



## FINANCIAL REPORTING COUNCIL OF NIGERIA

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**September 9, 2022**

Program & Technical Director  
International Public Sector Accounting Standards Board  
227 Wellington Street  
West Toronto, ON M5V 3H2  
Canada

Dear Sir/Madam,

**RE: REQUEST FOR COMMENTS ON INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (IPSASB) CONSULTATION PAPER (CP) – ADVANCING PUBLIC SECTOR SUSTAINABILITY REPORTING**

The Financial Reporting Council of Nigeria (FRC) hereby avails its input alongside its constituents in Nigeria on the IPSASB Consultation Paper on Advancing Public Sector Sustainability Reporting.

In view of the responses received from the constituents in Nigeria, the Council wishes to comment on the Consultation Paper (CP) as hereunder:

**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.

**Responses from the Dialogue with key stakeholders on Advancing Sustainability Reporting in Public Sector held on September 5, 2022 virtually, it is a general consensus that there is a need for global public sector specific sustainability reporting guidance. As highlighted in the Preliminary view, public sector's peculiarity in terms of Global Public Interest of Sustainable**



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**Development Goals (SDGs), impact of governments world over on economic, environmental, social and governance criteria which have implications for macroeconomic indices such as GDP, poverty reduction, health, security, financial inclusion, et cetera, there is a need for IPSASB’s specific public sector guidance to guide financial statements preparers in the public sector.**

### **Preliminary View 2—Chapter 2**

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.

**The topics the Council will suggest as most pressing in most emerging economies, based on consultation with key stakeholders in Nigeria are: disclosures around Sustainable Development Goals (SDGs – the 17 Goals) especially social elements. This should be prioritized to draw attention of users of financial statements to the importance of issues of accountability and probity in the public sector spheres.**

### **Specific Matter for Comment 1—Chapter 3**

The IPSASB’s experience, processes and relationships would enable it to develop global public sectorspecific sustainability reporting guidance effectively. Do you agree with the IPSASB’s Preliminary View? If not, please provide your reasons.

**There is no doubt that IPSASB’s role as an independent standard setter in the public sector will benefit from its resources in terms of experience, processes and relationship in standard setting to bear on the development of global public sector sustainability reporting guidance effectively.**



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### **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.

**The potential framework for public sector specific sustainability reporting guidance (Figure 5) which seeks collaboration with other international bodies through IPSASB's current processes, (where appropriate) is a step in the right direction and the Council agrees with the IPSASB's proposal on this. We opine that there is no need reinventing the wheel.**

**The Council will also suggest inclusion of national standard setters (regulatory bodies) and independent professional accounting organizations (PAOs) and sound professional accountants in the public sectors to also play vital roles.**

### **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.



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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.

**The Council agrees with this approach to kick start the global public sector specific sustainability reporting guidance with general sustainability-related information and climate-related disclosures as its first topics in line with ISSB's stance and approach.**

**However, Social and Governance issues are very germane matrix and disclosures which can enhance sustainability reporting. The emerging economies are faced with serious social and governance issues that requires to be properly articulated and disclosed to enhance credible organizational reporting. We therefore suggest that the guidance should start and NOT end with climate and climate related disclosure requirements.**

### **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.

**The Council agrees with IPSASB's definitions of key enablers in paragraph 4.2 of the Preliminary View.**



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### **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?

**Nigeria has been in the vanguard of promoting implementation of IPSASs since 2014 with IPSAS Cash Basis and 2016 with IPSAS Accrual Basis. Ever since, Nigeria through the national standard setter, the Financial Reporting Council (FRC) of Nigeria has been working with IPSASB on its projects to further enlighten Nigerian constituents on the applicability of IPSASs in the public sector in Nigeria through trainings, seminars, webinars, discussions, collaborations and regulations.**

**FRC will continue to support IPSASB in all its projects towards implementation of IPSASs including the development of global public sector specific sustainability reporting guidance.**

If you require any further information or clarification, do not hesitate to contact the Head, Directorate of Accounting Standards (Public Sector) on:

[ioanyahara@financialreportingcouncil.gov.ng](mailto:ioanyahara@financialreportingcouncil.gov.ng)

Yours sincerely,

**Iheanyi O. Anyahara, PhD**

**Head, Directorate of Accounting Standards – Public**

**For: Executive Secretary/CEO**