



09 September 2022

**BOTSWANA INSTITUTE OF CHARTERED ACCOUNTANTS COMMENT LETTER TO IPSASB  
CONSULTATION PAPER – *ADVANCING PUBLIC SECTOR SUSTAINABILITY REPORTING***

**Introduction**

The Botswana Institute of Chartered Accountants (“BICA”) is a statutory body established by Accountants Act, 2010 for the regulation of the accountancy profession in Botswana. The BICA mission is to protect public interest through promoting the accountancy profession, supporting accountants, facilitating quality professional accountancy services through the monitoring and regulation of professional accountants.

The Institute appreciates the opportunity to contribute towards IPSASB’s Consultation Paper – *Advancing Public Sector Sustainability Reporting*. We provide our comments to each specific question as per the Consultation Paper.

Should you wish to have further engagements please do not hesitate to contact the undersigned.

Yours Faithfully

*Signed electronically*

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## RESPONSES TO SPECIFIC QUESTIONS

### 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.**

#### **Response**

We agree that there is a need for global public sector specific sustainability reporting guidance.

Our decision stems from the fact that there is currently no specific sustainability reporting guidance for the public sector. Even though, in November 2021, the formation of the International Sustainability Standards Board (ISSB) was announced at the UN Climate Change Conference in Glasgow (COP26), its mandate was undeniably clear to issue standards that deliver a comprehensive global baseline of sustainability-related financial disclosures for the capital markets.

The emphasis of ISSB on the capital markets presents great challenges in applying this private sector guidance in the public sector looking at the breadth of the public sector and its broad range of accountability obligations to its stakeholders. For example the volume and significance of non-exchange transactions and the importance of the approved budget will be ignored or not adequately covered if we were to adopt the ISSB guidance.

We are therefore with the opinion that any attempt to “copy paste” this guidance may result in a different focus in the sustainability-related information users want from a public sector entity compared with a major private sector company, hence we concur with IPSASB’s view that there is a need for global public sector specific sustainability reporting guidance

### 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.**

#### **Response**

We agree that IPSASB is well-placed to develop global public sector specific sustainability reporting guidance effectively due their many years of experience in developing high-quality international standards, framework and guidance in the public sector.

IPSASB has also established very good global relationships over the years and is well-positioned to reach out to the various stakeholders in coming out with relevant guidance in the public sector.

The existing conceptual framework was developed to respond to users' information needs and believe this will provide the necessary grounds for IPSAB to develop a global public sector specific sustainability reporting guidance.

We are also of the view that sustainability reporting will undoubtedly go beyond the General Purpose Financial Statements (GPFs), and that IPSASB's experience in developing guidance for General-Purpose Financial Reports (GPFs) will be relevant in the development of broader reporting information for the public sector.

Furthermore, IPSASBs Recommended Practice Guideline 1, Reporting on the Long-term Sustainability of an Entity's Finances (RPG 1) and Recommended Practice Guideline 3, Reporting Service Performance Information (RPG 3) already provide relevant guidance that is directly relevant to broader financial reporting and can be used now until a full-blown guidance are issued.

These among others, demonstrate that the IPSASB's experience, processes and relationships would enable it to develop a timely response to the urgent demand for public sector specific guidance.

#### 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 most pressing in your jurisdiction and why these should be prioritized by the IPSASB.**

#### **Response**

The topics we see as most pressing in our jurisdiction are the 17 United Nations' Sustainable Development Goals (SDGs) for attaining the ideal sustainable society by 2030. Even though a broader range of guidance may be necessary to meet the more diverse demands of different stakeholders needs, we would like to see a guidance that will report on progress towards the SDGs. Our reason is firmly premised on the 17 fine details contained in SDGs which is very all encompassing.

Furthermore, apart from raising and attracting adequate finance to support economic development, we see environmental, social and governance issues as great concern to us and suggest 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.**

**Response**

We agree that in developing global public sector specific sustainability reporting guidance, IPSASB should work in collaboration with other international bodies, where appropriate, through the application of its current due processes.

We do however note that, the three international bodies namely: ISSB, GRI and EC CSRD who have taken the lead in this area all focus essentially on the private sector.

Notwithstanding, we do believe it may be possible for the IPSASB to draw on these in developing its first public sector specific sustainability reporting guidance, as they largely align with the priorities of the IPSASB and could potentially be adapted quickly and efficiently for the public sector.

*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?**

**Response**

We agree that IPSASB’s should address general requirements for sustainability-related information and climate-related disclosures as its first topics.

However, we do think that SDG Goal 16 “Peace, Justice and Strong Institution” has become increasingly a burning topic in recent times and deserves immediate capture which undoubtedly is equally important as the Climate Action goal. The war in Ukraine and injustices in many parts of the world give credence to articulate and promote peace, inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. There is no better time to report on these than now. We therefore suggest that SDG Goal 16 “Peace, Justice and Strong Institution” should be included in the first priority topics.

*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, identifying which of the proposed key enablers you disagree with, and why.***

**Response**

We agree that 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.

Also, for IPSASB to successfully execute this mandate, all the triple constraints factors: quality, time and resources should be sufficiently balanced. As stated in paragraph 4.3, the development of global public sector specific sustainability reporting guidance would be a significant addition to the Board’s work program which means that existing resources will be overstretched.

We therefore believe that more resources are needed to set up experienced and active Sustainability Reference Group to advise the IPSASB if any meaningful progress is to be made.

Above all, to preserve and not interfere with the independent decision making of the IPSASB in its work, additional funding is required and sourcing funds for this project should not be difficult as more government and corporation have shown greater interest in sustainability reporting than ever before. Therefore, appropriate resourcing is not only essential but also important if good progress is to be made in this area of great concern.

**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?***

**Response**

The significance of active global voice in support of public sector specific sustainability reporting guidance cannot be over emphasized. Many jurisdictions, including Botswana are eager to see the achievement of the 17 SDG goals and to make our planet a better place to live.

We therefore stand ready to support IPSASB to ensure that this project is given the attention and the urgency that it requires.