

THE ROLE OF THE PUBLIC FINANCE PROFESSION IN ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

Policy expertise and insights from an ACCA roundtable discussion

On 8 December 2020, ACCA convened a roundtable composed of high-level experts to discuss *The Role of the Finance Profession in Achieving the Sustainable Development Goals* (SDGs). This roundtable was a follow-up event from our 10th Anniversary **Virtual Public Sector Conference** as a way to continue the conversation and build a public sector community from our expert partners and stakeholders working on these issues around the world.

From this discussion, the roundtable participants formulated a number of policy recommendations on how the public finance profession can, and should, play a pivotal role in driving national progress in achieving the SDGs.

The discussion can be viewed through three interconnected questions:

1. What tools do we need to amplify the role of the public finance profession in monitoring and evaluating progress in achieving the SDGs?
2. What is the purpose of our role in this critical area of national and international policy?
3. Who should we be working with to do this better?

1. Tools of the trade

Our participants discussed the need to have the **right data** in order to ensure Supreme Audit Institutions (SAIs) and other public bodies are able to properly evaluate and monitor government performance in achieving the SDGs. These data must be comprehensive and useful for **long-term forecasting** and evaluating, moving beyond annual budget cycles and short-term views of public finances. The public finance profession must not only focus on historic financial information, but also take a forward-looking approach to public finances and sustainability.

Finance professionals must connect financial and **non-financial reporting techniques** to account for broader value creation objectives beyond purely the financials to ensure progress is being achieved and should work within established sustainability frameworks.

A fundamental aspect of the role of public sector auditors is employing both compliance and performance audits to evaluate how governments are committed to progressing the goals, as well as ensuring they are **allocating sufficient resources** to these objectives. It also requires filling the gaps found in current accounting standards, such as financial reporting on the public sector's natural resources, to ensure we are working with the most comprehensive information at all times.



2. Purpose of our role

The **role of the profession in progressing the SDGs** is of growing importance – particularly during the current crisis. Public finance professionals should not only be working behind the scenes to hold governments to account, but they must also be **promoting and raising awareness of the Goals**. Public finance professionals must ensure that COVID-19 recovery packages maintain momentum in working towards the SDGs and **prevent policy responses from leaving anyone behind**. The profession should be empowered to call out slow or inadequate national plans aimed at achieving the SDGs, especially if they are not sufficiently supported by budgets and resources to realise the necessary goals. Overall, public sector finance professionals are best placed to remind governments about their international obligations to meet the goals and their national obligations to spend in ways that best meet **social, environmental and economic objectives**. Furthermore, greater connection and communication with civil society are essential to meaningful SDG delivery. This citizen dialogue must become integrated into workstreams to support a more holistic approach to evaluation, awareness-raising and stakeholder engagement that is appropriate for the challenges at hand.

3. A collaborative approach

The public finance profession is fundamental to the public sector, but it does not operate in a vacuum. It works with other professions, government officials, and civil society among others to ensure public spending is accountable and sustainable. To achieve the SDGs, we **require an all-of-government approach, a collaborative public-private approach and – importantly – a global approach**. These are global goals and therefore require coordinated responses across different countries and regions. Future resilience and adaptation will demand even more forward-thinking and multi-disciplinary action that will call even more on global coordination.

APPLYING INTERNATIONALLY COMPARABLE ACCOUNTING STANDARDS TO HOW WE EVALUATE PERFORMANCE AND PROGRESS TOWARDS ACHIEVING THE SDGs IS KEY AND WILL ENABLE US TO BETTER SHARE BEST PRACTICES WITH EACH OTHER SO WE CAN CONTINUALLY LEARN, IMPROVE LOCAL PRACTICES, AND – ULTIMATELY – ACHIEVE SUSTAINABLE DEVELOPMENT.

Roundtable participants:

Archana Shirsat, Deputy Director General at INTOSAI DI

Dato' Merina Abu Tahir FCCA, Chief Financial Officer, Tabung Haji, Malaysia

Datuk Zaiton Mohd Hassan, Chairman of the Development Bank of Malaysia

Jimmy Greer, ACCA's Head of Sustainability

Keneilwe Senyarelo, Deputy Auditor General at Office of The Auditor General of Botswana

Laura Leka, Senior Technical Manager, IFAC

Mark Millar, ACCA President

Vu Van Hoa, Deputy Auditor General, Vietnam

Liu Ying, Deputy Director General, Audit Center of CNAO for Foreign Loan and Assistance Projects, China

Nancy Gathungu, Auditor General, Kenya

Nida Naeem, UK Automation, Innovation and Data Science Lead for North South Europe & Senior Manager Analytics & Modelling, Deloitte LLP

Thomas Müller-Marqués Berger, Global Head of IPSASs for E&Y

Vikki Lewis, Head of Financial Reporting Policy, HM Treasury, UK

Vivi Niemenmaa, Deputy Director National Audit Office, Finland

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For any comments or questions about this brief please contact Alex Metcalfe, ACCA's Head of Public Sector or Rachel Bleetman ACCA's Public Sector Policy and Research Manager



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