

Review of the Tier 3 and Tier 4 Standards

Who are the External Reporting Board (XRB)?

The XRB is the independent Crown Entity responsible for developing and issuing New Zealand's financial reporting, auditing, assurance, and ethical standards.

- In NZ Legislation sets out **who** is required to report
- XRB standards set out:
 - **What** information needs to be reported
 - **How** it needs to be presented



Overview of the Tier 3 and Tier 4 Standards



- Four Tiers of reporting for Registered Charities
- Tiers 1 and 2 based on international standards
- Tiers 3 and 4 are New Zealand specific
- Tier 3 is an accrual-based standard
- Tier 4 is a cash-based standard

Public Benefit Entities (PBEs) Accounting Standards Framework		
Tier	Criteria	XRB Accounting Standards
Tier 1	Has public accountability ; or Total expenses (including losses and grant expenses) greater than \$30 million	PBE Standards
Tier 2	No public accountability ; and Total expenses (including losses and grant expenses) of \$30 million or less	PBE Standards with reduced disclosures (PBE Standards RDR)
Tier 3	No public accountability ; and Total operating expenses (including losses and grant expenses) of \$2 million or less	PBE Simple Format Reporting – Accrual
Tier 4	No public accountability ; and Total operating payments (including grant payments) of less than \$125,000; and Is permitted by legislation to apply Tier 4 (for example, <i>Charities Act 2005</i> and <i>Maori Purposes Fund Act 1934-35</i>).	PBE Simple Format Reporting – Cash

Components of Tier 3 and Tier 4 Performance Reports



Tier 3	Tier 4
Entity information	Entity information
Statement of service performance	Statement of service performance
Statement of financial performance	Statement of receipts and payments
Statement of financial position	Statement of resources and commitments
Statement of cash flows	
Statement of accounting policies	
Notes	Notes

Overview of the Tier 3 and Tier 4 Standards

- **Development approach**

- Single, standalone standard
- Less technical language
- Simpler requirements
- Common transactions



- **Accompanying Resources**

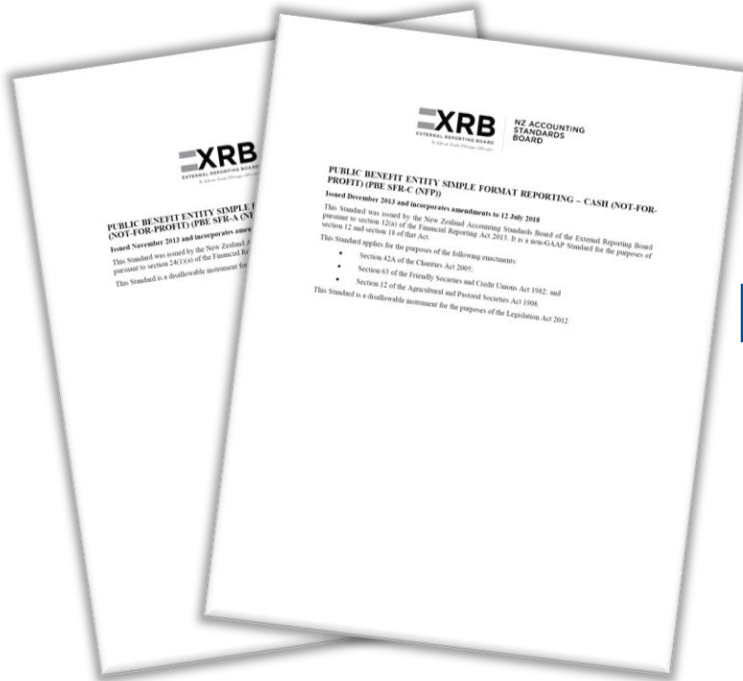
- Template performance reports (excel and PDF)
- Guidance notes

The Standards have been applied by charities from 2015

Review of the Tier 3 and Tier 4 Standards

What is being reviewed?

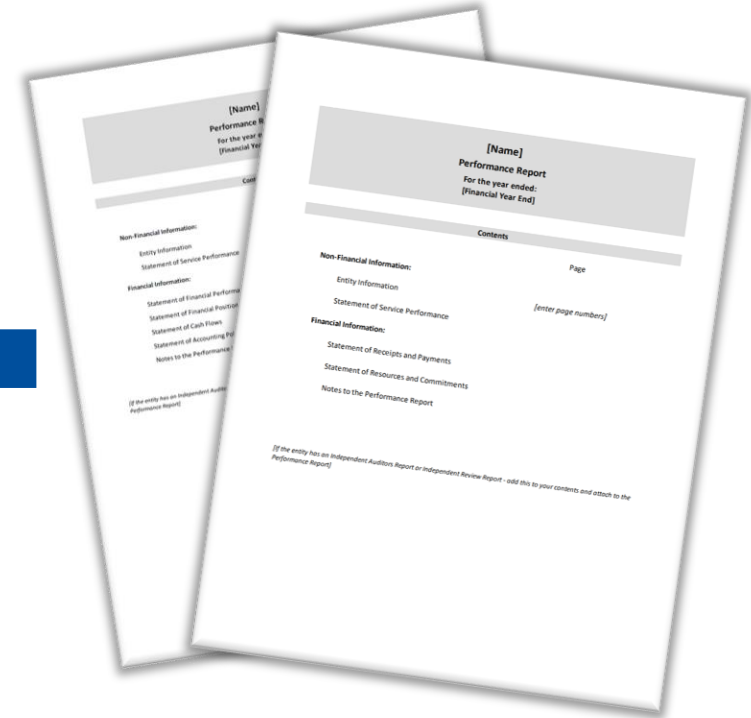
Standards



Guidance



Templates



Review of the Tier 3 and Tier 4 Standards

What do we want to know?



What's working well?

What's not working well?

What needs more guidance?

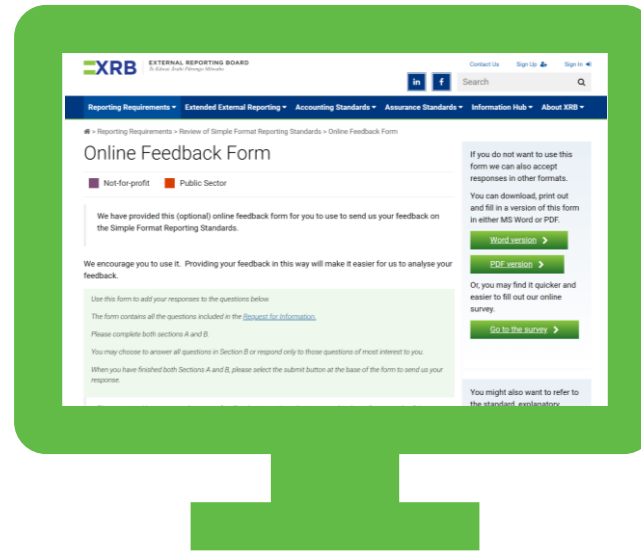
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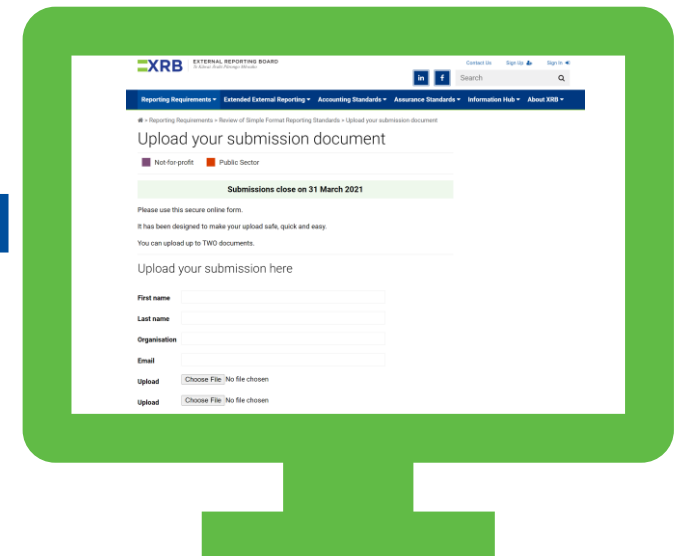
How can you give feedback?



Online survey



Feedback Form

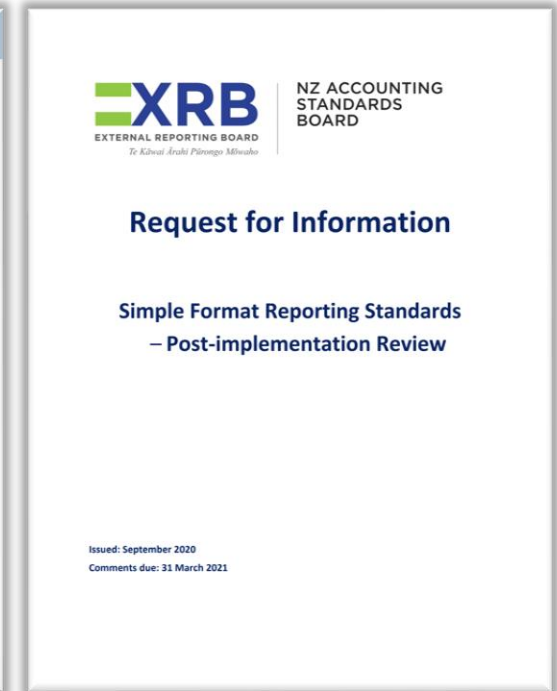
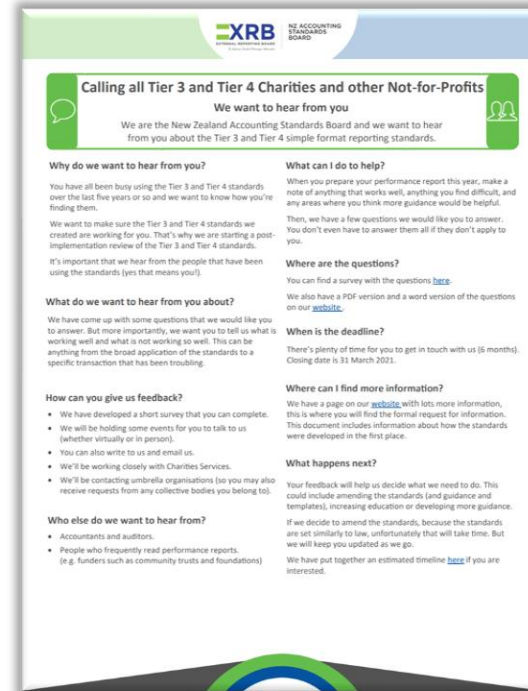


Upload a submission

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Where can you find more information?



www.xrb.govt.nz