



Exposure Draft 86: Exploration for and Evaluation of Mineral
Resources

**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

Any questions arising from this submission should be directed to:

Admire Ndurunduru
Secretary
Public Accountants and Auditors Board
72 Harare Drive
Mount Pleasant
Harare
Zimbabwe

Tel: + 263 4 301 063, + 263 4 301 096

Mobile: + 263 772 833 555

Email: secretary@paab.org.zw



PAAB

PUBLIC ACCOUNTANTS AND AUDITORS BOARD

72 Harare Drive, Northwood, Mt Pleasant

Harare, Zimbabwe

Tel: +263 242 301 063, +263 8644 106 548

secretary@paab.org.zw

www.paab.org.zw

The Chairman
277 Wellington Street West
Toronto, ON M5V 3H2
Canada
31 May 2024

PAAB ZIMBABWE COMMENT LETTER TO THE IPSASB'S ED86 EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

Dear Chairman,

We are writing on behalf of the Public Accountants and Auditors Board Zimbabwe to comment on the IPSASB's exposure draft ED86 on Exploration for and Evaluation of Mineral Resources. PAAB is pleased to present its comments on this consultation. In coming up with these comments the PAAB consulted various stakeholders from auditors, preparers, academia, and professional accountancy organisations.

General Comment on the Consultation paper

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. In our view there is merit in increasing the consistency in accounting by public sector entities, involved in extractive activities, for their expenditure incurred during the exploration and evaluation phase of a mine given the responsibility that public sector entities have to the public

Response to Specific Matters for Comment

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

Donald Mangenje
Secretariat, PAAB

Nicholas Mudhima
Standards, PAAB

1. The IPSASB decided to propose an IFRS 6-aligned Standard in ED 86 (see paragraphs BC2–BC7). Do you agree that amendments to IFRS 6, for the public sector, are limited to terminology and other IPSASB- specific formatting and consistency amendments (see paragraph BC8)?

If not, please explain your reasons, stating clearly what further amendments are necessary and why.

We agree

The amendments are basically limited to terminology and other IPSASB- specific formatting and consistency. We agree with the approach as we have not identified any public sector specific reason for amending the substance of the guidance contained in IFRS 6. We found the departure from IFRS 6 in respect of terminology and other IPSASB-specific formatting to be necessary for consistency with other IPSASs. Since there does not exist a public sector specific standard on exploration and evaluation of mineral resources, adoption of principles and standards similar to the extant standard (IFRS 6) as a benchmark is justified and to the maximum extent possible all principles contained in IFRS 6 should be adopted as part of ED86.