

Financial reporting standards and Assurance Requirements – an update

Carolyn Cordery

CAGTR Not-for-Profit Seminar Series
2014 (Seminar 3)

Financial Reporting Framework

For-Profit

Tier 1

NZ-IFRS

Tier 2

NZ-IFRS
(RDR)

Tier 3

none

Tier 4

none

Public Sector

NZ PS-
PBE

NZ PS-
PBE (RDR)

PBE SFR-
A (PS)

PBE SFR-
C (PS)

Not-for-Profit Sector

NZ NFP-
PBE

NZ NFP-
PBE (RDR)

PBE SFR-
A (NFP)

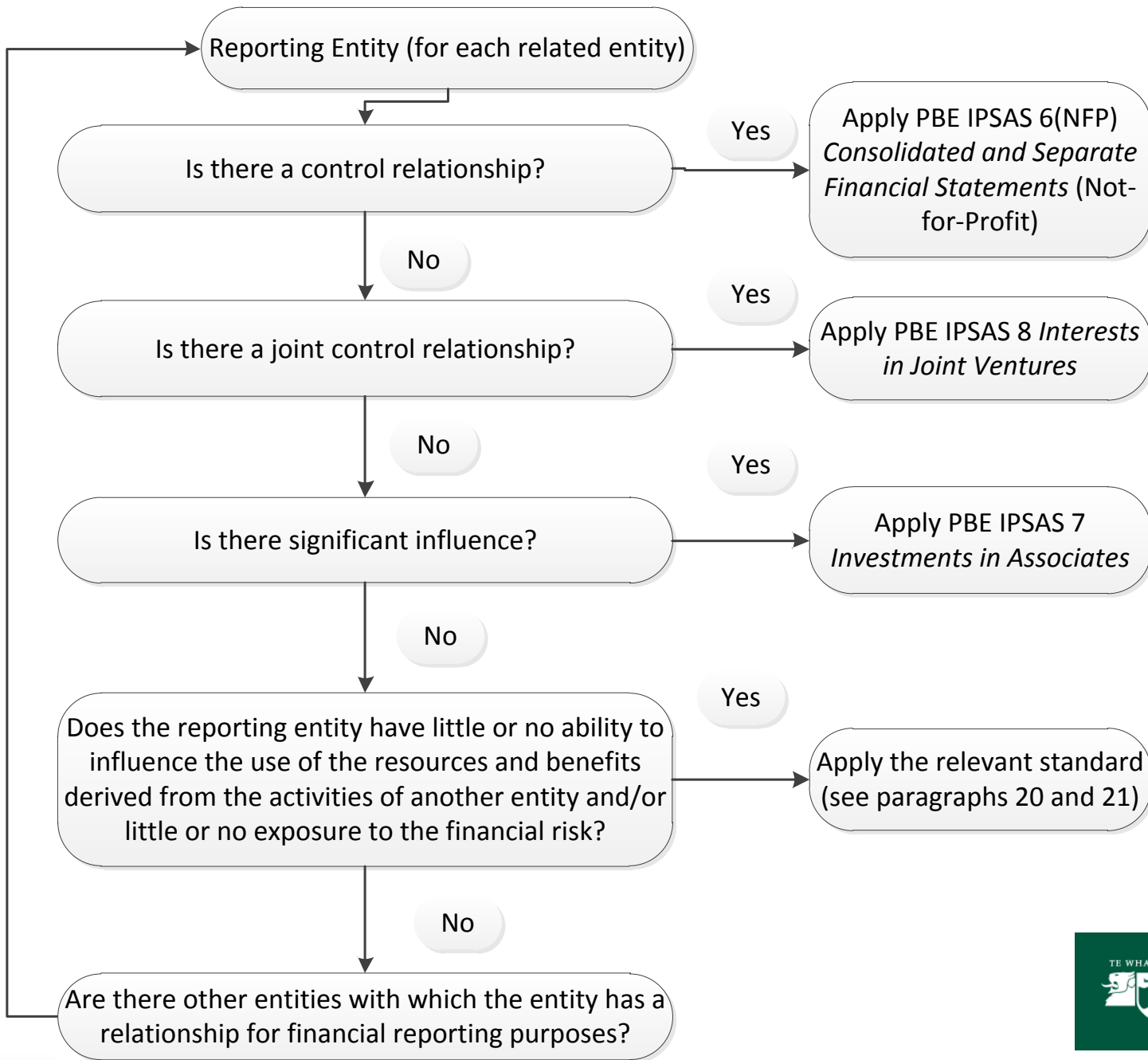
PBE SFR-
C (NFP)

Recently approved for issue (1)

- NFP Enhancements to Tier 1 and 2 PBE standards
 - 39 standards with further explanations for NFP entities + PBE Framework
 - Marked up standards kept on XRB website (with “for information” as a watermark and no effective date)
- All changes within already issued PBE standards except PBE IPSAS 6 (NFP)

Still on the radar (1)

- Explanatory Guides
 - EG A8 Financial Reporting by Not-for-Profit Entities: The Reporting Entity
 - EG A9 Financial Reporting by Not-for-Profit Entities: Identifying Relationships for Financial Reporting Purposes
- No authoritative support, but useful reading!

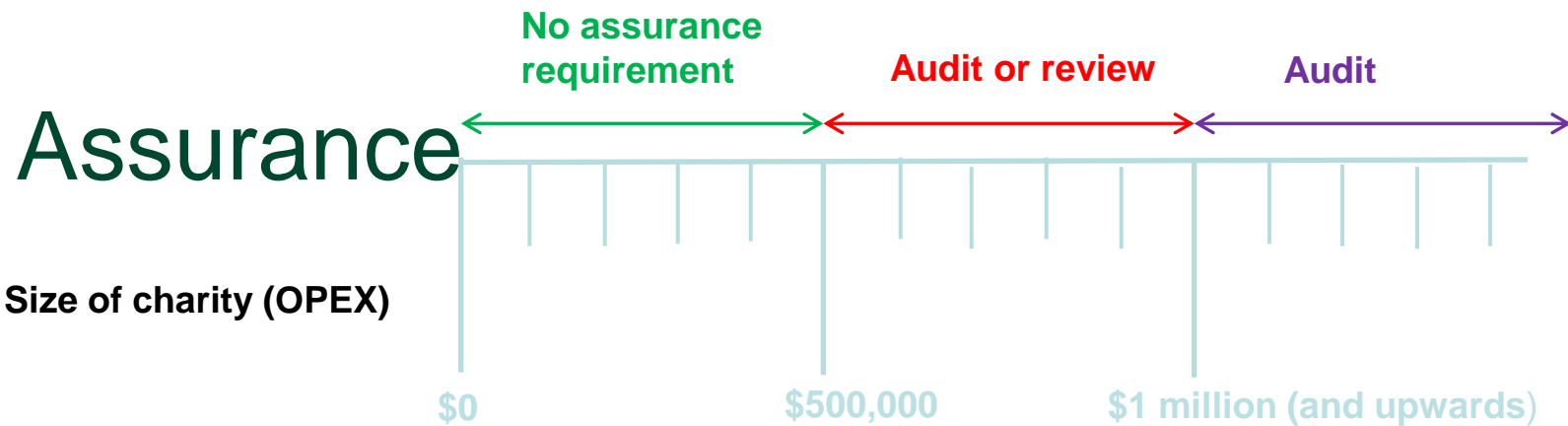


Still on the radar (2)

- Statements of Service Performance
 - Encouraged but not required (Tier 1 & 2) – required at Tiers 3 & 4
 - Standard being developed
- Tier 3 and 4 Simple Format Reporting Standards – some entities beginning to take them up (but only mandatory from 1 April 2015)

Tier 3 and 4 issues

- Reporting from 1 April 2015
- As well as related parties/group issue, need to consider:
 - Define Outcomes and consider how organisation will measure/describe/quantify
 - If moving to accrual accounting, what are the assets and liabilities?
 - Chart of accounts?
 - Brush up on Statement of Cash Flow skills



- Accounting Infrastructure Reform Bill
- ‘Large’ charities – audit, ‘Medium’ charities = audit or review
- ISRE (NZ) 2400 Review of historical financial statements performed by an assurance practitioner who is not the auditor of the entity
- NZ SRE 2410 Review of Financial Statements performed by the independent auditor of the entity

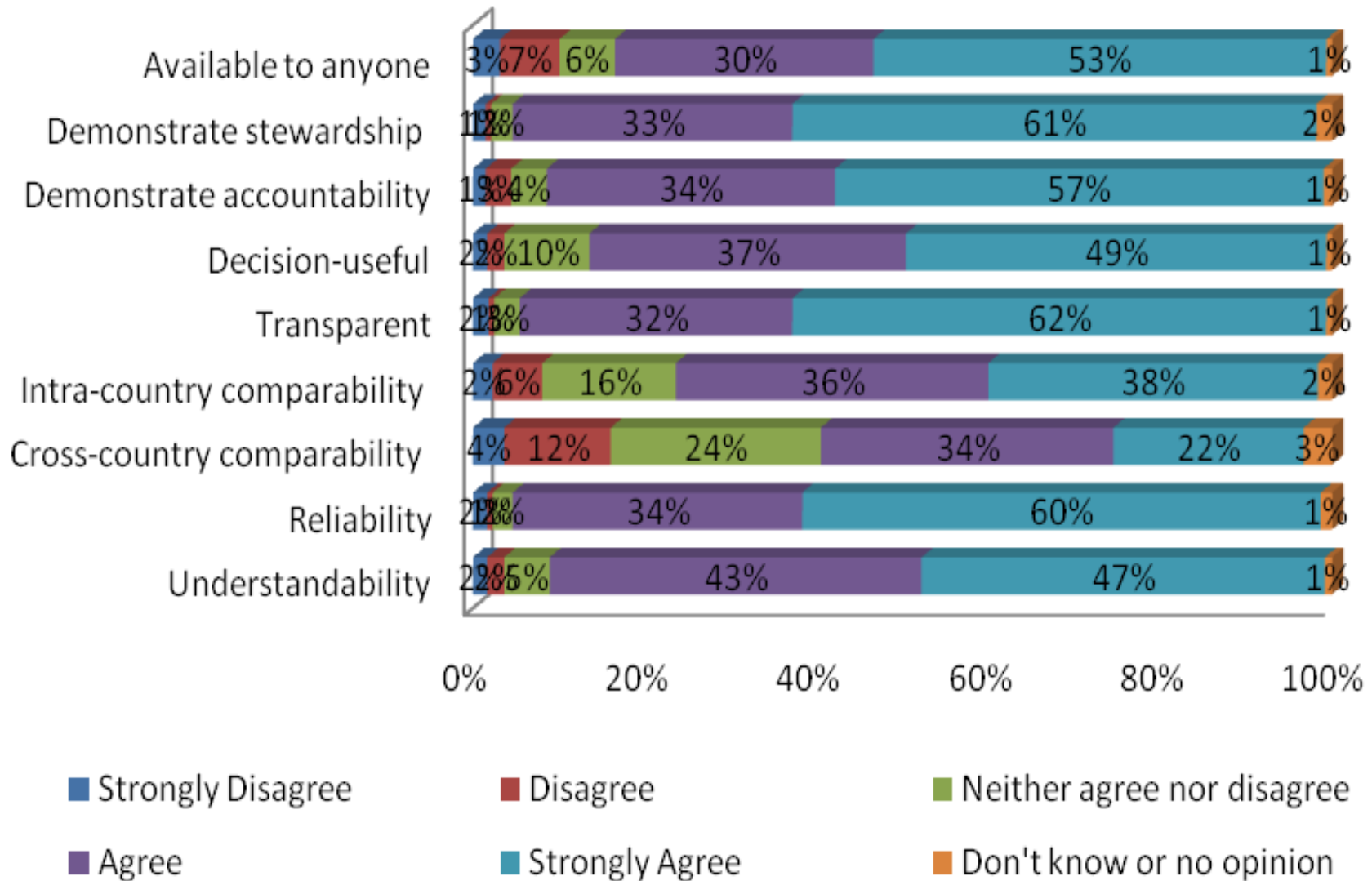
International Financial Reporting for the not-for-profit sector?

- Literature review and Online survey (Oct 2013-Feb 2014)
- Commissioned by Consultative Committee of Accountancy Bodies (CCAB) UK
 - Louise Crawford – University of Dundee, Scotland
 - Gareth Morgan – Sheffield Hallam University, England
 - Carolyn Cordery – Victoria University of Wellington, New Zealand
 - Oonagh Breen – University College Dublin, Ireland
- Some support – but varied across participant type and country

**Sheffield
Hallam
University**



Purpose of NPO financial reports



Perception: developing an international standard for NPOs

