



PSAB 2022-2027 Strategic Plan Feedback Statement

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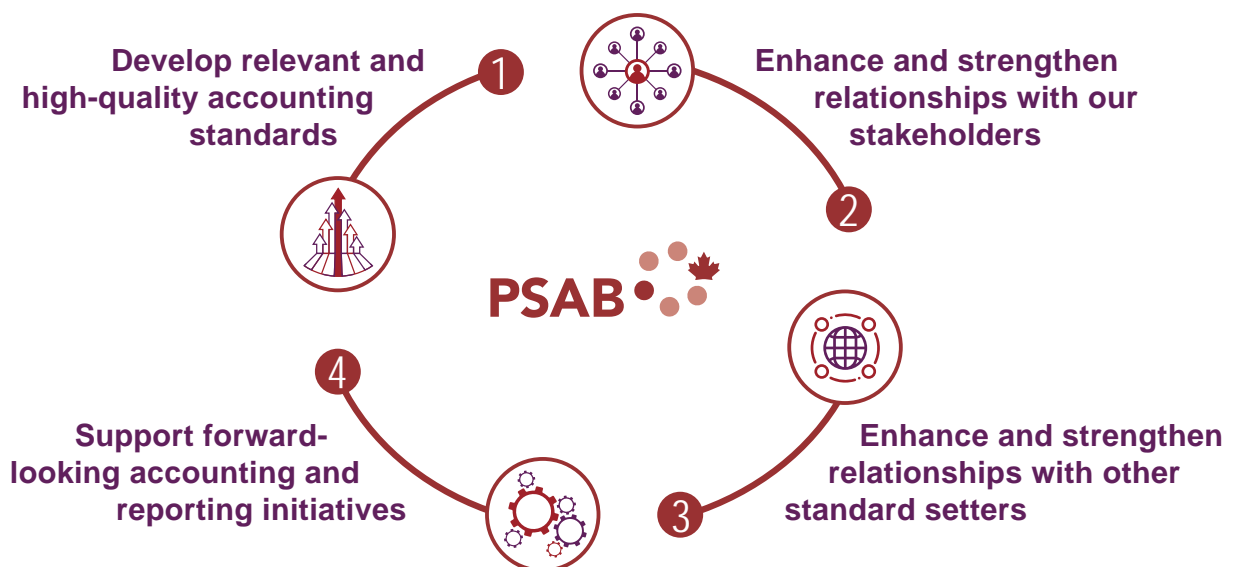
Background

Strategic plans set out the broad, strategic objectives that guide us in achieving our public interest mandate over a multi-year period.

We began the initial development of our new Strategic Plan in 2019. We discussed preliminary themes and key environmental factors impacting our stakeholders at a strategic planning session and at subsequent board meetings. A Draft Strategic Plan reflecting these discussions was prepared in 2020.

Further development of this document was ultimately postponed because of the COVID-19 pandemic. Instead, we decided to defer the release of our new Strategic Plan by one year and extend our current Strategic Plan by one year to fully analyze the impacts of COVID-19 on our strategic direction.

We developed and approved a revised Draft Strategic Plan for public release in 2021. To pave the way forward, we established the following strategies:



These strategies were intended to help us meet the demands of the present while anticipating the rapid pace of change and needs of the future.

Feedback Received

The comment period for our Draft Strategic Plan ran from May 2021 to October 2021.

We received a significant amount of feedback on our Draft Strategic Plan through various means. In total, we received 22 written comment letters, two written responses by email, conducted 17 stakeholder interviews, hosted five virtual roundtables, and accepted input through our online community platform, [Connect.FRASCanada.ca](https://connect.frascanada.ca). Live polling was also completed where possible during our outreach sessions and presentations to gauge agreement with our strategic direction.

The feedback we received also represented a wide cross-section of stakeholders. This included representation from federal, provincial, and municipal governments; Indigenous governments; legislative auditors; accounting firms; financial statement users; and government-not-for-profit organizations.

We would like to thank you, our stakeholders, for your robust and valuable input during our consultation period. Your feedback helped us to finalize our 2022-2027 Strategic Plan and shape the direction of our strategies.

Key Messages and Our Response

We asked four questions in our Draft Strategic Plan. Each question is outlined below, including a summary of key feedback received and how we responded.

1. Do you agree with our mission and vision statements?

Most respondents agreed or did not raise disagreement with the proposed mission and vision statements included in our Draft Strategic Plan. However, some respondents suggested improvements or raised concerns with specific elements of these statements.

First, several respondents encouraged PSAB to define the term “public interest”, which was used in the proposed mission statement. It was noted that this term could have different meaning to different entities, and clarification by the Board would be helpful.

While we considered this feedback, it was concluded that the term “public interest” could not easily be defined. This is because the public interest needs to be applied appropriately having regard for particular facts and circumstances. In some cases, this consideration is straightforward; in others, complexities and trade-offs require a more thorough analysis and the exercise of judgment.

In 2021, the [Independent Review Committee on Standard Setting in Canada](#) (IRCSS) also issued a [Consultation Paper](#), which discussed the term “public interest” in the context of standard setting. This Consultation Paper indicated that there could be value in the Canadian oversight councils and standard-setting boards developing a common public interest framework against which the standard-setting process could be evaluated. Going forward, we will continue to stay abreast of the IRCSS’ recommendations to determine whether the development of a common public interest framework may be beneficial.

Next, select respondents expressed concern over use of the term “globally respected” in the proposed vision statement. They thought this term conflicted with PSAB’s primary role of developing standards for Canadian public sector entities. Some of these respondents also suggested that PSAB replace or remove this terminology.

We noted this feedback, however, we concluded that this reference was important to retain to reflect our International Strategy. It will be imperative for PSAB to remain a globally respected standard setter to effectively influence the development of International Public Sector Accounting Standards (IPSAS). This is central to serving the Canadian public interest as future public sector accounting standards (PSAS) will be based on IPSAS principles. As a result, we refined the wording in this statement to create better linkage with the International Strategy and to better clarify that our primary role is serving the Canadian public sector.

We made other minor wording changes to our mission and vision statements, addressing specific feedback on terminology and phrasing. Final versions of PSAB’s amended mission and vision statements appear on page 5 of our 2022-2027 Strategic Plan.

2. Are there any significant environmental factors that you think will impact our stakeholders that we have not identified?

Several respondents highlighted additional environmental factors that were not identified in our Draft Strategic Plan. Notably, these included:

- Capacity constraints among stakeholders;
- Volume of new standards coming into effect at one time;
- Need to be responsive to stakeholder feedback;
- Risks and/or the need for guidance relating to advancements in technology;
- Use of two official languages in Canada;
- More explicit recognition of climate-change risks and disclosures; and
- Diversity and inclusion.

In assessing this feedback, we noted that we included the environmental scan in our Draft Strategic Plan only for context. Our intent was to provide insight on how our strategies were developed and to ensure that we considered all relevant factors in the development of our strategic direction. The environmental scan is not included in the final 2022-2027 Strategic Plan.

We further noted that some of the additional factors identified were already more broadly incorporated within our strategic direction. An example of this is climate change and the discussion on sustainability reporting in Strategy 4. Another example of this is the need for guidance relating to advancements in technology and our focus on supporting forward-looking reporting initiatives in Strategy 4.

To respond to this feedback, we refined the final 2022-2027 Strategic Plan to incorporate those factors identified above but not otherwise reflected within our strategies. These factors include bilingualism, diversity and inclusion, and recognizing the capacity constraints and time-management challenges faced by our stakeholders. These changes are found within Strategy 2 as examples of enhancing our relationship with stakeholders.

3. Do you agree with the strategies developed? If not, what additional strategies should be considered?

Most respondents agreed with the overall strategic direction outlined in our Draft Strategic Plan. As a result, we have not changed any of the four key strategies proposed in this document.

However, some respondents also raised areas of concern, divergence, or improvement on specific elements in each of the four strategies. These are outlined in more detail below.



Strategy 1 – Develop relevant and high-quality accounting standards

Some respondents cautioned PSAB on the development of non-authoritative guidance and encouraged the Board to focus its efforts on developing authoritative accounting standards. Likewise, we received some mixed feedback on the use of narrow-scope amendments. While some stakeholders thought these were useful tools, others cautioned that releasing too many narrow-scope amendments may erode the principles in PSAS or weaken due process.

We also received some mixed feedback on the key elements of standard setting outlined in this strategy. While some respondents thought that timeliness and relevance should be a more central focus of Strategy 1, others highlighted the importance of due process and thought that focusing on timeliness should not compromise this element of standard setting.

We considered the feedback above and noted that this strategy focuses on the development of accounting standards. While other tools or forms of guidance may be explored, these will be used on a more limited basis when deemed necessary or beneficial. We have made refinements to our wording in Strategy 1 to better clarify this intent. Further, while this strategy does include an increased emphasis on concepts like relevance and timeliness, it also clearly specifies the need to follow our [due process](#) in the development of our standards. As a result, it was concluded that an appropriate balance was struck, and further changes to this strategy were not deemed necessary.

A couple of respondents also encouraged PSAB to provide more detail on the revised standards development approaches envisaged outside of the use of traditional task forces. To provide further clarity, examples of these approaches have been included in our 2022-2027 Strategic Plan, such as using groups of experts or PSAB subcommittees. Going forward, we will consider whether further communication on the use of these varying approaches may be beneficial.

Finally, a couple of respondents cautioned PSAB on the use of standard-setting in phases. They thought that certain stakeholders may have difficulty providing an opinion on a phase of a project without seeing how the entire project fits together. We have noted this feedback and, as outlined in our 2022-2027 Strategic Plan, this standard-setting approach will be pursued when feasible.



Strategy 2 – Enhance and strengthen relationships with our stakeholders

Many respondents highlighted the need for increased openness and transparency in the standard-setting process. Several respondents also encouraged PSAB to provide more support and education during the implementation of PSAS. This could include the preparation of implementation or interpretive guidance or providing other training or educational materials.

To better reflect these themes within our 2022-2027 Strategic Plan, we refined Strategy 2 to incorporate the desire for increased transparency and support in PSAB’s standard-setting activities. We will continue to consider how these objectives can be achieved as we implement our strategy.

We also received diverse feedback from respondents on the topic of customized reporting. Some respondents expressed concern with this reporting approach as they thought it could reduce consistency and comparability among public sector entities. Others expressed the view that customizations should be limited in nature and used only in moderation. Some of these respondents encouraged PSAB to provide further clarity surrounding what customized reporting would entail in practice.

Alternatively, other respondents supported customized reporting and thought this reporting approach could better meet the needs of financial statement users. They highlighted examples of public sector entities that may benefit from customizations, including hospitals, educational groups, and Indigenous governments.

Although some respondents were not in favour of customized reporting, we concluded that this reporting approach was an important area of focus to retain in our 2022-2027 Strategic Plan in light of our diverse stakeholder base. However, we enhanced our documentation in the plan to better clarify the application and scope of customized reporting. These revisions highlight that PSAB will only consider customized reporting in specific cases where substantive and distinct accountabilities for varying public sector entities are noted.

In March 2022, we approved our [Government-Not-for-Profit Strategy](#), which looks at incorporating the PS 4200 series into PSAS with potential customizations. This approach was supported by the majority of respondents to the [Government-Not-for-Profit Strategy Consultation Paper II](#). This project is also highlighted in the final 2022-2027 Strategic Plan to provide context and clarity to readers on how PSAB may consider customized reporting going forward.

Finally, we noted strong support among respondents relating to our proposed focus on enhancing our engagement with Indigenous governments. As a result, this strategy has remained largely unchanged in the final 2022-2027 Strategic Plan.



Strategy 3 – Enhance and strengthen relationships with other standard setters

Some respondents urged PSAB to provide further clarity on our International Strategy. This included:

- clarifying how the Board will develop relevant accounting standards for Canadians; and
- elaborating on how the Board plans to encourage Canadians to submit feedback to International Public Sector Accounting Standards Board (IPSASB) documents for comment.

Similarly, several respondents also encouraged PSAB to play a greater role in educating stakeholders on IPSAS. This could include providing additional information on the IPSASB's projects or coordinating roundtables or other events to discuss the IPSASB's materials.

In considering this feedback, we noted that detailed information on our International Strategy can be found on the [International Activities](#) webpage. We have also published a variety of publications and tools on the International Strategy, including the [Basis for Conclusions](#), the [In Brief Document](#), a [webinar](#), and the [Criteria for Modifying and Reviewing IPSAS Principles](#). As the International Strategy has been explained through these other mechanisms, we concluded that further detail was not necessary in our 2022-2027 Strategic Plan.

In response to feedback regarding the need for additional support and education on IPSAS, we refined Strategy 3 to more clearly incorporate this as an area of focus. We currently publish summaries of IPSAS documents for comment upon release and, going forward, we intend to host roundtables to actively engage with our stakeholders on topics of significance to Canadians. We have also published an [IPSAS-PSAS Comparison](#) to help stakeholders identify significant differences between IPSAS and PSAS. We may take further actions as we continue to implement our International Strategy.

In addition, some respondents encouraged PSAB to acknowledge the need to work with non-financial standard-setting organizations as part of Strategy 3. Notably, this included the International Sustainability Standards Board (ISSB). To respond to this feedback, the ISSB has been referenced in Strategy 3 in the final 2022-2027 Strategic Plan.

Finally, a couple of respondents did not think that this strategy should have the same priority as the other strategies listed. They thought that PSAB's efforts should be on developing timely and relevant accounting standards for Canadians before focusing on the international standard-setting community. While we noted this feedback, we ultimately retained this strategy in the final 2022-2027 Strategic Plan. This is because collaboration with other standard setters is considered essential to developing relevant and timely accounting standards for Canadians, particularly under the International Strategy.



Strategy 4 – Support forward-looking accounting and reporting initiatives

We received varied feedback on the topic of environmental, social, and governance, or sustainability, reporting. Several respondents indicated concern with PSAB's capacity and highlighted that they would prefer to see the Board focus on developing accounting standards or resolving existing gaps within PSAS. Other respondents recognized the urgent need for standardized guidance on sustainability, particularly on climate, and encouraged PSAB to be proactive in developing sustainability reporting guidance for the Canadian public sector. Many of these respondents also encouraged PSAB to work together with other standard setters in the development of any sustainability-related guidance.

In deliberating this feedback, we noted that significant developments had occurred in this space since the release of our Draft Strategic Plan. First, the International Financial Reporting Standards Foundation announced the creation of the ISSB to develop a comprehensive global baseline of sustainability-related disclosure standards. The ISSB's standards would provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities. Second, the IRCSS released its [Consultation Paper](#) recommending the creation of a Canadian sustainability standards board. The Canadian sustainability standards board could adapt the global baseline standards, developed by the ISSB, for use in Canada. This could include developing implementation guidance, considering the need for industry-specific standards, or developing standards for Canadian stakeholders not specifically covered by the ISSB. Finally, the IPSASB accepted the World Bank's invitation to lead a global consultation on developing a sustainability reporting framework for the public sector. The IPSASB plans to launch this consultation in May 2022, alongside its Natural Resources Consultation Paper and the Feedback Statement on its 2021 Work Program consultation.

We updated Strategy 4 to strike a balance among the diverse feedback from respondents and to reflect the recent developments outlined above. While we retained our focus to support sustainability reporting, Strategy 4 now emphasizes collaborating with other international and Canadian standard setters to provide our perspective in the development of their sustainability reporting standards. However, we recognize that this is a fast-moving space and refinements to this approach may be necessary as further developments are made.

We also received feedback from select respondents encouraging PSAB to pursue specific standard-setting projects, such as natural assets and cloud computing. In line with our [due process](#), we will perform more robust consultation with stakeholders to determine our future projects of priority. Once determined, these projects will be listed in more detail in our annual plans. This has been clarified in the final 2022-2027 Strategic Plan.

4. Do you have any other comments for PSAB on the content included in this Draft Strategic Plan?

Less than half of respondents provided additional comments on our Draft Strategic Plan. Some of these respondents encouraged PSAB to list the specific projects it would be pursuing during the strategic planning period. Other respondents encouraged the Board to incorporate more detailed performance measures within the 2022-2027 Strategic Plan to improve accountability.

As outlined above, we will describe the specific projects and activities we will pursue in our annual plans. We will also list and report on the performance measures used as part of our annual plans and annual reports. This has been clarified in the final 2022-2027 Strategic Plan.

Finally, we received some comments from select respondents specific to our ongoing projects and activities. We have noted this feedback, which will help to inform our actions more broadly going forward.

Approval and Due Process

PSAB's 2022-2027 Strategic Plan was approved by the Board in March 2022 after a robust review and analysis of feedback received.

The Accounting Standards Oversight Council (AcSOC) also reviewed our activities relating to the development and finalization of our 2022-2027 Strategic Plan. AcSOC provided input on our strategic direction and determined that our [due process](#) was followed.

Next Steps

For the specific activities we plan to undertake in the first year of our 2022-2027 Strategic Plan, please refer to the [2022-2023 Annual Plan](#).

Annual plans will be issued in each subsequent year to outline the implementation activities and projects we intend to pursue to achieve our strategies.

Staff Contacts

For any further questions or inquiries on our 2022-2027 Strategic Plan, please contact:

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