



## The Importance of SC&E Readiness for the Public Sector

With a growing emphasis in our society on sustainability, climate & equity (SC&E) issues, many organizations are beginning to transform the way they capture, manage, and report SC&E related data and are considering how to prepare for meeting expectations for disclosure, regulation, and action. As governmental entities identify SC&E issues that are material to their constituencies and stakeholders, the public sector has an

opportunity to drive strategies that manage SC&E performance and utilize new technologies to organize data and better prepare for future regulations and reporting requirements—all while setting up the organization to meet the growing demands for SC&E transparency.

Public sector agencies, states, and municipalities should not wait to prioritize their SC&E strategy. While the topics

under the umbrella of SC&E may seem too broad to tackle or like an idea that only exists somewhere out there in the ether, its relevancy is growing—and growing more by the day. But aside from its increasing relevance, there are multiple reasons why now is the right time to begin the SC&E transformation journey. ➤

First, SC&E is socially the right thing to do. Marketplace expectations are evolving to desire not only transparency but also actions to promote sustainable business practices. Positive actions in the public sector also align with the [Justice40 mission](#)—the Federal Government’s goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. For the public sector, a focus on SC&E is mission imperative.

Second, in addition to the socially conscious aspect of an SC&E ready organization, [SC&E reporting and data transparency may lead to better business decisions](#). For example, understanding energy usage may lead to reducing energy spend.

Finally, and perhaps most importantly, it is a good idea to think about SC&E reporting now to better assess if your organization is ready to report before regulators require reporting. Do you have a strategic roadmap? Is your data readily available and organized? It is a better business strategy to confirm the organization is prepared now for current and future regulations and requirements.

### SC&E for public sector entities

For public sector organizations, the SC&E journey has its own complexities and hurdles due to factors such as the size of many organizations, additional regulations and complexities, and difficulty with the speed of transformation initiatives. While many private sector organizations have started to prepare and gather experience within the SC&E space, some public agencies are still working to gain momentum. The public sector can use lessons learned from what stakeholders are asking the private sector to determine items like:

- 01. Who owns sustainability reporting?
- 02. How can technology be leveraged to gather data more efficiently without sacrificing governance, controls, and oversight?

- 03. With the abundance of data conversion and manipulation, how can strong preventative and detective controls be designed and implemented?

To understand what government organizations should be considering or how they can begin the SC&E preparedness journey, let’s look at some of the current regulations and their impact on the public sector now and long term.

**Justice40:** [The Justice40 Equity Reporting requirements](#) is the Federal Government’s goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.

**Annual climate adaptation sustainability plans:** This includes [Federal Progress, Plans, and Performance](#) and the Office of the Federal Chief Sustainability Officer and encompasses the executive order on catalyzing American clean energy industries and jobs through the Federal sustainability plan, which outlines an ambitious path to prepare Federal agency policy, programs, operations, and infrastructure to adopt adaptive and resilient strategies for future climate impacts.

**The Sustainability Tracking, Assessment & Rating System: (STARS)** is a transparent, self-reporting framework for colleges and universities to measure their sustainability performance.

### What can public sector entities do to prepare?

Understanding the importance of SC&E and the broad impacts, requirements, and regulations it will have on the public sector may seem like it paints the picture of an all-too-complex undertaking. How do organizations even begin to tackle this? However, it doesn’t have to be complicated. There are some practical steps the public sector can take to help set up for success even as the SC&E landscape continues to evolve and expand.

**Step one: Determine applicability of SC&E issues and availability of information.** Public sector entities can prepare an SC&E materiality assessment to identify what is most critical to prioritize. Further, the public sector can evaluate their current data and processes to understand considerations such as whether they are manual or automated, whether information is widely dispersed across multiple formats, and the process for gathering and managing data. Knowing the starting point can be the first step in understanding how to prepare for new rules and standards that will likely emerge.

**Step two: Determine what type of reporting is required or likely to be needed in coming years** and how readily available current data is as it is currently organized to meet current and future reporting requirements. Examples of considerations include questions such as what reporting frameworks and standards could be leveraged? Are there gaps in the way the agency manages data? What automation tools may help fill in the gaps within the current process?

**Step three: Find and implement a transformation framework and a platform that can help the organization on the SC&E journey.** Determine if there is a transformation framework that can be adopted to fit into the organization’s unique reporting needs, applicable standards and related internal processes. Agencies might look to other functions within the business such as finance and accounting or audit and risk to identify similar transformation frameworks and platforms that could help. [Workiva](#) is an example of an end-to-end platform that integrates financial and non-financial data from source to report using extract, transform, and load and linking capabilities to build internal and external SC&E reports that are connected and enabled with Governance, Risk, and Compliance functionality to help control the process and manage governance and risk.

## The importance of ESG readiness for the public sector

Remember, successful SC&E reporting starts with data management at the source. To more effectively navigate the journey, it is important to define requirements, identify gaps, and develop a formal path forward. Workiva's Environmental, Social, and Governance (ESG) solution is set up to integrate into the public sector by leveraging the Deloitte and Workiva synergy to improve reporting automation. Deloitte has built multiple accelerators for use on the Workiva platform focused on SC&E and financial reporting and compliance. These Deloitte-built accelerators on the Workiva platform aim to help organizations modernize internal

processes for collecting disparate SC&E data, as well as streamline and automate SC&E reporting capabilities inclusive of data collection processes and greater framework alignment. These accelerators are available now in [The Workiva Marketplace](#). Are you ready to begin exploring if your agency is ready? Please reach out to Deloitte & Touche LLP contacts [Valeriy Dokshukin](#), partner, [Chase Causseaux](#), senior manager, and [Brooke Cecchini](#), senior manager; and [Paul Faust](#), Workiva Vice President of Public Sector Sales & Solutions, to begin your SC&E journey.





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