

January 16, 2023

Mr. Ross Smith
Program and Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto, Ontario, Canada M5V 3H2

Comments on Exposure Draft 83 “Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-Authoritative Guidance.”

Dear Mr. Smith,

The Japanese Institute of Certified Public Accountants (hereafter “JICPA”) highly respects the International Public Sector Accounting Standards Board (hereafter “IPSASB”) for its continuous effort to serve the public interest. We are also pleased to comment on the Exposure Draft 83 “*Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-Authoritative Guidance*” (hereafter “ED”).

Specific Matter for Comment 1

Do you agree with the proposed additional implementation guidance for RPG 1?
If not, what changes would you make?

Comment:

We agree.

Specific Matter for Comment 2

Do you agree with the proposed additional implementation guidance and illustrative examples for RPG 3?
If not, what changes would you make?

Comment:

We agree except for the following point in Example 1 (IE5):

In the explanation about the effectiveness of input, the guidance states that the reason why the actual cost over the target cost to plant the trees was 87% is because “it cost more (CU4.1) than planned (CU4) to plant each tree.” We believe, however, it would be more appropriate to state that the actual cost (CU348.5 million) was less than the target cost (CU400 million) because the actual number of

trees planted (85 million) fell short of the target number of trees to be planted (100 million).
Given that effectiveness is defined as “the relationship between actual results and service performance objectives” (in paragraph 8 of RPG 3 *Reporting Service Performance Information*), we suggest that you measure the effectiveness of input using the cost to plant “per tree” rather than the total cost. If you do, the effectiveness of input is calculated at 102.5% (CU4.1/CU4) by adopting the calculation method (actual over target), which is the same as that for other performance indicators of effectiveness.

Yours sincerely,

Kaneko Yasushi

Executive Board Member - Public Sector Accounting and Audit Practice

The Japanese Institute of Certified Public Accountants