

Shaping Our Future Together

2022-2027 Strategic Plan

(Effective April 1, 2022)





PSAB is an independent body created to serve the public interest by developing accounting standards for the Canadian public sector. We also provide reporting guidance for financial and other performance information.

For further details on PSAB, including a description of our interested and affected parties and members, please visit our [website](#).



The Accounting Standards Oversight Council (AcSOC) oversees PSAB's activities, assesses and reports on our performance to the public, and ensures we follow our rigorous [due process](#). AcSOC also appoints our members and provides input on our strategies and priorities.

For further details on AcSOC, please visit its [website](#).

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Chair Message

Amid all the changes taking place around us, we are grateful for the insights and input we have received from you, our interested and affected parties. Your thoughtful comments and feedback on PSAB's Draft 2022-2027 Strategic Plan via letters, personal interviews, roundtables, and our online platforms were encouraging and helped the Board to finalize this document.



The pace of change is rapid and comes with significant implications. But one of the many lessons that the pandemic has taught us is the importance of staying agile and working together to adapt. PSAB's 2022-2027 Strategic Plan reflects our commitment to collaboratively meeting the changing demands of the present, while focusing on the future.

We are committed to continuing to serve the Canadian public interest by engaging in timely conversations with our interested and affected parties, and strengthening relationships internationally to ensure our country's perspective is heard. We have outlined opportunities to build speed, adaptability, and efficiency into the standard-setting process, and to leverage and adapt international standards for Canada when appropriate. In emerging areas, we will continue to work with you to explore what new accounting standards are needed and ensure relevant guidance is developed.

In 2021, the [Independent Review Committee on Standard Setting in Canada](#) launched a review of the governance and structure for establishing Canadian accounting, auditing, and assurance standards, and to identify what might be needed for the future. This included calling for the creation of a Canadian sustainability standards board to adapt the baseline standards, developed by the International Sustainability Standards Board, for use in Canada. Our strategy should position us well to respond to future recommendations from this body.

As we all know, change is the only certainty. PSAB stands ready to work with and for you. To reflect this pace of change, we will continue to evaluate throughout the term whether our strategy remains effective and relevant. Any required changes will be subject to the Board's [due process](#), and will be shared for public consultation and input.

On behalf of PSAB, I am excited to work together on bringing our five-year strategy to life. I know we will continue to emerge stronger together and I look forward to the times ahead.

A handwritten signature in black ink, appearing to read "Clyde MacLellan". The signature is fluid and cursive.

Clyde MacLellan, FCPA, FCA
PSAB Chair
April 2022

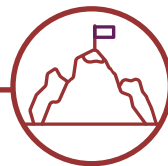


Our Mission



To serve the public interest by developing accounting standards and other related reporting guidance for the Canadian public sector that support accountability, transparency, informed decision making, and stewardship.

Our Vision



To be an internationally respected standard setter that helps Canadian public sector entities report relevant and high-quality information to the public.

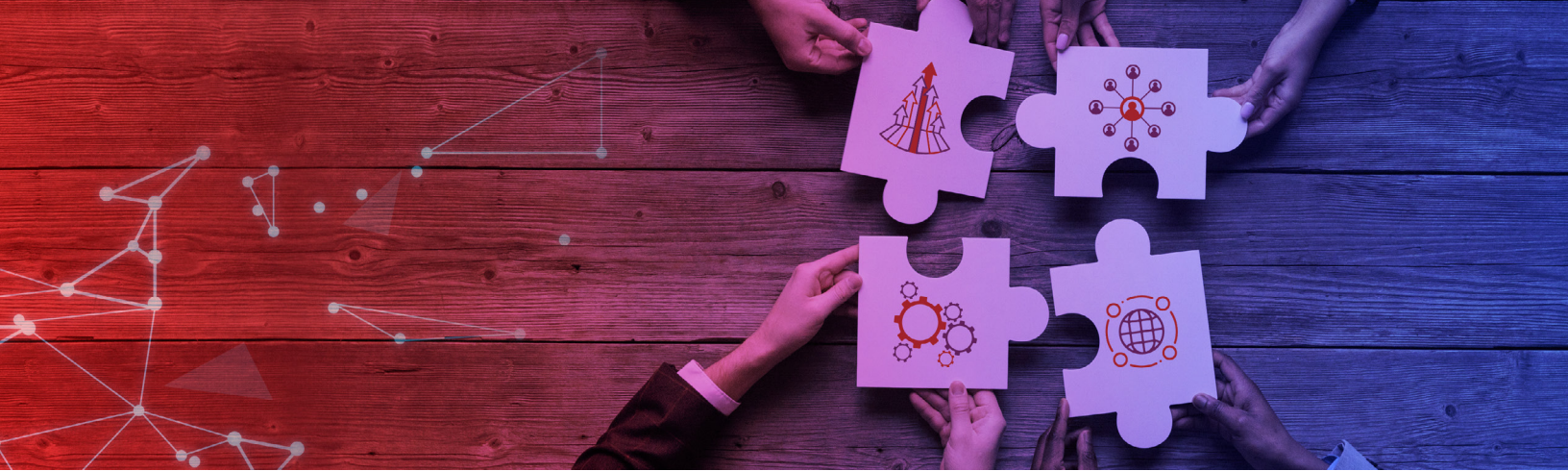
Serving the public interest

As outlined in our mission, we operate to serve the public interest. This means that we:

- act in the public interest; and
- ensure that our standards are issued in the public interest.

Acting in the public interest requires us to follow our [due process](#), which reflects independence, objectivity, fairness, and accountability. This also means that we consider the costs and benefits of our standards.

Ensuring that our standards are issued in the public interest is another essential component. This requires that our standards facilitate reporting information to help make assessments and judgments about a public sector entity's financial operations and management.

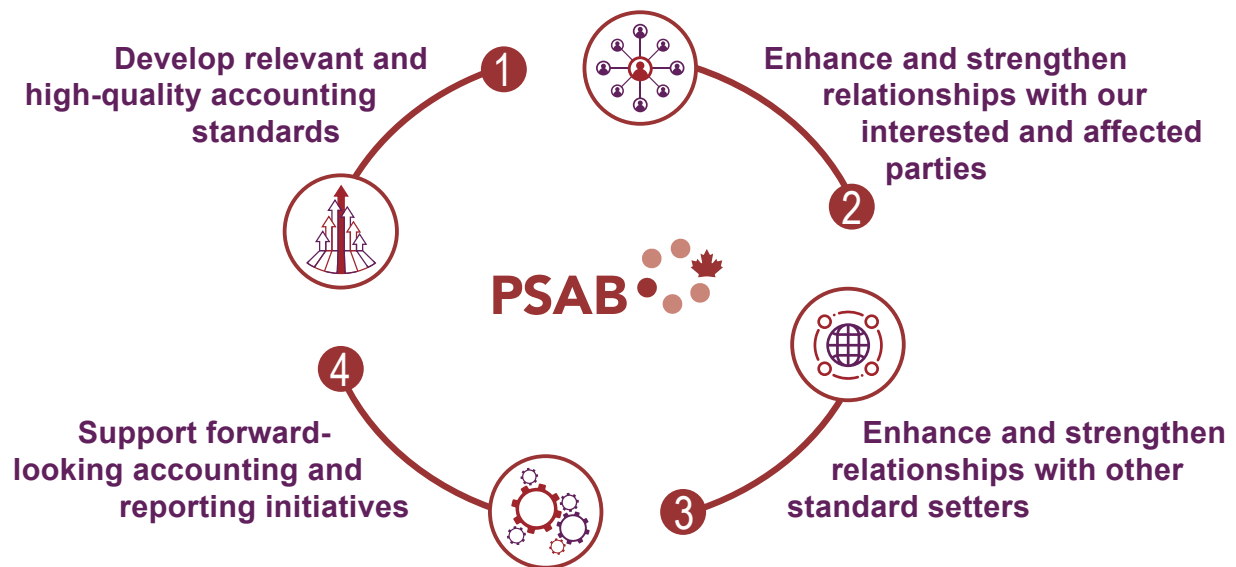


Strategies

We have developed four strategies that will be our key areas of focus over the next five years. These strategies were developed by considering the significant factors impacting our interested and affected parties and the broader reporting environment.

These strategies are integral to achieving our mission and vision. They focus on improving how we develop our standards, building our relationships, and enhancing the relevance of information reported by public sector entities.

Implementation plans to execute these strategies will be described in our annual plans.





1

Strategy 1 – Develop relevant and high-quality accounting standards

Developing accounting standards for the Canadian public sector in line with our [due process](#) remains our primary role. We will continue to serve the public interest by balancing the following considerations in the development of our standards:

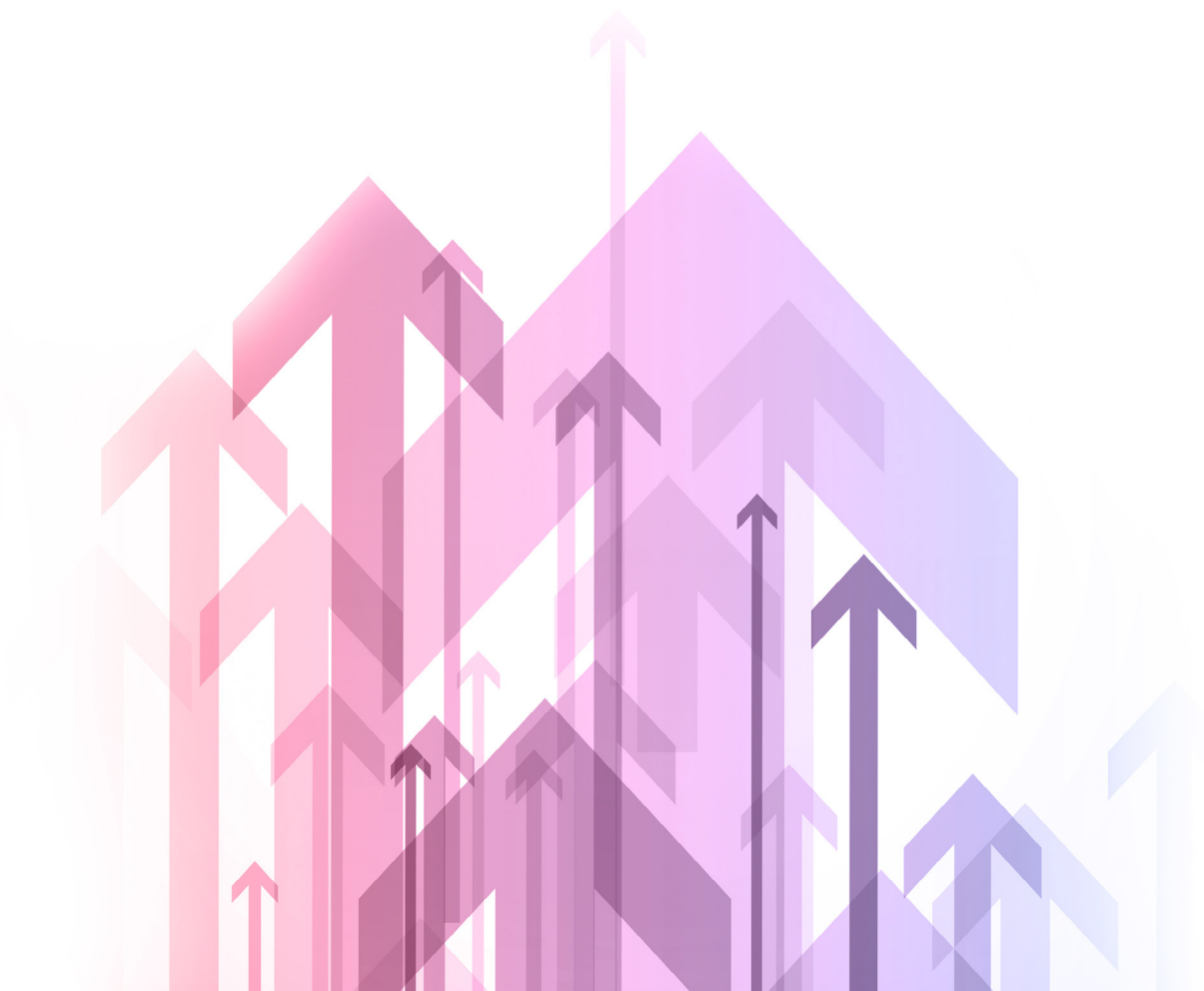
- Delivering relevant standards in a timely and responsive manner to support a well-functioning Canadian public sector and a strong Canadian economy.
- Establishing high-quality standards that promote confidence in the information reported by Canadian public sector entities.
- Being accountable to our interested and affected parties by proactively obtaining their feedback and facilitating this input into the development of our standards.
- Considering the costs and benefits to preparers and users of financial statements.

We understand that operating in our current environment means bringing more agility and responsiveness to the standard-setting process. We will strive to remain responsive by considering important topics, such as those related to sustainability, in the development of our standards. We will also continue to refine our processes to develop our standards more effectively and efficiently. This refinement includes implementing the following changes:

- Employing varied standards-development approaches to promote flexibility and adaptability (e.g., PSAB subcommittees or groups of experts).
- Delivering timelier and more expedient guidance by:
 - setting our standards in smaller, more incremental phases when feasible;
 - developing narrow-scope amendments or issuing non-authoritative guidance where appropriate; and
 - using more effective project-planning and management tools.

In April 2021, we approved our [International Strategy](#) and will continue to implement this approach to standard setting. This strategy will help us remain nimble as we streamline work efforts and leverage international best practices for the Canadian public sector.

Finally, we will progress on our major technical accounting projects. We expect to finalize the [Conceptual Framework and Reporting Model](#) and the [Employee Benefits](#) projects during the strategic planning period. These significant milestones will provide a platform to refine the development of our standards in tandem with the changes outlined above.





2

Strategy 2 – Enhance and strengthen relationships with our interested and affected parties

We will continue to enhance and strengthen the important relationships we have with our interested and affected parties. These relationships are central to the relevance and quality of the work that we produce.

To do this, we will effectively engage and communicate with our interested and affected parties during the strategic planning period by:

- engaging proactively in outreach before, during, and after the standard-setting process (e.g., by issuing a survey to inform our future areas of focus or through dialogue at the [Public Sector Accounting Discussion Group](#));
- establishing more diverse and inclusive expert panels, focus groups, and advisory committees to solicit expertise and input from our interested and affected parties;
- ensuring that feedback from a wide range of interested and affected parties is obtained, including from financial statement users;
- maximizing understandable, plain-language content to share PSAB decisions and updates;
- remaining cognizant of our interested and affected parties' ability to respond to documents for comment and implement accounting changes;
- enhancing our bilingual capabilities to communicate more effectively in English and French; and
- using technology to collaborate quickly and more efficiently (e.g., through online engagement activities or virtual roundtables).

We will also continue to explore ways to make the standard-setting process more transparent and understandable for our interested and affected parties. This includes clearly explaining the rationale behind our standard-setting activities and why our decisions are in the public interest.

In addition, we recognize it will be important to engage with our interested and affected parties on post-implementation issues to ensure our standards are clearly applied and meet users' needs. Along these lines, we will consider how we can further support our interested and affected parties as new public sector accounting standards are implemented.

Two additional areas of focus are Indigenous governments and customized reporting.

Indigenous governments

We are committed to enhancing our relationship with Indigenous governments as these interested and affected parties are currently underrepresented within our standard-setting process. This will be achieved by:

- establishing more robust channels of communication and building stronger ties with these communities;
- collaborating with Indigenous governments and institutions to better understand their unique needs and challenges; and
- considering the development of specific working groups or advisory committees.

Customized reporting

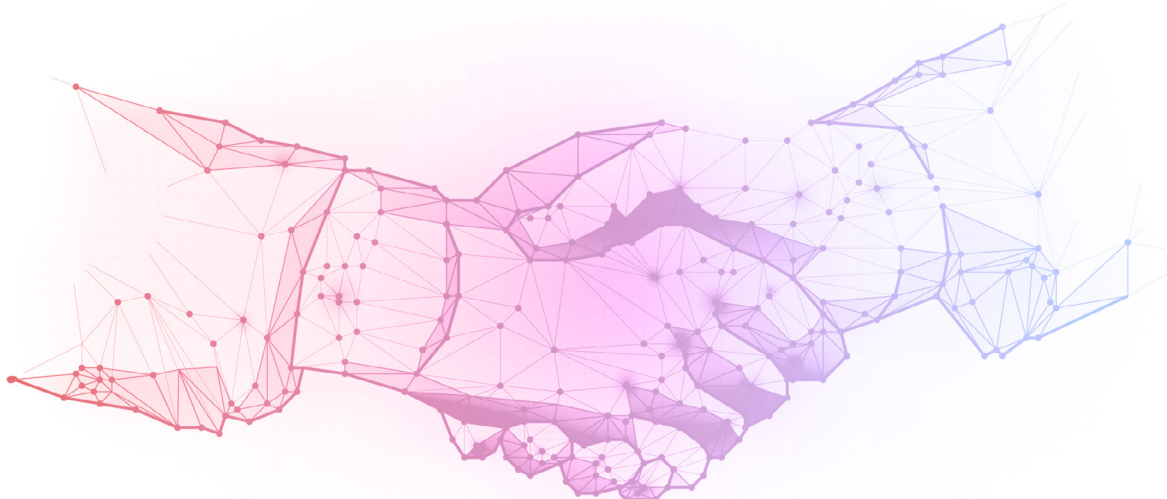
We will continue to explore whether customized reporting would be beneficial for different types of public sector entities. This reporting approach could help us meet the diverse reporting needs of our interested and affected parties.

Customized reporting may include:

- developing varied financial reporting or presentation requirements for different types of public sector entities; or
- providing accounting guidance for transactions that primarily impact a specific type of public sector entity.

Potential customizations will be considered only in specific cases where substantive and distinct accountabilities for different public sector entities are noted. Any proposed changes will continue to be subject to PSAB's robust [due process](#).

For example, we will consider customized reporting going forward as we implement our [Government-Not-for-Profit Strategy](#).





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Strategy 3 – Enhance and strengthen relationships with other standard setters

In line with our [International Strategy](#), we will continue to develop our international reputation and enhance our relationship with the International Public Sector Accounting Standards Board (IPSASB). This will ensure that we can collaborate on and influence the development of International Public Sector Accounting Standards (IPSAS). These interactions increase the likelihood that IPSAS principles are found to serve the Canadian public interest once we decide to undertake a similar standard-setting project.

We will focus our engagement with the IPSASB on those areas that are most relevant to the Canadian public sector. These activities will include:

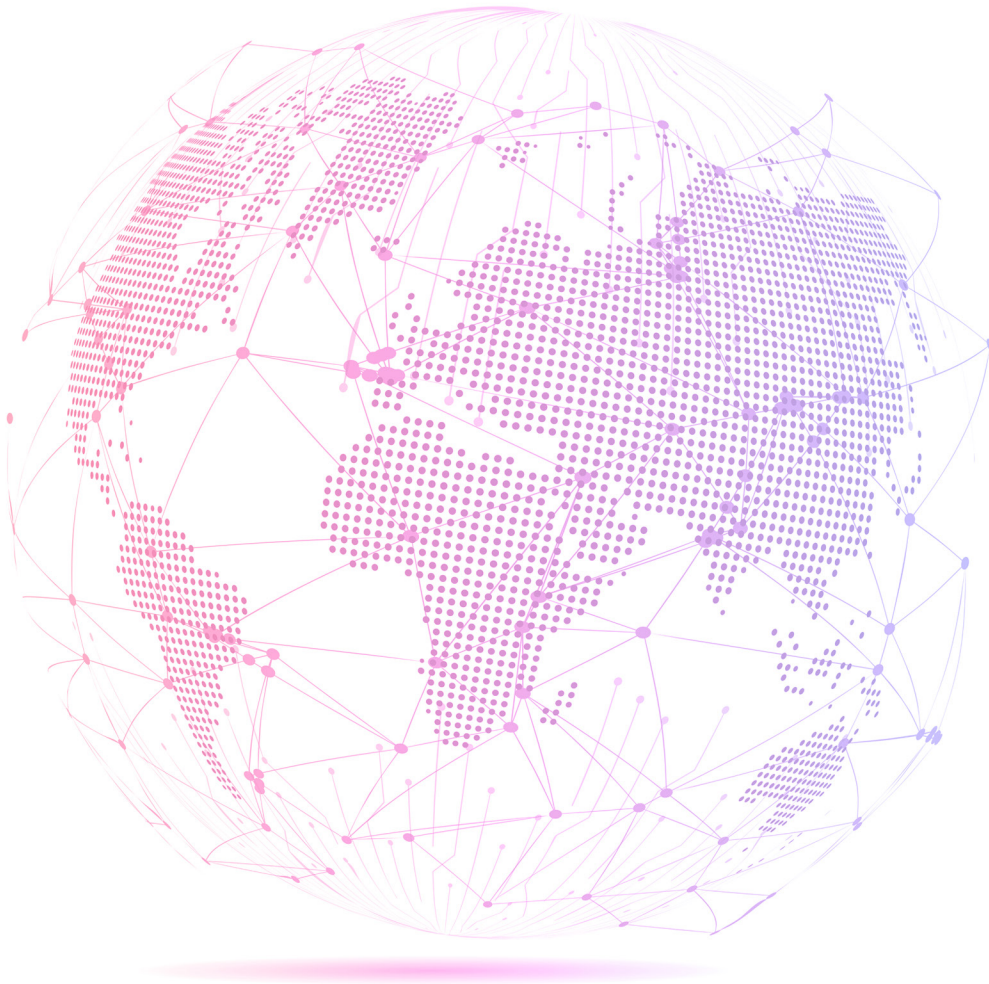
- reviewing IPSASB meeting materials and providing briefing notes to Canadian representatives on the IPSASB;
- supporting more extensive communications between PSAB and IPSASB staff;
- submitting PSAB responses to IPSASB documents for comment, including consulting Canadian interested and affected parties;
- enhancing our involvement, where possible, with IPSASB task forces and discussion groups;
- encouraging Canadians to respond to IPSASB documents for comment (e.g., by engaging and educating our interested and affected parties on IPSAS);
- working together with the IPSASB on areas of joint interest for the public sector, including relevant sustainability-related initiatives; and
- striving to add value to the IPSASB in areas where Canada has expertise.

It is also important we maintain strong relationships with other international and domestic standard setters. Among others, these standard setters include the International Accounting Standards Board, the Governmental Accounting Standards Board, the Accounting Standards Board, the Auditing and Assurance Standards Board, and the International Sustainability Standards Board.

Collaboration with these Boards is vital to ensure we remain influential and connected on an international scale. These relationships will also help us to serve our interested and affected parties more effectively in Canada.

We will continue to work together with these Boards by:

- staying up to date on their standard-setting activities;
- cooperating on responses to relevant documents for comment;
- sharing and leveraging best practices in standard setting;
- reviewing and sharing technical expertise, insights, and research;
- encouraging more extensive communications between staff and Board members; and
- working together, where applicable, to explore which frameworks certain public sector entities should apply.





4

Strategy 4 – Support forward-looking accounting and reporting initiatives

We must remain actively engaged in emerging accounting and reporting initiatives to ensure our standards and guidance remain relevant. These initiatives will help to enhance the relevance and quality of information reported by Canadian public sector entities.

We recognize that sustainability reporting is one of the more significant and important forward-looking initiatives. Accordingly, we will support and encourage sustainability reporting by:

- ensuring that sustainability themes, such as climate, are considered as part of our existing and future standard-setting projects;
- monitoring and encouraging voluntary sustainability disclosure efforts in the Canadian public sector;
- continuing active engagement with our interested and affected parties on sustainability-related issues through the [Public Sector Accounting Discussion Group](#); and
- supporting industry initiatives to provide training, education, and guidance on sustainability reporting.

Collaborating with other standard setters on sustainability reporting initiatives is also essential. We will work together with international and Canadian standard-setting boards to provide our perspective in the development of their sustainability reporting standards. We may look to develop supplementary guidance if the standards developed by these boards do not meet the needs of Canadian public sector entities. It is possible that this approach will continue to adapt and evolve as further developments are made in this area.

Finally, we will continue to stay engaged in other forward-looking areas of financial reporting to ensure relevant standards and guidance are being developed. To help inform our future areas of focus, we will consult with our interested and affected parties to determine the projects of priority. These projects could include the accounting for intangible assets, including those related to advancements in technology, or other initiatives to increase understandability in financial reporting. Together, these actions will help us to shape the future of standard setting in Canada.



Risk and Accountability

Our risk-management process requires us to regularly assess our risks. This includes identifying and evaluating our risks, as well as reviewing the controls we have in place to mitigate these risks.

To ensure we achieve our public interest mandate, we continue to manage our risks in the following areas:

- Strength of our reputation and acceptance of our standards.
- Effectiveness of our consultation and communication with interested and affected parties.
- Effectiveness of PSAB members, staff, and volunteers.
- Timeliness in addressing significant issues or gaps with existing standards.
- Effectiveness of our strategic decisions.

We are also accountable to our interested and affected parties and AcSOC for achieving our strategies and fulfilling our mission and vision. We develop annual plans that establish the timing of activities and the resource requirements to meet these objectives. We report annually to AcSOC on our performance.

Going forward, we will measure the achievement of our strategies by:

- setting out the specific activities and performance measures to support the achievement of our strategies in our annual plans;
- using annual reports to inform the public of our performance on these specific activities and measures; and
- completing regular performance assessments to evaluate the progress toward achieving our strategies and objectives.

2021-2022 PSAB Members



Clyde MacLellan
CHAIR



Scott Munro
VICE-CHAIR



Joyce Bateman



Martin Boucher



Jean-Pierre Fiset



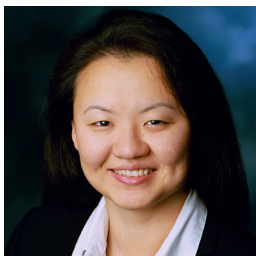
Michèle Galipeau



Geoffrey Gatien



Roch Huppé



C.J. James



Tim Schuurman



Heather Taylor



Jennifer Teoh

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