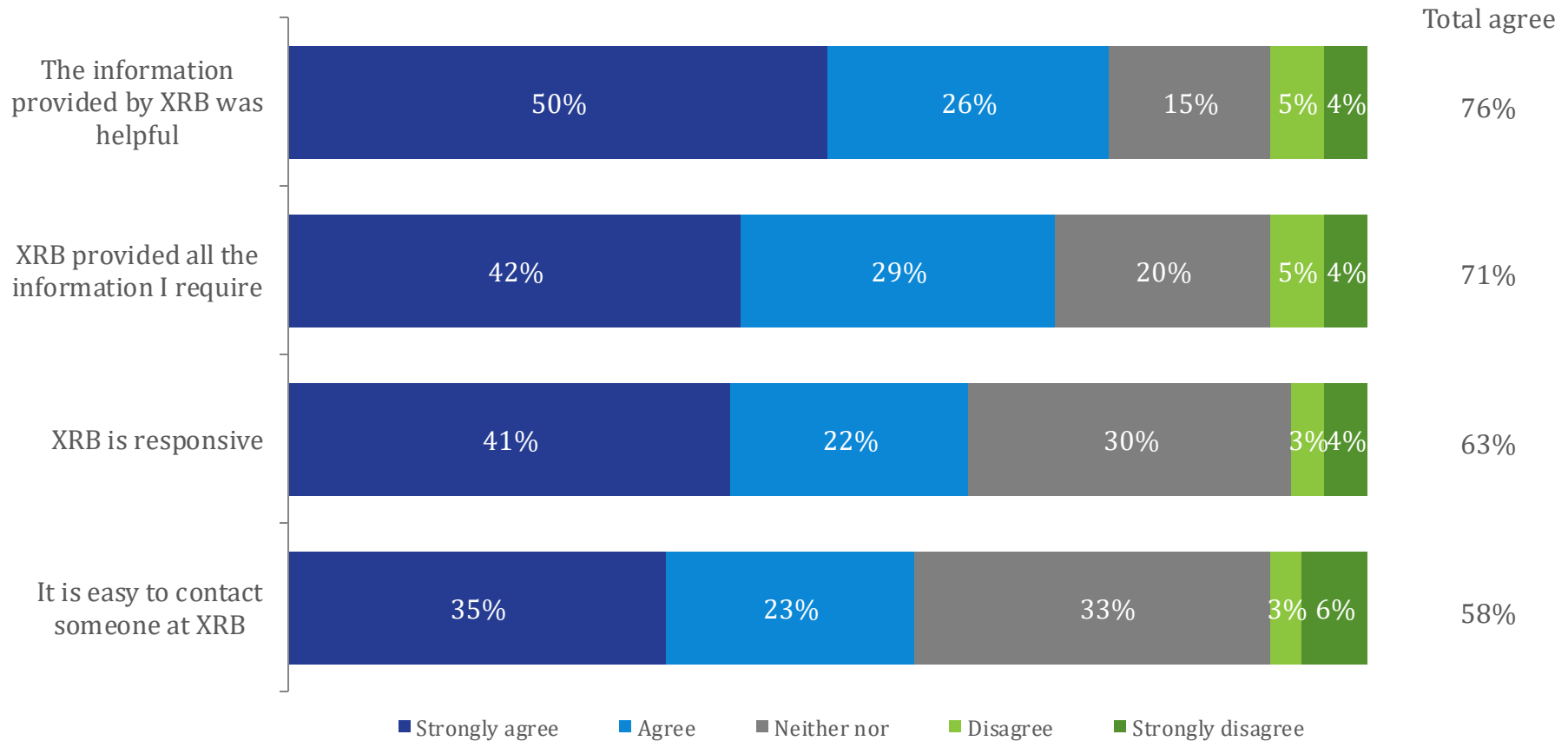
Develop resources that can use for training and/or academic purposes.

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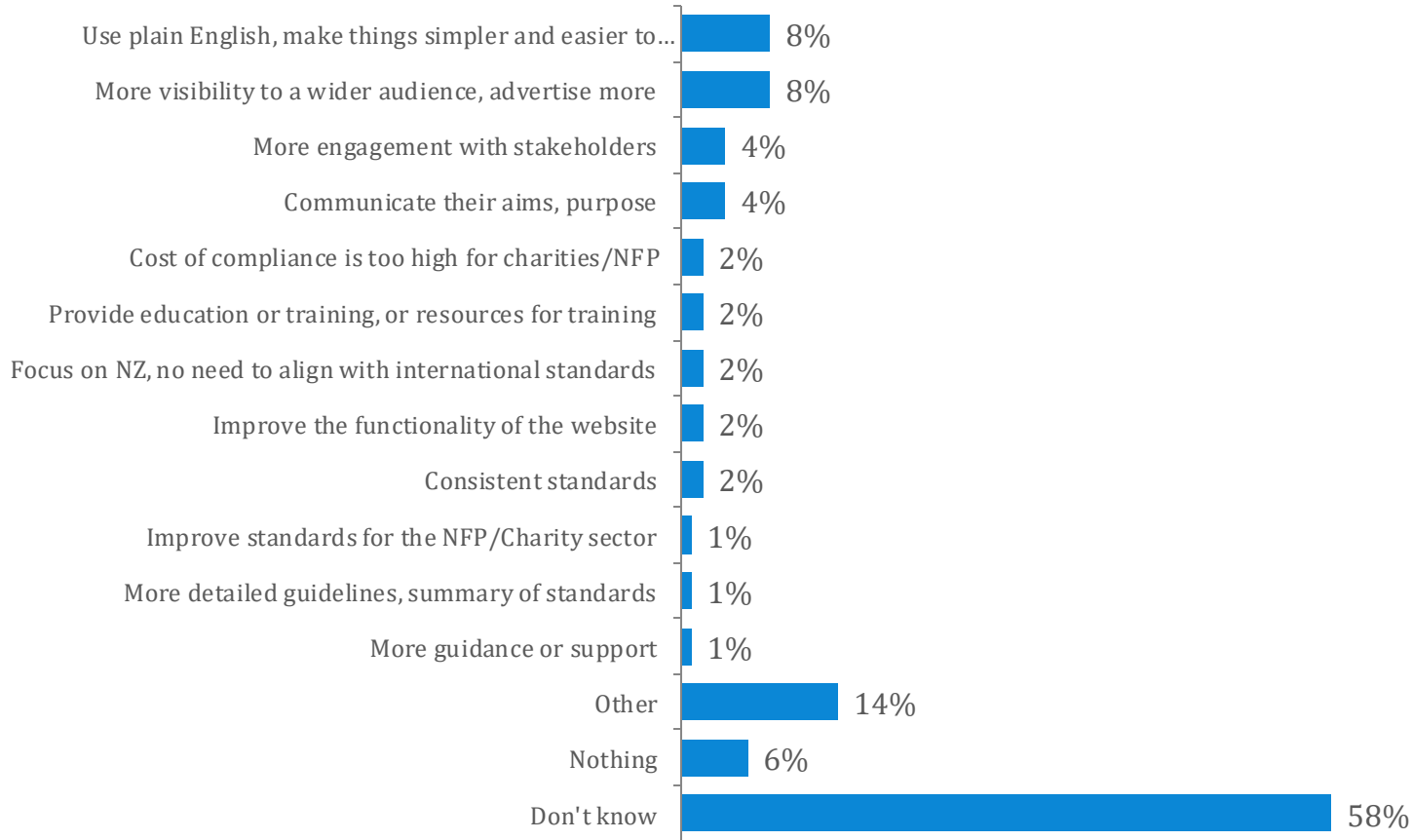
Perceptions of services

Three-quarters of stakeholders agree the information provided by XRB is helpful. Stakeholders are less likely to agree that it is easy to contact someone at XRB.



Q7. For the next question, please think about your perceptions of the service provided by XRB, and indicate how much you agree or disagree with each statement below.
 Base: All respondents (excl don't know) n≈182

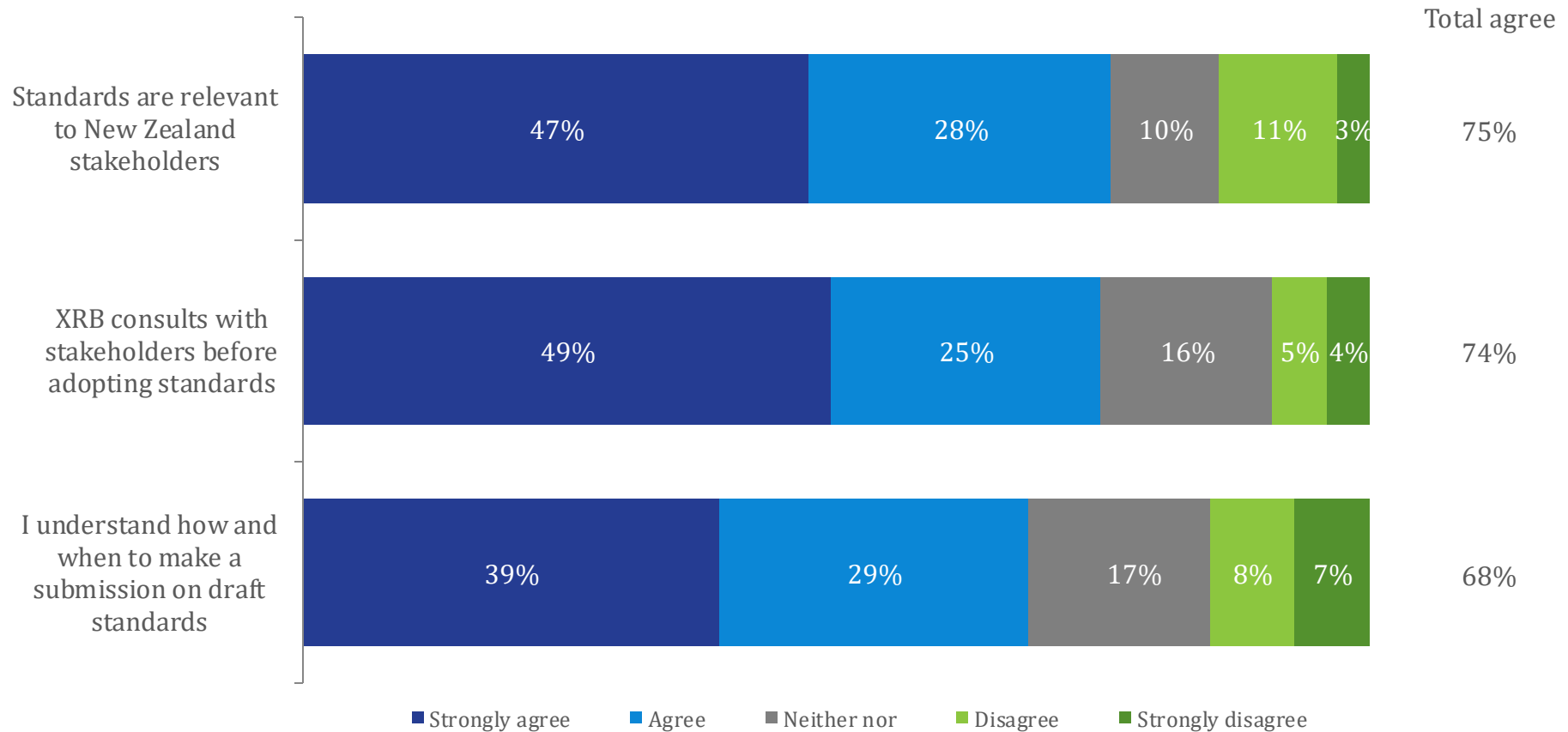
Over half of stakeholders didn't make any suggested improvements for XRB. Those who did wanted the language used in the standards to be simpler and easier to understand, and the XRB to advertise more and increase its visibility to a wider audience.





Adopting the standards

Three quarters of stakeholders agree that standards are relevant in NZ, however one in seven stakeholders disagree. 15% also disagree that they understand how and when to make a submission on draft standards.



Q9. One of the key functions of XRB is to adopt international accounting and auditing & assurance standards for New Zealand. Please tell us how much you agree or disagree with the following statements about how XRB does this.
 Base: All respondents (excl don't know) n≈182

Four out of five stakeholders thinks the XRB responds well to NZ specific issues when adopting standards, one in five stakeholders think they don't. Stakeholders who don't think the XRB responds well are likely to comment about complex or illogical standards, and don't understand why alignment internationally is even a goal.

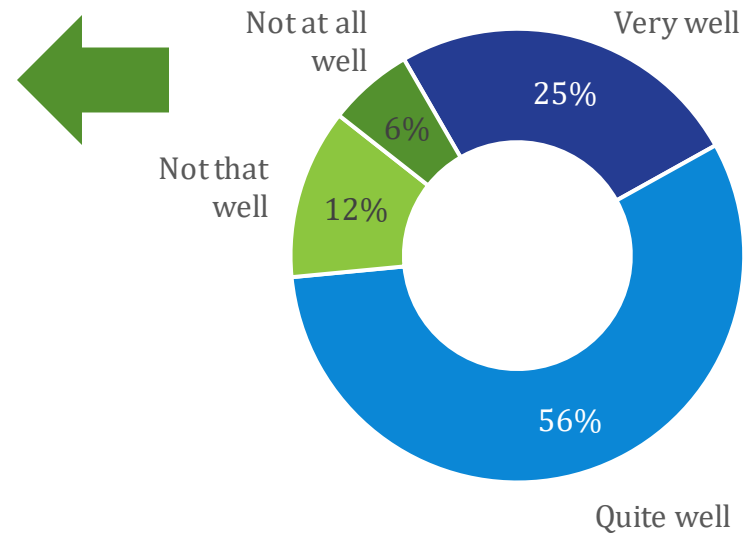
“ Having multiple accounting standards is illogical; creates difficulties for accountants having to use different approaches for different clients. Makes financial statements very difficult for lay people to understand. Compliance costs for charities dramatically increased, we have emergency helicopter bases closing locally citing this as a reason! Given the size of NZ national entities we shouldn't have IFRS; it adds huge compliance costs. Good to see XRB making shorter standards, but still too many and too complex. Same with the auditing standards. My compliance as auditor has increased. For instance I now have to do around 100 different audit reports as they all need to be different for different standards and entities. Standards contain thousands of pages of reading and around 90% is unnecessary.

Identifying and adopting standards that make sense to the readers of financial reports - standards that have the interests of owners (shareholders) or potential owners in mind first and foremost. There are some anomalies in accounting standards that don't serve those interests well. We perceive XRB as looking after the accounting profession first and foremost - therefore we perceive you to be conflicted.

The standards and guidance need to be more focussed on New Zealand circumstances and help New Zealand practitioners. The goal of aligning with international unless there is a compelling reason not to is not helpful.

Setting standards that are relevant for the New Zealand not-for-profit sector from the perspectives of managers and boards not for some non-existent third party.

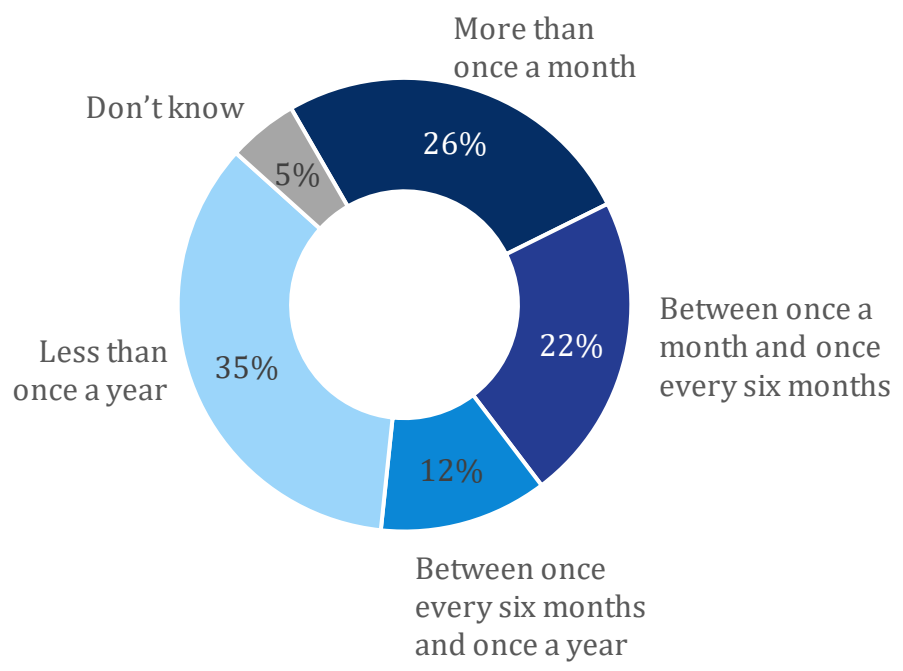
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Contact with XRB

Stakeholders contact XRB just over four and a half times a year on average, this is mostly driven by one quarter of stakeholders who contact you more than once a month. One third contact you less than once a year.



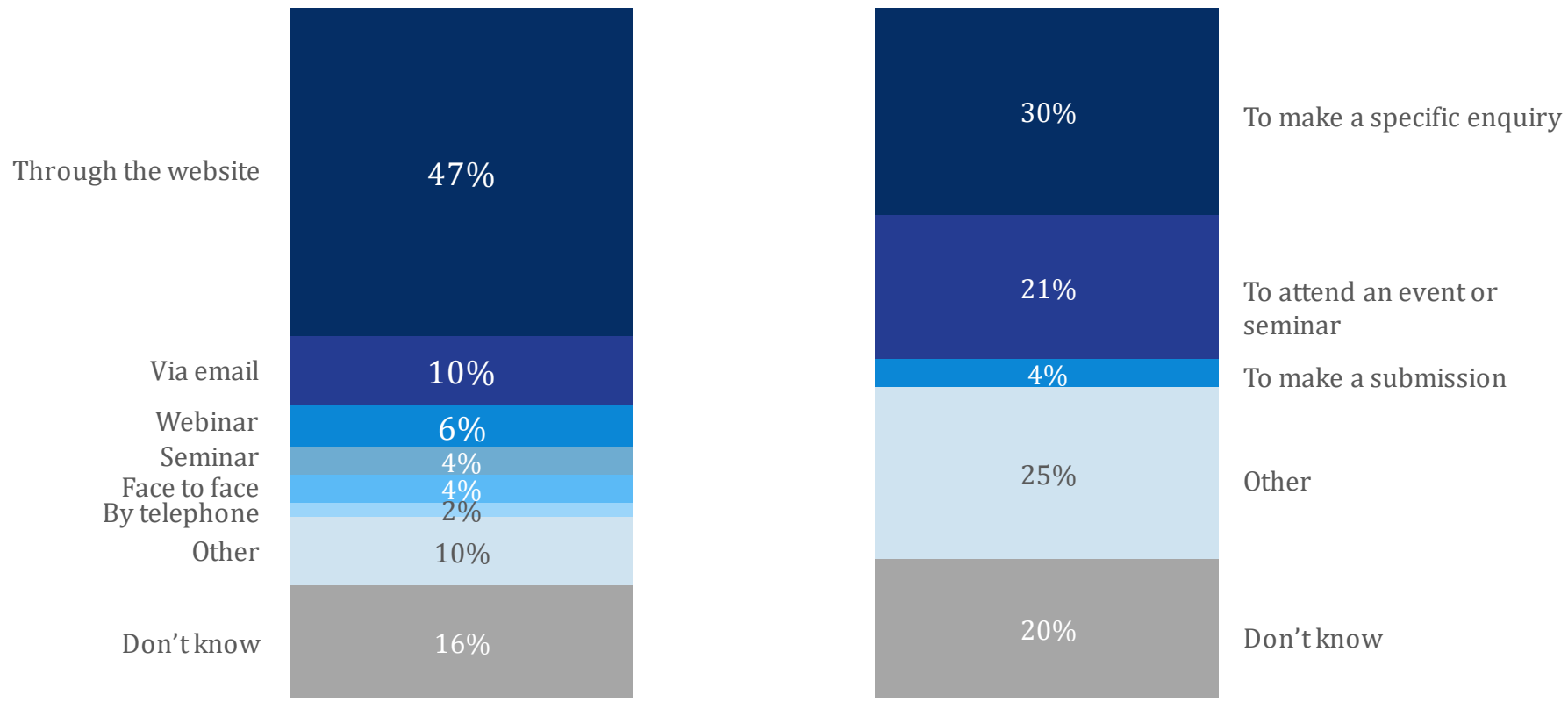
Your stakeholders are contacting you on average 4.65 times a year.

Stakeholders who are satisfied with the service and performance of XRB and who work in the public sector are most likely to contact you more than once a month with an enquiry.

Q1. How often do you contact XRB? By this we mean any form of contact, including a conversation over the telephone, webinars/seminars, or visiting the website?

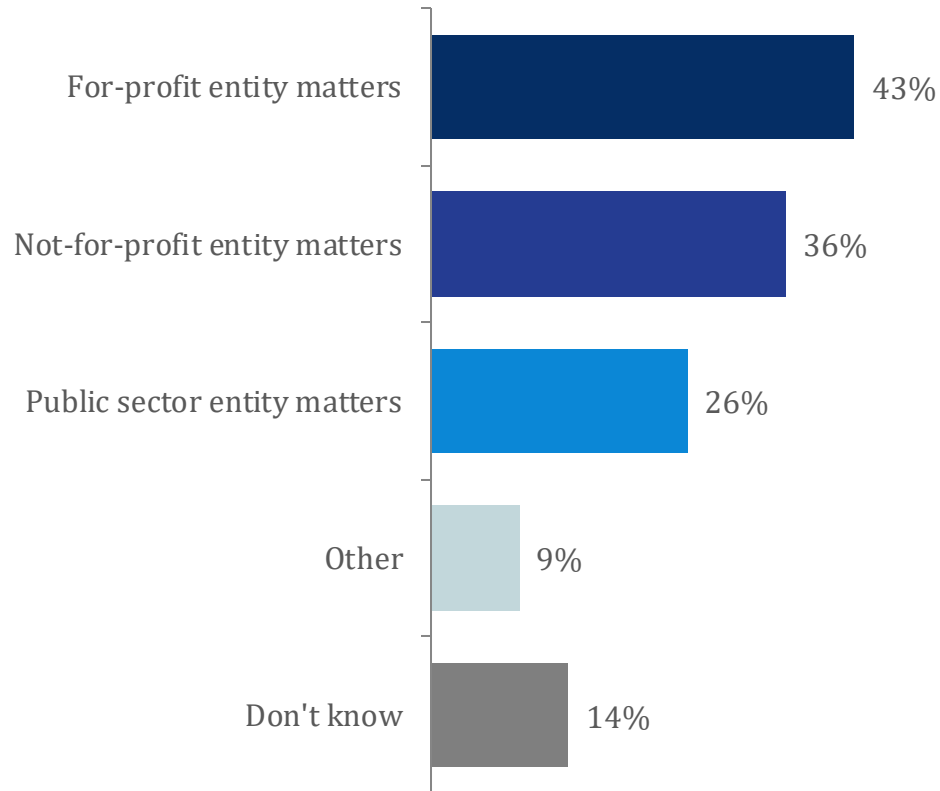
Base: All respondents n=182

The bulk of contact comes to you via the website, and is likely to be a specific enquiry.

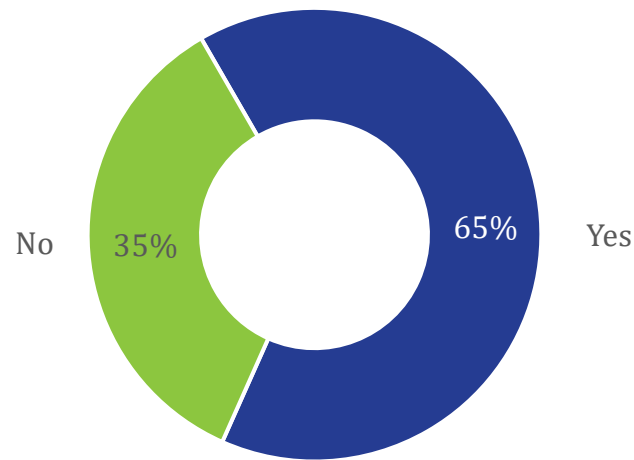


Q2. What is your most common method of communications with XRB? / Q3. What is the reason you last contacted XRB?
 Base: All respondents n=182

The majority of enquiries are about for-profit entities, while public sector matters make up about a quarter of all enquiries.



Two-thirds of stakeholders are aware that the XRB hosts events to consult on, and raise awareness of standards, one third are not.

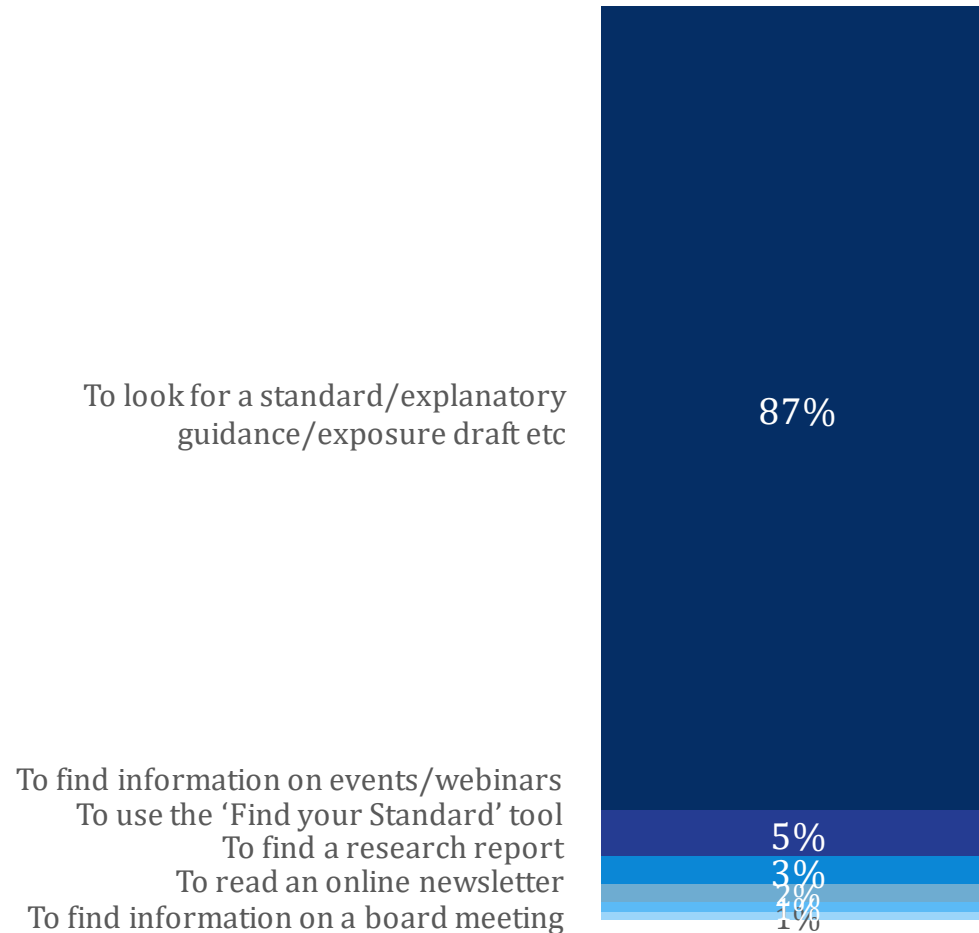


Stakeholders who are aware of the consultation and awareness-raising activities of the XRB are more likely to be in the not-for-profit or public sector.

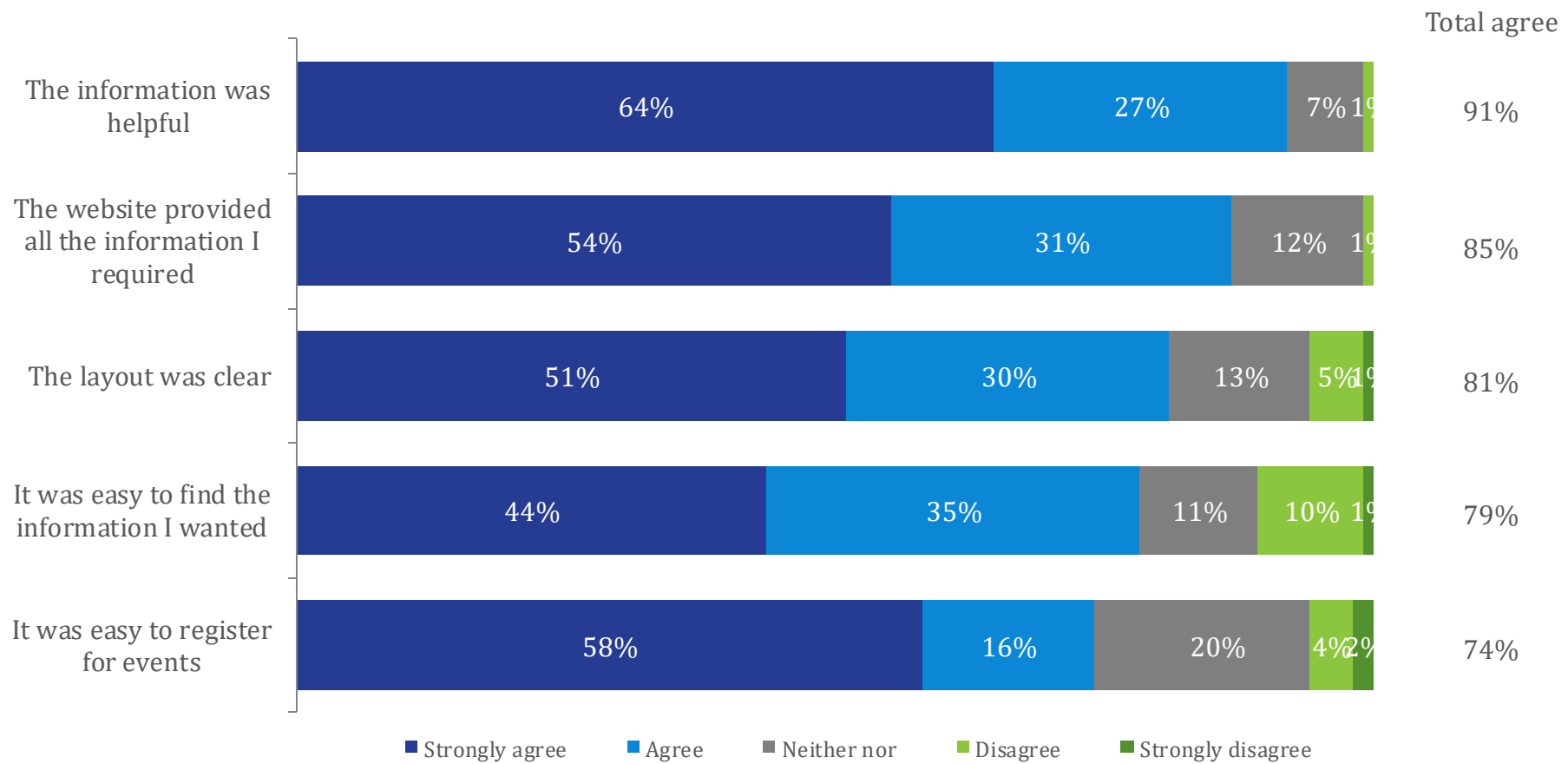


The website

Stakeholders predominantly visit the website to look for a standard or to seek explanatory guidance.



Agreement with all statements about the website is high, nine out of 10 stakeholders think information on the website is helpful. One in 10 stakeholders disagree that it is easy to find the information they wanted.

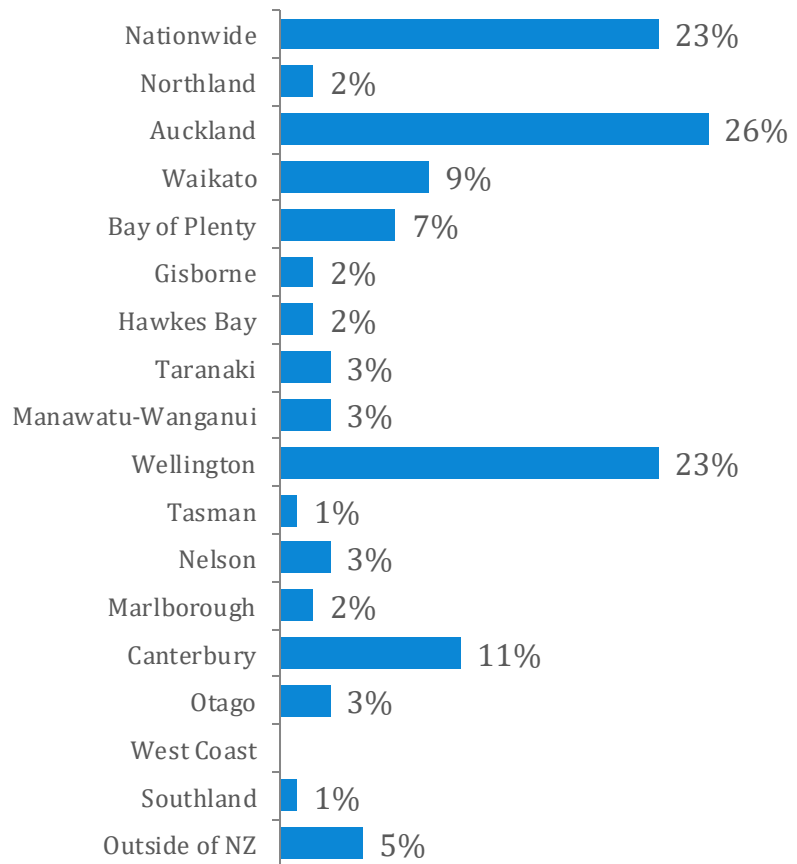


Q6. Still thinking about your most recent visit to the XRB website please tell us to what extent you agree or disagree with each of the following statements...
 Base: All respondents whose most common method of communication is the website (excl don't know) n≈86

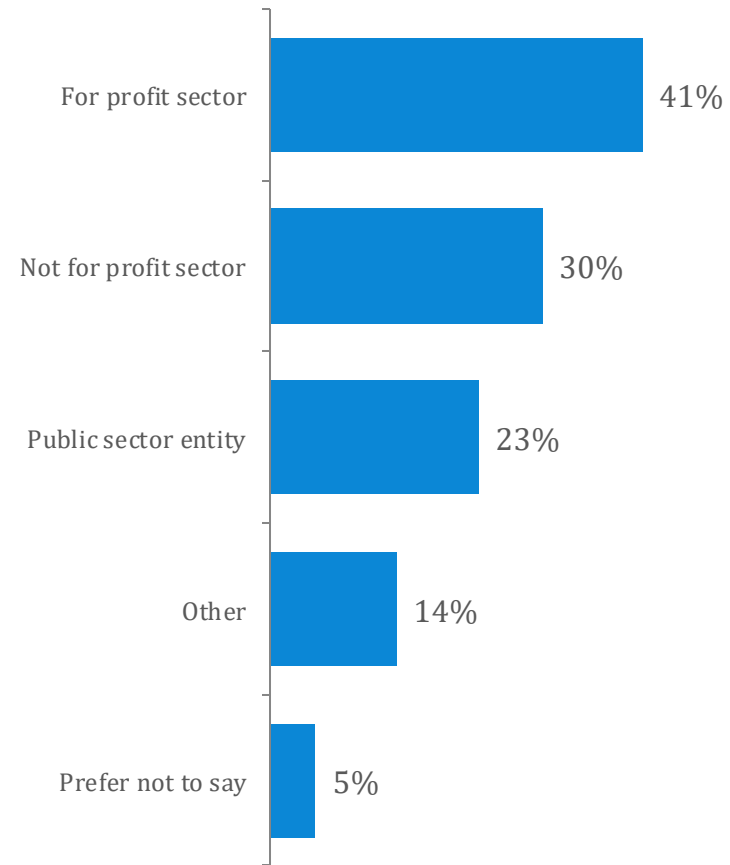
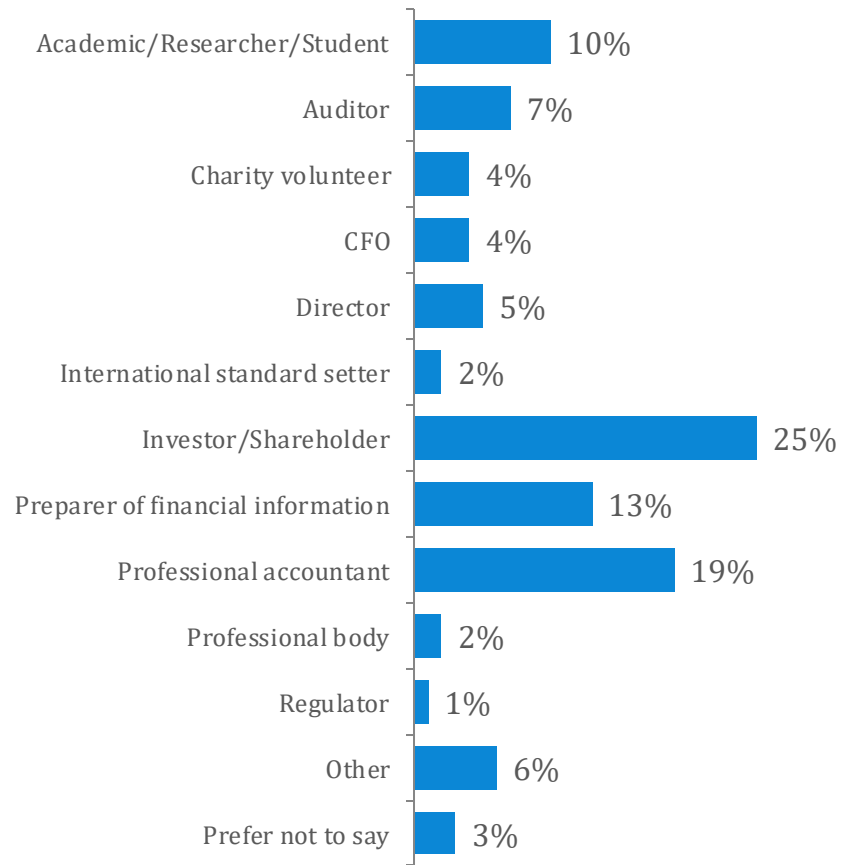


Demographics

Region



Job title and Sector



Q16. Which of these best describes you? Q17. Which of these best describes the sector that you represent?
Base: All respondents n=182



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