



# Sustainability Reporting: Public Sector Accounting Implications

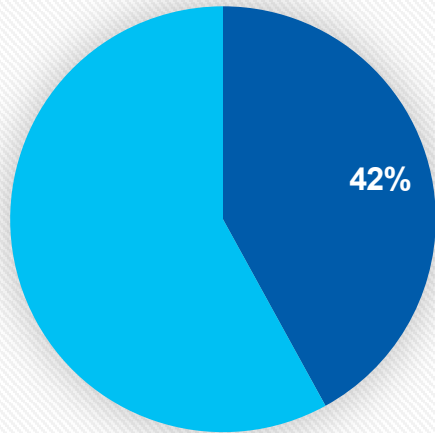
**Ian Carruthers**  
IPSASB Chair

Smart Interactive Talk: The Implications of  
Sustainability Reporting on Public Sector Accounting

Virtual  
30<sup>th</sup> March 2021

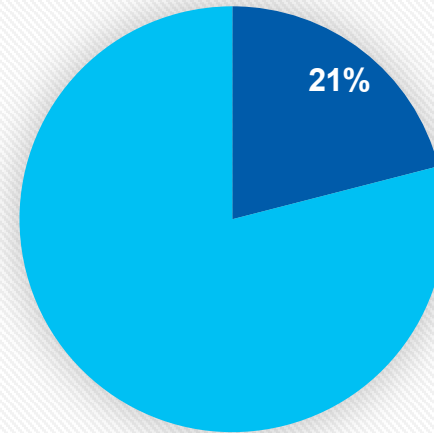
# The Public Sector is important globally.....

## GDP %



■ Public Sector ■ Rest of economy

## Employment



■ Public sector ■ Rest of economy

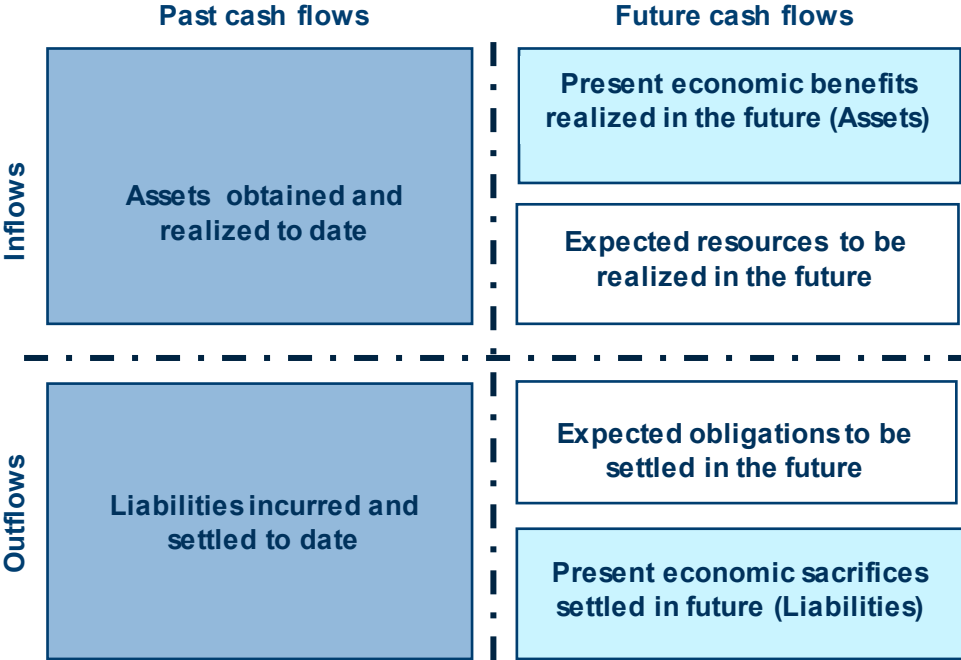
# Sustainability reporting: Existing IPSASB literature

## Existing IPSASB pronouncements that can support sustainability reporting

- Broader non-financial reporting - Recommended Practice Guidelines:
  - RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finances*
  - RPG 2, *Financial Statement Discussion and Analysis*
  - RPG 3, *Reporting Service Performance Information*
- Core General Purpose Financial Statements (GPFRs) - IPSAS:
  - IPSAS 1, *Presentation of Financial Statements*
  - IPSAS 17, *Property, Plant and Equipment*
  - IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*
  - IPSAS 21, *Impairment of Non-Cash-Generating Assets*
  - IPSAS 26, *Impairment of Cash-Generating Assets*
  - IPSAS 29, *Financial Instruments: Recognition and Measurement*
  - IPSAS 41, *Financial Instruments*

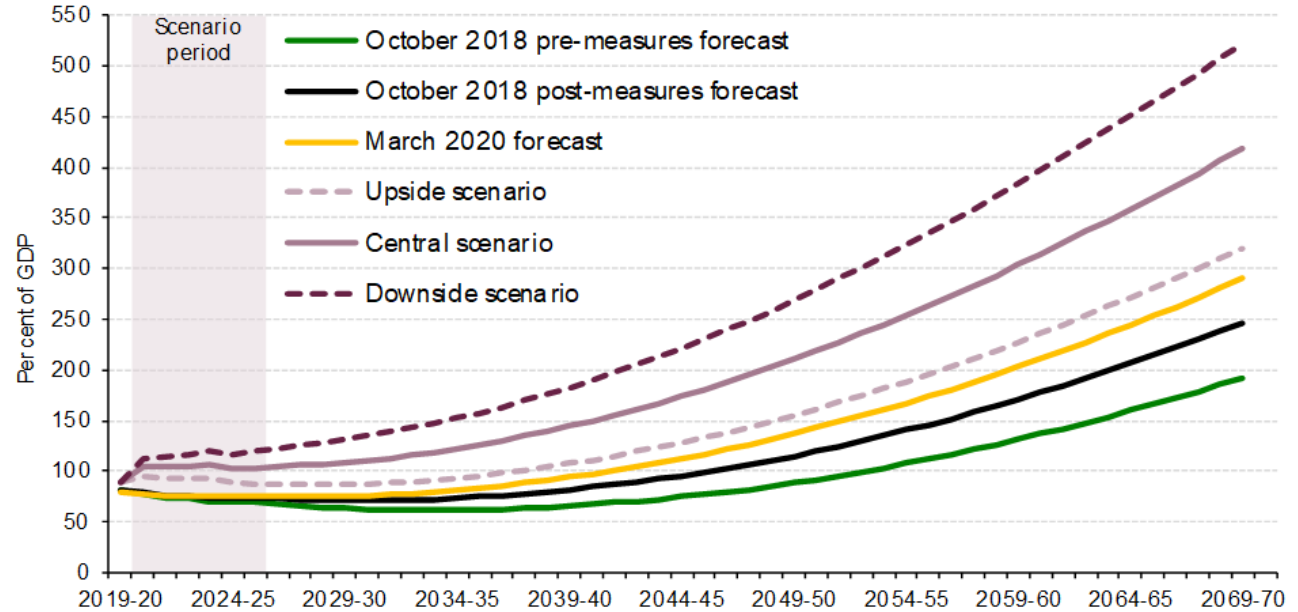


# Assessing Long-Term Financial Sustainability: Balance sheet information as foundation



# RPG1: Projecting longer term post-Covid challenges: UK June 2020 Fiscal Sustainability Report.....

- Projections based on current policies
- Longer time horizons – up to 50 years?
- Sensitivity analyses
- Fiscal sustainability dimensions:
  - Revenue
  - Services
  - Debt



Note: The October 2018 forecasts' 2024-25 jumping-off points are assumed to equal their 2023-24 medium-term horizon values.  
Source: ONS, OBR

# High-quality international reporting standards critical to achieving the SDGs

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Identifying opportunities for better decision making

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Avoiding parallel financial systems

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Measuring and reporting impact reliably

- Source: IFAC 2020 March 2020 Article “Why Adopting High-Quality Accountancy Standards is Critical to Achieving the SDGs by 2030”



# Sustainability reporting: IPSASB's approach



Engage in discussions  
around establishing  
Sustainability  
Standards Board

Highlight existing  
relevant sustainability  
reporting guidance and  
encourage public  
sector entities to use!

International Statistical  
Standards Update:  
Wellbeing and  
Sustainability Task  
Team membership

Regular updates on  
sustainability reporting  
developments and  
emerging experience

# Questions, Discussion & Further Information



- Visit our webpage <http://www.ipsasb.org/>
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