

March 18, 2026

International Public Sector Accounting Standards Board (IPSASB)
70 York Street, Suite 710
Toronto, ON M5J 1S9 Canada

Re: Response to the IPSASB's Work Program Consultation

Thank you for the opportunity to provide feedback on the IPSASB's Work Program Consultation. PSAB acknowledges the IPSASB's continued commitment to the development of high-quality international public sector accounting standards (IPSAS) and supports the IPSASB's initiatives to maintain and enhance the IPSAS suite as well as its efforts to develop sustainability reporting guidance for the public sector.

PSAB's views outlined in this letter were informed by outreach activities conducted with Canadian interest and affected parties through an online survey and discussions with PSAB volunteer committees such as the [Technical Advisory Group](#) and the [Indigenous Advisory Group](#).

Our response addresses Specific Matters for Comment (SMC) 1 and 3, applying IPSASB's project prioritization criteria (Prevalence, Consequences, Urgency, Feasibility) to clearly explain our recommendations. Regarding SMC 2 that pertains to Post Implementation Review Projects and information on issues with the existing IPSAS Standards, PSAB will not be providing any comments.

We hope our insights support the IPSASB in setting priorities for its 2024–2028 Strategy. We would be pleased to elaborate on our comments in more detail if you require. If so, please contact me or, alternatively, Michael Puskaric, Director, Public Sector Accounting Standards Board (+1 416 204-3451 or email mpuskaric@psabcanada.ca).

Kind regards,



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RESPONSES TO SPECIFIC MATTERS FOR COMMENT

Specific Matter for Comment 1: Financial Reporting Projects

Which financial reporting projects should the IPSASB prioritize? For each financial reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria, to support its priority.

Project Title	Project Description
<i>IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Targeted Improvements Project)</i>	Contingent assets and liabilities are becoming more common and complex in the public sector. Key issues—such as when to recognize provisions, how to measure them, and what to disclose—are often debated by preparers and auditors. As IAS 37 amendments clarify these points and IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i> is based on IAS 37 with public sector adaptations, undertaking this project would (1) help maintain alignment, unless unique public sector characteristics justify a different approach and (2) provide the clarity desired by interested and affected parties.
Prioritization Criteria	Analysis
Prevalence	High – Likely to affect many public sector entities, as most of them have provisions and/ or contingent liabilities.
Consequences	High – If IPSAS 19 is not updated to incorporate the amendments introduced to IAS 37, public sector entities may account for provisions differently than private sector entities. Research will need to be conducted to determine whether there are distinct public sector characteristics to depart from aligning with the private sector guidance. If such characteristics are not identified and IPSAS 19 remains unchanged, the usefulness and relevance of financial statements for accountability and decision-making may be negatively affected.
Urgency	High – The International Accounting Standards Board (IASB) is currently deliberating on the amendments to IAS 37. Although the project is not yet finalized, its near completion will make IPSAS 19 outdated.
Feasibility	High – Given that the IPSASB is expected to have the capacity to initiate this project only by the end of 2026, the anticipated timeline for the completion of the IAS 37 amendments may coincide with the availability of IPSASB resources. This would allow the IPSASB to initiate work on IPSAS 19 in alignment with updates to IAS 37 and respond timely to these changes.

Project Title	Project Description
<i>Climate-related and Other Uncertainties in the Financial Statements</i>	Following the completion of the IPSASB's inaugural Sustainability Reporting Standards project on Climate-related Disclosures, public sector entities require enhanced guidance regarding the connectivity of climate-related risks and opportunities disclosed under IPSAS SRS 1, <i>Climate-related Disclosures</i> , with the financial statements prepared in accordance with IPSAS standards. Adapting private sector illustrative examples and developing public-sector-specific examples to demonstrate the application of IPSAS financial reporting requirements can assist preparers in gaining a clearer understanding of how financial statements prepared under IPSAS can enhance the disclosure of climate-related information, particularly when such matters are material to users of general-purpose financial reports.
Prioritization Criteria	Analysis
Prevalence	High – Most public sector entities are significantly impacted by climate-related issues and other uncertainties, facing challenges on whether assets will continue to deliver future economic benefits and/or service potential. These uncertainties may also require consideration as to whether accounting for provisions is needed. Interested and affected parties expect that financial statements report these uncertainties for greater accountability.
Consequences	High – Undertaking a project to adapt the private sector illustrative examples and develop public-sector-specific examples will support consistent application of IPSAS standards when reporting on the effects of uncertainties arising from climate-related risks.
Urgency	High – The private sector developed illustrative examples to address concerns regarding insufficient or inconsistent disclosure of climate-related risks in financial statements, especially when compared to information provided outside these statements, such as other general purpose financial reports. With the approval of IPSAS SRS 1, providing clear guidance for interested and affected parties on how sustainability reporting disclosures relates to the financial reporting requirements will help support implementation and reduce the likelihood of facing similar issues experienced in the private sector.
Feasibility	High – The IPSASB can draw directly on the IASB's final guidance Disclosures about Uncertainties in the Financial Statements—Illustrative examples and the Basis for Conclusions published in November 2025, adapting the illustrative examples to public sector circumstances as needed. The IPSASB should also consider developing public-sector-specific examples such as uncertainties related to natural disasters relief liabilities.

Specific Matter for Comment 3: Sustainability Reporting Projects

Which sustainability reporting projects should the IPSASB prioritize? For each sustainability reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria.

In Canada, the Canadian Sustainability Standards Board (CSSB) has assumed responsibility for assessing and determining the appropriate path forward for public sector sustainability disclosure standards, with initial research and scoping activities currently underway. The CSSB and PSAB will form a joint working group to facilitate this work. PSAB recognizes that sustainability reporting is a significant and important forward-looking initiative. To ensure that Canadian perspectives are reflected in the development of public sector sustainability standards by the IPSASB, PSAB engaged with interested and affected parties through an online survey and consultations with its volunteer committees, including the [Technical Advisory Group](#) and the [Indigenous Advisory Group](#). The projects outlined below are the outcomes of this consultation.

Project Title	Project Description
<i>Developing Authoritative Guidance based on RPG 1, Reporting on the Long-term Sustainability of an Entity's Finances</i>	Feedback from our consultation underscored the importance of developing authoritative guidance based on RPG 1. Long-term fiscal sustainability is a public sector specific concern as governments may face challenges related to their levels of debt, future service commitments, and the affordability of programs over the years.
Prioritization Criteria	Analysis
Prevalence	High - Long-term fiscal sustainability is relevant to federal, provincial, territorial and local governments in Canada and internationally. These entities are under growing scrutiny regarding their ability to meet service delivery and financial commitments both now and in the future. For instance, climate change introduces long-horizon fiscal risks such as adaptation costs and green-transition investments that cannot be fully captured in annual budgets or financial statements. The pressures currently faced by governments are likely to increase, making forward looking fiscal planning even more important to maintain sustainability. Developing authoritative guidance based on RPG 1 could assist public sector entities in effectively responding to these growing demands.
Consequences	High - The lack of authoritative guidance negatively affects comparability by resulting in inconsistent reporting throughout the public sector. Furthermore, it undermines public accountability and impairs decision making, as financial statements prepared in accordance with IPSAS do not intend to provide prospective financial information.

	Developing authoritative guidance based on RPG 1 would encourage broader adoption, clarify principles, enhance consistency in reporting, and support accountability and decision-making for interested and affected parties.
Urgency	High - The post-pandemic macroeconomic landscape suggests that governments may face future fiscal pressures, including climate change, aging populations, increasing public debt, and evolving service demands. These factors raise concerns regarding long-term fiscal sustainability to the primary users of general-purpose financial reports across all levels of government and support the urgent need for authoritative guidance that provides consistent principles to public sector entities when reporting on long term fiscal sustainability.
Feasibility	High - RPG 1 already offers guidance with principles and methodologies that public sector entities are currently applying. Developing authoritative guidance based on RPG 1 would build on top of the existing guideline rather than developing a full new standard, making the resources required and timelines of the project more reasonable.

Project Title	Project Description
<i>Developing Authoritative Guidance based on RPG 3, Reporting Service Performance Information</i>	The consultation performed indicated support for developing authoritative guidance based on RPG 3 in recognition of its significance for reporting on service delivery and performance. RPG 3 is regarded as essential for all levels of government to assess and communicate value for money and the effectiveness of public services. Furthermore, it provides critical information for investment decision-making and facilitates informed public discussions on priorities.
Prioritization Criteria	Analysis
Prevalence	High - Reporting on service performance is relevant across the public sector as service delivery is a core function of all levels of government.
Consequences	High - Without authoritative guidance for service performance reporting, there are significant negative consequences for public sector entities' accountability and decision-making as primary users may not be able to assess the effectiveness and efficiency of service delivery. Although service performance information is important, there is currently no authoritative guidance that requires public sector entities to include such information in their general-purpose financial reports. Since RPG 3 is not mandatory, some entities may perceive it as less significant or choose not to prioritize its implementation. Also, as RPG 3 has seen limited adoption, where information is reported, the general-purpose financial reports are not consistent and lack comparability.
Urgency	High - Governments at all levels are facing increased debt after the COVID-19 pandemic, and there is growing pressure to ensure public funds are spent wisely.

	People want to know how public sector organizations are using resources to provide goods and services, and whether they are fulfilling their promises. Developing authoritative guidance based on RPG 3 would provide a timely response to current demands and address existing gaps in publicly reported information on service delivery and the effectiveness of public sector entities, while also enhancing the comparability of general-purpose financial reports.
Feasibility	High - Developing authoritative guidance based on RPG 3 builds on existing material, making it a technically feasible project that can be delivered within constrained resources. The IPSASB can also draw on the experiences of those who have already implemented RPG 3 to inform the development of the new standard, refining existing requirements and even including additional illustrative examples and implementation guidance, without having to begin from scratch.