



INSTITUTE OF CHARTERED ACCOUNTANTS (GHANA)

The Technical Director
International Public Sector Accounting Standards Board (IPSASB)
New York

February 26, 2024

Dear Sir,

Exposure Draft on Sustainability Reporting Standards - SRS 1: Climate-related Disclosures

We are grateful to the IPSASB for the opportunity given us to comment on the Exposure Draft (ED) on Sustainability Reporting Standard 1 - Climate-related Disclosures. We welcome the initiative of the IPSASB to provide principles for an entity to disclose information in its general purpose financial reports about climate-related risks and opportunities to its own operations and outcomes of its climate-related public policy programs that is useful to primary users for accountability and decision-making purposes. The Standard will enhance the understanding of the climate-related risks to which an entity is exposed, including but not limited to physical risks and transition risks as well as climate-related opportunities available to the entity disclosed in its financial statements and the information it provides in other parts of its general purpose financial reports.

Below are our responses to specific matters requested for comments:

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?

Comment

We do agree that the proposed approach of presenting information about the entity's climate-related risks and opportunities meets the information needs of primary users. It provides an avenue for 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.

The Exposure Draft includes an Alternative View on the approach to climate-related public policy programs.

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?

Comment

We agree that public sector entities should align their climate-related risks and opportunities affecting their own operations with the private sector guidance (IFRS S1 and S2), however, they should fine-tune them with public sector guidance including the application of 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.

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 Exposure Draft includes an Alternative View on the approach to climate-related public policy programs.

Comment

We do agree that public sector entities should disclose information about the public policy programs with a primary objective to achieve climate-related outcomes, we also agree with the scope of this disclosure covering an entity's:

- (a) Climate-related risks to which it is exposed, including but not limited to physical risks and transition risks (see paragraphs AG1.1–AG1.18);*
- (b) Climate-related opportunities available to the entity (see paragraphs AG1.1–AG1.18); and*
- (c) Where an entity has responsibility for the outcomes of a climate-related public policy program, the outcomes of that climate-related public policy program (see paragraphs AG2.1–AG2.19).*

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?

Comment

We agree with the proposed public sector-specific definitions and guidance given for (a) public policy programs; (b) public policy program outcomes; and (c) climate-related public policy programs.

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?

Comment

We do agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users; particularly in relation to:

- (a) The entity's strategy and decision-making in relation to climate-related public policy programs and their outcomes (see paragraphs AG2.24–AG2.25);***
- (b) The anticipated challenges to achieving the intended outcomes of climate-related public policy programs (see paragraphs AG2.26–AG2.28); and***
- (c) The current and anticipated financial implications of climate-related public policy programs to the entity itself (see paragraphs AG2.29–AG2.31).***

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?

Comment

We agree the 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 meet the information needs of primary users of the report.

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?

Comment

We do agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures. 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, or the decisions that primary users make on the basis of the entity's general purpose financial reports prepared for that reporting period.

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?

Comment

We do agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities.

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?

Comment

We do agree that the proposed transition 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?

Comment

We propose that more examples and illustrations as to the disclosure requirements should be given as part of this Standard so that it becomes easy to understand the Standard and apply them effectively.

Conclusion

We hope the IPSASB finds these comments helpful in further developing its consultations on Sustainability Reporting Standard 1 – Climate-related Disclosures. We are committed to helping the IPSASB in whatever way possible to build upon the results of this Exposure Draft.

We look forward to strengthening the dialogue between us. Please do not hesitate to contact us should you wish to discuss any matters raised in this submission.

Yours Sincerely,

Osei Adjaye-Gyamfi
(Director, Technical and Research)