



IPSASB Consultation: ED 87 - Stripping Costs in the Production Phase  
of a Surface Mine (Amendments to IPSAS 12)

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

31 MAY 2024

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Further information about PAAB can be obtained at [www.paab.org.zw](http://www.paab.org.zw)

Any questions arising from this submission should be directed to:

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31 May 2024

**PAAB ZIMBABWE COMMENT LETTER TO THE IPSASB's EXPOSURE DRAFT 87 - Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12)**

Dear Chairman,

We are writing on behalf of the Public Accountants and Auditors Board Zimbabwe to comment on the IPSASB's exposure draft 87- Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12) PAAB is pleased to present its comments on this Exposure Draft.

**General Comment on the Consultation paper**

The PAAB overallly agrees with the IPSASB's proposed amendments to IPSAS 12, *Inventories* to include guidance aligned with IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine.

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  
Secretariat, PAAB

Tanaka Zhangazha  
Technical Standards, PAAB

ANNEX 1

**IPSASB Consultation: ED 87 - Stripping Costs in the Production Phase of a Surface Mine  
(Amendments to IPSAS 12)**

**Specific Matter for Comment 1: The IPSASB decided to propose IFRIC 20-aligned guidance in ED 87 (see paragraph BC9). Do you agree that amendments to IFRIC 20, for the public sector, are limited to terminology and other IPSASB-specific formatting and consistency amendments (see paragraph BC10)?**

The PAAB agrees with the IPSASB proposal as we believe that the amendments should be limited to public sector terminology and other IPSASB-specific formatting and consistency amendments, and we recommend that the IPSASB ensure that all unique public sector considerations not covered in IFRIC 20 are adequately addressed.

**Specific Matter for Comment 2: The IPSASB decided to propose the IFRIC 20-aligned guidance in ED 87 as an amendment to IPSAS 12, Inventories, by including the guidance as an Appendix (see paragraph BC11). Do you agree with the IPSASB's decision?**

**If not, please explain your reasons, stating clearly where the guidance should be included and why.**

The PAAB agrees with the IPSASB's inclusion of IFRIC 20 aligned guidance as an Appendix in IPSAS 12. The PAAB believes including the guidance as an appendix will minimise overcrowding the main body of the standard with guidance and allows for easy understanding and application of the standard, as only a reference to the guidance will be included in IPSAS 12 and guidance under the appendix.