Ouagadougou, June 3, 2024

Ross Smith
Program & Technical Director
International Public Sector Accounting Standards Board
227 Wellington Street
West Toronto, ON M5V 3H2
Canada

Our ref.: IPSAS/ED/2024/ED86/01
Subject: ED 87 – Stripping Cost in the Production Phase of a Surface Mine (Amendments to IPSAS 12)

Dear Ross:

We appreciate the opportunity to comment on **International Public Sector Accounting Standards Board (IPSASB)** Exposure Draft on Exploration and Evaluation for Mineral Resources (the "Exposure Draft").

We have read the draft with interest and have greatly appreciated that any stakeholder is given chance to express his view.

This letter and the bellow appendix represent the views of, the ETY on the subjected matter.

If you have any questions regarding its content, please do not hesitate to contact us at y.traore@ety-global.com or ety@ety-global.com.

Sincerely yours

ETY sas

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Appendix Responses to questions included in the Exposure Draft (ED)

Preface

ETY is a small and Medium Practice (SMP) member of ONECCA-BF and IFAC full member Professional Accountancy Organization (PAO). ETY serves the private and public sector and own proven huge experience in the mining industry.

Presented below is ETY's response to the Specific Matter for Comment raised in the Exposure Draft (ED) 87, *Stripping Cost in the Production Phase of a Surface Mine (Amendments to IPSAS 12)*, developed by the International Public Sector Accounting Standards Board (IPSASB). The responses detailed below have been prepared in consultation with our teams and Partners.

Specific Matter for Comment 1:

The IPSASB decided to propose an IFRIC 20-aligned guidance in ED 87 (see paragraphs 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)?

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

Response

ETY agrees that, as outlined in BC10, the amendments to IFRIC 20, for the public sector, should be limited to terminology and IPSASB-specific formatting for the sake of consistency and clarity for the following reasons :

- even operating under funding and/or joint arrangements (operations or joint venture), different regulatory or environmental obligations, we do not find any specific aspect for public sector in stripping activities to be taken into account;

- Furthermore we support the Board IPSAS – IFRS alignment policy and do not encourage any departure from IFRIC 20 principles based on other considerations unless public sector specifics.

Specific Matter for Comment 2:

The IPSASB decided to propose an IFRIC 20-aligned guidance in ED 87 as an amendment to IPSAS 12, Inventories, by including the guidance as an Appendix (see paragraphs BC10). Do you agree with the IPSASB's decision?

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

Response

The decision to include IFRIC 20-aligned guidance as an Appendix to IPSAS 12 is sensible. ETY agrees the guidance being an appendix to an IPSAS because educational and application material for IPSAS are awaited in many jurisdictions which tend to use even other sources when IPSASB guidance materials do not exist. However, we do believe that BC11 rationale to include the IFRIC 20-aligned guidance as an appendix to IPSAS 12 is questionable and insufficient. If the stripping costs ultimately end in the cost of mineral inventory produced by a surface mine, it is also the case for other intangible or tangible assets used for that purposes, but recognized as such.
So, we strongly recommend more clarification in BC11 on why the guidance should be added to IPSAS 12 instead of IPSAS 31 for example. The significance of the relationship between stripping activities and the cost of the inventory produced can be such a starting point.

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