

IPSASB Sustainability Reporting Standards (SRS) Exposure Draft 1, “Climate-related Disclosures”

Extract, PSA Discussion Group Report on the Public Meeting – November 28, 2024

The SRS Exposure Draft 1, “[Climate-related Disclosures](#),” responds to growing demand for guidance addressing the issues governments face related to climate change and supporting sustainable development. On [May 12, 2022](#), the Group discussed the IPSASB’s Consultation Paper, “[Advancing Public Sector Sustainability Reporting](#).”

[PSAB’s 2022-2027 Strategic Plan](#) states that, in line with its [International Strategy](#), PSAB will ensure that it can collaborate and influence the development of IPSAS. Therefore, Canadians are encouraged to respond to **IPSASB documents for comment and to work** with the IPSASB on areas of joint interest for the public sector, including relevant sustainability-related initiatives. In line with this objective, Group members were asked to share their views on the questions raised in the IPSASB’s [SRS Exposure Draft 1](#).

In October 2024, the IPSASB issued the [SRS Exposure Draft](#) for public comment. It proposes public sector specific guidance that builds on the International Sustainability Standards Board’s (ISSB) global baseline.¹

The [SRS Exposure Draft](#) on February 28, 2025.

The [SRS Exposure Draft](#) proposes disclosure requirements for public sector entities to report on information that is useful for primary users of general-purpose financial reports to support decision making and accountability, such as:

- the climate-related risks and opportunities to its own operations; and
- climate-related public policy programs and their outcomes.

The Group was asked to consider this session a roundtable on the IPSASB’s [SRS Exposure Draft](#), addressing the specific matters for comment and the questions posed by IPSASB staff. The Group’s input will provide the IPSASB with feedback on Canadian perspectives.

Roundtable discussion of the IPSASB’s SRS Exposure Draft 1

The Group applauded the IPSASB for initiating this project and appreciated the innovative approach to climate-change reporting despite the challenges of proposing new concepts. Group members shared their feedback:

¹ The IPSASB’s [SRS Exposure Draft](#) proposes conceptual foundations and general requirements based on concepts from the IPSASB Conceptual Framework and consistent with requirements adapted from [IFRS S1](#). The SRS Exposure Draft aims to support global climate action by proposing guidance aligned with the Taskforce for Climate-related Disclosures and [IFRS S2](#) while integrating the Global Reporting Initiative’s multi-stakeholder focus.

- Starting point in advancing sustainability reporting for the public sector:** The IPSASB based the [SRS Exposure Draft](#) on the ISSB's global baselines [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [IFRS S2 Climate-related Disclosures](#), while proposing concepts specific to the public sector. The Group discussed several challenges, including but not limited to the lack of expertise, resource constraints, measurement complexities, and reporting inconsistencies in sustainability reporting. While there is much to work through considering adoption of the requirements, the Group commended the IPSASB in spearheading this initiative, which advances sustainability reporting in the global public sector. The IPSASB's Canadian member encouraged the Group to consider potential implementation challenges and that the SRS Exposure Draft 1 establishes a starting point. The Group noted that accepting the proposed concepts and their implications may take time.
- Integrity of information and reporting:** Much of the discussion focused on the verifiability of information from this proposed standard. Group members highlighted challenges in gathering comparable data and ensuring consistent validation and measurement, which brings both implementation and audit challenges. While new measurement concepts and advancements may emerge, the auditability of verifiable information remains a key concern. Group members discussed that applying certain principles will be a matter of professional judgment, which may affect the comparability of climate-related disclosures across public sector entities.

Implementation challenges: The Group members discussed the cost-benefit of gathering this information, as well as the expertise and capacity required to adopt climate-related reporting. They noted that some of this information might already be reflected in policy programs for some public sector entities. The Group noted that the scalability of climate-related reporting may prove challenging in Canada, as smaller public sector entities may not have the resources to implement the requirements of the proposed standard. One Group member noted that it will be interesting to see whether public sector entities have a strong appetite for adopting sustainability reporting. Another mentioned that a phased approach to adoption could alleviate some of the transitional challenges associated with implementing this proposed standard.

The Group emphasized the importance of the public sector implementing policies to address climate change. Some Group members questioned what information might be better reported outside the general-purpose financial statements rather than within the general-purpose financial reports. The Group discussed that some public sector entities, in particular governments, already have public policies in place that may monitor, track, report, or set targets with respect to climate-related reporting. It was noted that having the IPSASB take on reporting in this area would help provide guidance and a framework, thereby improving consistency and standardization across public sector entities that adopt such reporting requirements. IPSASB's [SRS Exposure Draft](#) and prospective projects involving sustainability would help align reporting practices, making it easier to compare and validate climate-related disclosures, ultimately enhancing transparency and accountability in addressing climate change.

One Group member encouraged clear communication identifying which Board, PSAB or the Canadian Sustainability Standards Board, would be leading sustainability reporting for the Canadian public sector.

The Group thanked the IPSASB staff for the opportunity to discuss Canadian perspectives on the topic and to provide feedback on matters proposed in the [SRS Exposure Draft](#).