

PSAB Draft 2022 – 2027 Strategic Plan Webinar

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[Slide 1 – Title Page]

Hello everyone.

My name is Clyde MacLellan, Chair of the Public Sector Accounting Board. Today I will be walking you through our new Consultation Paper on PSAB's Draft 2022 – 2027 Strategic Plan.

Before we get started, I would like to take this opportunity to thank you for watching this webinar. This is an important document that will shape the Board's direction over the next five years. We hope you find this webinar informative, and we look forward to hearing your feedback and insights.

[Slide 2 – Webinar Agenda]

I'm going to begin by introducing myself and our new Vice-Chair followed by providing you with some background on our strategic plan's development. I'll then walk you through the key elements of the new Draft Strategic Plan. These include:

- our proposed Mission and Vision statements;
- the environmental scan we performed; and
- the key strategies we developed.

I'll also share next steps and how you can provide us with your feedback on this document or ask questions.

[Slide 3 – Introduction]

I was appointed as PSAB's permanent Chair in November 2020 and was pleased to step into this role during a time of such significant change and opportunity.

I believe that the core of how we move forward is by ensuring relevance, responsiveness, and accountability. And the only way we can do this is with the input and support of our diverse stakeholders

and other partners. These relationships, coupled with PSAB's independence, will help us provide guidance that supports transparent and high-quality financial information.

To help facilitate this path forward, PSAB also has a new Vice-Chair, Scott Munro, a Director at the First Nations Financial Management Board and long-time PSAB volunteer. Scott's involvement with the Indigenous Government community will further help us with our proposed strategy for this stakeholder group – something you'll hear more about later on.

[Slide 4 – Project Background]

Strategic plans are used to set out the broad strategic objectives that help guide us in achieving our public interest mandate.

PSAB's existing Strategic Plan runs from 2017 – 2022 and focused on laying the foundation for our new reality. We are well positioned to accomplish what we set out to do – from proposing a new Conceptual Framework, establishing a new path for government-not-for-profit organizations, to developing our International Strategy.

This new Draft Strategic Plan was released for public comment in May 2021 and is focused on meeting the demands of the present, while anticipating the needs of the future. To give us the time we need, this Draft Strategic Plan spans the five-year period between 2022 and 2027. We will conduct at least one formal assessment during this period to ensure the plan continues to be effective and relevant.

Before deciding on our final strategies, we will also engage in extensive stakeholder consultation to obtain your views and input on our proposed strategic direction. This feedback will help guide the Board and will ensure that we are shaping the future together.

[Slide 5 – Mission and Vision Statement]

I'll now get into more detail on the key elements of our Draft 2022 – 2027 Strategic Plan.

As you can see on the slide, the first major element is the introduction of a revised Mission statement and new Vision statement for the Board.

Our proposed Mission statement focuses on our role of serving the public interest through the development of independent accounting standards and other reporting guidance. It also outlines the notion that our standards and guidance should support accountability, informed decision making, and stewardship among Canadian public sector entities. This statement leverages key principles from our current Mission statement but repackages the content in a shorter and more condensed format.

We have also introduced a new Vision statement to help guide the Board's activities during the upcoming strategic planning period. This statement recognizes the importance of acting as a global player in the standard-setting community and reinforces PSAB's commitment to serving Canada's public sector.

[Slide 6 – Environmental Scan]

Another major element of our Draft Strategic Plan is our Environmental Scan. The key external factors impacting our stakeholders and our reporting environment that were considered as part of the development of our strategies are shown on the slide.

For example, one factor we identified was COVID-19. It is undeniable that this pandemic has had a significant and unprecedented impact on our stakeholders. From experiencing various hardships, to balancing commitments in a remote working environment – many public sector entities and individuals continue to experience challenges related to the pandemic.

We are committed to supporting our stakeholders throughout this time of uncertainty as we begin to navigate the COVID-19 recovery. This means being mindful of our stakeholders' needs and by engaging and communicating in ways that are effective, efficient, flexible, and convenient.

Another factor we considered was the relevance and timeliness of accounting standards. More broadly, relevance and timeliness are becoming increasingly important within the accounting profession, particularly due to the abundance of real-time information available online and through social media. It is essential that our standards help public sector entities provide relevant information to the public and address emerging reporting issues in a timely fashion.

For another example, we considered developments within international accounting standards.

The growth of International Public Sector Accounting Standards (IPSAS) was one of the factors that framed the Board's recent International Strategy decision. Under this new strategy, we will continue to develop public sector accounting standards, but will base future standards on the principles of IPSAS. Specific criteria have also been established to determine when departures from IPSAS principles are warranted.

Finally, we identified environmental, social and governance, or ESG, reporting as another key factor. This area is quickly becoming one of the biggest, and most significant, emerging reporting trends. Many frameworks for this type of reporting have also been developed in recent years. These sizeable developments in ESG reporting indicate that the public is starting to look beyond traditional financial information to evaluate the performance of public sector entities and make informed decisions.

[Slide 7 – Strategy Overview]

Now, let's get into the four key strategies.

These are the proposed focus areas for the Board which will guide our activities over the next five years.

[Slide 8 – Strategy #1]

The first of these strategies is to continue to develop relevant and high-quality accounting standards. Setting accounting standards for the Canadian public sector in line with our due process remains our primary role. This strategy includes delivering relevant standards in a timely and responsive manner, as well as continuing to establish high-quality standards that promote confidence in the information reported by Canadian public sector entities.

We also understand that operating in our current environment means bringing more agility and responsiveness to the standard-setting process. Along these lines, we will continue to refine and enhance our processes to develop our accounting standards more effectively.

As previously mentioned, PSAB recently approved a new International Strategy. Implementing this strategy during the upcoming strategic planning period will help us remain nimble as we can streamline work efforts and leverage international best practices for the Canadian public sector.

Finally, we are expecting to complete the new Conceptual Framework and Reporting Model project in 2022. This foundational project will provide a platform to refine and enhance how we develop our standards.

[Slide 9 – Strategy #2]

Our second strategy is to enhance and strengthen the important relationships we have with our stakeholders. These relationships are vital to our success going forward as the rich diversity of input that we receive from our stakeholders directly contributes to the quality and relevance of the work that we produce.

We will continue to build on these relationships by ensuring we are effectively engaging and communicating with our stakeholders. This will be achieved by performing several key activities:

- First, we will engage in proactive outreach before, during, and after the standard-setting process. This includes actively engaging with our stakeholders on post-implementation issues as well as effectively promoting and explaining the rationale behind our standard-setting activities.
- Second, we will ensure that feedback from a wide variety of stakeholders is obtained on our documents issued for comment.
- Third, we will maximize plain-language content to communicate Board decisions and updates. This will ensure that these messages are understandable and easy-to-digest.
- Finally, we will use technology to collaborate with our stakeholders quickly and more efficiently. A good example of how technology can be used is through our new online community platform, [Connect.FRASCanada.ca](https://connect.frascanada.ca). You can use this tool to provide us with quick and real-time feedback on our documents issued for comment.

In addition to effective communication and collaboration, we have identified two other areas of focus as part of this strategy.

The first area is increasing our engagement with Indigenous Governments. We recognize that these stakeholders are currently under-represented within our standard-setting process and we are committed to strengthening and enhancing these relationships. We also intend to collaborate with Indigenous Government institutions to better understand the unique needs and challenges faced by these stakeholders in applying our accounting standards.

The second area of focus relates to exploring the use of customized reporting during the upcoming strategic planning period. As an example, customized reporting could include developing varied financial reporting or presentation requirements for different types of public sector entities.

When warranted, this type of reporting approach could provide flexibility and help meet the varying reporting needs of our diverse stakeholders. Customized reporting was also discussed in our recent Government Not-for-Profit Strategy Consultation Paper.

[Slide 10 – Strategy #3]

The third strategy is to enhance and strengthen our relationships with other standard setters.

First, in line with our new International Strategy, we will continue to strengthen our relationship with the International Public Sector Accounting Standards Board (IPSASB) to collaborate on and influence the development of IPSAS. Our goal is to increase the likelihood that IPSAS principles will be found to serve the Canadian public interest once PSAB decides to undertake a similar standard-setting project.

In order to strengthen our relationship with the IPSASB, we will perform a number of key activities. This includes:

- reviewing IPSASB meeting materials and providing briefing notes to Canadian representatives on the IPSASB;
- supporting more extensive communications between PSAB and IPSASB staff;
- enhancing our involvement where possible with IPSASB task forces and discussion groups; and
- submitting and encouraging responses to IPSASB documents for comments.

We also plan to strengthen our relationships with other international and domestic standard setters outside of the IPSASB. This includes the IASB, the AcSB, and the AASB. We will continue to work together with these Boards by sharing and leveraging best practices in standard-setting, reviewing and sharing technical expertise or research, and collaborating on projects or responses to documents for comment where relevant.

Cultivating these relationships will ensure that PSAB remains relevant and influential on a global scale. These activities will also help us serve our Canadian stakeholders more effectively by keeping us connected and well-informed of broader accounting trends.

[Slide 11 – Strategy #4]

The fourth and final strategy is to support forward-looking accounting and reporting initiatives.

As previously outlined, one of the most significant emerging reporting issues is ESG. We are committed to supporting and encouraging this type of reporting during the upcoming strategic planning period. This will be done in the following ways:

- firstly, by ensuring that ESG themes, such as climate, are considered as part of our standard-setting projects;

- secondly, by monitoring and encouraging voluntary ESG disclosure efforts in the Canadian public sector; and
- finally, by continuing active engagement with our stakeholders on ESG reporting issues, including through the Public Sector Accounting Discussion Group.

We will also support industry initiatives to provide training and guidance on ESG reporting and will consider whether Canadian-specific guidance should be developed.

Finally, PSAB will continue to stay engaged in other forward-looking areas of financial reporting, such as the accounting for intangible assets. These actions will ensure we remain relevant and help shape the future of public sector accounting standard-setting within Canada.

[Slide 13 – Next Steps]

I'll now walk you through next steps as well as how you can provide us with your feedback on this document.

PSAB's Draft Strategic Plan was released in May of this year and will be out for public comment until October 6, 2021. After an extensive review of stakeholder feedback in December, the Board plans to approve a final Strategic Plan in March 2022. This new Strategic Plan will take effect on April 1, 2022 and remain active for the next five years.

[Slide 14 – Feedback]

Given the importance of this document, we encourage you to read PSAB's Draft Strategic Plan and provide us with your feedback. You can do so by submitting a comment letter or by registering for our online community platform, [Connect.FRASCanada.ca](https://connect.frascanada.ca), and taking part in our open forums and quick polls. We will also be hosting roundtables later this year where you can provide us with your feedback in a virtual setting. We ask that you please look out for these exciting events and consider joining us to share your thoughts and views.

If you have any questions or comments on this document that you would like to share with us directly, please also feel free to reach out to our staff contacts listed on this slide. Both Lauren and Michael would be happy to engage with you further.

[Slide 15 - Closing]

In closing, thank you for taking the time to listen to this webinar on PSAB's new Draft Strategic Plan. The strategies outlined in this document will help position PSAB and its stakeholders for the future and we look forward to hearing your views and advice on our proposed strategic direction.

In the meantime, if you would like any further project information, or to access PSAB's Draft 2022 – 2027 Strategic Plan Consultation Paper, please visit the website outlined on this slide. Again, this document will be posted and available for comment until October 6, 2021.

Thank you for your time and have a wonderful day.