

February 28, 2025

International Public Sector Accounting Standards Board (IPSASB)

277 Wellington Street West

Toronto, ON M5V 3H2

Canada

Via Online Submission

Re: IPSASB Sustainability Reporting Standards Exposure Draft 1 (SRS ED1)

The City of Mississauga, Ontario, Canada, (the “City”) would like to thank you for the opportunity to provide comments on the IPSASB Sustainability Reporting Standards Exposure Draft 1. Cities are at the forefront of addressing climate-related risks and opportunities, both as a public policy setter for the community, and through our own operations in delivering over two hundred front-line services and managing \$18.5 billion in City-owned infrastructure. The introduction of climate-related reporting into public sector accounting standards will be a welcome addition to the City’s financial reporting, as the outcomes and successes of a city’s climate-related programs and decisions cannot be easily discerned by financial measures alone.

Please find below our general comments on the exposure draft and our comments to the specific matters raised in the exposure draft.

Specific Matter for Comment 1: Public sector operations and regulatory role (paragraphs 1-4)

This Exposure Draft requires a public sector entity to provide disclosures about (i) the climate-related risks and opportunities that are expected to affect its own operations, and (ii) climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes (see paragraphs 3 and AG2.7–AG2.8). Do you agree the proposed approach meets the information needs of primary users (see paragraphs 1– 4)? If not, what alternative approach would you propose and why?

Response

We agree with the proposed approach to provide separate disclosures related to own operations and public policy programs. Cities have a dual mandate to adapt and mitigate the impacts of climate change at both the community and corporate levels, so the emphasis on the different objectives aligns with the City’s strategic goals around climate change.

Public policy programs and their objectives, such as funding for climate-resilient infrastructure and zero emissions public transit, can often overlap between the federal, provincial, and municipal levels in Canada. These dual mandates can occur when multiple levels of government fund programs to meet shared objectives (e.g., the Investing in Canada Infrastructure Program is a shared funding program with certain projects assessed on their climate outcomes). We recommend that the standard clarify and address how to report on shared public policy objectives where funding or partnership agreements are in place, to avoid “double counting” on public policy-related metrics and targets amongst multiple entities.

Similar to the above, municipal services, such as public transit, serve a dual mandate between own operations and public policy programs. The City's MiWay transit service looks to maximize service hours to meet customer demand, while at the same time support the environmental needs of Mississauga's residents. We recommend that the standard clearly identify how to delineate situations where the line between own operations and public policy programs are blurred.

Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)

The Exposure Draft primarily aligns disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures), with public sector guidance, including a rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority (see paragraph AG1.72). Do you agree with the proposed approach and guidance? If not, what alternative approach would you propose and why?

Response

We agree with the alignment of an entity's own operations with private sector guidance to add comparability in reporting between public and private sectors. We also agree that an internationally recognized standard, such as the Greenhouse Gas Protocol or ISO 14064, is appropriate for climate-related disclosures.

The board is likely aware that the quantification of greenhouse gas (GHG) emissions can be a costly endeavour, and while larger entities, like Mississauga, may have the capacity and resources in place to regularly assess GHG emissions, it is likely that smaller entities do not. We recommend that the board consider how smaller entities would be able to voluntarily disclose GHG emissions under the standard, and whether an agreed upon formula or approach could be applied without a comprehensive review.

Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)

This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes. Do you agree with this approach and the scope of public policy programs included in required disclosures? If not, what alternative approach would you propose and why?

Response

We do not agree that disclosures should be limited only to programs with a primary objective to achieve climate-related outcomes. The guidance appears to discourage entities from disclosing under the public policy programs portion of the standard if they have a dual mandate to deliver on their own operations while also having public policy objectives. While the City would disclose its public policy programs under the standard through its commitments made under its Climate Change Action Plan, entities without a rigorous policy document, but producing tangible climate-related outcomes would be discouraged from disclosure. The City recommends that the standard be opened to allow policy program objectives to be disclosed where the entity considers disclosure material.

We agree with the scope of public policy programs included in required disclosures with one recommendation. AG2.4 provides examples of public policy programs that an entity may disclose on. Mississauga, like other entities, maintains a comprehensive natural areas system, along with millions of street and park trees which contribute significantly to climate outcomes. Although they are currently not capitalized on the statement of financial position/balance sheet, they contribute significant current and future ecological and climate benefits to the community. We recommend that the board consider including these natural assets as an example under infrastructure programs.

Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)

This Exposure Draft provides public sector-specific definitions and related guidance for: (a) Public policy programs; (b) Public policy program outcomes; and (c) Climate-related public policy programs. Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?

Response

We agree on the public sector-specific definitions and guidance for public policy programs and public policy program outcomes. As outlined above, we recommend that the board consider broadening the scope of climate-related public policy programs to include policy programs that would influence an entity's stakeholders. We also recommend that the board consider expanding on the definition of climate resilience to include the economic and social risks that occur as a result of climate-related changes.

Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs (paragraphs 12 and AG2.24–AG2.31) This Exposure Draft proposes disclosure requirements about an entity's strategy for climate-related public policy programs which include information that enables primary users to understand the entity's strategy and decision-making, anticipated challenges to achieving intended outcomes and financial implications of the climate-related public policy program. Do you agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users? If not, what alternative approach would you propose and why?

Response

We agree on the disclosure requirements on an entity's strategy for climate-related public policy programs. We recommend that the board consider or encourage entities to disclose the methods in which these strategies are formed, such as public engagement initiatives or the major inputs considered in the formation of climate strategies. This provides stakeholders with a deeper insight on how strategies to manage climate change came to be.

Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)

This Exposure Draft proposes to require disclosures about metrics and targets, including (a) the change in greenhouse gas emissions reasonably attributed to climate-related public policy programs and (b) other metrics to measure and monitor performance in relation to climate-related public policy programs. Do you agree these disclosures meet the information needs of primary users of the report (see paragraph 26)? If not, what alternative approach would you propose and why?

Response

We agree on the appropriateness of applying metrics and targets for climate-related public policy programs to provide quantitative insight on the performance of an entity in achieving their climate-related goals. We recommend that the board consider additional standard metrics and targets outside of GHG disclosures that could be applied to sector-specific entities (e.g., tree canopy coverage, percentage of natural areas maintained) to provide a more fulsome disclosure to stakeholders.

Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15)

This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs B8–B10) and primary users of public sector general purpose financial reports (see paragraphs B.AG28–B.AG33).

Do you agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures? If not, what alternative approach would you propose and why?

Response

We generally agree with the definition of materiality in meeting the need of primary users for climate-related disclosures. Additional guidance on specific application of materiality for these disclosures would be beneficial for entities who may be unsure on whether specific risks or opportunities would be appropriate for disclosure. We also recommend that the board consider adding the Global Reporting Initiative’s “Double Materiality” concepts into its materiality definitions.

Specific Matter for Comment 8: General requirements (paragraphs B16–B46)

This Exposure Draft includes general requirements aligned with private sector guidance (IFRS S1) including the requirements for (a) an entity to include its climate-related disclosures in its general-purpose financial reports (see paragraphs B22–B25) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs B26–B31). Do you agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities? If not, what alternative approach would you propose and why?

Response

We agree with the inclusion of disclosures in an entity’s general purpose financial reports, and with reporting climate-related disclosures at the same time as its related financial statements. The board should consider the impacts of such disclosures on public sector entities, and how the reporting burden can be minimized with the implementation of these standards. If possible, the board should consider how these disclosures can be integrated into existing financial reporting frameworks.

Specific Matter for Comment 9: Transition (paragraphs 30–33)

This Exposure Draft proposes to provide transitional relief only in the first year of adoption (see paragraphs 30–33) for disclosures relating to an entity’s own operations and where applicable, relating to climate related public policy programs and their outcomes. Do you agree that the proposed transition provisions approach

should be applicable to both own operations and climate-related public policy programs? If not, what alternative approach would you propose and why?

Response

We recommend that the board consider additional transitional relief on adoption of the standard, particularly on Scope 3 GHG emissions, along with the need for smaller entities that would need more time to fully implement the standard. For larger entities like the City, the calculation of Scope 3 GHG emissions is a significant undertaking.

Specific Matter for Comment 10: Other Comments

Do you have any other comments on the proposed Exposure Draft?

We commend IPSASB for developing comprehensive climate-related disclosure standards for the public sector, and its engagement on these standards with public sector entities so far. We encourage the dialogue between IPSASB and public sector entities to continue to ensure that a final standard is practical, meaningful for stakeholders, and achievable for all entities. Additional implementation support, including training and guidance materials, and sample disclosures, will help entities like the City in its climate-related disclosure journey. The proposed standards have the potential to greatly improve climate-related reporting in cities like Mississauga, and we look forward to continuing to engage with IPSASB as the standard is finalized.

Thank you for the opportunity to comment.



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