



IPSASB SRS Exposure Draft 1, Climate-related Disclosures

Response from the Public Accountants and Auditors Board (PAAB), Zimbabwe

28 FEBRUARY 2025

The Public Accountants and Auditors Board (PAAB), Zimbabwe, was established by section 4 of the Public Accountants and Auditors Act, 1995 (as amended) (the Act). Public accountants (public auditors) are defined in the Act as any person registered by the PAAB to provide public accountancy services (public audit services) to any person, including a public company or statutory body. PAAB is the National Standards Setter in Zimbabwe responsible for endorsing and adopting international accounting standards, international standards on auditing and international public sector accounting standards when they meet certain criteria for prescription by statutory regulation by PAAB in accordance with section 44(2)(a) of the Act. PAAB is responsible for defining and enforcing ethical practice and discipline among registered public accountants and public auditors and setting Ethics standards (section 5(1)(d) of the Act); and representing the views of the accountancy profession on national, regional, and international issues (section 5(1)(g) of the Act). PAAB also plays a role in accountancy-specific education (section 5(1)(h) of the Act).

Further information about PAAB can be obtained at www.paab.org.zw

Any questions arising from this submission should be directed to:

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The Chairman
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28 February 2025

PAAB ZIMBABWE COMMENT LETTER TO THE IPSASB SRS Exposure Draft 1, Climate-related Disclosures

Dear Chairman,

We are writing on behalf of the Public Accountants and Auditors Board Zimbabwe to comment on the IPSASB SRS Exposure Draft 1, Climate-related Disclosures. PAAB is pleased to present its comments on this Exposure Draft.

General Comment on the Consultation paper

The PAAB agrees with the IPSASB'Ss proposal to primarily align disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 and IFRS S2) as this promotes consistency and comparability of information across the two sectors, but however there is need to address public-sector specific issues in the standard.

The PAAB followed a due process in coming up with this comment letter. Under the due process the PAAB technical staff conducted research, consulted key stakeholders, and drafted this comment letter.

Response to Specific Matters for Comment

Detailed comments on the Specific Matters for Comment are provided in the attached Annex.

Donald Manganje
Acting Deputy Secretary, PAAB

Tanaka R Zhangazha
Technical Standards, PAAB

ANNEX 1

IPSASB SRS Exposure Draft 1, Climate-related Disclosures

Specific Matter for Comment 1: Public sector operations and regulatory role

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?

The PAAB agrees with the proposed scope of the draft standard, but we believe there is need for application guidance addressing materiality issues for better application.

Specific Matter for Comment 2: 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?

The PAAB agreed with the IPSASB proposal to primarily align disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 and IFRS S2) as this

promotes consistency and comparability of information across the two sectors, but however there is need to address public-sector specific issues such as funding models, service delivery, policy design and implementation etc.

Specific Matter for Comment 3: Scope of Public Policy Programs

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?

The PAAB agrees with the scoping of public policy programs in the standard but however such disclosure requirements must consider differences in jurisdiction policy leadership factors, regulatory constraints and economic conditions as these factors might differ per each jurisdiction and will affect the entity's ability to disclose the public policy programs.

Specific Matter for Comment 4: Public Sector-Specific Definitions

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?

The PAAB agrees with the IPSASB proposed public sector definitions.

Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs

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?

The PAAB agrees with the IPSASB proposal for entities to disclose their strategy for climate-related public policy programs which include information that enable 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. as this meet the information needs of primary users but however this might be costly for entities and hence the cost-benefit analysis might need to be considered.

Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs

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?

The PAAB agrees that disclosures about metrics and targets disclosures meet the information needs of primary users of the report.

Specific Matter for Comment 7: Conceptual foundations

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?

The PAAB agree with the proposed definition of materiality which is aligned with the IPSASB Conceptual Framework.

Specific Matter for Comment 8: General requirements

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?

The PAAB agrees that the private sector guidance proposed is appropriate for public sector entities.

Specific Matter for Comment 9: Transition
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?
The PAAB agrees that the provisions approach should be applicable to both own operations and climate-related public policy programs.

Specific Matter for Comment 10: Other Comments
Do you have any other comments on the proposed Exposure Draft?
None.