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The International Public Sector Accounting Standards Board (IPSASB)

277 Wellington Street West
Toronto, ON M5V 3H2
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IPSASB CONSULTATION PAPER, *ADVANCING PUBLIC SECTOR SUSTAINABILITY REPORTING*

We are pleased to comment on the consultation paper for advancing public sector sustainability reporting. The comments outlined in this letter are those of the Professional Practices department of Altimax and the Board. The comments have been formulated following an internal consultation session.

We are generally supportive of the proposals. Our comments on the consultation paper are outlined as follows

- Annexure A – Comment on the IPSASB's Preliminary views
- Annexure B – Comment on the IPSASB's Specific matters for comment

Should you have any queries regarding the comments outlined in the letter, please do not hesitate to contact me at +27 82 854 5252 or ac@altimax.co.za.

Yours faithfully



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ANNEXURE A – Comment on the IPSASB's Preliminary view

Preliminary view number	Preliminary view	Altimax comments	Altimax recommendations
Preliminary view 1 – Chapter 1	<p>The IPSASB's view is that there is a need for global public sector-specific sustainability reporting guidance.</p> <p>Do you agree with the IPSASB's Preliminary View?</p> <p>If not, please provide your reasons.</p>	<p>Yes, there is a need for such guidance. We, however, do have some concerns.</p> <ul style="list-style-type: none"> • Will the cost outweigh the benefits in the public sector to implement comprehensive reforms to comply with the guidance? • Does the public sector have the necessary skills to implement the guidance? • There are, for example, in South Africa, public sector entities that are not yet fully on the accrual basis. What will the impact of the guidance be on these entities? 	<p>We recommend that the IPSASB conduct research to address these questions.</p> <ul style="list-style-type: none"> • Does the sector have the necessary skills, or will this add to the cost of implementation? • What will the cost impact be for the implementation of such guidance?
Preliminary view 2 – Chapter 2	<p>The IPSASB's experience, processes and relationships would enable it to develop global public sector-specific sustainability guidance effectively.</p> <p>Do you agree with the IPSASB's Preliminary View?</p> <p>If not, please provide your reasons.</p>	<p>Yes, we agree.</p> <p>However, Altimax is concerned about how it might impact the existing projects that align with the IPSASB's core mandate.</p> <ul style="list-style-type: none"> • The funding that will be required to take on such a project. • The skillset within the IPSASB. The board's main focus is accounting standards, which might differ greatly from sustainability reporting. 	<p>It is our understanding that the IPSASB will form a Reference Group. We recommend that the group members be a combination of experts in the financial and sustainability reporting fields.</p> <p>Furthermore, we recommend that the IPSASB consider collaborating with existing organisations such as the International Sustainability Standards Board (ISSB) and the International Accounting Standards Board (IASB) to streamline the process.</p>

Preliminary view number	Preliminary view	Altimax comments	Altimax recommendations
		<ul style="list-style-type: none"> • Time constraints • Resources that will be required to take on this project. 	
Preliminary view 3 – Chapter 3	<p>If the IPSASB were to develop global public sector-specific sustainability reporting guidance it proposes to apply the framework in Figure 5.</p> <p>In developing such guidance, the OPSASB would work in collaboration with other international bodies, where appropriate, through the application of its current processes.</p> <p>Do you agree with the IPSASB's Preliminary View?</p> <p>If not, please provide your reasons, explaining what alternatives you would propose and why.</p>	We agree with the proposed Framework.	
Preliminary view 4 – Chapter 3	<p>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.</p>	<p>We agree that climate-related disclosures are currently a hot topic because of the impact it has from a social and environmental perspective. However, are we not generalising?</p> <p>Some countries' focus might be on other priorities, such as social factors (health, poverty and education).</p>	We recommend that the general sustainability-related information speak directly to the mandate of an entity. Focussing on the mandate of an entity will enable each entity to report on its priorities.

Preliminary view number	Preliminary view	Altimax comments	Altimax recommendations
	<p>Do you agree with the IPSASB's Preliminary View?</p> <p>If not, please provide your reasons, explaining which topics the IPSASB should prioritise instead, and why.</p>	<p>The risk is that climate-related matters will not be a priority to a portion of the public sector.</p>	
<p>Preliminary view 5 – Chapter 4</p>	<p>The key enablers identified in paragraph 4.2 are needed in order for the IPSASB to take forward the development of global public sector sustainability reporting guidance.</p> <p>Do you agree with the IPSASB's Preliminary View?</p> <p>If not, please provide your reasons, identifying which of the proposed key enables your disagreement, and why.</p>	<p>Yes, we agree.</p>	<p>None.</p>

ANNEXURE B – Comment on the IPSASB's Specific Matters for Comment

Specific matter number	Preliminary view	Altimax comments
Comment 1 – Chapter 3	<p>If the IPSASB were to develop global public sector specific sustainability reporting guidance, please tell us what topic you see as most pressing in your jurisdiction and why these should be prioritised by the IPSASB.</p> <p>Do you agree with the IPSASB's Preliminary View?</p>	<p>South Africa has a National Development Plan 2030 (NDP), which offers a long-term perspective. The NDP aims to eliminate income poverty and reduce inequality by 2030. Each public sector organisation then uses this NDP to develop its short- to medium-term targets. Some of the milestones included in the NDP include</p> <ul style="list-style-type: none"> • Increase employment • Establish a comprehensive base of infrastructure, human resources and regulatory frameworks • Increase the quality of education • Provide affordable access to quality health care • Effective, safe and affordable public transport • Access to clean running water • Produce sufficient energy <p>The guidance should also focus on which sphere of government reporting should be.</p>
Comment 2 – Chapter 4	<p>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?</p>	<p>Altimax would appreciate the opportunity to provide other support in the form of</p> <ul style="list-style-type: none"> • Attending meetings • Forming part of the discussion groups • Providing inputs • Review and evaluate comments