

SCOPE AND OBJECTIVE

PBE FRS 48 applies to all Tier 1 and Tier 2 not-for-profit public benefit and Tier 1 and Tier 2 public sector public benefit entities required by legislation to provide information in respect of service performance in accordance with generally accepted accounting practice (GAAP). If an entity is required by legislation to report service performance information on only some of its activities, PBE FRS 48 applies only to those activities.

The objective of PBE FRS 48 is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report.

PRINCIPLES

An entity must present service performance information that is useful for accountability and decision-making purposes in the same general purpose financial report as its financial statements.

Presentation of service performance information together with financial statements enables users to make assessments of the entity's performance.

In selecting and presenting service performance information in a general purpose financial report an entity applies the qualitative characteristics (relevance, faithful representation, understandability, timeliness, comparability, and verifiability) of information and the pervasive constraints (materiality, cost-benefit and balance between the qualitative characteristics) on information identified in *the Public Benefit Entities' Conceptual Framework*.

Application of the qualitative characteristics and appropriate balancing of the constraints on information results in service performance information that is appropriate and meaningful to the users of general purpose financial reports.

INFORMATION TO BE REPORTED

REPORTING ENTITY AND REPORTING PERIOD

Except as otherwise required by legislation (for public sector entities), an entity presents service performance information for the same reporting entity and reporting period as the financial statements.

SERVICE PERFORMANCE INFORMATION

Service performance information must:

- Provide users with sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Provide users with information about what the entity has done during the reporting period in working towards its broader aims and objectives.

PERFORMANCE MEASURES AND/OR DESCRIPTIONS

In reporting on what an entity has done during the reporting period provide users with an appropriate and meaningful mix of performance measures and/or descriptions for the reporting period.

The performance measures and/or descriptions used by an entity to communicate its service performance may be:

- **Quantitative measures:** Examples of quantitative measures are the quantity of goods and services, the cost of goods and services, the time taken to provide goods and services, levels of satisfaction using a rating scale on a questionnaire or survey, and numerical measures for service performance objectives or goals;
- **Qualitative measures:** Examples of qualitative measures are descriptors such as compliance or non-compliance with a quality standard, ratings such as high, medium or low, or ratings assigned by experts; or
- **Qualitative descriptions:** Examples of qualitative descriptions are those based on participant observations, open-ended questions on interviews and surveys and case studies. For example, how did an entity's service performance activities change the well-being and circumstances of a client group?

COMPARATIVE INFORMATION AND CONSISTENCY OF REPORTING

- Report comparative information in respect of the preceding period.
- Report comparative information for all amounts reported in the current period and, where relevant, for the narrative and descriptive information reported in the current period.
- An entity may also be required by legislation, or may elect, to report comparisons of previously published prospective service performance information and current period service performance information (also referred to as budget versus actual). In such cases report:
 - Comparisons of previously published prospective information and current period information for all amounts reported in the current period and,
 - Where relevant, for the narrative and descriptive information reported in the current period.
 - Explanations for major variances must be given.
- Report service performance information consistently. If an entity changes what it reports or how it reports its service performance information, it shall explain the nature of those changes and their effect on the current period's service performance information
- Correct material prior period errors, in the first service performance information authorised for issue after the discovery of the errors, by restating the comparative information for any prior period(s) presented in which the error occurred and disclosing an explanation of the error. If the error relates solely to narrative information, an explanation of the error is disclosed.

PRESENTATION

Clearly identify the service performance information presented in accordance with PBE FRS 48.

DISCLOSURE OF JUDGEMENTS

Disclose those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information reported in accordance with PBE FRS 48 that are relevant to an understanding of the entity's service performance information.

TIER 2 PBE STANDARDS RDR REPORTERS

RDR reporters are required to comply with PBE FRS 48 in full.