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To: Ian Carruthers

Chair, International Public Sector Accounting Standards Board (IPSASB)

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**Response to Exposure Draft 83: Reporting Sustainability Program
Information — RPGs 1 and 3:
Issued in November 2022**

First of all, I would like to express my sincere appreciation to the IPSASB for casting the light on such sensitive issue “Public Sector Sustainability Reporting”.

We learned that the best way to achieve success and optimize the knowledge in different fields of science is to combine both practitioners and academicians perspectives. From this standpoint, I am writing as an Assistant Professor of Accounting with research interests in area of sustainability accounting.

The proposed additional guidance on the two formerly published Recommended Practice Guidelines (RPGs): *RPG1 Reporting on the Long-Term Sustainability of an Entity’s Finances* and **RPG 3, Reporting Service Performance Information** fails to provide clear explanations to the preparers. More plainly, there are some ambiguous sides that are not specifically determined in lucid manner.

Considering the aforesaid: my main comments and suggestions are listed below:

- It would be better to keep the basic terminology consistent. For instance, BC39b has the expression of “long-term sustainability”, while BC39b shows somewhat different expression “long-term fiscal sustainability”. In this vein, RPGs has to cast a tremendous light on the consistency, since different expressions may discompose the sustainability reporting team in preparing the organization’s sustainability report. Accordingly, IPSASB has to devote great effort in selecting professional terms that have same interpretations in different jurisdictions.
- Paragraph 4 of RPG1 sheds the light solely on the financial impacts of environmental factors, without refer to the non-financial influences. see, *“an entity should assess any financial impacts of environmental factors and take them into account when developing its projections”*.
- The PRG3 has to deeply clarify the nexus between concept of efficiency *“doing the thing right”* and the concept of effectiveness *“doing the right thing”*. It would be better to portray the nexus by modeling it to give the preparers an obvious view about interdependence between aforementioned concepts, and which concept is a necessary condition to achieving other. Moreover, the relationship between inputs “entries”, the outputs “findings” and the outcomes “effects” has to be mapped in a clear manner.

- The term of “financial” is widely prevalent in PRG 3 and 1. For example, financial projections, financial impacts, financial statement, financial reporting, financial commitments, financial information, financial risks...etc. However, there are other dimensions of sustainability-related disclosures that stem from the social contracts between organization and other members of society who share the planet.
- The qualitative characteristics of information on sustainability have to be taken into account by IPSASB in each RPG. Broadly speaking, reporting of sustainability program information shall consider that the information to be reported is fully complied with qualitative characteristics. In this context, the GRI entitled “Foundation 2021” shows in paragraph (4) the qualitative characteristics of sustainability information.

Yours sincerely



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