

IPSAS Board

27 January 2025

Dear Sir/Madam,

**Training and Advisory Services Chartered Accountant (TAS) and Chartered Accountants Academy (CAA) Submission of IPSASB SRS Exposure Draft 1, Climate-related Disclosures**

In response to your request for comments on, attached is the comment letter prepared by TAS and CAA. The letter is the result of deliberations of members of CAA and TAS, which comprises chartered accountants with experience in auditing, sustainability, IPSAS and IFRS specialists, and academics.

We are grateful for the opportunity to provide our comments on this project.

Please do not hesitate to contact us to discuss any of our comments.

Webster Sigauke

Project Director

Ackson Mapfundematsva

Project Director

Project team : Ackson Mapfundematsva  
: Allen Mazhaume  
: Anesu Daka  
: Webster Sigauke  
: Nyashadzaishe Samukange

**Question 1:**

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

Yes, we agree that information on the results of public policy programs will help the primary users in evaluating progress made and the effectiveness of policy measures over time. It helps to enhance transparency.

Furthermore, we believe an institution should report climate related policies based on their mandate which would influence the primary objective of the policy. If entities report on other policy outcomes that are not a part of their mandate it may limit their ability to make decisions to influence their core objectives. We also note that the non-primary outcomes of the policies would appear as disclosures under own operations of entities in both the private and public sector.

We also note that secondary objectives especially if they are out of the mandate of the entity will be very difficult to identify increasing the element of judgement and making the disclosure objective difficult to meet and cloud policy making initiatives.

**Question 2:**

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?

We agree with the approach to utilise the IFRS S guidelines for determining the extent and impact of operations. The IFRS S guidance requires own operations to disclose their strategy and risk management which can differ from entity to entity and in the public sector disclosures on the strategy and risk management will help establish the differences and overall government influence on the strategy of the entity which will allow the primary users to understand the context.

**Question 3:**

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?

See comments provided on Question 1.

**Question 4:**

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?

**Climate-related public policy programs.**

Given the evaluation process highlighted in question 1 we agree that climate related policy programs should focus on the objective as entities set policies with certain objectives to achieve certain outcomes rather than defining a policy based on the outcome which may not be a part of the objective

**Public policy programs**

We agree with the proposition.

**Public policy program outcomes**

We agree with the proposition.

**Question 5:**

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 agree with the proposed disclosures as they aid primary users to understand the rationale of the policy introduction with reasonable KPIs to track the policies performance against.

**Question 6:**

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?

We agree with the proposed requirement.

**Question 7:**

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?

Yes, we agree with the definition of materiality. This is because the Conceptual framework definition of primary users is already all-encompassing and including service recipients and legislature and resource providers which is a wide array of the key users of the reports.

**Question 8:**

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?

Yes, we agree with (a) as this requirement also aligns with the general objective of making it one-stop shop set of general-purpose financial statements to address the information needs of users.

We also agree with (b) it allows users to easier understand the interconnectedness of information for the same primary users through cross referencing in the same report.

**Question 9:**

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?

Yes, we agree, this is because the requirements of the standard require an entity to disclose what they are currently doing as opposed to actually require an entity to adjust their operations. The requirements of the standard may have the impact of influencing changes in operations to become more sustainable but the act of doing is outside the scope of this standard.

However, we also would want the IPSASB to note the complexities that have been noted in public sector entities with the transition to IPSAS financial reporting and possibly include more flexibility or a phased approach to adoption similar to IPSAS 33. Some of these issues include issues to do with capacitation of entities in relation to the scope of work to be done and the level of judgement required for some disclosures in applying the climate related public policy programs.

#### **General Comment on the whole exposure draft**

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

As highlighted in question we also ask the IPSASB to consider the rate at which full IPSAS adoption has been done in relation to the projections that had made for 2025 of 73% against actual adoption. The ability of jurisdictions to meet the projections, challenges noted will also help to come up with standardised guidance should the issues be pervasive as was done for IPSAS 33.