



<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	25 November 2009
<b>From:</b>	<b>Robert Keys, Joanne Scott, Jessica Lion, Daping Gao, Maybelle Chia</b>	<b>Agenda Item:</b>	12.1
<b>Subject:</b>	<b>Service Performance Reporting</b>	<b>File:</b>	

## Action

- Consider whether a constraining principle is needed for the type of information that the Board might prescribe to be included in service performance reports of not-for-profit private sector entities and, if so, what that constraining principle should be (agenda paper 12.2);
- Consider whether the work on service performance reporting should be broadened to include consideration of for-profit private sector entities (agenda paper 12.3);
- Agree on a joint AASB/NZ FRSB project plan for service performance reporting (agenda paper 12.4); and
- Note a list of Project Advisory Panel (PAP) members (agenda paper 12.5).

## Background

### *A constraining principle*

Paragraph 1 of agenda paper 12.2 provides the background to this issue. An earlier version of the paper was sent to PAP members for comment. A collation of comments received is provided in appendix A of the paper.

At the forthcoming meeting, we intend focusing on the ‘questions for the Board’ identified throughout the paper. In summary, the staff tentative view on those questions is that:

- (a) work on service performance reporting should proceed without awaiting the outcome of the Conceptual Framework project;
- (b) an appropriate ‘constraining principle’ is one which limits the Board’s consideration to service performance information that relates to an entity’s principal objectives (which may be non-financial); and

- (c) the Board should consider:
  - (i) developing principles to be followed by an entity in identifying the non-financial service performance information to be disclosed; and
  - (ii) specifying the financial information about the entity's non-financial service performance to be disclosed.

### ***Should the project's scope be broadened to include private sector for-profit entities***

Agenda paper 12.3 is a result of a decision made by the Board at its September 2009 meeting. The background to the issue is provided in paragraphs 1 to 4 of that paper. The paper expresses the staff view that there is sufficient justification for the Board's work to be limited to service performance reporting by not-for-profit private sector entities.

### ***AASB/FRSB joint project plan***

Agenda paper 12.4 is a result of a decision by the AASB and NZ FRSB at their October 2009 joint meeting. An extract from the draft minutes of that meeting is provided in the agenda paper to provide the context for the paper. The paper also provides a suggested detailed work plan and timetable in the form of a matrix developed jointly by the staff. We think it provides a reasonable basis for the Boards' ongoing work. Particular decisions asked of the Board in relation to the draft joint work plan include:

- (a) which Board members should comprise the proposed subcommittee (see item 2 in the matrix of agenda paper 12.4)?
- (b) items 7.1 to 7.14 in the matrix of agenda paper 12.4 identify key topics that we think should be the subject of issues papers. Are there any other key topics?
- (c) item 7.7 in the matrix of agenda paper 12.4 lists various aspects of principles for service performance reporting that we suggest be considered. Are there any other aspects?

### **Attachments**

Agenda paper 12.2: Paper 4: A constraining principle for service performance reporting;

Agenda paper 12.3: Paper 5: Applying the AASB/FRSB *Process for Modifying IFRSs for PBE/NFP to Service Performance Reporting by Private Sector Not-for-profit Entities*

Agenda paper 12.4: Draft AASB/FRSB joint project plan: service performance reporting; and

Agenda paper 12.5: A list of Project Advisory Panel members.