

Toronto, February 8, 2018

The Monitoring Group
C/O International Organization of Securities Commissions
Calle Oquendo 12
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By e-mail: MG2017consultation@iosco.org

Re: Monitoring Group Consultation Paper “*Strengthening The Governance and Oversight of the International Audit-Related Standard-Setting Boards in The Public Interest*”

Thank you for the opportunity to comment on this Paper. Efforts to better serve the public interest are commendable, especially if they will measurably improve the time to market of independent standard setting without adding further bureaucracy and cost to the related due process.

The Public Sector Accounting Board (PSAB) is one of Canada’s independent standard-setting boards. PSAB serves the public interest by establishing high-quality accounting and financial reporting standards and other guidance for public sector entities in Canada.

The Monitoring Group’s (MG) proposals in the Paper do not directly address international public sector financial reporting standards. Thus, I do not provide input on the specific questions asked by the MG. I refer you to, and am supportive of the responses prepared by CPA Canada, the Canadian Auditing and Assurance Board (AASB) and its oversight body, the Auditing and Assurance Oversight Council (AASOC) on those detailed proposals and questions.

However, as Chair of PSAB, it is critical for me to express concern about the possible downstream effects of the MG proposals to restructure the funding for IFAC’s Audit-Related Standard-Setting Boards on the sustainability of funding for the International Public Sector Accounting Standards Board (the IPSASB) – one of the independent standard-setting boards under the auspices of IFAC.

Canada has a long history of involvement with the IPSASB and its predecessor Public Sector Committee. CPA Canada and the Government of Canada provide both financial and in-kind support to the IPSASB for the last 12 years. This year, PSAB is embarking on a two-year consultation with its stakeholders about options for PSAB’s future international strategy. Many of those options involve a degree of convergence with the International Public Sector Accounting Standards (IPSAS). Uncertainty about the sustainability of the future funding for the IPSASB arising as a consequence of the MG proposals will necessarily be identified as a risk in some of the international strategy options being considered by PSAB and its stakeholders over the next couple of years. This issue has already been raised as a concern by two major Canadian stakeholder groups in public fora and more is expected as we proceed with our national consultation effort. This issue is real and immediate for PSAB.

I urge the MG to keep in mind the potential unintended impact of its proposals on the other activities of IFAC and especially the IPSASB as it moves forward in this initiative.

Sincerely,

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