

Is the public sector sustainable?

What's next for sustainability reporting in accounting







Introduction

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Strategy and Work Program 2024-2028

Strengthening Public Financial Management and sustainable development globally through increasing adoption and implementation of accrual IPSAS and International Public Sector Sustainability Reporting Standards.

DELIVERING GLOBAL STANDARDS

- Addressing Constituents' Needs
- Collaborating Internationally
- Clarifying Principles

Public Sector Financial Reporting Public Sector Sustainability Reporting

STRENGTHENING PFM & SUSTAINABLE DEVELOPMENT

Promoting
Adoption &
Implementation

Advocating
Benefits of
Financial &
Sustainability
Reporting
Information

INSPIRING ADOPTION AND IMPLEMENTATION

- Raising Awareness
- Building Alliances
- Supporting Jurisdictional, Regional & International Initiatives





STRATEGY

AND WORK

PROGRAM

2024-2028

IPSASB SRS ED 1 - Overview

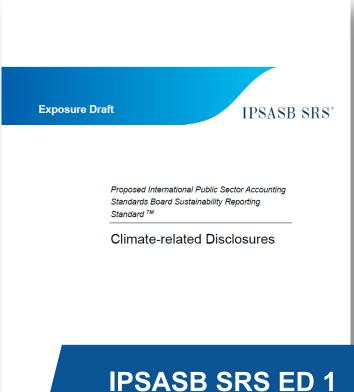








ISSB



Climate-related Disclosures
Exposure Draft

IPSASB SRS ED 1 - Overview





Thematic Categories from Responses



Cross-Cutting Theme



Single or Separate Standards

Issues of Principle



Structure of Standard



Materiality



Timing of Reporting



Separate General Requirements



Transition Timeline



Own Operations

Alignment with GHG Protocol, Scope 3 GHG Emissions

Public Policy Programs

Scope and approach to public policy programs, public sector-specific definitions, strategy, metrics and targets

Implementation Issues



Issue discussed by the IPSASB





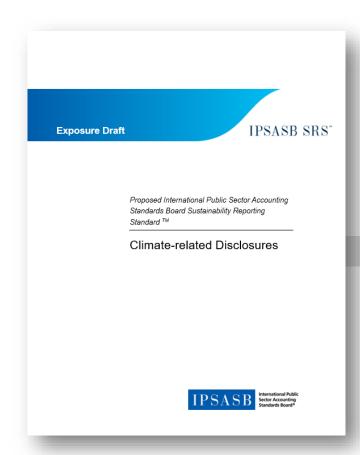
Key decisions

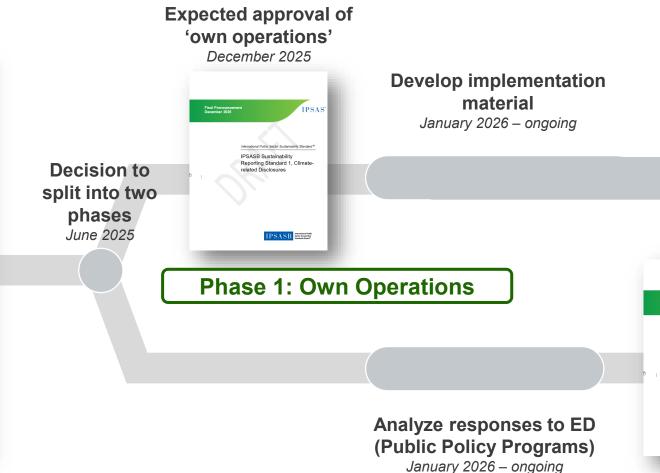
Different reporting perspectives in a single standard would not meet the needs of the public sector – the project will be split into two phases:

- Phase 1, Own Operations
- Phase 2, Public Policy **Programs**

Climate-related Disclosures Project: Next Steps







Phase 2: Public Policy Programs

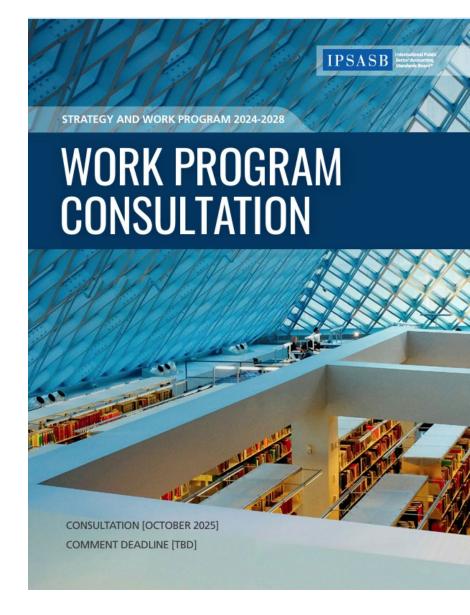
Approval of 'Public Policy Programs'

Reporting Standard 1, Climaterelated Disclosures

To be determined

Future Work Program

- Consultation will consider project priorities related to the following:
 - Financial Reporting Topics (alignment and public sector specific)
 - Sustainability Reporting Topics
 - Post Implementation Reviews (IPSAS Standards)
- Feedback from the Consultation will inform IPSASB decisions on projects in 2026 and beyond





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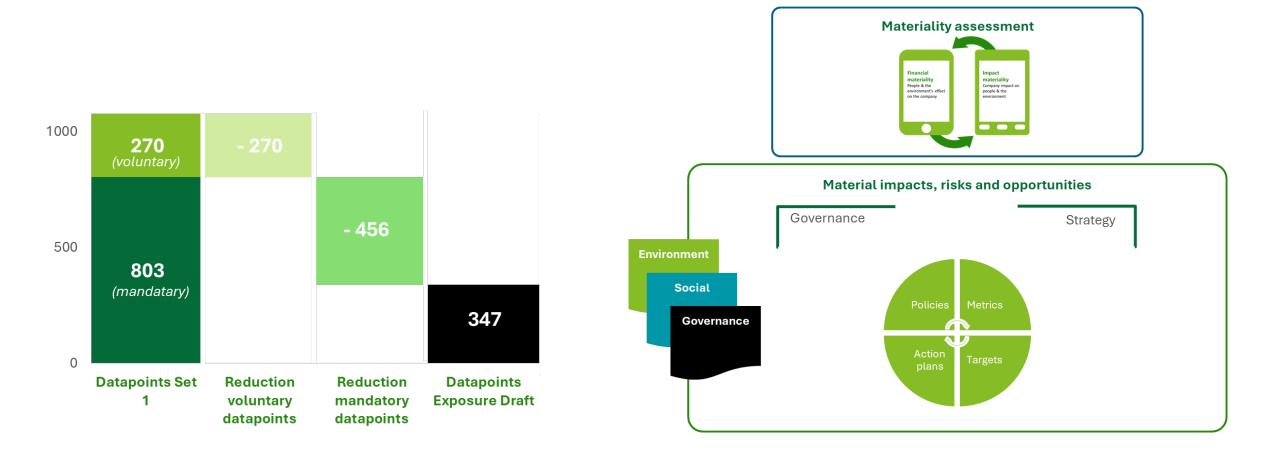


From voluntary to mandatory reporting Lessons from the private sector

European Sustainability Reporting Standards

The simplification and the essence

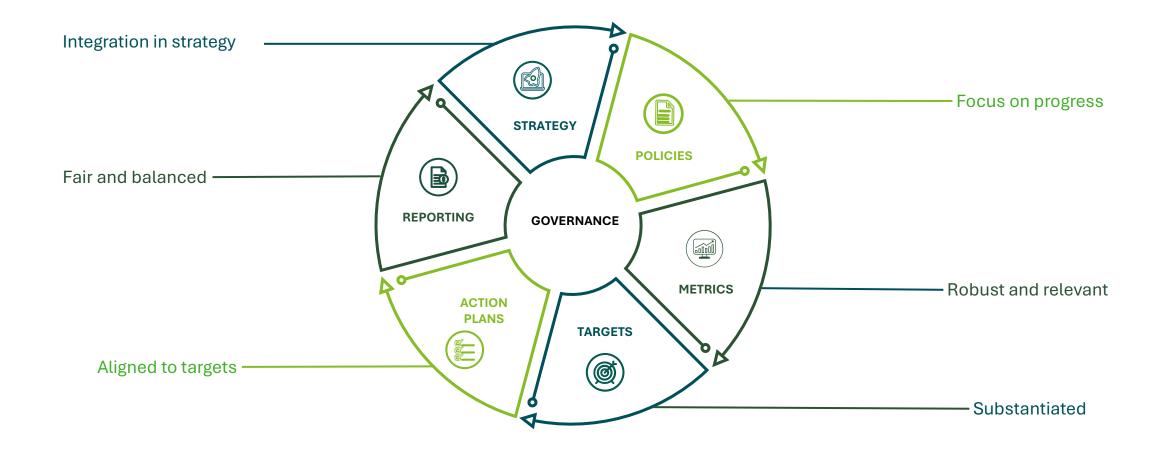
First round of CSRD reporting resulted in too much compliance now brought back to the essence of ESG reporting in the EU



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Implications for management

Further focus – and the value of auditors



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Advancing Public Sector Sustainability Reporting Insights from Past Reforms

Martin Dees, Maarten de Jong, Delphine Moretti and Giorgia Ponti

Is the public sector sustainable? What's next for sustainability reporting in accounting

Accountancy Europe

Webinar, 8 October 2025 (14:30 - 16:00)





What is sustainability reporting: from principles to standards





Corporate social responsibility (CSR)

Responsible business conduct (RBC)



EU's Corporate Sustainability Reporting Directive (CSRD)

UK's Streamlined Energy and Carbon Reporting (SECR)



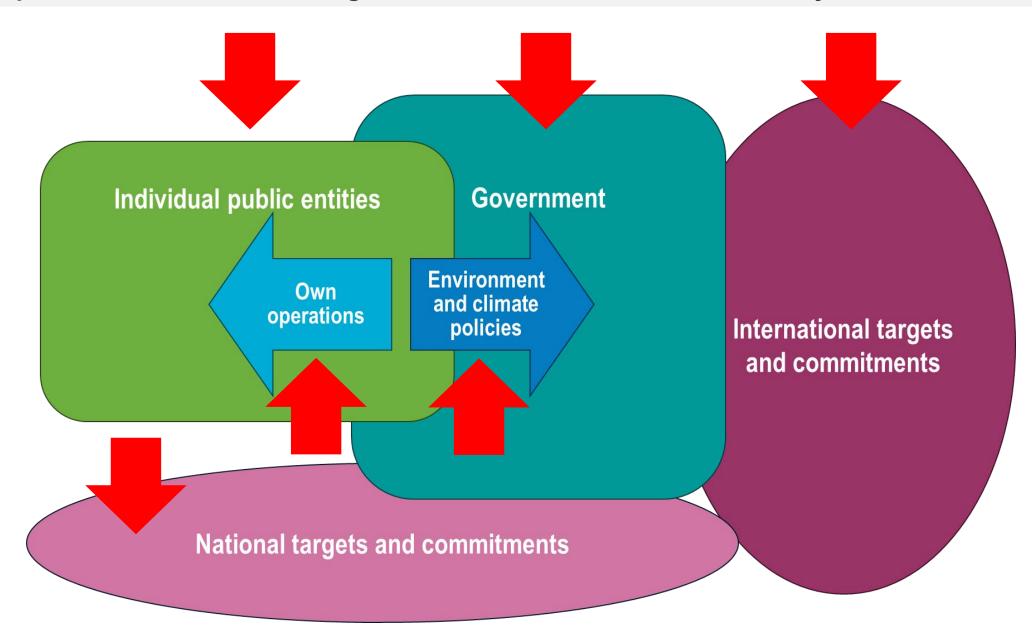
Task Force on Climate-related Financial Disclosures (TCFD)

Global Reporting Initiative (GRI)

International Sustainability Standards Board (ISSB)



The public sector's multi-level governance structure on sustainability





Current landscape of public sector sustainability reporting initiatives

Green
Budgeting:
Tracking
climaterelated
expenditures

SDG
Budgeting:
Connecting
budget to
sustainable
development
goals

Climaterelated fiscal risk management Long-term fiscal sustainability assessments taking into accounts impacts of climate change

Reporting under legally binding international treaties (e.g., Paris Agreement)

TCFD reporting

Performance-based budgeting

Fiscal risks and sustainability management

Key Challenges in advancing public sector sustainability reporting

Risk of parallel and overlapping reporting streams

Inconsistent definitions and overlapping frameworks

Difficulty defining materiality for diverse public stakeholders

Balancing comprehensiveness with accessibility

Administrative burden and capacity constraints



Key Challenges in Advancing Public Sector Sustainability Reporting

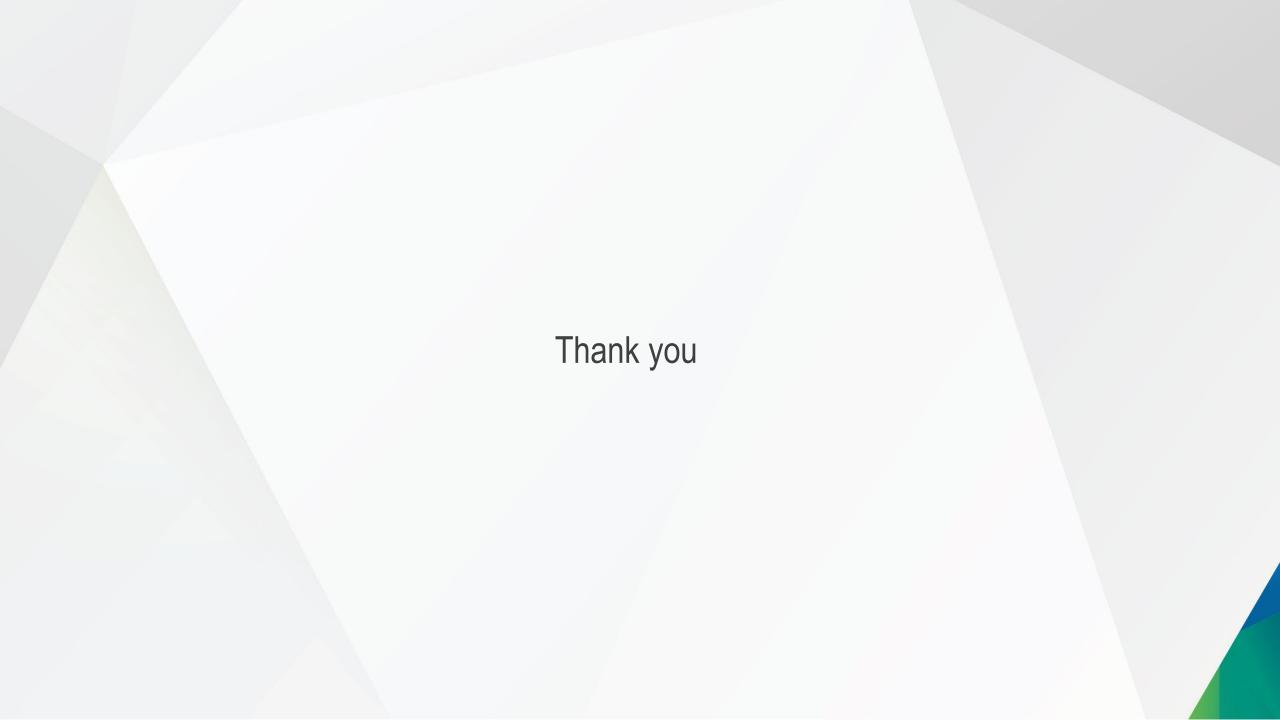




Way Forward: A Rationalised Approach for Public Sector Sustainability Reporting?



Source: Authors, partly inspired by GAO's practices for building and using evidence.







Panel discussion

Moderator: Peter Welch, Accountancy Europe & European Court of Auditors

- Katharina Bryan, Resilience²
- Maarten de Jong, Erasmus University Rotterdam
- Bernhard Schatz, PwC
- Paul Winrow, Forvis Mazars

THANK YOU!



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