

January 13, 2023

Mr. Ian Carruthers, Chairman  
International Public Sector Accounting Standards Advisory Board  
277 Wellington Street West  
Toronto, ON M5V 3H2 Canada

Dear Chairman Carruthers and Members of the Board –

Thank you for the opportunity to comment on *Exposure Draft 83, Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-Authoritative Guidance*. I hope my enclosed responses to the specific matters for comment (SMC) will be useful to the Board.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ricky A. Perry, Jr.', with a large, stylized flourish extending to the right.

Ricky A. Perry, Jr., CPA, CGFM  
Federal Financial Management Analyst  
United States of America

Enclosure

*Disclaimer: The enclosed comments provided in this letter are strictly my own views. They are not intended to reflect or convey the views of the FASAB or others on staff. Official positions of the FASAB are determined only after extensive due process and deliberations.*

SMC Responses

**SMC 1**

*Do you agree with the proposed additional implementation guidance for RPG 1? If not, what changes would you make?*

Yes, I generally agree and have some technical comments for your consideration. The guidance is helpful and the relationship to the dimensions of long-term fiscal sustainability are understandable. The guidance is also accommodating to the diverse environments among IPSAS adopters. There are a few RPG amendment candidates, which my below technical comments highlight. I understand that public comments will help inform your identification of such candidates.

A few thoughts that come to mind when reviewing these proposals alongside the body of RPG 1:

- a. Is there an anticipated need for the body of RPG 1 to define “sustainability programs,” reference the definition elsewhere in the Handbook (if present), or at least describe their relationship to “long-term fiscal sustainability information” as defined and described under paragraphs 9-14 of RPG 1? If “sustainability” and “sustainability programs” are not defined or described, this could introduce implementation complexities among practitioners when applying the proposed guidance to the implementation of RPG 1.
- b. Paragraph 53 of RPG 1 provides that sensitivity analyses should “help users understand the impact of changes in **demographic and economic assumptions** on projections;” however, sustainability program projections can also be significantly affected by **policy assumptions**. There is a slight disconnect between the last sentence of IG3 which refers broadly to “changes in assumptions” and paragraph 53 of RPG 1 which refers only to “demographic and economic assumptions”—not policy assumptions. Is there a need to revisit RPG 1, paragraph 53, or perhaps a need to better align IG3 with the paragraph 53? Non-authoritative implementation guidance does not typically diverge significantly from the body of the RPG, and the Board should consider the magnitude of divergence here.
- c. Is there a need to provide disclosure guidance for RPG 1, paragraphs 54-58?

**SMC 2**

*Do you agree with the proposed additional implementation guidance and illustrative examples for RPG 3? If not, what changes would you make?*

Yes, I agree. The illustrative examples are excellent.

One technical comments to consider for IE8, although it is mostly inconsequential to the usefulness of the example and my general support for its inclusion:

- a. Tax expenditures other than “tax credits”—deferrals, deductions, exclusions, exemptions, and preferential rates—could also be used to incentivize energy investments and consumption behaviors. It is probably best not to diverge from the IPSAS 23 definition of “tax expenditures” within the guidance. Consider removing the parenthetical “definition” and replacing it with a footnote that either cross-references to IPSAS 23 or restates the authoritative definition.