



February 25, 2025

CLIFF: 512154

International Public Sector Accounting  
Standards Board (IPSASB)  
529 Fifth Avenue  
New York, NY 10017

To Whom it May Concern:

The Province of British Columbia thanks the International Public Sector Accounting Standards Board (IPSASB) for the opportunity to comment on the recent exposure draft of the Climate-Related Disclosures. We are pleased to be included, and the attachment provides our high-level comments on the Specific Matters for Comment.

We support IPSASB's initiative to improve the quality and consistency of reporting practices and strengthening the transparency and accountability of public sector finances and sustainable development. The draft Standards will raise the profile of sustainability reporting in the public sector and advance deliberations among entities.

British Columbia takes climate risk seriously and has a robust climate action plan. British Columbia has been reporting and disclosing on sustainability since 2010, and, although not in the IPSASB format, we are substantively harmonized with climate reporting and disclosures. We report out with due regard to our available resources and capacity.

While there is no plan for British Columbia to adopt the draft Standards at this time, we will be interested to follow future editions as they evolve along with Canada's Public Sector Accounting Board.

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The magnitude of the task for a public sector entity to onboard the Sustainability Reporting Standards is substantial. It may be appropriate to consider a multi-year transitional approach and give guidance and training manuals to interested entities.

Thank you again for your initiative and for providing the opportunity to offer comments.

Sincerely,



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Jim Hopkins  
Assistant Deputy Minister  
Ministry of Finance



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Adria Fradley  
Assistant Deputy Minister  
Ministry of Energy and Climate Solutions

**IPSASB – SRS – DRAFT 1**  
**PROVINCE OF BRITISH COLUMBIA RESPONSES**  
**FEBRUARY 2025**

**Specific Matters for Comment (SMC):**

**Specific Matter for Comment 1: Public sector operations and regulatory role (paragraph 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 operation, 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?

- At a high level, the overall objectives of the draft requirements related to public sector operations and regulatory role appear to be appropriate. However, implementation of the Standards should consider the extent of investment required to undertake the Standards including process changes and data collection and how these balance against the return on investment for the users of this information. Also, further discussion and assessment is likely required to determine reporting materiality thresholds, and requirements relating to sub-entities such as public sector corporations, agencies, etc.
- We suggest it would be helpful if IPSASB provided some background as to why it believes these requirements meet the needs of primary users.

**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 and 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?

- Although not aligned to the proposed IPSASB standard, British Columbia follows International GHG reporting guidelines developed by the Intergovernmental Panel on Climate Change that are intended for use by provinces and states. British Columbia's Provincial Inventory of Greenhouse Gas Emissions follows the same reporting guidelines as Canada's National Inventory Report in compliance with the United Nations Framework Convention on Climate Change (UNFCCC).

- Given the existing alignment with established international GHG reporting frameworks, British Columbia encourages IPSASB to consider flexibility in reporting requirements, allowing jurisdictions to continue using recognized alternative methodologies where they are already in place and well-integrated into government reporting systems. This would help ensure that public sector entities can comply with international obligations while maintaining consistency in their own reporting frameworks.
- We suggest that IPSASB and the International Sustainability Standards Board consider the necessity and feasibility of aligning public and private sector climate standards. Alignment between private and public standards warrants further discussion.

**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?

- The scoping of public policy programs appears to be appropriate. However, the level of analysis required may be impractical and cost ineffective for smaller scale policies and/or policies in smaller public operations. Scoping decisions regarding what level of analysis and materiality are required will be very consequential (e.g. the level of climate risk assessment that is required for public service sectors such as health care, or economic sectors such as agriculture, or broad categories such as critical infrastructure).

**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?

- British Columbia has no specific comments or edits to suggest for the definitions in paragraph 7.

**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?

- We recognize the intent of the standard in enhancing transparency and accountability for climate-related public policy programs. However, given the broad scope of the disclosure requirements and the complexity of government operations, applying this standard across the numerous programs, initiatives, and policies within large jurisdictions presents significant practical challenges. The administrative burden of collecting, analyzing, and reporting such a vast amount of information could outweigh the benefits of disclosure.
- British Columbia believes that reporting should be designed to serve a broader audience, rather than being narrowly focused on specific primary users. A more inclusive reporting approach would better reflect the diverse stakeholders—including policymakers, businesses, communities, and the public—who rely on climate-related information. As noted in our response to SMC 1, further clarification on how IPSASB determined the information needs of primary users would be valuable in assessing whether this approach is the most effective way to communicate climate-related strategy and financial implications.

**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?

- Accurately linking greenhouse gas (GHG) emission reductions to specific policies and programs presents significant challenges due to the way many public sector initiatives work. A related attribution challenge is that in some instances we have multiple policies targeting emissions in the same space and it is challenging to attribute emission reductions to specific initiatives. Our modelling can account for the net impact of multiple policies (e.g., expected total reductions in the transportation sector) but it is more challenging to say specifically what the contribution is of a single measure. Many programs act as supporting measures (e.g., funding, incentives, or regulatory changes) rather than directly reducing emissions themselves as largely seen in the private sector, making it difficult to determine their exact impact.
- Additionally, data infrastructure is not designed to track emissions at this level of detail in all cases meaning substantial investments in new measurement and reporting systems would be required.
- Future iterations of the standard should take careful consideration of the value and the purpose of this data. If the goal is to inform decision-making and demonstrate accountability, then the reporting framework should balance usefulness, feasibility, and cost-effectiveness. Collecting detailed attribution data across numerous programs would

require significant financial and administrative resources, of which the proportionate benefits are not yet clear.

**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?

- We agree with the following sentence in the definition of B9 –“*In the context of climate-related disclosures, information is material if omitting, misstating or obscuring it could reasonably be expected to influence the discharge of accountability by the entity*”. However, we disagree with the information is material if “*decisions that primary users make on the basis of the entity’s general purpose financial reports prepared for that reporting period*” because primary users of statements are making different decisions based on financial statements compared to the decisions made based on the Climate-Related disclosures.
- Materiality in financial statements is likely to be very different than climate-related disclosures. If the same materiality threshold is used for both the financial statements and climate-related disclosure, it could lead to misleading, incomparable financial statements across jurisdictions.
- If jurisdictions adopt this standard, climate-related disclosures will need to be prepared for each entity within the Government Reporting Entity (GRE). If the policy outcomes are vague, the objectives and outcomes could be interpreted differently across the GRE and Climate-Related Disclosure could be misleading and incomparable for users of these disclosures.

**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?

- We agree with the requirement to release climate-related disclosures on or after the general-purpose financial statements because there are linked components between Public Accounts and Climate-Related Disclosures. However, unaudited climate-related disclosure should remain separate from Public Accounts.
- The amounts that are being disclosed in this separate report can’t be released until after the Public Accounts for the fiscal year have been audited in accordance with the terms of the

audit engagement and Canadian Auditing Standards and have been made public in accordance with legislation. The audit opinion must be provided for the audited financial statements before any affiliated or associated information related to climate disclosures is released.

**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?

- A multi-year phased approach along with a training manual would be highly recommended to help entities through the transition period.
- Looking at the demands of a large entity, it would have to be recommended to have a multi-year implementation plan.

**Specific Matter for Comment 10: Other Comments**

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

- We support IPSASB’s initiative to improve the quality and consistency of reporting practices and strengthening the transparency and accountability of public sector finances and sustainable development. The draft Standards will raise the profile of sustainability reporting in the public sector and advance deliberations among entities
- British Columbia takes climate risk seriously and has a robust climate action plan. British Columbia has been reporting and disclosing on sustainability since 2010, and, although not in the IPSASB format, we are substantively harmonized with climate reporting and disclosures. We do report out with due regard to our available resources and capacity.
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