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National Moderator Report 2026
Accounting

The following report gives feedback to assist assessors with general issues and trends that have been identified during external moderation of the internally assessed standards in 2025. It also provides further insights from moderation material viewed throughout the year and outlines the Assessor Support available for Accounting. Please note this report does not introduce new criteria, change the requirements of the standard, or change what we expect from assessment.

Insights

91407: Prepare a report for an external user that interprets the annual report of a New Zealand reporting entity

Performance overview:

To achieve the standard, a student needs to interpret the annual report of a NZ reporting entity through the lens of an end-user with specific needs or interests. The specific investment needs of the end-user should be explained in the introduction and referred to throughout the student's report, as well as in their eventual recommendations. This ensures interpretations of the annual report are driven by specific interests – such as sustainability, an employment opportunity, or a steady stream of dividends – rather than being generic in nature.

A student undertaking this assessment needs to be equally proficient in interpreting an annual report and effectively communicating their findings to the end-user.

Moderators continue to see an increase in submissions that focus on sustainability and multiple bottom line reporting. For example, Alex is interested in investing in a business that is a good corporate citizen and adheres to sustainability principles. In this case, where the user's principal motivation is not dividends or capital gain, it is not necessary for the student to interpret market analysis measures. However, profitability, liquidity, and cash management of the reporting entity must be interpreted. In addition, there would be interpretation tailored to the user's specific needs.

Practices that need strengthening:

Evidence that presents statements of fact, a reproduction of percentages or ratios, or surface-level explanations of material presented in the annual report will not meet the standard. The interpretation requires contextualised, rather than generic, explanations that could enable the end-user to make an informed decision about investing in the entity.

Students are expected to write formal structured reports with an executive summary or introduction, body (interpretation), and conclusion (recommendation). While the report should be characterised by formality, interpretations should be framed in language that end-users without a deep knowledge of accounting could understand. In the interests of being fit-for-purpose for the end-user, the report should be free of unnecessary detail (such as EBITDA) that is not directly relevant to decision-making.

Sources of quoted material should be acknowledged.

Merit requires in-depth explanations of how performance measures relate to the end-user. For example, if the evidence reports that there has been a net outflow in the operating activities section of the statement of cash-flows for two years, the student's interpretation would discuss the possible relevance of this information for the end-user. Reasons would be given for the student's recommendation to invest or not invest in the reporting entity.

For Excellence, the student would prepare a comprehensive report that includes relevant financial and non-financial information from the annual report of the entity alongside relevant information from other media. This requires the student to research more widely than the entity's annual report. The concluding recommendation should be justified in terms of the potential investment meeting or not meeting the end-user's needs. The student should also discuss the limitations of the report.

Insights

91409: Demonstrate understanding of a job cost subsystem for an entity

Performance overview:

To achieve this standard, a student applies, explains, or justifies job costing subsystem elements in the context of an entity's ability to maintain viability. Processing of job-costing transactions is required, as well as a narrative about subsystem elements for the same entity. Where a real entity is the context, the assessor needs to provide relevant transactions for the student to process.

Explanatory Note 5 provides examples of job-cost subsystem elements, such as correctly allocating costs to jobs and the under- or over-application of overheads. It does not refer to journals or ledgers because these are not subsystem elements; rather, they are the fundamental books and records used to capture, classify, and summarise financial transactions, characterised by debit and credit entries. Journals and/or ledgers have been used in the six grade boundary exemplars for the standard published on the NZQA website. Using only documents such as requisition forms or job cards is insufficient to demonstrate NZC level 8 processing skills.

Practices that need strengthening:

For all grades the focus should be on how the specific job-costing subsystem/processes contribute to the ability of the entity to maintain its operations. For example, the impact of the over-application of overheads on COGS and on the entity's future viability would be discussed.

For Merit, the evidence would reflect in-depth NZC level 8 understanding of the application of job costing elements. Explanations would go beyond generic impacts to specific accounting entries. For example, *"the material requisition card is used to track all resources to avoid theft, which would impact on the profit of the company and therefore the ability of [business name] to remain trading."* When explaining a subsystem component such as the overhead rate, financial information from the completed processing would be included.

Context and justification are required for Excellence. In particular, what is the implication of the overhead application, and what are the consequences of overhead being under- or over-applied? The student should demonstrate their comprehensive understanding of this by completing WIP or overhead control journal entries or ledger accounts, then explaining the connection to the entity's viability. Alternatively, the student would explain transactions, referencing debit/credit transactions and the effect on COGS. For example, *"The $x of over-applied overhead is debited in the overhead account and credited in the cost of goods sold* *account. This is because cost of goods sold is currently overstated, so needs to be reduced. If this is not done…"*

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- Exemplars of student work for most standards.
- National Moderator Reports.
- Online learning modules (generic and subject-specific).
- Clarifications for some standards.
- Assessor Practice Tool for many standards.
- Webcasts.

Exemplars, National Moderator Reports, clarifications, and webcasts are hosted on the NZC Subject pages on the NZQA website.

Subject Pages

Online learning modules and the Assessor Practice Tool are hosted on Pūtake, NZQA's learning management system. You can access these through the Education Sector Logon.

Log in to Pūtake

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