

**ACCOUNTANCY  
EUROPE.**

22 June 15:00-17:00 CEST | online workshop

# **SUSTAINABILITY ASSURANCE UNDER THE CSRD: PRACTICAL IMPLICATIONS**



**ACCOUNTANCY  
EUROPE.**





# **WELCOME & INTRODUCTORY REMARKS**

**Noémi Robert**

Director, Accountancy Europe

# Programme

- **15:00 – 15:15** | Welcome & introductory remarks
- **15:15 – 15:45** | 1st session: What to expect from an assurance engagement?
- **15:45 – 16:15** | 2nd session: What standard is suitable for assurance?
- **16:15 – 16:45** | 3rd session: How to ensure high quality and consistent assurance services across the EU?
- **16:45 – 17:00** | Closing remarks



# **SESSION 1:**

## **WHAT TO EXPECT FROM AN ASSURANCE ENGAGEMENT?**

**Introduction : Wim Bartels**

Chair Sustainability Policy Group Accountancy  
Europe

**Reactions from:**

**Angélique Laskewitz**

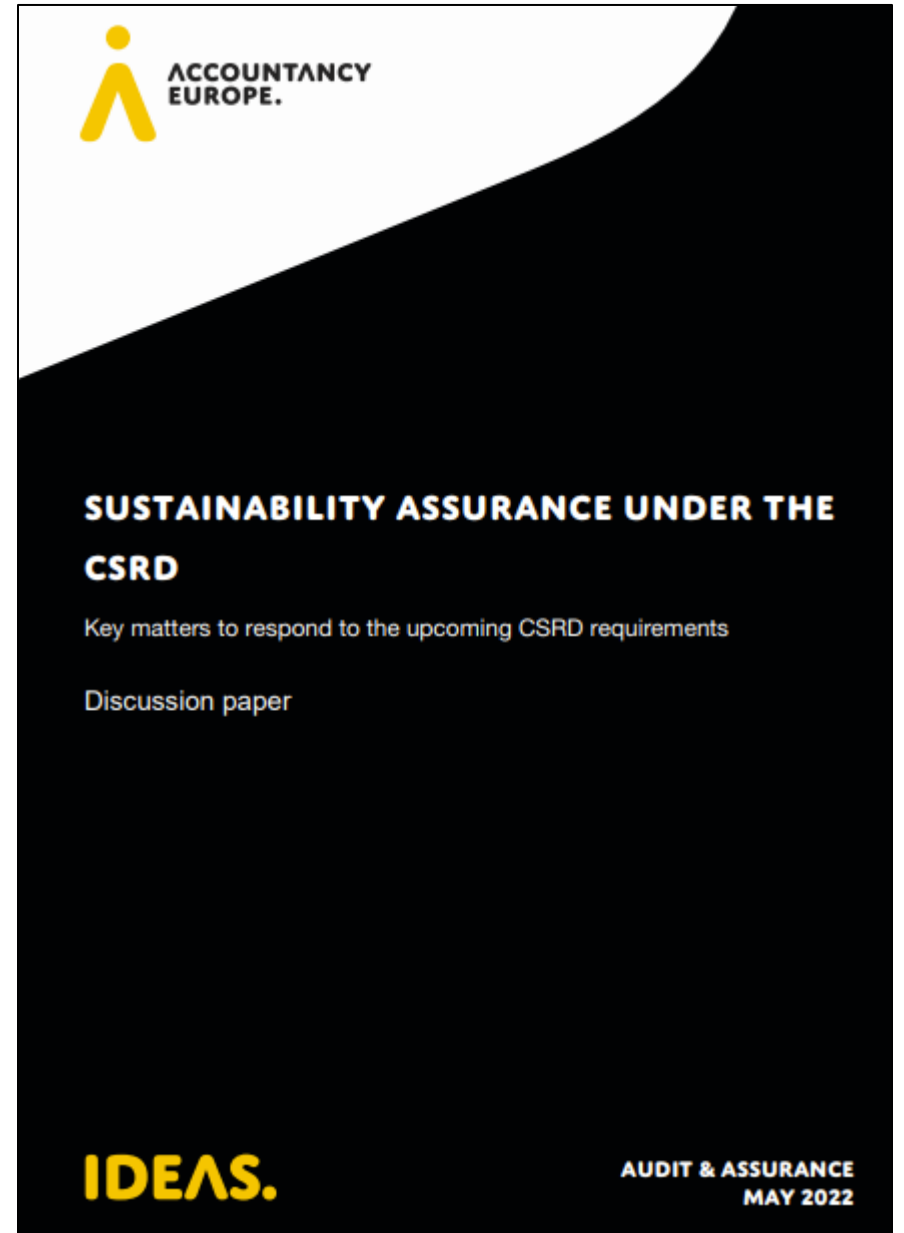
Executive Director, VBDO

**Jane Thostrup Jagd**

Deputy Director, We Mean Business Coalition

# Session 1

- Information subject to assurance
- Addressing forward-looking information
- Certain level of confidence



# Information subject to assurance

- Subject matter must be clearly identified
- Stakeholders gain most comfort if sustainability information is:
  - Clearly connected to financial reporting
  - Disclosed in the management report
  - Subject as a whole to assurance

# Forward-looking information

- Forward-looking information amongst others depends on scientific methodologies, intrinsically includes subjectivity and judgement resulting in uncertainties
- Sustainability reporting standards to provide complete and clear reporting requirements for forward-looking information
- Assurance practitioners should be able to provide assurance on whether the information has been prepared in accordance with the relevant reporting standard



# Assurance level

- Risk of misinterpretation of work effort for limited vs reasonable assurance engagements
- Sustainability information to develop into the same level of assurance as financial information
- Moving to reasonable assurance in 3-5 years

# Questions to speakers & audience

- Do you agree that assurance should be obtained on sustainability reporting as a whole?
- Do you consider assurance over forward-looking information as necessary?
- What should a limited assurance engagement entail in the CSRD context?
- Should reasonable assurance be the end goal with limited assurance being an intermediate solution? What transition period do you deem appropriate?

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# **SESSION 2: WHAT STANDARD IS SUITABLE FOR ASSURANCE REQUIREMENT UNDER THE CSRD?**

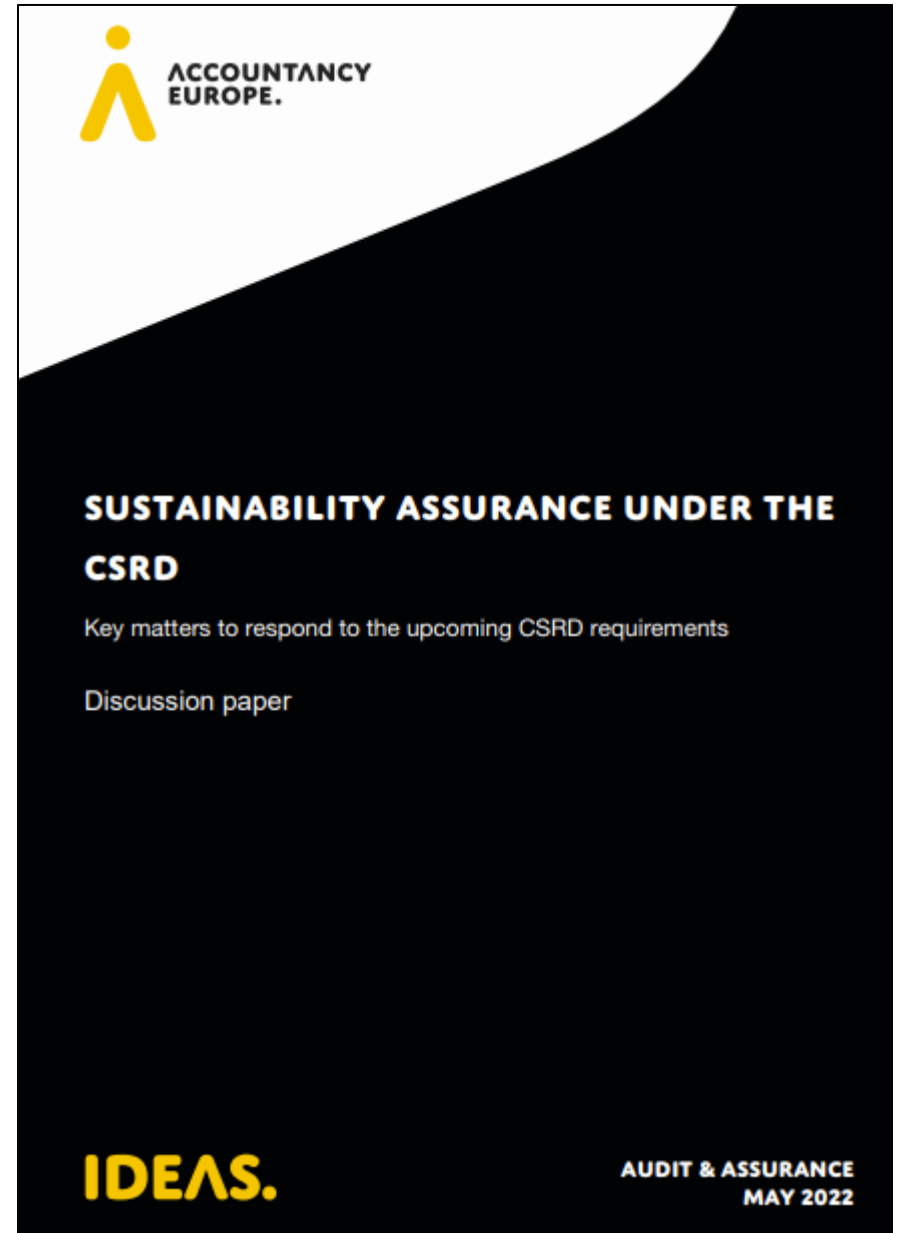
**Introduction : Julien Rivals**

Vice-Chair Sustainability Policy Group

Accountancy Europe

# Session 2

- Standards and guidance
- Content of the assurance report



# Assurance standards

- International Standard on Assurance Engagements 3000 (Revised):
  - Applies to assurance engagements on sustainability reporting
  - Is part of a comprehensive global assurance framework
  - Is currently a key tool to respond to the demand & accepted by the market
- Based on insights from practitioners, some elements would benefit from further guidance:
  - Forward-looking information
  - Understanding the entity and its environment
  - Types of procedures to be conducted
  - Multidisciplinary expertise required

# Content of the assurance report

- Elements of the assurance report to be clearly defined:
  - A clear conclusion
  - An explanation of the inherent limitations
  - A detailed explanation of the work performed
- Assurance report part of auditor's report or as a separate report: pros and cons for both options



# KEYNOTE

**Willie Botha**

Technical Director, International Auditing and  
Assurance Standards Board (IAASB)



# IAASB Update – Sustainability Assurance

**Willie Botha, IAASB Program & Technical Director**

**Accountancy Europe: Sustainability Assurance under  
the CSRD – Practical Implications**

**Videoconference, June 22, 2022**



# What has the IAASB Discussed so Far?

December 2021: Work Plan for 2022-2023: Commence information gathering on sustainability / ESG assurance

**Focus actions on balancing public interest for: timely, comprehensive, relevant, implementable and understandable standards**

March 2022: IAASB Board Meeting:

- Presentations from European Commission, and perspectives from preparer, investor and assurance practitioner
- Board breakout groups to brainstorm challenges, scope of IAASB work, and way forward

June 2022: IAASB Board Meeting

- Debriefing from March Board meeting
- Board direction on the scope of immediate standard-setting actions

# Feedback from March Breakout Groups

**All encapsulated within the scope of the IAASB's work**

**Topics**

**Information  
disclosed  
about the  
topics**

**Mechanism  
for reporting**

**Reporting  
standards**

**Users**

**Timely / responsive  
standard setting action**

**Sustainability branded  
standards**

**Leverage existing  
IAASB  
standards/guidance**

# SAWG Recommendations



**Pursue the development of standards for assurance on sustainability**

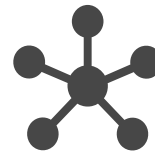


**Focus on the following priority challenges:**



**Limited versus  
reasonable  
assurance**

**Suitable  
reporting  
criteria**



**Scope of  
engagement**

**Evidence &  
Internal Controls**



**Practitioners'  
Materiality**

# Proposed Approach to Building the Standards



## Immediate action

**Overarching standard for  
assurance on  
sustainability**

### **Key Decisions:**

- Whether to cover limited assurance and reasonable assurance
- Linkage to ISAE 3000 (Revised)



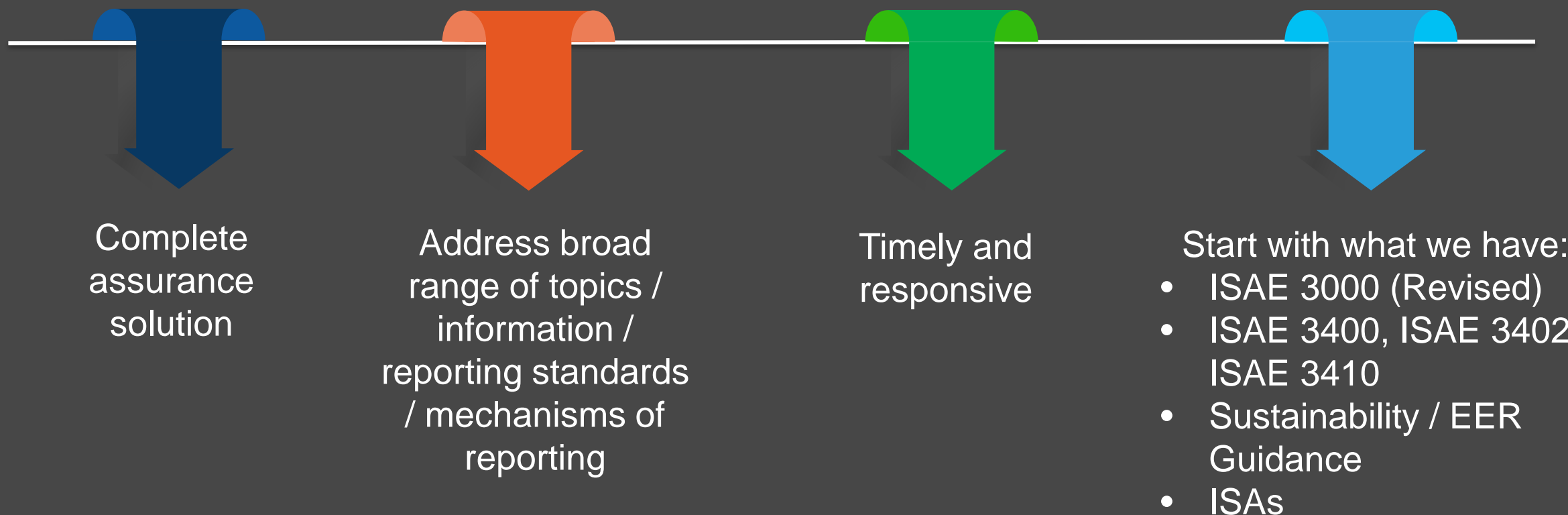
## Future Vision

**Further develop and  
build standards over  
time**

**Address challenges  
Consider maturity of reporting  
and assurance**

# Proposed Immediate Action: Overarching Standard

## Approach to Standard Development



# ISAE 3000 (Revised) Linkage Options for Overarching Standard

|  | Material from ISAE 3000 (Revised)                                    | Compliance with ISAE 3000 (Revised)          | Material from other standards (e.g., ISAs, ISAE 3410 etc.)        | Key features  | Key Public Interest Framework Characteristics met |
|--|--|--|---|---|---|
| <b>Option 1:</b><br>“Greenfield” approach                                      | Not constrained by ISAE 3000 (Revised)                               | Does not require compliance with ISAE 3000   | Consider relevant material, modify/adapt for sustainability / ESG | Allows for innovation and new approaches                | Relevant  |
| <b>Option 2:</b><br>“Stand-alone” standard consistent with ISAE 3000 (Revised) | Relevant elements and principles of ISAE 3000 (Revised) incorporated | Does not require compliance with ISAE 3000   | Consider relevant material, modify/adapt for sustainability / ESG | Enhancements and specificity for sustainability / ESG   | Relevant Understandable                           |
| <b>Option 3:</b><br>“ISAE 3000 (Revised) plus” approach                        | Only includes requirements additional to ISAE 3000 (Revised)         | Requires compliance with ISAE 3000 (Revised) | Consider relevant material, modify/adapt for sustainability / ESG | Similar approach to other subject-matter specific ISAEs | Timely  |



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# Questions

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# Questions to speakers and audience

- Is ISAE 3000 the assurance standard to apply - at least for the moment - in responding to the assurance requirement included in the CSRD?
- Do you think that assurance practitioners would need further guidance or a standard specific to the EU context? If yes, for which level of assurance and in which specific area(s)?
- Depending on who should be the assurance service provider, do you think that the assurance conclusion on sustainability information should be part of the statutory auditor's report or as a separate report?



# **SESSION 3: HOW TO ENSURE HIGH QUALITY AND CONSISTENT ASSURANCE SERVICES ACROSS THE EU?**

**Introduction: Wim Bartels**

Chair Sustainability Policy Group Accountancy Europe

**Reactions from:**

**Ryan Spiteri**

Director, Blackrock

**Massimiliano Turconi**

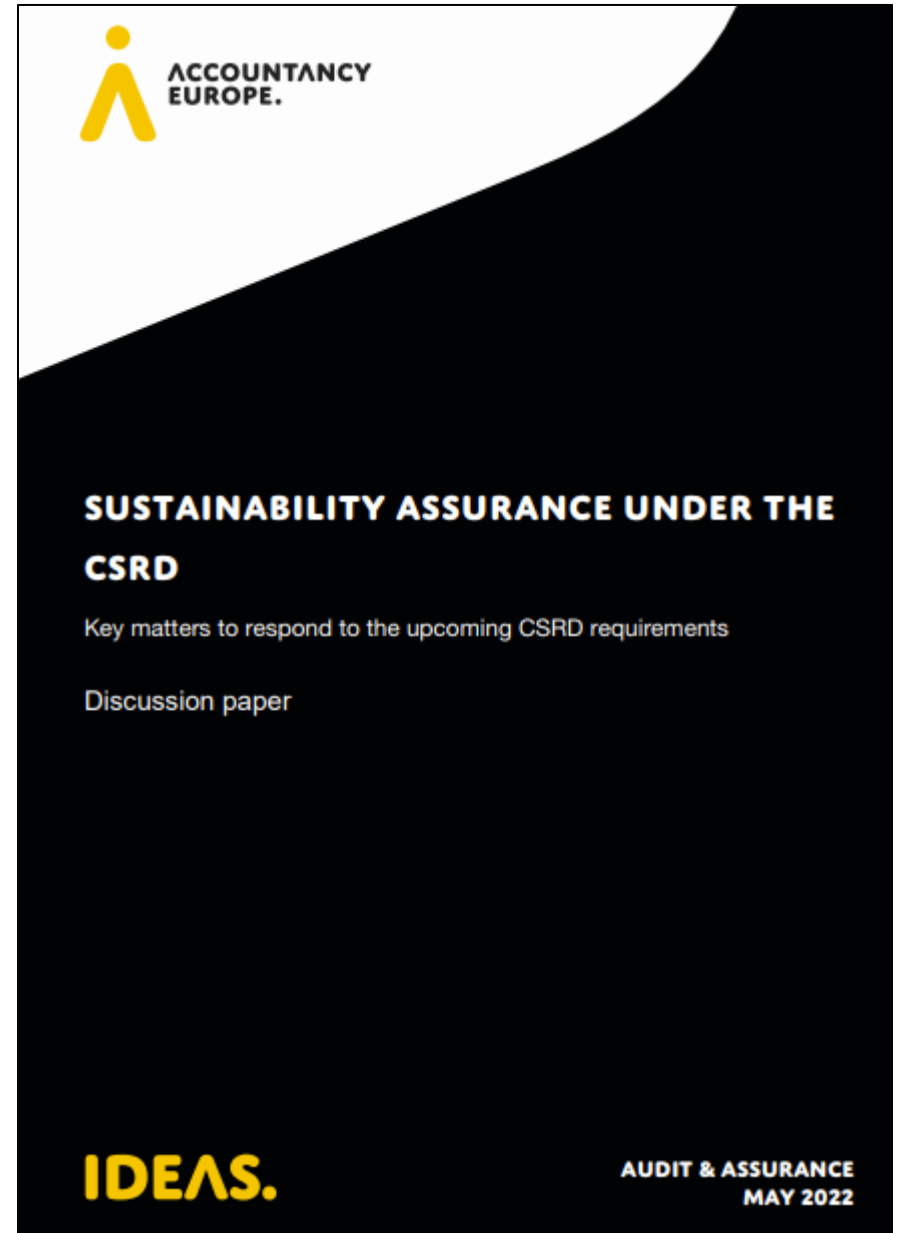
Vice President, ECIIA

**Blanka Vezjak**

Member of Audit Committees Working Group, ecoDa

# Session 3

- Preconditions to be fulfilled
- Quality framework applicable for all assurance providers
- All players to be involved



# Preconditions for an assurance engagement

- Relevant preconditions before accepting an assurance engagement
- Assurance practitioners:
  - Have to determine whether they can obtain the evidence needed for an assurance engagement
  - Should comply with fundamental ethical principles

# High quality assurance on sustainability reporting

All assurance service providers should be:

- Subject to equivalent requirements and public oversight (in line with the EU Audit Regulation and Directive)
- Required to apply the same professional assurance standards

# Stakeholders to strive for comparable, high quality sustainability reporting and assurance - EU



# Questions to speakers & audience

- How to handle the immaturity of some companies' sustainability reporting?
- Do you think that (some) companies need more time for implementation of the assurance requirement?
- Do you agree that a level playing field is required for all types of sustainability assurance service providers to ensure high quality services?
- How to ensure a level playing field across the EU, which mechanisms should be put in place?





# **CLOSING REMARKS**

**Hilde Blomme**

Deputy CEO, Accountancy Europe

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FOR YOUR  
PARTICIPATION!**

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