



IPSASB Consultation: STRATEGY and WORK PROGRAM 2024 - 2028

Response from the Public Accountants and Auditors Board (PAAB), Zimbabwe

14 FEBRUARY 2024

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Further information about PAAB can be obtained at www.paab.org.zw

Any questions arising from this submission should be directed to:

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14 February 2024

PAAB ZIMBABWE COMMENT LETTER TO THE IPSASB CONSULTATION: STRATEGY and WORK PROGRAM 2024 - 2028

Dear Chairman,

We are writing on behalf of the Public Accountants and Auditors Board Zimbabwe to comment on the IPSASB's consultation on strategy and work program 2024 - 2028. PAAB is pleased to present its comments on this Exposure Draft.

General Comment on the Consultation paper

The PAAB agrees with the IPSASB'Ss strategic objective to reflect the shift in the balance of public sector financial reporting needs towards the maintenance of IPSAS and the development of International Public Sector Sustainability Reporting Standards as there is the need to safeguard and increase stakeholder confidence in the quality and comparability of information especially financial reports from public sector institutions.

The PAAB followed a due process in coming up with this comment letter. Under the due process the PAAB technical staff conducted research, consulted key stakeholders, and drafted this comment letter.

Response to Specific Matters for Comment

Detailed comments on the Specific Matters for Comment are provided in the attached Annex.

Donald Mangenje
Deputy Secretary, PAAB

Nyasha Chakuma
Technical Standards, PAAB

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Specific Matter for Comment 1: The IPSASB proposes to update its strategic objective to reflect the shift in the balance of public sector financial reporting needs towards the maintenance of IPSAS and the development of International Public Sector Sustainability Reporting Standards.

- (a) Do you agree with the strategic objective?
- (b) Do you agree with the IPSASB's proposal to deliver its strategic objective through two main activities (Delivering Global Standards and Inspiring Implementation)?

(a) The PAAB agrees with the IPSASB'Ss strategic objective to reflect the shift in the balance of public sector financial reporting needs towards the maintenance of IPSAS and the development of International Public Sector Sustainability Reporting Standards as there is the need to safeguard and increase stakeholder confidence in the quality and comparability of information especially financial reports from public sector institutions. There is ever increasing public scrutiny of any organisation with regards to sustainability issues which should be reflected in its reporting.

(b) The PAAB agrees with the IPSASB proposal but however recommends that delivering global standards and inspiring implementation should be done one at a time to facilitate timely delivery and effective implementation. Sequential delivery allows for focused attention on each standard, ensuring thorough understanding, proper adoption, and smooth implementation. Concurrent delivery may lead to challenges in comprehending multiple standards simultaneously and can impede successful implementation efforts. Sequential delivery provides a structured approach that promotes efficient adoption and implementation of the standards.

Specific Matter for Comment 2: The IPSASB proposes to add maintenance activities to its Work Program, including a process to assess IPSAS application challenges and to undertake post implementation reviews. Therefore, at this time, the IPSASB is not proposing to add new major financial reporting standard setting projects.

Do you agree with the proposal to add maintenance activities? If you do not agree, please explain why, including any proposed alternatives.

The PAAB agrees with the IPSASB's inclusion of maintenance activities in the IPSASB's work program. Maintenance activities are essential for ensuring the ongoing relevance and applicability of IPSAS. By regularly reviewing and updating existing standards, the IPSASB can address emerging issues, align with changes in international financial reporting, and provide clarity and guidance to users. Incorporating maintenance activities demonstrates a commitment to quality and continuous improvement, which is crucial for the credibility and effectiveness of IPSAS.

Specific Matter for Comment 3: The IPSASB's Potential Future Financial Reporting Projects, see Appendix A, include projects for the development of new IPSAS and the maintenance of existing IPSAS.

1. Are there other major financial reporting projects the IPSASB should consider adding to its Potential Future Financial Reporting Standard Setting Project list?
2. Are there other IPSAS that the IPSASB should consider as potential project for its maintenance program?
3. If the IPSASB's proposal to implement a PIR process is supported, what IPSAS are of the highest priority in your jurisdiction?

1. None, the PAAB do not believe there are currently any major financial reporting projects that the IPSASB should consider adding to its Potential Future Financial Reporting Standard Setting Project list. The IPSASB has already made significant progress in addressing key gaps in its literature during the 2019-2023 Strategy period. It is important to allow sufficient time for the effective implementation and adoption of the existing standards before embarking on new projects. This approach ensures that stakeholders can focus on proper implementation and derive maximum benefit from the current standards.

2. None, the PAAB do not think there are any other IPSAS that the IPSASB should consider as potential projects for its maintenance program at this time. The IPSASB should prioritize addressing any necessary updates or amendments to existing standards to ensure their ongoing relevance and applicability. This focus on maintenance activities will contribute to the stability and consistency of the IPSAS framework.

3. Based on the current assessment, there are no IPSAS is of the highest priority in our jurisdiction concerning the Post-Implementation Review (PIR) process. However,

ongoing monitoring and periodic reviews should continue to ensure the effectiveness and appropriateness of the standards.

Specific Matter for Comment 4: Upon completion of the three pre-committed sustainability reporting standard projects, what are the key public sector sustainability reporting issues the IPSASB should consider adding to its Work Program?

The PAAB believes there IPSASB has adequately addressed the relevant sustainability reporting issues through the completion of the three pre-committed sustainability reporting standard projects. Therefore, there is no need for further additions to the IPSASB's Work Program in this regard.