ACCOUNTANCY EUROPE.

Is the public sector sustainable?

What's next for sustainability reporting in accounting

Webinar | 8 October 2025, 14:30 – 16:00 CEST

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Introduction

Nael Braham, Accountancy Europe

IPSASB International Public Sector Accounting Standards Board®

UPDATE ON PUBLIC SECTOR REPORTING

October 8, 2025

Accountancy Europe

Strategy and Work Program 2024-2028

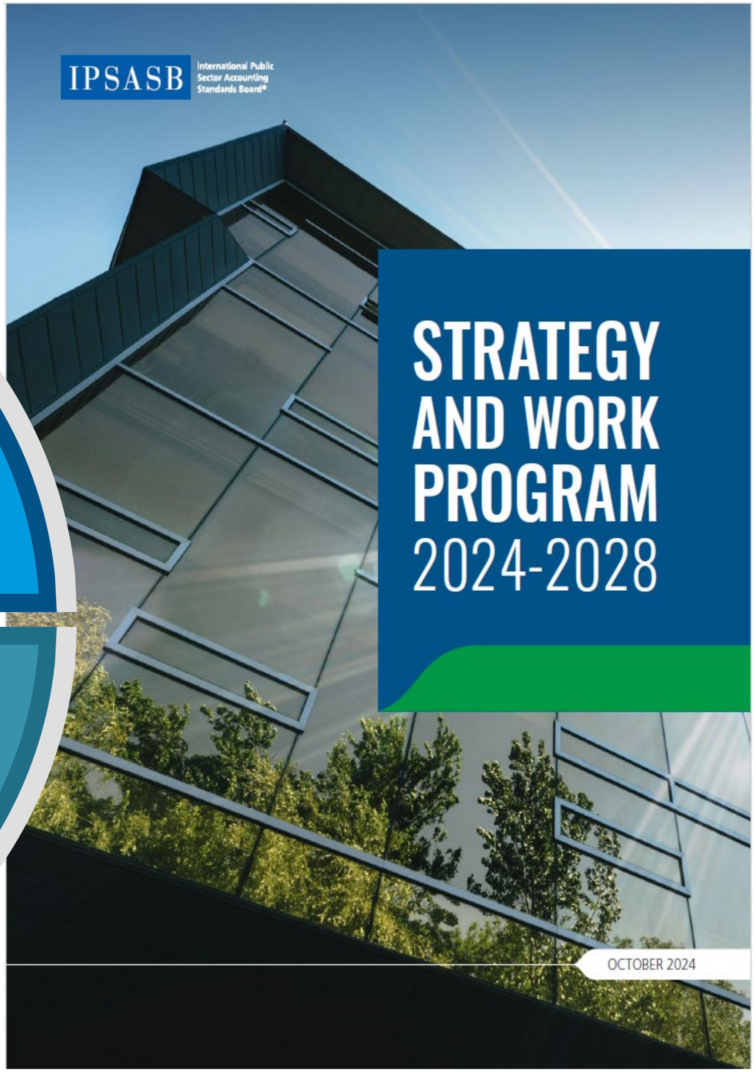
Strengthening Public Financial Management and sustainable development globally through increasing adoption and implementation of accrual IPSAS and International Public Sector Sustainability Reporting Standards.

DELIVERING GLOBAL STANDARDS

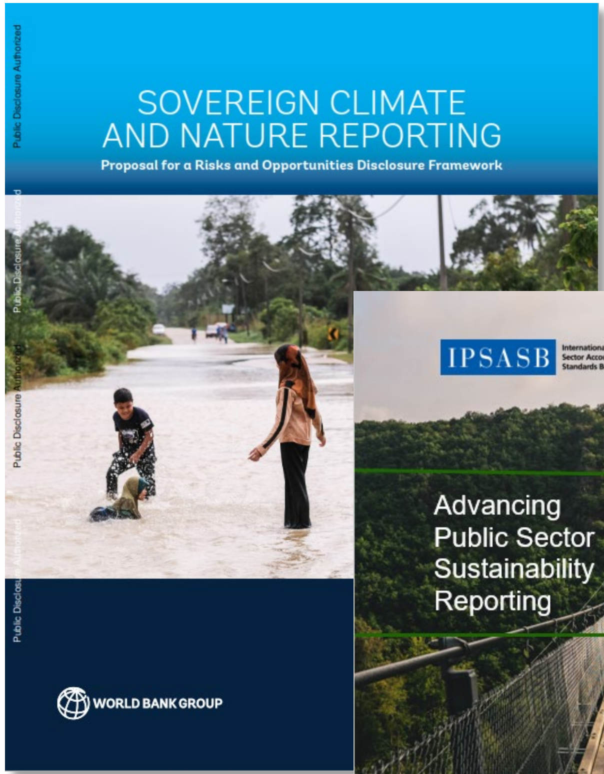
- Addressing Constituents' Needs
- Collaborating Internationally
- Clarifying Principles

INSPIRING ADOPTION AND IMPLEMENTATION

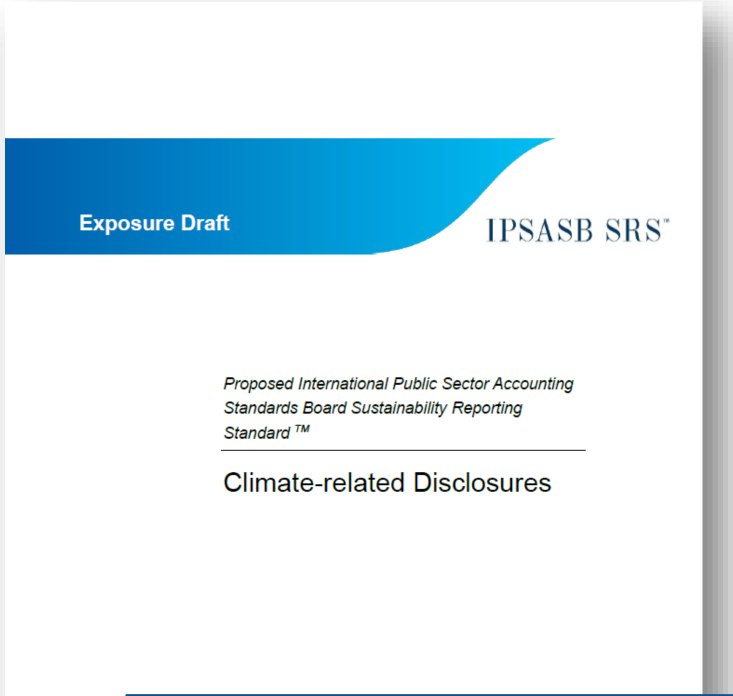
- Raising Awareness
- Building Alliances
- Supporting Jurisdictional, Regional & International Initiatives



IPSASB SRS ED 1 - Overview



IFRS® ISSB + GRI



IPSASB SRS ED 1
Climate-related Disclosures
Exposure Draft

IPSASB SRS ED 1 - Overview

The latest international agreements on climate change

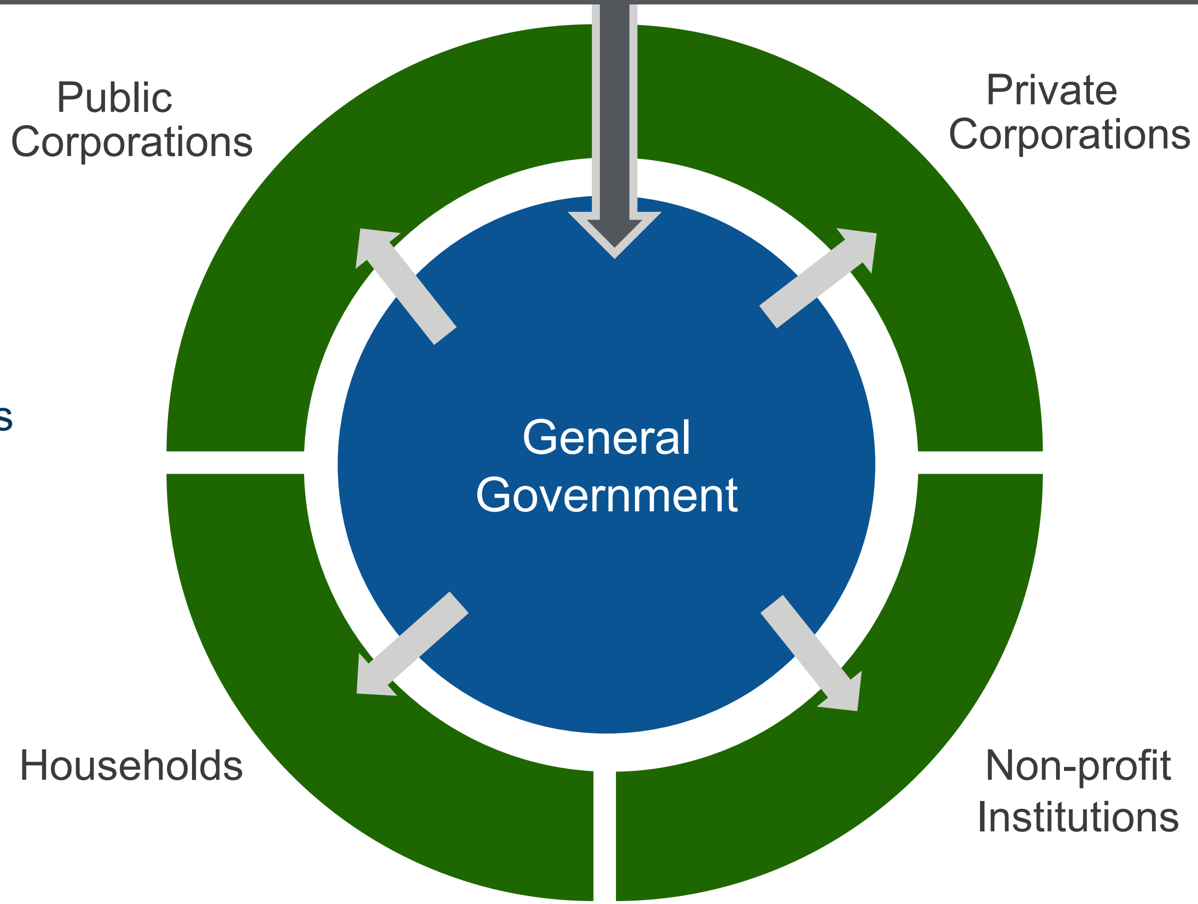
UN SDGs

Paris Agreement

Own Operations

Disclosures about an entity's day-to-day activities

Aligned with IFRS S2



Public Policy Programs

Disclosures about an entity's climate-related public policy programs and their outcomes

Public sector-specific guidance

Thematic Categories from Responses

Cross-Cutting Theme

- [x] Single or Separate Standards

Issues of Principle

- [x] Structure of Standard
- [x] Materiality
- [x] Timing of Reporting
- [x] Separate General Requirements
- [x] Transition Timeline

Own Operations ✓	Public Policy Programs
Alignment with GHG Protocol, Scope 3 GHG Emissions	Scope and approach to public policy programs, public sector-specific definitions, strategy, metrics and targets

Implementation Issues

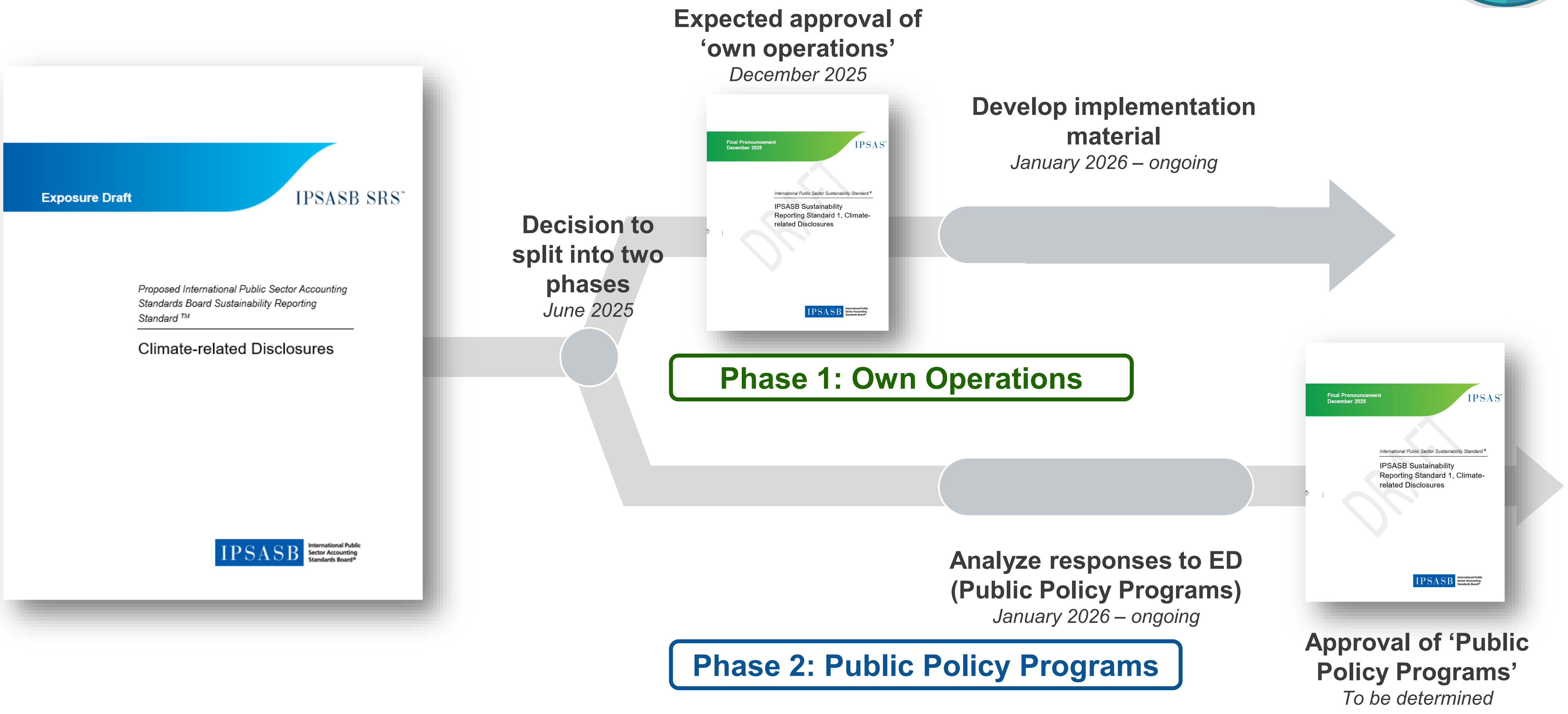
✓ *Issue discussed by the IPSASB*

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:

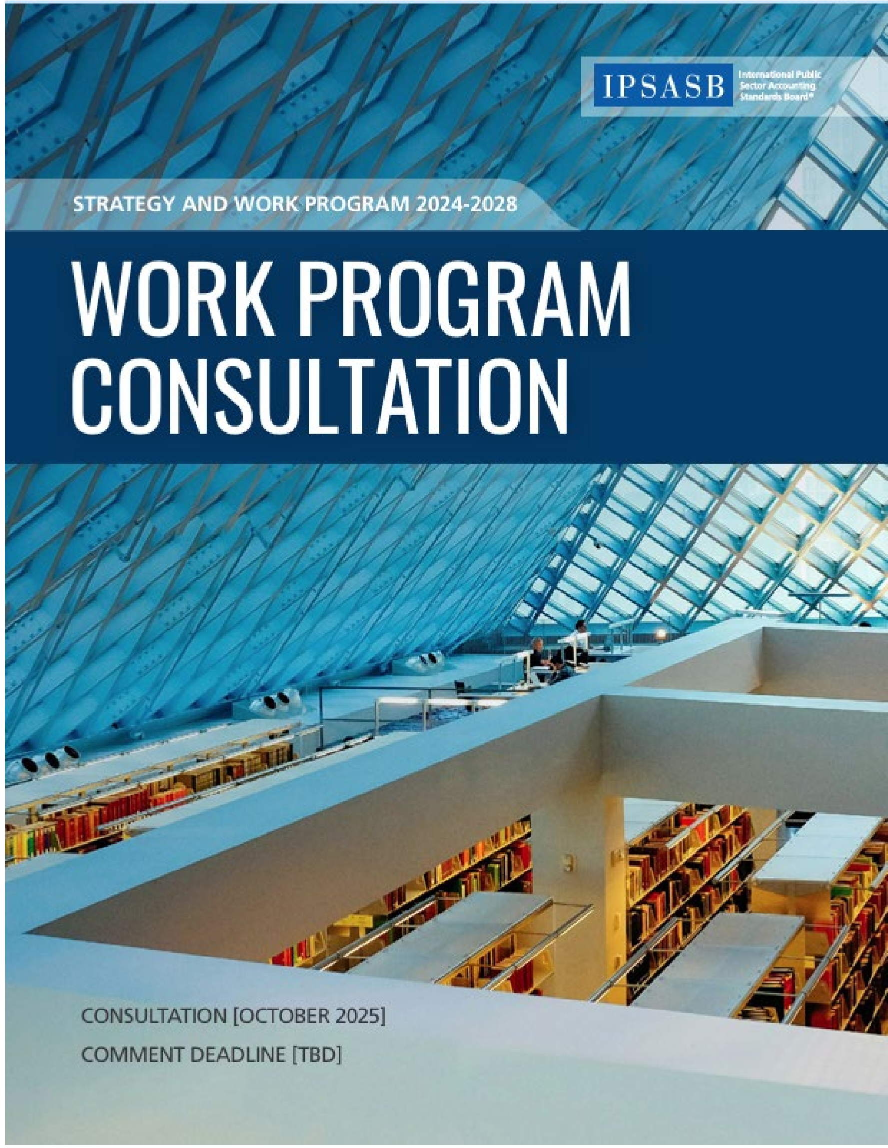
- **Phase 1, Own Operations**
- **Phase 2, Public Policy Programs**

Climate-related Disclosures Project: Next Steps



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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Deloitte.

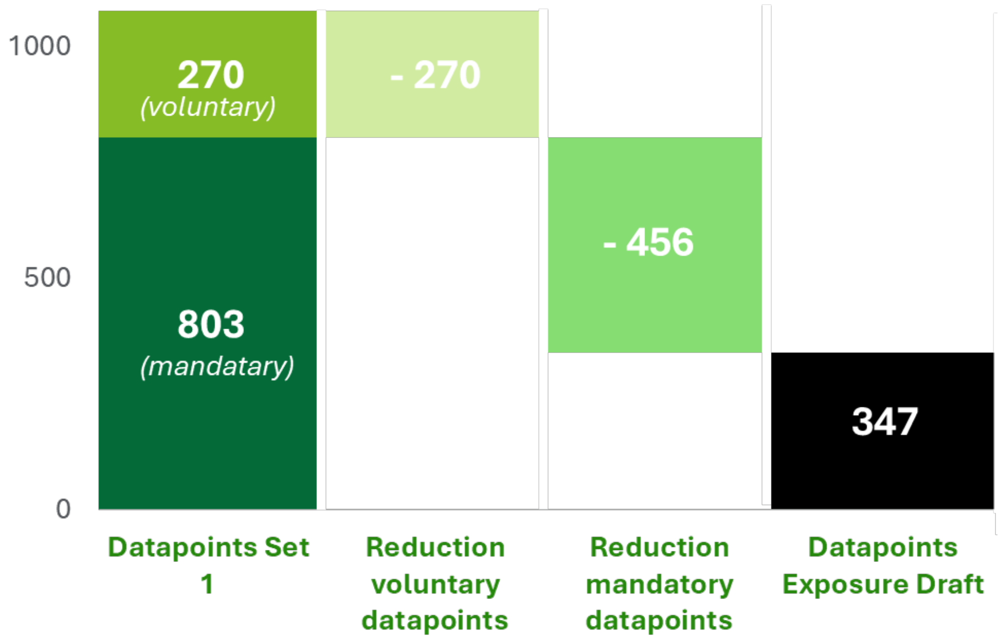
From voluntary to mandatory reporting Lessons from the private sector

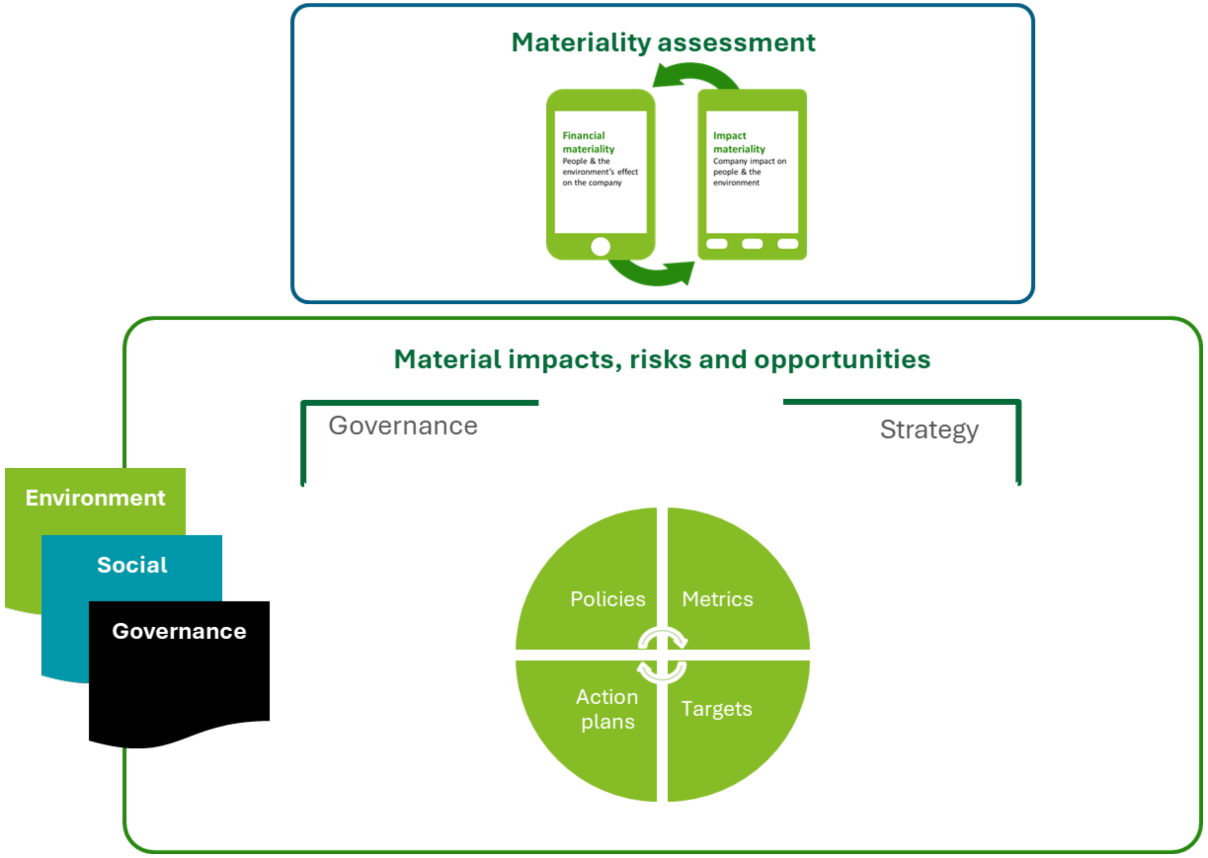
Wim Bartels, 8 October 2025

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





Implications for management

Further focus – and the value of auditors

Advancing Public Sector Sustainability Reporting
Insights from Past Reforms

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

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What is sustainability reporting: from principles to standards

Corporate sustainability and responsibility

Corporate social responsibility (CSR)

Responsible business conduct (RBC)

EU’s Corporate Sustainability Reporting Directive (CSRD)

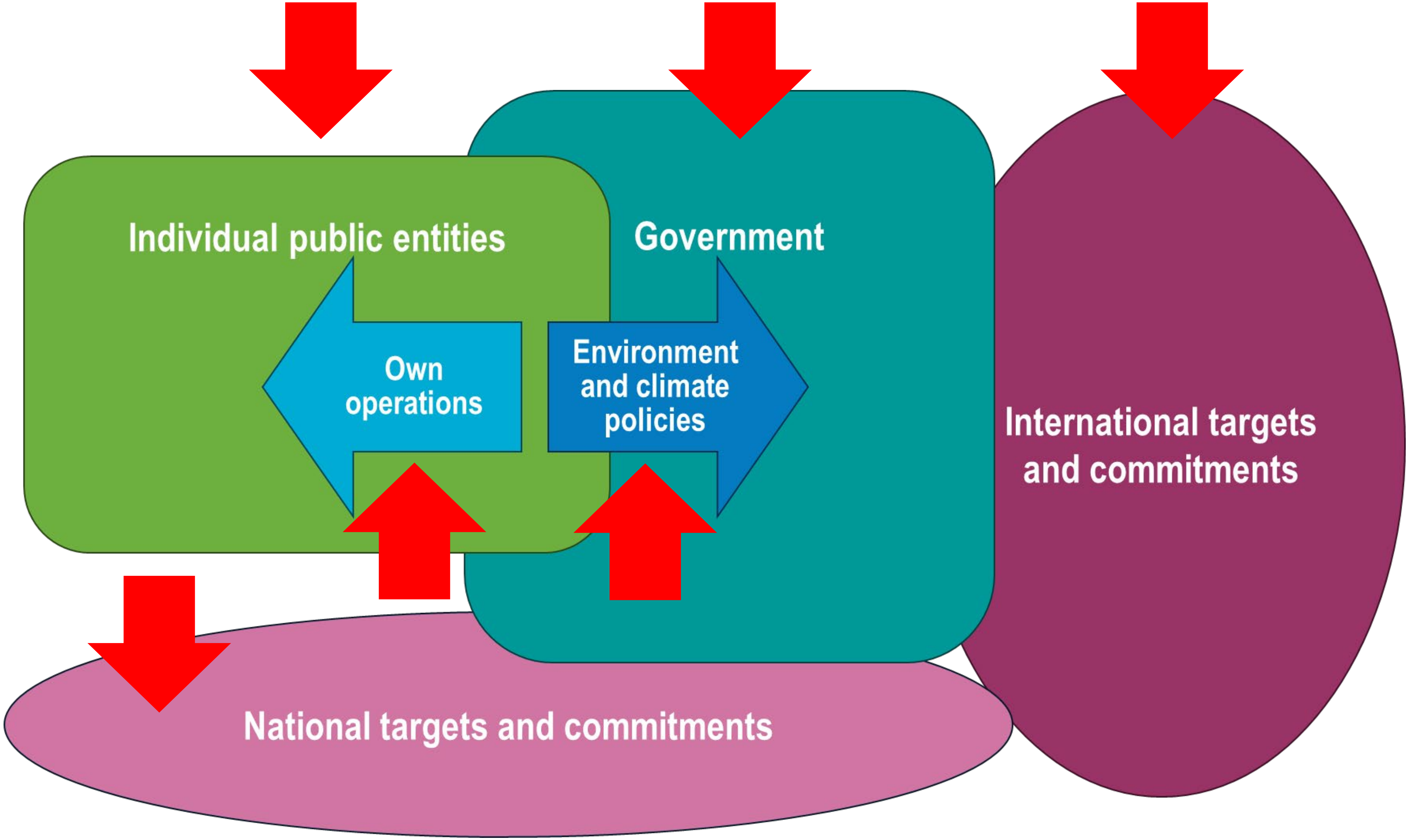
UK’s Streamlined Energy and Carbon Reporting (SECR)

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

TCFD reporting

Green Budgeting: Tracking climate-related expenditures

SDG Budgeting: Connecting budget to sustainable development goals

Performance-based budgeting

Climate-related fiscal risk management

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

Fiscal risks and sustainability management

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

Key Challenges in advancing public sector sustainability reporting

Risk of parallel and overlapping reporting streams

Inconsistent definitions and overlapping frameworks

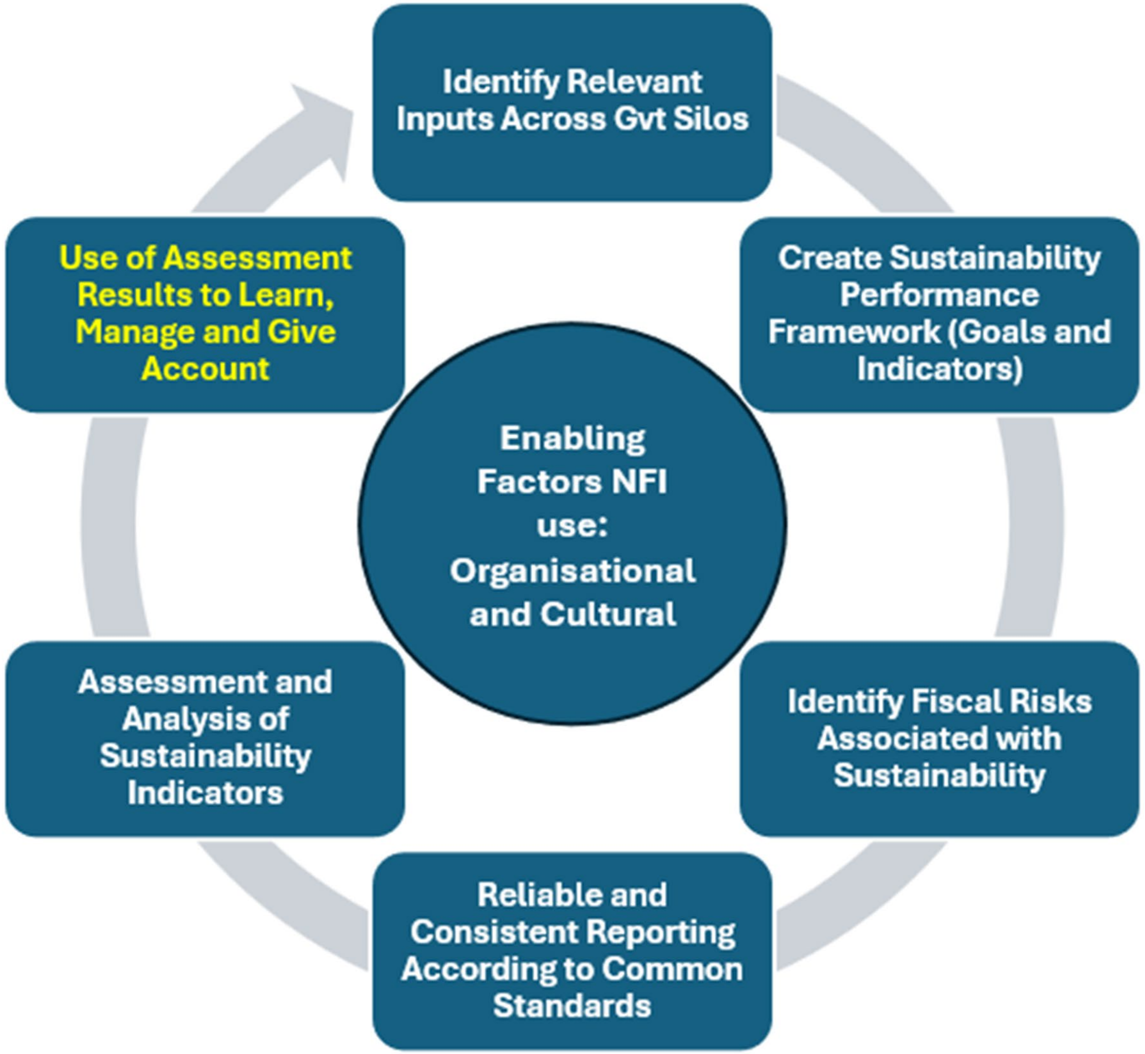
Difficulty defining materiality for diverse public stakeholders

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.

Thank you

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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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