

Evolving climate accountability:

A global review of public sector environmental reporting

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Our research

- **International overview of environmental sustainability reporting practices in the public sector**
 - Aim to identify current practices, issues, challenges and opportunities
- **Four streams of activity**
 - electronic survey
 - roundtable discussions
 - expert interviews
 - literature review

“Carbon is carbon – the planet doesn’t care who produced it”

Overview

- Extent and nature of public sector activities are critical to the achievement of climate objectives
- Information can be used to inform decisions to deliver better outcomes.
- Public sector can provide leadership and demonstrate accountability.

“If sustainability reporting is not mandatory, and not audited, it’s really not worthwhile.”

Global landscape - public sector sustainability reporting

- **Multitude of frameworks – none specific to public sector**
 - Prioritise harmonisation and alignment of standard setting arrangements
- **Public sector entities should start sustainability reporting**
 - Will be a process of evolution, so need to start sooner rather than later!
- **Voluntary reporting is more common, but view that reporting should be mandated**
 - Organisational commitment essential to drive take-up

Benefits of sustainability reporting, according to respondents (%)



Preparing sustainability reports

Public sector sustainability reporting is in its infancy

- **Challenges include:**
 - Lack of data, accepted framework and political support
 - Act of reporting can provide impetus to address challenges
- **Little consistency in the choice of framework**
 - Similarity in content
 - Majority producing reports had established sustainability objectives

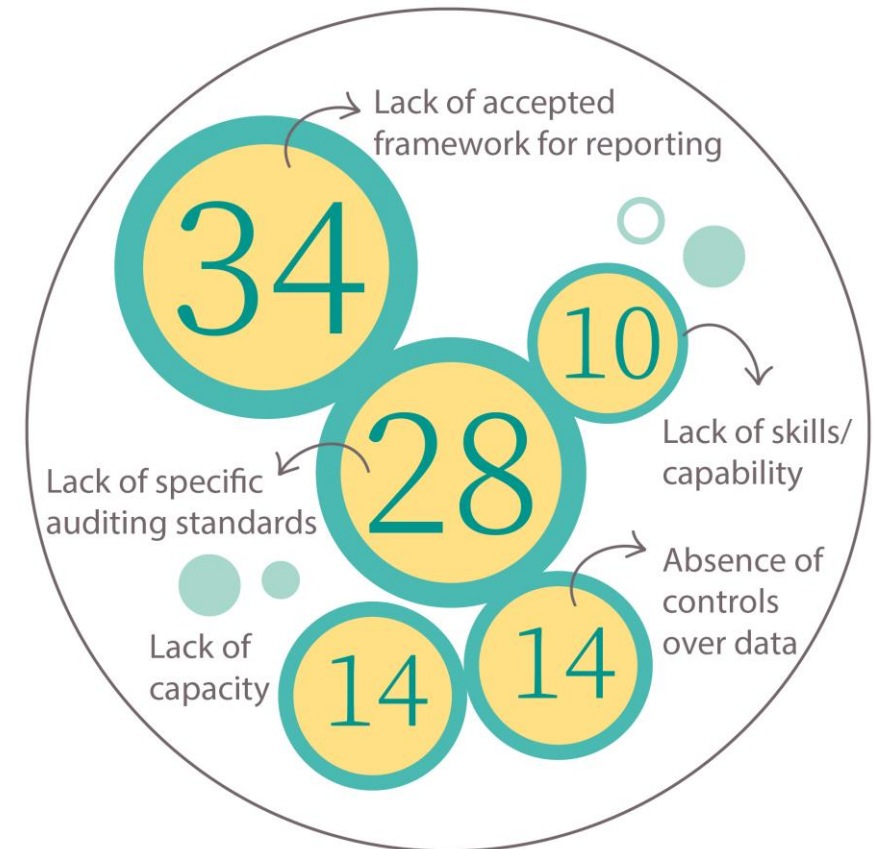
Main purpose for preparing a sustainability report (%)



Assurance and accountability

- **Assurance essential to credibility of sustainability reports**
 - To mitigate risk of 'green-washing'
- **Audit of reports is not common – 25% of those preparing reports**
 - Concern re immaturity of reporting
 - Lack of audit standards and accepted framework most cited reasons
- **Parliamentary oversight as catalyst for driving demand/uptake**

Challenges in auditing sustainability reports (%)



Capacity, capability and communication

- **Staff capacity and capability identified as a key enabler**
 - Broad skillset – need for multi-disciplinary teams
- **Reporting is not mainstream**
 - Majority using only single channel of communication (website)
- **Integration with other forms of reporting is not common**
- **Key role for finance profession in ‘non-financial’ sustainability reporting**

7 areas for development

1. Clarity on definition and scope of sustainability reports

2. Accelerating alignment and harmonisation of existing frameworks and standards

3. Commitment to public sector sustainability reporting

4. Prioritising the development of the broad skillset and expertise needed

5. Recognition of the key role of assurance

6. Integration with wider forms of reporting

7. Promoting and strengthening institutional arrangements for scrutiny

This research is the tip of a very large iceberg for the public sector. It provides a baseline from which the evolution of public sector sustainability reporting can be measured. There is much to do in the public sector to turn these green shoots into more a robust and consistent approach sustainability reporting.



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