Getting started with SRS 1

What public sector finance teams actually need to do

IPSASB Sustainability Reporting Standard 1 (SRS 1) is the first global standard for climate-related disclosures by public sector entities. If your organisation has to apply it, or expects to soon, this short guide tells you what the standard asks of you and how to make a sensible start. It is not a summary of the standard. It is a starting point for the people who will have to prepare the report.

One idea matters more than any other: SRS 1 is built to let you start where you are. This means that a modest, honest first report beats an ambitious one you cannot stand behind.

Do you have to do this, and by when?

SRS 1 applies to annual reporting periods beginning on or after 1 January 2028, although earlier adoption is allowed. The first reports are likely to appear in 2029.

The important point is that the standard does not apply to your entity automatically. Each jurisdiction decides whether and when to adopt it. Your obligation, and your timetable, come from your own government or oversight body, not from the standard alone. Your first task is to find out where your jurisdiction stands.

That said, any public sector entity that wanted to prepare a report on climate-related risks and opportunities could choose to follow SRS 1 even if the entity does not use IPSASs for its financial reporting.

What SRS 1 asks

The standard is built on four pillars. Read them as four questions you must be able to answer.

- **Governance.** Who oversees climate-related risks and opportunities, and what is management's role? You disclose the arrangements, so they must be real and evidenced.
- **Strategy.** What climate-related risks and opportunities could affect your organisation, over what time horizons, and how do they bear on your services, operations and finances?

- **Risk management.** How do you identify, assess, prioritise and monitor those risks, and how does that sit within your wider risk management?
- **Metrics and targets.** What are your greenhouse gas emissions across Scopes 1, 2 and 3, measured on the Greenhouse Gas Protocol basis, and what targets have you set?

The first phase concentrates on your own operations: the emissions and risks arising from how you run the organisation, not yet the wider effects of your policies and programmes.

What a good first report looks like

A credible first report is short, clear and honest about its limits. Three habits keep you on the right side of the line.

- **Use the reliefs.** The standard gives first-time preparers room to estimate, phase and defer, on the principle that you use reasonable and supportable information without undue cost or effort. These reliefs are intended to help entities find their way into sustainability reporting. Use them.
- **Disclose your estimates and gaps plainly.** Saying what you have measured, what you have estimated and what you have left for later strengthens your report. Hiding this information, or over-claiming, weakens your report and weakens trust in your organisation.
- **Aim for fair representation.** This is the test the standard sets. It is better to be roughly right than precisely wrong.

Your first steps

- ✓ Confirm whether your jurisdiction has adopted SRS 1, and your reporting date.
- ✓ Set your reporting boundary: which parts of the organisation are in, and which are out for now.
- ✓ Name who is accountable for the report and who oversees it, using people, teams and committees you already have.
- ✓ Hold one short workshop to list and prioritise your main climate risks.
- ✓ Produce a first emissions estimate: measure your fuel and electricity usage as best you can, estimate the rest from total spending.
- ✓ Write down what you are deferring, and why, and sketch a path to a fuller second report.

That is enough to make a genuine start.

Where to go next

This guide is a starting point, not a substitute for the standard. When you are ready to go deeper:

- The standard itself. IPSASB SRS 1 is available from IPSASB, with free registration required
- Greenhouse gas accounting. The authoritative method for measuring emissions is the GHG Protocol.
- Learn more about the author of this guide, Gary Bandy, and how to work with him.

The forthcoming book, *Your First SRS 1 Report,* will be a fuller guide to public sector sustainability reporting, with more detail, editable templates and a worked example that runs the whole way through. You are already on the list, so you will be first to hear when it is out.