



Ian Carruthers  
Chair  
International Public Sector Accounting Standards Board  
277 Wellington Street West  
Toronto, Ontario  
M5V 3H2

Dear Mr. Carruthers:

SUBJECT:    Consultation Paper – Advancing Public Sector Sustainability Reporting

Thank you for the opportunity to comment on the Consultation Paper – *Advancing Public Sector Sustainability Reporting*. Our responses to the specific questions posed are provided in the Appendix blow.

If you have any further questions related to these comments, please do not hesitate to contact me at [diane.peressini@tbs-sct.gc.ca](mailto:diane.peressini@tbs-sct.gc.ca) (613-301-1057).

Yours sincerely,

Diane Peressini, FCPA  
Executive Director,  
Government Accounting Policy and Reporting

c.c.:            Roch Huppé, Comptroller General of Canada  
                  Monia Lahaie, Assistant Comptroller General, Financial Management

**Preliminary View 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. As indicated in the consultation paper, the public sector has a broader range of roles than that of the private sector in relation to long-term sustainability, given the diversity of the potential users includes parliamentarians and individual nations' citizens. Interest in the public sector sustainability reporting goes beyond an interest in sustainability risks and opportunities that impact enterprise value, which is the focus of the International Sustainability Standards Board directed at capital markets.

Global public sector specific sustainability reporting guidance could provide a foundational framework that can be more readily adapted by individual countries, allowing for greater comparability between nations while providing the opportunity for countries to adapt the guidance to their unique sustainability related situation.

**Preliminary View 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 IPSASB's Preliminary View? If not, please provide your reasons.*

**Response**

We agree that IPSASB's experience, processes and relationships would enable it to develop global public sector specific sustainability reporting guidance. The Board's experience in developing general purpose financial reporting guidance, strong international relationships with governments, regulators and national standard-setters, and the potential to start now would be beneficial in this process. While the board has experience with developing general purpose financial reporting, it is encouraged that the board engage with technical experts in the relevant fields, for example scientific experts with knowledge of climate change, when developing specific sustainability related guidance.

### **Specific Matter for Comment 1**

*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**

As indicated in our response to Preliminary view 4 – Chapter 3, we are in agreement that general sustainability-related information and climate-related disclosures are pressing topics and should be the initial topics addressed.

We feel that once a conceptual framework for general-sustainability-related information and specific climate-related disclosures guidance projects are well advanced and users understand what the reporting model may look like that the IPSASB should then do a survey to assess what the views are for the next set of priorities.

### **Preliminary View 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 with IPSASB's proposed approach to build off existing and emerging international guidance in the development of public sector sustainability reporting, this should help with the timeliness and comparability between across sectors and nations on a global scale.

As indicated in our response to Preliminary View 1, public sector sustainability reporting guidance will need to go beyond disclosures relating to sustainability risks and opportunities that impact enterprise value for capital markets as currently being developed by the ISSB. The guidance will need to be properly adapted to meet the public sectors needs, including the users of public sector financial reports.

As highlighted in the consultation paper, the guidance that will be required for the public sector will go beyond topics required in the private sector given the global public interest,

the role of the public sector in setting policies and regulations influencing sustainable development beyond the public sector.

#### **Preliminary View 4**

*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. If not, please provide your reasons, explaining which topics the IPSASB should prioritize instead, and why.*

*Do you agree with the IPSASB's Preliminary View?*

#### **Response**

We agree that a conceptual framework for general sustainability-related information and a detailed guidance related to climate-related disclosures should be the initial topics addressed as part of the global public sector specific sustainability reporting guidance. This is inline with the increasing need for climate change reporting, as can the Government of Canada's 2021 budget mandate TCFD-aligned disclosure for Crown corporations phased in based on size.

We feel that the general sustainability-related information guidance should be a conceptual framework as the basis for development of future standards. This general sustainability-related information guidance should not require disclosures in advance of the development of detailed topic specific guidance.

Further, we agree that the subsequent priority topics will need to be established based on the needs of the public sector and that these may not necessarily follow the needs of the private sector and capital markets. We encourage IPSASB to further consult with users as discussions around sustainability reporting guidance continue to ensure any additional topics remain relevant to users needs.

We would encourage that any guidance not be prescriptive on the location of general sustainability-related information so that public sector entities have the latitude to determine the most appropriate and effective means to transmit the information – whether as part of its annual financial reporting process or as part of communications related to other goals. For example, as part of the reporting on the United Nations Sustainable Development Goals, there may be merit to including a subset of information on the entity's sustainability related disclosures.

## **Preliminary View 5**

*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 with the key enablers identified in paragraph 4.2. We agree that with the creation of a Sustainability Reference Group comprising a range of stakeholders including sustainability experts and those with relevant scientific expertise. Additionally, we would encourage that when establishing the technical staff team to lead sustainability reporting that relevant sustainability experts also be included.

## **Specific Matter for Comment 2**

*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 Government of Canada implemented its International Public Sector Contribution Program in 2006 whereby we provide \$200,000 annually to support the Board's work. We look forward to providing feedback on future consultation papers and exposure drafts relating to public sector sustainability reporting guidance.