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REPORTING SUSTAINABILITY PROGRAM
INFORMATION—RPGS 1 AND 3:
ADDITIONAL NON-AUTHORITATIVE
GUIDANCE

ED 83 CONSULTATION RESPONSE



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Manj has almost 30 years' experience working in public sector, focusing on implementation of accrual accounting across UK central Govt departments and the Whole of Government Accounts consolidation. She has advised several jurisdictions on implementing accrual accounting.

Manj has particular interest in supporting governments to address the practicalities of implementing IPSASs.



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Dear IPSASB secretariat

Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-Authoritative Guidance

I am delighted to share my comments on the limited scope update to the Recommended Practice Guidance, specifically:

- RPG 1: Reporting on the Long-Term Sustainability of an Entity's Finances
- RPG 3: Reporting Service Performance Information

There are many challenges on the long-term sustainability of an entity's finances. These have increased massively due to the significant financial and other support (indemnities and financial guarantees) provided during the pandemic. This support has massively increased indebtedness; Although it would be wrong to suggest that the total global debt is solely attributable to the pandemic; After the global financial crisis and resulting sovereign debt crisis, debt has been increasing among many nations which has been masked by growth (World Bank, 2022).¹

In addition, many jurisdictions are seeking new and innovative ways to address/mitigate the impact of climate change. Governments are providing direct or indirect support to facilitate these projects; hence it is good to provide information setting out the costs (inputs), outputs, and most importantly outcomes i.e. what the impact of the interventions is; whether it is effective and efficient.

Given all these developments, the limited scope update is very timely to ensure general purpose financial reports deliver transparency, accountability and better information for decision making.

The proposed changes provide clarity to the user, for example, IG1 (RPG1) sets out principles to apply in reporting on an entity's overall long-term fiscal sustainability, not to be confused with environmental sustainability reporting. As the terms are used so interchangeably there may be confusion as to what should be included and how.

¹ World Bank <https://blogs.worldbank.org/voices/when-debt-crises-hit-dont-simply-blame-pandemic>



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Note, in some jurisdictions this information may be presented in other publications. For example, in the UK, the independent Office for Budget Responsibility (OBR) publish the Fiscal Sustainability Report (since 2022 this has been combined with the Fiscal Risk Report) using information from the UK Whole of UK Government Accounts (WGA) as well as other data sources such as the National Accounts.

The guidance and examples for reporting sustainability programme information (e.g. carbon taxes, green bond etc.,) are very helpful. The examples are clear and easy to follow. Hence would help users to prepare the required disclosures. The challenge remains to ensure appropriate data is captured to assess outputs and outcomes which is often a challenge.

Finally, thank you for the opportunity to comment. Apologies for the delayed response on this occasion. If there are any questions, please do not hesitate to contact me.

Yours sincerely,

Manj Kalar

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