



**Comments due by 22 August 2022**

**ACCOUNTING STANDARDS BOARD**

**INVITATION TO COMMENT ON**

**CONSULTATION PAPER, ADVANCING PUBLIC  
SECTOR SUSTAINABILITY REPORTING**

**(ED 199)**



ED 199

## Commenting on the Consultation Paper

The Accounting Standards Board (the Board) seeks comment on the Consultation Paper of *Advancing Public Sector Sustainability Reporting* (ED 199) issued by the International Public Sector Accounting Standards Board (IPSASB).

The comment received on the Consultation Paper will be used to develop a comment letter to the IPSASB. Comment should be submitted in writing so as to be received by **22 August 2022**. Email responses are preferred. Unless respondents to the Consultation Paper specifically request confidentiality, their comment is a matter of public record once the pronouncement has been finalised by the IPSASB. Comment should be addressed to:

The Chief Executive Officer  
Accounting Standards Board  
c/o the Office of the Accountant General  
National Treasury  
240 Madiba Street  
Pretoria  
0001  
Fax: +2711 697 0666  
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## Background to the project

### Project history

The profile of sustainability reporting has increased significantly. The IPSASB issued its Consultation Paper on *Advancing Public Sector Sustainability Reporting* in May 2022 in light of:

- the absence of internationally recognised guidance on sustainability reporting by public sector entities;
- individual jurisdictions are beginning to develop their own requirements and global guidance is hence necessary for consistency, comparability and high quality reporting in the public sector; and
- in March 2022, the ISSB issued two EDs on *Sustainability Reporting: General Requirements for Disclosure of Sustainability-related Financial Information* and *Climate-related Disclosures*.

The IPSASB prepared this paper in response to the growing demands from its stakeholders for global sustainability reporting guidance for the public sector to contribute to the delivery of sustainable development and to address climate change.

### Key proposals

The aims of this consultation process are to evaluate the demand from stakeholders for public sector sustainability reporting guidance, as well as the degree of support for the IPSASB's involvement in the process, the priority areas for guidance, and how this might be approached.

With this Consultation Paper, it is proposed that the IPSASB should:

- Serve as the standard setter for global public sector specific sustainability guidance, drawing upon its experience, processes, and global relationships.
- Develop initial guidance focused on general disclosure requirements for sustainability-related information and climate-related disclosures.
- Approach guidance development at an accelerated pace, with a potential for releasing initial guidance by the end of 2023.

The consultation lays out what the IPSASB believes is necessary to get started now, and the resources, including additional funding commitments, required to deliver public sector specific sustainability reporting guidance in a timely manner.

## Impact of the IPSASB's work on the local environment

The ASB's mandate is to set Standards of GRAP and to undertake other activities incidental to advancing financial reporting. Whether the development of standards on sustainability reporting is within the ASB's mandate will need to be discussed with stakeholders, specifically the National Treasury. However, the ASB believes it is important to fully consider and comment on all reporting standards issued by the IPSASB as they ASB relies extensively on its work.

The Board aims to maintain convergence with IPSAS for the preparation of financial statements where this is consistent with the ASB's mandate and strategic objectives. The ASB does not presently have standards on sustainability reporting. The Board would need to consider the final guidance issued by the IPSASB for the local environment.

Subject to the IPSASB's determinations stemming from the review of the responses of this Consultation Paper, the IPSASB expects to release initial guidance by the end of 2023.

## Commenting on the Consultation Paper

### Due process and timetable

The Board invites comment on the proposals set out in the Consultation Paper from preparers, users, auditors, standard-setters and other parties with an interest in public sector financial reporting. Upon the closure of the comment period, the Board will consider the comment received on the Consultation Paper. The comment received will be used to formulate a comment letter to the IPSASB.

### Available materials

The IPSASB has developed an "At-a-Glance" document and webinar that provides an overview of the Consultation Paper. These can be accessed on [Consultation Paper, Advancing Public Sector Sustainability Reporting | IFAC \(ipsasb.org\)](#) and on the ASB's website along with the other materials for the concurrent Consultation Paper.

### Request for comment

Comment on the Consultation Paper is invited by **22 August 2022**. The Board requests that respondents express an overall opinion on whether the Consultation Paper, in general, is supported and to supplement this opinion with detailed comment, whether supportive or critical. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate and contain a clear rationale.

There are preliminary views and specific matters for comment in the Consultation Paper on which the IPSASB would appreciate feedback. Respondents may choose to respond to all questions, or just a selected few.

**Preliminary View 1: Chapter 1**

The IPSASB's view is that there is a need for global public sector specific sustainability reporting guidance.

Do you agree with the IPSASB's preliminary view?

If not, please provide your reasons.

**Preliminary View 2: Chapter 2**

The IPSASB's experience, processes and relationships would enable it to develop global public sector specific sustainability reporting guidance effectively.

Do you agree with the IPSASB's preliminary view?

If not, please provide your reasons.

**Specific Matter for Comment 1: Chapter 3**

If the IPSASB were to develop global public sector specific sustainability reporting guidance, please tell us what topics you see as the most pressing in your jurisdiction and why these should be prioritized by the IPSASB.

**Preliminary View 3: Chapter 3**

If the IPSASB were to develop global public sector specific sustainability reporting guidance, it proposes applying the framework in Figure 5.

In developing such guidance, the IPSASB would work in collaboration with other international bodies, where appropriate, through the application of its current processes.

Do you agree with the IPSASB's preliminary view?

If not, please provide your reasons, explaining what alternatives you would propose, and why.

**Preliminary View 4: Chapter 3**

If the IPSASB were to develop global public sector specific sustainability reporting guidance, it would address general sustainability-related information and climate-related disclosures as its first topics. Subsequent priority topics would be determined in the light of responses to this Consultation Paper as part of the development of its 2024-2028 Strategy.

Do you agree with the IPSASB's preliminary view?

If not, please provide your reasons, explaining which topics the IPSASB should prioritize instead, and why.

**Preliminary View 5: Chapter 4**

The key enablers identified in paragraph 4.2 are needed in order for the IPSASB to take forward the development of global public sector specific sustainability reporting guidance.

Do you agree with the IPSASB's preliminary view?

If not, please provide your reasons, explaining which of the proposed key enablers you disagree with, and why.

**Specific Matter for Comment 2: Chapter 4**

To what extent would you be willing to contribute financial or other support to the IPSASB for the development of global public sector specific sustainability reporting guidance.

**General matters for comment**

As with any other Consultation Paper, comment on any other matter contained in the Consultation Paper would also be welcomed. Comment is most helpful if reference is made to a specific paragraph or group of paragraphs.