

CEAOB consultation - July 2024 - Responses for which publication was authorised by the respondents

Page	Organisation (by alphabetical order)	Country declared	Stakeholder group declared
2	Accountancy Europe	Belgium	Non-Governmental Organisation
3	ASSIREVI - Association of the Italian Audit Firms	Italy	Other
4	Austrian Federal Economic Chamber, Division Bank and Insurance	Austria	Other
5	Chartered Accountants Ireland	Ireland	Other
6	Clean Clothes Campaign	Netherlands	Non-Governmental Organisation
7	CNCC - CNOEC	France	Auditor; Preparer of sustainability reporting
8	Coficert	France	Auditor; Non-Governmental Organisation; Preparer of sustainability reporting; User of sustainability reporting
9	Commissaire aux comptes habilités à certifier le rapport CSRD	France	Preparer of sustainability reporting; Other
10	Condor Strike	France	Academia
11	Datamaran	United Kingdom	User of sustainability reporting; Other
12	Deloitte Germany on behalf of Deloitte (https://www.deloitte.com/global/en/about/governance/ne)	Germany	Auditor
13	ECIIA	Belgium	Non-Governmental Organisation
14	ecoDa	Belgium	Non-Governmental Organisation
15	EFAA for SMEs	Belgium	Assurance services provider; Other
16	ERM Certification and Verification Services	Global	Assurance services provider
17	Eumedion	Netherlands	User of sustainability reporting
18	European Association of Co-operative Banks (EACB)	Belgium	Other
19	European Contact Group (ECG)	Belgium	Assurance services provider; Auditor
20	European Group of International Audit Networks and Associations (EGIAN)	Belgium	Assurance services provider; Auditor
21	EY	France	Assurance services provider
22	Filiance (Test Inspection Certification)	France	Assurance services provider; Auditor
23	Forvis Mazars	Belgium	Assurance services provider; Auditor
24	Frank Bold Society	Czech Republic	Non-Governmental Organisation
25	Hibpma	Argentina	Auditor
26	IFAC (International Federation of Accountants)	Global	Other
27	Innov'Active	France	Other
28	Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)	Germany	Standard setter
29	International Ethics Standards Board for Accountants (IESBA)	Global	Standard setter
30	Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen (KSW, Austrian Chamber of Tax)	Austria	Standard setter
31	KPMG	United Kingdom	Assurance services provider; Auditor
32	MEDEF - Afep	France	Preparer of sustainability reporting
33	NBA - Royal Netherlands Institute of Chartered Accountants	Netherlands	Other
34	OROC - Ordem dos Revisores Oficiais de Contas	Portugal	Auditor
35	PIBR	Poland	Auditor
36	Polish Chamber of Statutory Auditors	Poland	Standard setter
37	PwC IL	Belgium	Assurance services provider; Auditor
38	RSE France	France	Assurance services provider
39	RSM International Limited	Global	Auditor
40	The Association of Chartered Certified Accountants (ACCA)	Global	Other
41	The Malta Institute of Accountants	Malta	Other
42	TIC Council	Belgium	Assurance services provider
43	Universitat Politècnica de València	Spain	Academia
44	Wirtschaftsprüferkammer	Germany	Other
45	WWF	France	Non-Governmental Organisation
46	Ycompris	France	Preparer of sustainability reporting; User of sustainability reporting

Organisation	Accountancy Europe
Country	Belgium
Stakeholder group declared	Non-Governmental Organisation
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>Overall, we welcome the CEAOB's draft non-binding guidelines and the opportunity to provide feedback. Due to the character limit, our responses may not cover our comments exhaustively. We follow the order of the topics addressed in the guidelines. We acknowledge that some of our comments may be better addressed in the technical advice for the EC to be developed by the CEAOB.</p> <p>The guidelines are inconsistent in sections 7, 9, 11 and 16 in relation to whether practitioners should 'identify' disclosures where material misstatements are likely to arise (the current ISAE 3000 approach) or 'identify and assess' risks of material misstatement (the potential ISSA 5000 approach). The current 'identify' approach is used in practice. Reference is also often incorrectly made to identifying risks, whereas it is the disclosures where misstatements are likely to arise that should be identified.</p> <p>It should be clarified that the practitioners are not expected to search for cases of NOCLAR outside the scope of the engagement and their responsibility relates only to actual or suspected NOCLAR that they become aware of during the engagement. In limited assurance engagements, practitioners typically review how entity's management assesses applicable legal requirements and mitigates associated risks.</p> <p>Guidelines suggest that practitioners should design and perform procedures to determine whether the entity's materiality assessment process meets the ESRS prescriptions. However, the ESRS do not mandate how the process shall be conducted as it will vary depending on entities' characteristics.</p> <p>The guidance on forward looking information is very limited. When such information relates to entity's future plans, actions and allocation of resources, practitioners may look for evidence within entity's records such as the meeting minutes, business plans, strategies, budget forecasts etc. For forward looking information that is based on estimates, practitioners may evaluate methods, assumptions and data used by the entity.</p> <p>The Article 8 disclosures section proposes a compliance driven approach and fails to specify how to apply limited assurance on this aspect of the assurance engagement.</p> <p>Key Audit Matters (KAM) are currently applicable to audits (reasonable assurance) of public interest entities only. Introducing key assurance matters for limited assurance engagements on sustainability reporting is too onerous and will most likely be confusing for the users.</p> <p>For subsequent events, it should be expressed that the practitioner has no responsibility to perform any procedures after the date of the assurance report. In addition, there should be a time limit to the period when the practitioner is expected to react upon becoming aware of a subsequent event.</p> <p>For other information, the guidelines should be clearer on the expected communication between the assurance providers on financial and sustainability reporting in cases where they are not the same.</p> <p>For the information incorporated by reference, the first step for the practitioner should be to check if the conditions listed in the ESRS 1 paragraph 120 are met.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>In some Member States, sustainability assurance engagements can be performed by other independent assurance service providers who may also use CEAOB guidelines if recommended or imposed by relevant competent authority. Hence, the guidelines should describe fundamental elements of an assurance framework such as professional scepticism and inherent limitations. Likewise, definitions of key terms such as fraud, intended users and substantive procedures should be added to the glossary.</p> <p>Ultimately, it is the practitioner's responsibility to evaluate the sufficiency and appropriateness of the evidence obtained, including evidence from the work performed by third parties. Accordingly, the guidelines should clarify potential limitations the practitioner may encounter and procedures the practitioner should perform before concluding that it would be appropriate to use such work. This is necessary to achieve high quality in the assurance engagement while avoiding duplication of work as appropriate.</p> <p>Throughout the engagement, practitioners accumulate identified misstatements and request management to correct these where possible. This essential contribution of independent assurance to reliable reporting is not recognised in the guidelines.</p> <p>Users need entity-specific information presented in a comparable way. As such, a practitioner should strike the right balance between specificity and comparability in the summary of the procedures performed. To promote consistency, high-level principles on what to include in this section of the assurance report would be needed in sustainability assurance standards.</p> <p>The implications of a scope limitation for the assurance practitioner will depend on whether it is imposed by management or arises from circumstances beyond the control of management. This key distinction is not made in the guidelines.</p> <p>We agree that in the context of sustainability reporting, misstatements identified during the engagement often cannot be accumulated. Hence, CEAOB should explain how practitioners could consider the impact of the uncorrected misstatements on their conclusion, along with specific examples where the extent of the material misstatements is so pervasive that an adverse or a disclaimer of conclusion is warranted.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>It would be very helpful if CEAOB and its members could clarify the supervisory approach they plan to take with regards to the first year of CSRD implementation in EU Member States.</p> <p>There will be different users than those of financial statements for sustainability reporting and assurance. Therefore, CEAOB, in coordination with the EC, could explain how to read sustainability assurance reports by elaborating on different concepts e.g. emphasis of matter paragraph, qualification, scope limitation, etc. and what they mean for users. It should be reiterated that the entity management's responsibility is not reduced just because the sustainability information is subject to limited assurance.</p> <p>The guidance should acknowledge that there may be inherent limitations as achieving data availability and quality may be particularly challenging for value chain information. The nature and extent of assurance procedures on value chain information will depend on how the entity collects and reports data from its upstream and downstream value chain. An entity's management may validate the information gathered through their value chain or use estimates or proxies when relevant data is not available. In any case, practitioners will need to consider the reliability of such information, including potential reliance on the work and assurance report of others.</p> <p>Although sustainability reporting will not be digital from the beginning as envisaged by the CSRD, we believe that this is an important matter. Many entities will face this for the first time and global assurance standards will not address this EU-specific issue. Accordingly, the CEAOB should play its role in promoting a consistent assurance approach to machine-readable reporting.</p> <p>We noted a number of inconsistencies in drafting and in the terminology used throughout the guidelines. Therefore, a thorough proofreading would be needed before publication. We will be pleased to share these inconsistencies as well as our suggestions, if deemed necessary. A few examples are presented below:</p> <ul style="list-style-type: none"> •It is inaccurately stated in Section 5 that practitioners may 'accept' immaterial misstatements. Practitioners accumulate misstatements identified during the engagement, other than those that are clearly trivial, and request management to correct these. Then, they determine whether uncorrected misstatements are material, individually or in the aggregate. •Section 7 suggests specific attention should be placed on disclosures that are likely to be most important to the information needs of intended users. This is not consistent with the approach taken in international assurance standards and CEAOB draft guidelines where practitioners identify disclosures where material misstatements are likely to arise. The concept of disclosures that are likely to be 'most important' introduces additional and unnecessary subjectivity. •Examples of procedures and techniques presented in Section 9 are not structured consistently with current methodologies and practices. Substantive procedures comprise tests of details and analytical procedures. Risk assessment procedures may include inquiries, analytical procedures, observation and inspection. Further procedures may include a combination of these and/or others including confirmation, recalculation and reperformance. •With regards to Section 9, in limited assurance engagements, practitioners do not conclude on the 'absence' of material misstatements. The wording should be aligned with the limited assurance conclusion formulated in international assurance standards as "nothing has come to our attention that causes us to believe that...". •Section 20 refers to both independence and objectivity with regards to using the work of experts. Independence is only relevant for the engagement team members and practitioners to evaluate whether an expert has the necessary objectivity to use their work. <p>Finally, we strongly believe that CEAOB should continue engaging in dialogue with relevant stakeholders, including auditors, with a view to support</p>

Organisation	ASSIREVI - Association of the Italian Audit Firms
Country	Italy
Stakeholder group declared	Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>Overall, we find the content of the draft CEAOB guidelines to be useful and relevant from a public interest perspective, and do appreciate the work being conducted by the CEAOB in this respect.</p> <p>Specifically, we agree with the approach set out in paragraph 17 "Format and content" of section IV "Limited Assurance Report" on the formulation of the practitioner's conclusions on whether the sustainability statements are prepared in accordance with the ESRS. This wording is in fact consistent with the guidance provided in article 34 of the Accounting Directive.</p> <p>Again on paragraph 17 "Format and content" of section IV, we agree with the approach reflected in the guidelines, according to which the conclusions as to the compliance of the sustainability statement with respect to the ESRS cover both the entity's process and the information reported in the sustainability statements pursuant to those sustainability reporting standards, with no separate conclusion on such entity's process. The absence of a separate conclusion on the entity's process is consistent with the approach specified by the EFRAG in Appendix II, which accompanies the draft of the first 12 sector-agnostic ESRS published for consultation in November 2022, and specifically in the table on the coverage of CSRD requirements by the ESRS. In fact, Appendix II confirms the full alignment of the requirements in the Accounting Directive about the content of the sustainability statements set out in articles 19-bis and 29-bis with the requirements of the ESRS, confirming that the preparation of sustainability statements in conformity with these standards enables full compliance with the Accounting Directive. Specifically, Appendix II links the requirement for disclosure on the entity's process with the content of Disclosure Requirement IRO-1 of ESRS 2.</p> <p>Finally, we note that the indication in paragraph 17 of the draft CEAOB guidelines that the practitioner's conclusions comply with the ESRS and are "in accordance with the relevant legal requirements" is not very clear. In our opinion, the "relevant legal requirements" to which reference should be made in these cases would be any additional country-specific legal requirements, supplementing those in the Accounting Directive. We recommend that appropriate specifications be made in the guidelines to avoid inconsistent practices in Europe. For example, it could be noted that the expression "in accordance with the relevant legal requirements" is only necessary when the member states' laws provide for additional requirements to those already established by the Accounting Directive.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We find that the most important issues related to assurance reports on sustainability statements have been suitably dealt with in the draft CEAOB guidelines.</p> <p>Specifically, we agree with the CEAOB's approach set out in sections 10 "Forward-looking information", 11 "Estimates" and 25 "Specific provisions - group/consolidated information". The indications in these sections appropriately balance the need to provide guidelines about issues that are important with the urgency to provide practitioners with guidance in due time before they perform their first limited assurance engagements, while deferring a more in-depth look to a future assurance standard, such as the ISSA 5000.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Regarding paragraph 24 "Specific provisions - information incorporated by reference", we understand that the CEAOB expects that the documents from which the information "incorporated by reference" is taken will also be subjected to a limited assurance engagement.</p> <p>We note that suitable criteria allowing the formulation of assurance conclusions are not available for some of the documents for which ESRS 1.119 permits the "incorporation by reference" technique (for example, another section of the management report, the corporate governance statements and the remuneration report).</p> <p>ESRS 1.120 does not provide for the option to incorporate by reference information that has not been "subject to at least the same level of assurance as the sustainability statement", which significantly limits the use of this disclosure technique.</p> <p>In order to overcome these technical limitations, the CEAOB guidelines should also contemplate the case in which the practitioner engaged to issue a limited assurance report on the sustainability statement can include in their scope of work and conclusions information incorporated by reference by examining it directly, and without having to perform assurance work on the entire document from which such information is taken. We recommend that the CEAOB consider this alternative method of examining information incorporated by reference.</p> <p>Finally, and in order to improve the content of the guidelines with respect to their consistency with the existing assurance standards, we suggest that wording that is too similar to language used in the context of reasonable assurance engagements, such as the reference to "key assurance matters", be eliminated. In fact, neither this concept is envisaged by the existing international standard ISAE 3000R, nor is it contemplated by the new standard currently being drafted by the IAASB (ISSA 5000).</p>

Organisation	Austrian Federal Economic Chamber, Division Bank and Insurance
Country	Austria
Stakeholder group declared	Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	For example, in the case of an audit by several auditors and in the case of different opinions, one stricter, one softer in the interpretation: Assuming that we are dealing with issues or regulatory requirement that have not yet been adjudicated or are not yet sufficiently clear in legal terms, it would be helpful to provide auditors with guidelines that both views - especially the more practical one - should be considered in the audit. This seems particularly relevant as the ESG requirements are new legal requirements that are often subject to interpretation.
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	

Organisation	Chartered Accountants Ireland
Country	Ireland
Stakeholder group declared	Other
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<p>Please refer to our response letter sent to ec-ceaob-secretariat@ec.europa.eu on 22 July 2024</p>
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	<p>Please refer to our response letter sent to ec-ceaob-secretariat@ec.europa.eu on 22 July 2024</p>
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>Please refer to our response letter sent to ec-ceaob-secretariat@ec.europa.eu on 22 July 2024</p>

Organisation	Clean Clothes Campaign
Country	Netherlands
Stakeholder group declared	Non-Governmental Organisation
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>On the contrary. While the CSRD mandates the EU Commission to adopt a limited assurance standard by October 2026, it is vital that in the meanwhile there is a harmonized approach to limited assurance engagements on sustainability reporting. Only by having comparable statements can various stakeholders, including civil society, start using the reporting in a systematic way. Clean Clothes Campaign (CCC) therefore recommends to maintain all information in the draft guidelines, and considers adding our recommendations in questions 2 and 3.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>1: Disclosure of double materiality assessment (DMA). The Guidelines should encourage transparency on DMA, i.e. the impacts, risks and opportunities assessments. As stated in ESRS2 SBM3, these disclosures should be made at the level of entity-specific IRO. The Guidelines should make clear it is not permissible to subsume these into generic sector-specific or sector-specific topics. It is vital for stakeholders to be able to have insights on why impacts were judged to be material or not material. We refer to H3C guidelines points 48-53 in this regard.</p> <p>2: Climate transition plans. The Guidelines should emphasize that climate transition plans, as specified in E1-1, E1-2, E1-3 and E1-4 of the CSRD (Annex1) can have a major impact on value chain workers and affected communities, for instance when an undertaking plans to move parts of its value chain to other geographical regions. An undertaking should, in such cases, have included those impacts in their IRO of climate transition plans. Failure to do so should be seen as a major material misstatement by the auditor. Furthermore the Guidelines should encourage assurance providers to be highly aware of the risks of greenwashing. And it must be clear that a commitment to 'net-zero' without an actual, science-based, transparent and realistic timeline is not a plan. Auditors must be given access to any tools, resources, and technology assessments that an undertaking has included in their plans, to assess if these are realistic or instead put too much faith in unproven future developments.</p> <p>3: Digitalisation of the information. Even though the EU rules for digitalisation of sustainability statements are still under development, the practitioner shall still assess whether the CSRD reporting is accessible and public, and can be easily found on the website of the undertaking. The reporting should at least be in a downloadable format that can easily be processed by machines.</p> <p>4: Value chain and entity-specific information: the Guidelines should be more explicit on the fact that, despite sector-specific standards still being under development, undertakings must consider material IROs across their entire value chain. In the absence of sector-specific reporting standards, sector-specific risks and impacts do not vanish into thin air - therefore they must be considered entity-specific IROs in the meanwhile.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>1: Definition of users: In Section 5, there is mention of "the intended users of the sustainability statements". The Guidelines should be explicit that this goes beyond financial and corporate spheres, and includes for instance trade unions and social partners, civil society and NGOs, governments, academia, affected communities and their representatives.</p> <p>2: Use of experts. In Section 20, there is mention of the use of experts. The Guidelines should make explicit that these experts must be exempt from any conflict of interest. Furthermore, the practitioner should be open to receive, or actively seek out, input from external stakeholders such as civil society, consumer protection watchdogs and others. When giving their conclusions (or better, before) the practitioner shall share a way to contact them to provide input.</p> <p>3: Value chain information. The Guidelines should be explicit here that value chain risks and impacts are not new - in the majority of cases they were already well-known and public before the CSRD came into existence. Undertakings have for years been made aware of them, and have reported on them themselves in voluntary CSR reporting, MSI engagement and through other methods. The auditor should make sure that already-known value chain risks and impacts are taken into account, and that CSRD reporting does not regress from previous reporting. Not including already-known value chain risks and impacts, in all places where value chain information is to be included, shall amount to major material misstatements.</p>

Organisation	CNCC - CNOEC
Country	France
Stakeholder group declared	Auditor; Preparer of sustainability reporting
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>We broadly support the draft CEAOB guidelines, which seem to be grounded in existing international assurance standards such as ISAE 3000. We believe that it is very important that the guidelines be inspired by existing international assurance standards, since many countries already base their assurance engagements on ISAE 3000 and will base it on ISSA 5000 in the future. However, we consider that the guidelines sometimes go too far in terms of work effort for a limited assurance engagement: e.g. internal controls, sampling, substantive procedures ...</p> <p>We also have some detailed comments below:</p> <p>Section 5 refers to "intended users" without any additional details. We believe that the guidelines should mention that not all readers of sustainability information are intended users.</p> <p>Section 6 deals indifferently with fraud, irregularities and non-compliance with laws or regulation. We believe there is value in having different sections for fraud and for irregularities/non-compliance with laws or regulations, as the requirements in international standards are different when dealing with fraud or non-compliance with laws or regulations. It should be clearly stated that the identification (or the investigation) of non-compliance with laws and regulations is not an objective of the assurance engagement and is not required. The diversity of the sustainability information and the variety of laws and regulations directly or indirectly dealing with those topics in the different countries would make it totally unpracticable.</p> <p>Section 12, § 5, deals with the use of third-party assurance work mandated by the entity. As drafted, it covers indifferently assurance work carried on "some parts of the sustainability information" whether it comes from entities of the group or from the value chain; it should therefore also refer to Section 27, which deals with the value chain and should cover the case where the assurance work is "mandated" by the value chain entity, even though we note that Section 27 specifically states that "obtaining external evidence or assurance reports [on value chain information] are not necessarily required".</p> <p>Section 17 and 18 (part IV- Limited assurance report) on the assurance report, see our comments to the next question below.</p> <p>Section 22 on subsequent events should put a time limit to the period when the practitioner should react "if the practitioner becomes aware of a fact [...]". The annual shareholder's meeting could be that time limit.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>Regarding the assurance report (Part IV - Sections 17 and 18):</p> <p>Section 17 (5), Key assurance matters: we disagree with having key assurance matters in limited assurance reports, as key matters exist in international standards only for audits (reasonable assurance engagements). Having such key matters in a limited assurance report would confuse the public as to the difference between limited and reasonable assurance and create an expectation gap on the extent of work performed by the practitioners.</p> <p>1-Possible conclusions: We consider that the 4 types of possible "conclusions" should be clearly mentioned i.e.: <ul style="list-style-type: none"> •A "clean" conclusion •A qualified conclusion •An adverse conclusion •A disclaimer of a conclusion (even though it is not strictly speaking considered as a conclusion in the international standards). In particular, the possibility of having a disclaimer of a conclusion should be clearly stated (point (3) of Section 17 only refers to a conclusion "whether or not").</p> <p>2-Inherent uncertainties: we suggest that the sustainability report includes a description of inherent uncertainties, especially for the first years of application of CSRD. The assurance provider could therefore include an emphasis of matter paragraph in its assurance report to draw the attention of the reader to the inherent uncertainties disclosed.</p> <p>3-Single conclusion/ multiple conclusions: we favor the approach taken in the French H3C guidelines published in June 2023 to have 3 separate conclusions in the report: <ul style="list-style-type: none"> •On the compliance with the ESRs (which includes the double materiality process) •On the taxonomy information •On the tagging of the sustainability information Since it allows the reader to better understand, when there is a qualification, where the "problem" is, if there is one.</p> <p>We also note that Section 4 mentions enabling the practitioner "to conclude on the presentation of the sustainability statements" when Section 17 states that the conclusion of the practitioner is on the "preparation, in all material respects, [of the sustainability statements] in accordance with the relevant legal requirements and the ESRs". The terms used should be aligned and we believe that "preparation" should be used throughout the document.</p> <p>The box in the Section 17 ("Compliance with the ESRs and faithful representation") and the footnotes are confusing: the faithful representation does not relate to the sustainability statement as a whole, but to the disclosures.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Overall, we note a number of inconsistencies in the drafting of the guidelines, which require a thorough proofread from the CEAOB before publication.</p> <p>In part I, Section 5, Material misstatement for practitioners in the context of an assurance engagement, in the sentence "Practitioners may accept, in the disclosures, misstatements that, individually or in aggregate, are not material [...]". Assurance standards never use "the practitioner may accept misstatements" but "misstatements may not be corrected". We suggest the following wording: "Misstatements that, individually or in aggregate, are not material, [...] , may not be corrected."</p> <p>In part I, Section 9, Responding to risks: (i)"Procedures to respond to fraud risk (...)". This sentence creates an implicit obligation to work on all cases of non-compliance of laws and regulations without considering materiality. We suggest the following revised wording: "Procedures to respond to fraud risk and to suspected or actual instances of non-compliance with laws and regulations should also be performed when considered as having a material impact." In the paragraph starting by "Examples of procedures and techniques ..." (ii)We believe there is a confusion between procedures and techniques, and identify a redundancy with using twice the word procedures (iii)The paragraph leads to believe that sampling is always required in a limited assurance engagement, as only tests of Control are explicitly mentioned as not being required. (iv)In the last paragraph "(...)" to conclude with limited assurance regarding the absence (or not) of material misstatements." The guidelines should be aligned with the limited assurance conclusion "nothing has come to our attention that causes us to believe that..." because the term "absence" is too strong and increases the gap expectation in a limited assurance engagement.</p> <p>In part V, Section 19, Representation letter, should mention that the date of the representation letter shall be as near as practicable to, but not after, the date of the assurance report.</p> <p>Section 20, Use of experts' work, should not use the terms "independence or objectivity" as in international standards, objectivity is requested for experts, not independence.</p> <p>Finally, Section 23, Information accompanying the sustainability statements, should state "Practitioners should read the financial statements and the management report with a view to identifying material inconsistencies with the sustainability statements".</p>

Organisation	Coficert
Country	France
Stakeholder group declared	Auditor; Non-Governmental Organisation; Preparer of sustainability reporting; User of sustainability reporting
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	no
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>Climate Change Impact: The guidelines should address the assessment of climate risks and their financial implications, providing methodologies for climate-related financial disclosures.</p> <p>Emerging Technologies: Guidance is needed on evaluating risks associated with technologies like AI and blockchain, which present new challenges and opportunities for assurance processes.</p> <p>Social and Governance Aspects: Strengthening the focus on social and governance criteria is crucial. Detailed instructions on assessing these aspects reflect the growing importance of ESG factors in corporate reporting.</p> <p>Non-Financial Data: More detailed guidance is needed for verifying non-financial data, especially sustainability indicators, ensuring data accuracy, reliability, and comparability across sectors and regions.</p> <p>Transparency and Communication: Enhancing transparency in assurance reports is essential to build stakeholder trust. The guidelines should encourage detailed disclosures about the scope, methodology, and limitations of the assurance process.</p> <p>International Harmonization: Aligning European standards with international ones is necessary for consistency and comparability, facilitating global understanding and acceptance of limited assurance practices.</p> <p>Duty of Vigilance: This critical area needs explicit coverage, focusing on ensuring companies proactively identify and mitigate risks, especially concerning human rights and environmental impacts. Guidelines should integrate due diligence processes into assurance practices, ensuring compliance with legal requirements and best practices in addressing adverse impacts linked to operations and supply chains.</p> <p>For effective implementation:</p> <p>Detail Due Diligence Processes: Outline clear steps for risk identification, assessment, mitigation, and monitoring.</p> <p>Stakeholder Engagement: Encourage consultation with affected communities, employees, and relevant parties.</p> <p>Reporting and Accountability: Guide companies on reporting vigilance activities and outcomes, ensuring transparency and accountability.</p> <p>Training and Capacity Building: Emphasize the importance of staff training in understanding and implementing due diligence measures.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	

Organisation	Commissaire aux comptes habilités à certifier le rapport CSRD
Country	France
Stakeholder group declared	Preparer of sustainability reporting; Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	Alerter sur le fait que les 90h de formations pour devenir auditeur de durabilité (Commissaire aux comptes, OTI, Expert-comptable, avocats) sans autres formations et expériences en RSE ne sont absolument pas suffisantes pour permettre aux auditeurs de durabilité de fournir un travail de qualité permettant d'émettre une opinion même en assurance limitée.
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	Pour ma part ce serait une erreur monumentale que la mission des auditeurs de durabilité reste une mission de conformité ! On retomberait dans les travers de la DPEF avec des entreprises conformes aux textes réglementaires mais malheureusement pas forcément RSE avec un manque de transparence en plus pour les parties prenantes.

Organisation	Condor Strike
Country	France
Stakeholder group declared	Academia
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>4. Objective of the limited assurance engagement There should also be some consistency tests to check for instance that the provided procedure for a datapoint was really displayed and not only designed for the reporting.</p> <p>9. Responding to risks I think that there should be more guidance on the use of data analytics methods to conduct tests on a comprehensive set of data rather than only testing some samples especially on the data / data points. These tests should be directed to identify for instance gaps in the data like missing dates.</p> <p>11. Estimates I believe you should suggest auditors to use benchmark to check the provided information</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>On point 5 (materiality), I believe that misstatements results should be always aggregated to assess materiality, not to rely only on individual materiality. I can see you mentioned it also in 13. To encourage the aggregation and just want to add one thing about misstatements as one individual misstatements is identified in one process/ area, there should be a comprehensive check (with data analytics for instance) of all the data in the period for that process in order to get all the individual misstatements combined.</p>

Organisation	Datamaran
Country	United Kingdom
Stakeholder group declared	User of sustainability reporting; Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	No
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>In light of the key role the double materiality assessment plays in ensuring that the characteristics of "relevance" and/or "faithful representation" are complied with, we recommend expanding section 8 "Process carried out and described by the entity". We are concerned that the current framing of section 8 is not sufficiently reflecting the requirements in the ERSR and the indications in EFRAG's Materiality Assessment Implementation Guidance, creating inconsistencies that may lead to unnecessary frictions between reporting companies and practitioners providing assurance of the sustainability services.</p> <p>In particular, section 8 emphasizes exclusively the "identification" of material impacts, risks, and opportunities, falling short of addressing the assessment element, the governance oversight component, and the ongoing update of the materiality assessment.</p> <p>The assessment part of the process is a critical component for assurance providers to obtain evidence on, to ensure that "the materiality assessment is based upon supportable evidence and rely to the maximum extent possible, on objective information" (EFRAG IG 1 paragraph 28).</p> <p>ESRS 2 GOV-2 requires reporting companies to disclose "whether, by whom and how frequently the administrative, management and supervisory bodies, including their relevant committees, are informed about material impacts, risks and opportunities" identified and assessed in the materiality assessment. It is important to clarify that assurance providers should obtain evidence on this governance oversight process.</p> <p>In addition, EFRAG IG 1 paragraph 173 indicates that "while it is possible to perform an annual update focused on the consequences of the identified changes, the materiality assessment is a dynamic process subject to the inherent evolution of the undertaking and needs to be considered for an update on an ongoing basis." Section 8 of the CEAOB non-binding guidelines frames the materiality assessment as a discrete identification exercise, with no reference to its ongoing dynamic nature, creating inconsistency with the ERSR and the EFRAG IG 1.</p> <p>Finally, considering the flexibility of the ERSR regarding certain elements that do not include mandatory prescriptions and set requirements (e.g. stakeholder engagement and process to conduct double materiality assessment), which indicate that there is no "single best way" to conduct a double materiality assessment, the assurance providers should focus on analysing the process used by the reporting client rather than imposing what they believe is the right process.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	Given that these guidelines are non-binding, assurance providers should be requested to state whether they're following them or not. In this way there will be a concrete way to actually track to what extent the Guidelines are fulfilling their aim, i.e. "avoid fragmentation and to ensure that practices are as consistent as possible until the adoption of an assurance standard at EU level"

Organisation	Deloitte Germany on behalf of Deloitte (https://www.deloitte.com/global/en/about/governance/network-brand-alliances/about-the-network.html?icid=bottom_about-deloitte)
Country	Germany
Stakeholder group declared	Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>Deloitte welcomes the CEAOB draft guidelines, supports the aim to avoid fragmentation and encourage practices to be as consistent as possible during the period before adoption of an EU limited assurance standard (leveraging the IAASB work on the imminent ISSA 5000). Limited comments follow; we would be happy to provide more.</p> <p>The public interest might be enhanced through greater alignment to international standards (ISAE 3000 (Rev.) and imminent ISSA 5000), including:</p> <ul style="list-style-type: none"> -terms (see Q3) -limited assurance work and its objectives: •some language is too close to reasonable assurance and this would create confusion for users, e.g.: <ul style="list-style-type: none"> □ 'assess' is used throughout the draft and not as used in international standards (where used mostly for risk assessment). We suggest removing it or defining it in appendix 1. □ §4, 2nd paragraph, mentioning procedures 'performed by the practitioners to provide this limited assurance' is not aligned to international standards which ask practitioners to obtain limited assurance and provide a Limited Assurance Report. The reference to free from material misstatement is also closer to reasonable assurance as per international standards. □ §9, 5th paragraph mentions "with limited assurance regarding the absence (or not) of material misstatements". To have further alignment to international standards, the limited assurance conclusion should be expressed as a negative statement (i.e. "nothing has come to the assurance provider's attention that causes her or him to believe that the sustainability statements are not prepared, in all material respects ..."). •§9 implies sampling is required in a limited assurance, excluding the use of other procedures to cover/address the risk identified. •In §14 & §16, the extent of work around design & implementation (D&I) and "testing" is too close to reasonable assurance. We suggest in §14 to remove the reference to D&I to stick to an understanding of the process to establish taxonomy information and in §16 to substitute "testing" by "procedures". •§17 (5) key assurance matters should not be included in limited assurance reports as KAM exists only for audits (reasonable assurance) on listed entities in international standards. Having KAM in limited assurance would confuse users as to the difference between limited and reasonable assurance and create expectation gap on the extent of work performed by practitioners. Finally, Appendix 3 is specific to few jurisdictions and so may be best suited to national guidance.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>Deloitte supports the high-level nature of the guidelines and the references to practitioners' professional judgement. We also suggest the guidelines refer to a "risk-based approach" to be taken by practitioners in the "I. General principles & approach" in §4 to 7.</p> <p>Clarity on the applicability of the different paragraphs of the non-binding guidelines to the CSRD components would improve readability and application consistency. Part "I general principles and approach" includes content specific to "Double materiality process" and "ESRS reporting" assurance. On the other hand, Taxonomy Regulation Article 8 and Digitalisation of the information are also subject to I general principles and approach. We suggest making some title adjustments such as:</p> <ol style="list-style-type: none"> I.General principles and approach II.Process carried out by the undertaking to identify the information reported III.Sustainability reporting as per ESRS IV.Disclosures provided to address Taxonomy Regulation Article 8 V.Digital tagging of the information ... <p>In §9, 3rd paragraph - 1st bullet, the sentence implies inquiry alone may be sufficient to address risk identified. It seems this will not be aligned to the forthcoming ISSA 5000 (Para A109.)</p> <p>Respecting the assurance report (part IV, §17), we suggest the CEAOB:</p> <ul style="list-style-type: none"> -clearly mention a disclaimer of a conclusion (point (3) of paragraph 17 only refers to a conclusion on "whether or not") -specify that, in any event, an emphasis of matter is not a substitute for a qualified/adverse conclusion. <p>Appendix 1 could be supplemented on certain terms and notions used throughout the guidelines to bring further consistency and greater common understanding among practitioners also in light of international standards (as per response to Q1), including the notions of "Intended users", "materiality", "misstatement" and "fraud".</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Adding "CSRD" in the title to clarify that the guidelines are directed to "CSRD sustainability reporting". In addition to closer alignment to international standards mentioned in response to question 1, using consistent terminology throughout the non-binding guidelines such as:</p> <ul style="list-style-type: none"> •"Preparation" and "Presentation": §4 mentions the practitioner being enabled "to conclude on the presentation of the sustainability statements" whereas §17 states that the conclusion of the practitioner is on the "preparation, in all material respects, [of the sustainability statements] in accordance with the relevant legal requirements and the ESRS". The terms used should be aligned and we expect that "preparation" should be used throughout the document. •"Conclusion" and "conclusions" are used across the drafted non-binding guidelines. To bring clarity, we suggest using consistent terms when appropriate especially in §17 (using "Conclusions") and the following §18 (using singular "conclusion"). <p>We suggest separating fraud and non-compliance (in §6) into two separate guidelines, to avoid confusing users.</p> <ul style="list-style-type: none"> •The following sentence seems unclear: "Non-compliance with laws and regulations connected to the subjects examined during the sustainability assurance engagement falls within this category." It may be read as requiring all non-compliance with law and regulation to be reported, without any materiality consideration. •It should be stated that in the absence of identified or suspected non-compliance, the practitioner is not required to perform procedures regarding the entity's compliance with laws and regulations other than remaining alert to the risk of non-compliance with law and regulations (see ED ISSA 5000, §61) -In §12, "entity has mandated a third party" might be too restrictive as a third party may be used on the value chain. We suggested rewording as: "when an assurance report from a third party may be obtained". In §5, 3rd paragraph, we suggest changing the wording "is linked" to "consider double materiality when determining practitioner materiality".

Organisation	ECIIA
Country	Belgium
Stakeholder group declared	Non-Governmental Organisation
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	We welcome the draft non-binding guidelines on limited assurance on sustainability reporting and thank you for the opportunity to react on the consultation . No comment here
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We do believe that ESG principles must be embedded throughout the organization as part of the business transformation and that ESG reporting must be seen in the broader context of an ESG journey.</p> <p>In order to ensure that the information published is accurate and compliant with the EU regulations (ESRS, taxonomy,...), it is important to assess, besides the internal controls, risks and opportunities, the business transformation, the set-up of an ESG proven strategy, the review of the governance, the embedding of ESG in the enterprise-wide risk management framework, and the implementation of ESG aspects in the operations and culture of the organizations. Internal audit is part of the governance structure and assists the Board/Governing Bodies fulfilling their duties.</p> <p>So, we recommend a holistic assessment and the implementation of a strong governance and assurance chain between the "internal assurance providers" (internal audit, risk management, compliance,...) and the external independent assurance providers.</p> <p>The current guidance is very high level and does not consider some of these important elements.</p> <p>It is worth noting that the draft on International Standard on "Sustainability Assurance Engagements" (ISSA 5000) identifies Internal Audit as an engagement resource whose work may be relied upon by the external assessor</p> <p>Internal audit plays an important role in the organization assuring the Board/Governing Bodies that ESG has been effectively embedded: they are professionally independent and report to the Board/Governing Bodies. They help the organization with insights, providing independent and reasonable assurance on all aspects of governance, risk management, internal control, and needed transformation; They collaborate with the external assurance providers (exchange of information, reports, assurance conclusions).</p> <p>We therefore recommend to include the role of internal audit in the guidelines.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>We recommend to incorporate the role of internal audit in the CEAOB guidelines (as mentioned in ISSA 5000), since they play an important part of the "assurance chain" and strong governance by providing an independent opinion to the Board/Governing Bodies:</p> <ul style="list-style-type: none"> -In the section 7- Procedures targeted at risk identification and assessment The section should expressly mention that practitioners should obtain an understanding of the entity, its environment, and its system of internal control relevant to the preparation of the sustainability statements. ESG exercise is part of the integrated enterprise-wide risk management (e.g., COSO model that integrates the sustainability dimension, or ERM model that also includes sustainability issues).Internal audit should be listed explicitly as a source of information as they provide an overall assessment of the internal controls to the Board. -In the section 8.Process carried out and described by the entity. Internal audit work is performed in conformance with the Global Internal Audit Standards, as promulgated by The IIA, mandatory requirements that call for objectivity and independence when assessing the efficiency and effectiveness of the processes. External assurance providers should rely on the work of internal audit, when performed with quality (in line with the Global Internal Audit Standards). -In section 10 Forward looking and 11 Estimates. Data are an important challenge for the ESG reporting and internal audit assess the process to collect the data, and give insight for the recuperation of data from the various stakeholders They play an important role assuring the Board/Governing Bodies about the quality, completeness and accuracy of the data used. -In the section 12 Communication between practitioners and other professionals. The Global Internal Audit Standards also require that internal auditors share information, coordinate their activities (assurance map concept as an example), and consider relying on the work of other assurance providers to ensure full coverage. This coordination is usually managed by the Audit Committees, on behalf of the Board. It is important to avoid duplication and inconsistencies of information towards the Board/Governing Bodies. <p>About ECIIA The European Confederation of Institutes of Internal Auditing (ECIIA) is the professional representative body of 34 national institutes of internal audit in the wider geographic area of Europe and the Mediterranean basin. The mission of ECIIA is to be the consolidated voice for the profession of internal auditing in Europe by dealing with the European Union, its Parliament and Commission and any other appropriate institutions of influence. The primary objective is to further the development of corporate governance and internal audit through knowledge sharing, key relationships and regulatory environment oversight ECIIA represents 55.000 internal auditors.</p>

Organisation	ecoDa
Country	Belgium
Stakeholder group declared	Non-Governmental Organisation
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	No comment.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	No comment.
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>The CSRD requires the European Commission to adopt limited assurance standards before 1 October 2026. Such standards have not been approved yet. Given, however, that limited assurance reporting is already required for the sustainability disclosures for 2024 to be reported by large public-interest corporations previously subject to the non-financial reporting directive, ecoDa welcomes the principle of draft non-binding guidelines for limited assurance engagements for sustainability disclosures, which should allow for better harmonization of the procedures performed among EU members states, and thus enhance comparability, reliability, and quality of sustainability reporting.</p> <p>ecoDa is aware of the difficulty in finding consensus on the extent of the procedures to be performed in such a short period. We understand that these standards will serve as an interim framework, pending the adoption of an internationally recognized framework for assurance reporting (limited and reasonable) by the IAASB.</p> <p>ecoDa would like to highlight the following points from the perspective of board members:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The draft guidelines are vague in certain important areas and do not allow for a clear understanding of the differences between a limited assurance level and a reasonable assurance level. They also contain statements that could be viewed as contradictory — for example, under Section 6, « Practitioners should remain alert to the risk of fraud and instances of non-compliance with laws and regulations », which could be construed as not requiring specific procedures, and under Section 9 « Procedures to respond to fraud risk and suspected or actual instances of non-compliance with laws and regulations should also be performed. ». As currently written, and not required (i.e. non-binding guidelines), they will allow for widely different interpretations and extent of procedures by assurance providers, thus threatening the credibility of opinions between assurance providers and the level-playing field between companies. <input type="checkbox"/> The content of the limited assurance report is not clear regarding the description of key assurance matters : « The assurance report may in addition include, if deemed relevant by the practitioners [...] : a description of key (assurance) matters addressed by the practitioners during the limited assurance engagement (optional)». ecoDa believes it should have mirrored the established requirements for critical audit matters for clarity. Critical Audit Matters are an important component of the audit report on financial statements for both management, governance, and investors, as they allow for clear identification of the most salient topics and include a description of the procedures performed by the independent auditor. <input type="checkbox"/> ISSA 5000 (ED) issued by the International Auditing and Assurance Standards Board (IAASB) in August 2023 provides a more robust framework with a structure that clearly reflects the different nature of procedures to be implemented between limited and reasonable assurance. ecoDa believes that there is a risk of confusion for management, governance and stakeholders between the level of procedures under the proposed guidelines, and the extent of procedures that will be required under ISSA 5000 limited assurance guidelines once it is released in its final form. This will put assurance providers at risk when they will have to upgrade their procedures (and budget) to a more robust set of procedures. Also, the conclusions under the reporting as proposed in the proposed guidelines, and the reporting under limited assurance as proposed by ISSA 5000 (ED), could lead to very different conclusions, which could create a liability for companies, their management, and their governance. As such, we would recommend that these procedures be clarified and clearly labelled as interim [required] procedures (without referring to limited assurance), pending the adoption of limited assurance standards.

Organisation	EFAA for SMEs
Country	Belgium
Stakeholder group declared	Assurance services provider; Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>EFAA for SMEs (www.efaa.com) appreciates the opportunity to provide our comments on the CEAOB guidelines. Our response has been prepared with input from our Assurance Expert Group.</p> <p>Given our constituency is small- and medium-sized accountancy practices (SMPs) in Europe we have three main considerations. First, to ensure that the guidelines will be sufficiently scalable to be used by SMPs on SME sustainability assurance engagements. We strongly prefer a 'Think Small First' approach, developing straightforward regulation and standards for SMEs and SMPs and then scaling up to suit larger more complex companies and practices. Second, to ensure that there is sufficient guidance for auditors that have limited technical resources. SMPs face a significant challenge applying sustainability reporting and assurance standards. And third, to ensure that the guidelines serve the European public interest.</p> <p>In general, EFAA believes that the draft guidelines largely address these three considerations. We believe that all the content is useful from a public interest perspective. However, as we explain below, we believe that some additional content would be useful.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We note that the draft guidelines make no reference to voluntary limited assurance engagements on sustainability reports prepared using ESRS or one of the SME sustainability reporting standards under development (ESRS LSME and VSME). We suggest that consideration be given towards mentioning such engagements since it is important that there be consistency of approach to all limited assurance engagements on sustainability reporting in the EU.</p> <p>We believe that readers of the guidelines would benefit from knowing about other relevant developments either by way of text within the body of the guidelines or else reference to them in the dissemination and communication of the guidelines. In this way the guidelines can help facilitate convergence on a common set of standards. We therefore suggest mentioning the current guidelines that we know our members are presently using (ISAE 3000) as well as standards under development, such as the ISSA 5000 and sustainability assurance section of the IESBA Code of Ethics. Furthermore, we are aware that some EU Member States are making provisions for the period of transition through to the publication of the Delegated Act. It is important that SMPs are made aware of these developments and that the Guidelines are in some way coordinated with them.</p> <p>We believe alignment with the ISSA 5000 is important for the sake of global consistency. While the draft guidelines use the same terminology and concepts as the ED ISSA 5000, we note that in recent IAASB meetings the draft ISSA 5000 has been modified pending its final approval later this year. We suggest that the guidelines are updated to align with the latest draft ISSA 5000.</p> <p>Finally, we wonder whether the guidelines ought to stress the importance of inquiries and analytical procedures in limited assurance engagements as the ED ISSA 5000 and the latest draft ISSA 5000 do.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>We believe that the recent IFAC publication 'What to Expect from Sustainability Assurance' (see https://www.ifac.org/knowledge-gateway/discussion/what-expect-sustainability-assurance) to be very useful. We suggest the CEAOB guidelines incorporate some of the key aspects of this document and in any case cite the publication by way of a footnote. For example, the examples of limited assurance reports, adapted as necessary, could be included in an Appendix to the guidelines.</p>

Organisation	ERM Certification and Verification Services
Country	Global
Stakeholder group declared	Assurance services provider
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<p>ERM CVS is generally aligned with the guidance document. While noting that these guidelines are non-binding, we would support that the competent bodies recommend or impose the final version as a single set of guidelines vs. developing requirements in each local jurisdiction. We trust that the approach proposed by CEAOB, which is broadly aligned with commonly used assurance standards, remains if member states/EFRAO determine rules of their own.</p> <p>Sections 12., 24. and Appendix 3. We applaud the broad recognition that entities may contract multiple practitioners for their CSRD limited assurance, as this encourages a solution to the need for diverse competencies and to the order of magnitude of assurance required in the market. While ERM CVS agrees with establishing principles of collaboration between practitioners, the draft guidance lacks clarity regarding contracting models and the collaboration expected in each case, risking misinterpretation and inconsistency. The communication expected in section 12 is considerably less than in Appendix 3, and the definition of "a third party other than the practitioners of the assurance engagement" in section 12, is unclear. Our concerns with the proposed approach are practical implementation of requirements, value to intended users of a single assurance report with various opinions (which may be conflicting), confidence in the consistency of assurance practices, and implementation costs. The detail in Appendix 3 is notable, though the proposed concerted work (e.g. agreement on procedures and communication to management) would be challenging in practice, likely resulting in delays and increased costs, if applied in all circumstances. ERM CVS believes communication on scope, procedures performed, observations and conclusions are reasonable expectations. Only lack of confidence would trigger reperformance. We propose these potential cases and collaboration approach:</p> <p>Case 1. Entity contracts most of the scope to a specific practitioner and segmental scopes (such as ESRS E1 disclosures, DMA or EU Taxonomy) to another or multiple practitioners: The majority practitioner would be responsible for collating opinions, confirming conformance with acceptable assurance standards and ethical provisions, evaluating sufficiency of procedures performed, and discussing key concerns, prior to incorporating the opinions into a single assurance report. The assurance report would reference the independent opinions of each practitioner over their scope and would have multiple signatures. The type of cooperation in this case would be similar to section 12, and expands on section 24 of the current guidance.</p> <p>Case 2. Entity already receives assurance of certain components of CSRD under local regulatory or voluntary schemes (for example EU ETS): Similar procedures as Case 1., akin to the processes followed by financial auditors when placing reliance or work performed by other auditors or practitioners. Duplication of efforts are avoided by documenting where reliance has been placed on other assurance work and expressing this in the report. The practitioner would confirm reporting period and exact scope (DRs or DPs) assured by the other practitioner are aligned with CSRD requirements. A single assurance report with one signature, and references, as relevant for case 2.</p> <p>Case 3. Practitioner mandated by the entity utilizes an external subject matter expert or subcontracts parts of the engagement due to competency or capability: As per existing assurance standards, all quality control procedures would be performed by the practitioner prior to incorporating the findings into its opinion (see ISAE3000 (Revised) section on Obtaining Evidence – Work Performed by a Practitioner's Expert, Para. 52- 54, and section on Quality Control, Para. 32 (b)). Placing reliance on other assurance provider work is common practice and recognized by existing assurance standards. Outlining reliance procedures would enable these interactions to be efficient while providing the confidence the market requires. CEAOB's guidance on</p>
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	<p>Subject Matter Knowledge: Noting that there is a range of professionals / types of organization capable of undertaking non-financial report assurance in selecting the right assurance provider reporting entities should be able to consider knowledge, competency and experience of potential providers across two dimensions. While the requirements of the first dimension (understanding of audit/assurance principles) is firmly encompassed (by Directive 2022/2464/EU ("CSRD") amending Directive 2013/34/EU ("Accounting Directive")) the second dimension, "Subject Matter Knowledge" is less clearly considered. As currently published, the ESRS are less uniform than financial reporting standards – in many cases they are less prescriptive and cover a range of topics from GHG emissions and safety to supply chain management and human rights. The importance of understanding these sustainability topics in context are therefore vital in bringing professional judgement to bear in providing an Assurance opinion – not only on the sustainability reporting risks and content, but on the detail i.e. not just seeing a number but understanding the real-world implications (impact/opportunities) for that number. Further acknowledgment and support of this view by CEAOB as an introduction to this guidance would be of benefit to the users of the information, practitioners and in-scope entities.</p> <p>In reference to section 8, Process carried out and described by the entity, and as noted on the callbox on page 8, the double materiality assessment is the foundation for the determination of relevance and faithful representation of the sustainability statements as a whole. While ERM CVS understands the assurance engagement will be a balance of a compliance-focused exercise centralized on alignment with specific processes outlined in ESRS for DMA, and an assessment on quality and accuracy of disclosures, the depth and types of procedures required to assess the latter is insufficiently outlined in the current draft.</p> <p>We believe the current guidance would leave room for interpretation and hence the performance of a differing levels of assessment on quality and accuracy of DMA disclosures, causing confusion amongst entities on the level of scrutiny expected during the limited assurance engagements for CSRD compliance and potential lack of confidence in the assurance engagement outcomes dependent on the practitioner conducting the work. As we are aware that this guidance seeks to achieve a certain level of consistency and confidence from the market, we suggest further clarity on the quality/robustness of review on the DMA processes and output to assess whether the results of the processes are a fair representation of the material topics for the undertaking.</p> <p>As a sustainability assurance provider, ERM CVS has received many questions from clients and consultants, regarding the depth of review expected from the practitioner on the DMA process. Particularly, will the practitioner be evaluating the reasonableness of the scoring mechanism for prioritization of IROs during a CSRD-aligned assurance engagement, evaluating sufficiency of benchmarking completed, assessing the amount and quality of communication with stakeholders (for example is metadata use sufficient or would the assurance provider only consider higher depth dialogue sufficient), forming an opinion on adequacy of or levels of validation on scoring completed. The opposing approach would be that an assurance provider is expected solely to confirm the process has followed that defined in ESRS and that there is a consistent and justified process, for example consistent scoring for prioritization of IROs, a disclosure mapping process to determine specific material disclosure requirements and data points required. As the final line of defense in the disclosure process, our view is that the practitioner should apply professional judgement, understanding of the undertaking's environment and seek reasonable explanations for the process followed, which the entities should duly document in advance of the</p>
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>Other standards: To support alignment with existing guidance associated with key assurance standards for non-financial assurance engagements (such as ISAE 3000 (Revised) and the upcoming ISSA 5000), we suggest comparing the guidance with these two Standards, and especially ensuring that the guidance is aligned with ISSA 5000. Furthermore, the standard development process, including dialogue and consultation, carried out for ISSA 5000 should provide a fairly broad consensus amongst statutory auditors and other assurance service providers as to enable this to be the default standard to be used for assurance of sustainability statements under CSRD. ERM CVS agrees with the European Commission's letter in relation to harmonisation of practices, while the specific CSRD assurance guidelines should serve to facilitate interpretation for the specific scope in question (i.e. ESRS, EU Taxonomy). In addition, limited assurance rigor and quality will be fundamental to gaining confidence from the users of the information and hence should be recognized as a key element of the CSRD disclosures process, as currently is expressed in the draft guidance published for consultation.</p> <p>In reference to section 10. Forward-looking information, and according to the current draft guidance, the practitioner should focus on the principles of existence and accuracy between the disclosure and the underlying plans and targets. To ensure this section remains useful, further clarification on the expected level of assessment is required. For example, assessing the reasonableness/justification of significant assumptions, built into plans and targets. Our stance is that the assessment should be conducted through application of subject matter understanding, benchmarking and interviews with management, and while the practitioner should not be required to reperform analysis (like scenario analysis for example) it should apply its expertise and professional judgement to determining robustness of the processes followed by the entities or its contracted third-party.</p> <p>In reference to section 18. Different types of conclusions, we suggest adding examples specific to the scope of CSRD to provide confidence to intended users and ensure consistency among practitioners' reports. This addition will be particularly relevant where the guidance currently allows for a joint assurance report that may contain multiple assurance opinions from various practitioners, which could also be expressing disagreement.</p> <p>In reference to section 21. Documentation, the current text of the guidance document would suggest the submission of assurance engagement documentation (the word "provide"). A similar reference is used in section 14 of Appendix 3, where it is unclear whether the substantiation file needs to be submitted or solely retained for potential review by a third party. ERM CVS understands that in accordance with ISAE 3000 (Revised), draft ISSA 5000 and other assurance standards, practitioners shall retain documentation as a basis for the opinion provided for potential need for review by a third -party or supervisory/ accreditation body.</p> <p>In reference to section 26. Specific provisions – comparative information, once comparative information is required, and since prior year comparatives will have undergone assurance, the expected level of comparative information review is currently unclear. Our perspective, and in alignment with financial audit common practice, is that it should be sufficient to confirm that prior year disclosures are consistent with the previously assured sustainability statement. No re-performance of assurance procedures would be required over prior years unless significant changes or material misstatements requiring restatements are identified. The practitioner shall confirm comparative disclosure claims are consistent with its observations and those of prior assurance engagement outcomes.</p> <p>Accreditation for assurance practitioners: As member states are defining accreditation requirements for practitioners, it is important to clarify which accreditation requirements would be applicable where multiple practitioners are involved. ERM CVS' perspective is that only the "predominant/ lead" practitioner should require accreditation in the member state where the undertaking will be presenting its sustainability statements, as long as all involved practitioners follow relevant assurance standards and perform their work in accordance with ethical provisions as described in Section 3 of the draft guidance. Requiring accreditation of all practitioners or external subject matter experts in the member state in which the entity will submit its sustainability statements would generate impractical barriers of entry and costs for</p>

Organisation	Eumedion
Country	Netherlands
Stakeholder group declared	User of sustainability reporting
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>Eumedion welcomes the proposed CEAOB non-binding guidelines ('the proposed guidelines') in general. However, there are elements in the proposed guidelines that we would consider as not useful from a public interest perspective.</p> <p>==Connectivity== The proposed guidelines state: "The practitioners and the statutory auditors involved in the communication remain fully responsible for the conclusions in their respective engagements taking also into account that the skills and competencies required for the respective engagements are different. If the statutory audit and the assurance engagement are performed by the same audit firm, there should be communication between the key partners/leaders of both engagements, if those are different individuals." Eumedion sees merit in the prospect that most assurance engagements of sustainability reports will be conducted by a single audit firm: both forms of reporting pertain to the same reporting entity, and investors digest both forms of reporting cohesively when making decisions to buy, sell, vote, and engage. There are multiple actual and potential instances of connectivity between the two forms of reporting. The feedback we received from corporates is that a majority of Dutch listed entities can be expected to mandate a single audit firm for both engagement activities. We therefore propose that the guidelines take the situation where a single audit firm is contracted as the default situation in the guidelines as well.</p> <p>==encouraging a single engagement for the assurance of sustainability report together with the audit of the financial report == The proposed guidelines describe 'separate engagement' where there should be 'communication' between those involved in the two engagements. Eumedion is convinced that the quality of the audit, and thereby the public interest, is better served with encouraging, or at least allowing for, a single engagement. This could result in a single (integrated) 'audit and assurance report' from the auditor that encompasses both the audit of the financial statements, and the limited assurance on the sustainability report. A single engagement for both audit and assurance could also result in two separate audit reports. However, it is key for the public interest that the guidelines require adequate attention for two-way consistency checks between the entire management report and the financial statements. The guidelines should in our view thereto explicitly require auditors to consider the insights and findings resulting from the audit of financial statements in their assurance activities for the sustainability reports, and vice versa. This cross-consistency check should also apply to cases where the audit and the assurance engagements are executed by two different parties. For example, the audit and assurance activities should assess whether key assumptions related to net zero commitments, are consistent throughout a company's entire management report and financial statements.</p> <p>The guidelines can subsequently outline specific considerations for the cases in which different firms provide audit and assurance services to a single client to ensure that no undue obstacles hinder the sharing of insights between them. We are convinced that such changes can significantly enhance investors' trust in the quality of, and consistency between, the financial statements and the sustainability report.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>==Emphasis of Matter & Key Assurance Matter== Page 8 of the proposed guidelines reads: "(5) The assurance report may in addition include, if deemed relevant by the practitioners: - emphasis of matters paragraph(s) (optional): emphasis of matters paragraphs may be used where practitioners wish to draw the attention of the users of the report to a matter described in the sustainability statements (e.g. clarification provided by the entity, limitation faced by the entity, or otherwise) and which is key for their understanding of the information. - a description of key (assurance) matters addressed by the practitioners during the limited assurance engagement (optional); the matters or disclosures on which practitioners placed specific attention during the engagement may be described in the report, with a reference to the related location of the disclosure in the sustainability statements and a description of the work performed by the practitioners."</p> <p>These references to Emphasis of Matters and Key Assurance Matters appear rather weak. If the guidelines were to be mandated by certain jurisdictions, it seems that practitioners could easily ignore them. We commend the IAASB for the introduction of ISA 701 'Communicating Key Audit Matters in the Independent Auditor's Report'. It has led to a significant improvement in the insightfulness of the auditor's report. Key Audit Matters (KAM) play a vital role in effectively informing investors and enhancing meaningful dialogues between investors, external auditors, and companies. Eumedion suggests that the strength of the requirements in ISO 701 and those for Emphasis of Matters are as much as possible mirrored into the final CEAOB guidelines.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>==Third parties== The proposed guidelines read: "When the entity has mandated a third party (other than the practitioners of the assurance engagement for the entity) to carry out assurance work on some parts of the sustainability information, the practitioners should consider using this work depending on their assessment of the objectivity or independence of the third party and of the work performed, to avoid duplication in carrying it out again." And paragraph 20 reads: "=="Use of experts' work==" When practitioners intend to use the work of an expert, they should evaluate whether the expert possesses the necessary competence, capability, and independence or objectivity before considering the outcomes of the work and/or the conclusions described in the expert's report." The guidelines could clarify that the ex-ante evaluation for 'experts', also apply to 'third party practitioners'. We do notice an imbalance in the guidelines on preventing duplication. The guidelines should emphasise that the actual outcomes of the work and/or the conclusions reported by a third party, or an expert should also generate an adequate level of trust and demonstrate adequate competence in the opinion of the practitioner.</p> <p>==Subsequent events== The proposed guidelines read: "Practitioners should consider the effect of subsequent events occurring between the end of the reporting period and the date of the assurance report that may influence the sustainability statements and the assurance report. Practitioners are not required to perform any procedures regarding the sustainability information after the date of their report. However, if they become aware of a fact that, had it been known to them at the date of their report, could have led them to amend their conclusions, they should discuss the matter with management and/or those charged with governance and/or take appropriate action as circumstances dictate." We disagree with the proposed action in the second paragraph. Eumedion considers it not in the public interest if the practitioner were to forego on adjusting the assurance report in the described situation. The assurance provider should not only express to management and/or those charged with governance how it intends to amend its conclusions so they have the chance to amend their sustainability reporting if necessary, but also immediately inform the auditor of the annual accounts as there might be repercussions for the auditor's opinion as well. Ultimately, the practitioner should be required consider amending their (public) report if the raised issues are not adequately addressed.</p> <p>==ICGN Viewpoint – The assurance of sustainability reporting == We would also like to draw your attention to a recent publication of the International Corporate Governance Network ('ICGN'): 'Viewpoint – The assurance of sustainability reporting' https://www.icgn.org/media/4597/download?attachment. Eumedion commends the ICGN for its accurate observations and supports the views expressed in the document.</p>

Organisation	European Association of Co-operative Banks (EACB)
Country	Belgium
Stakeholder group declared	Other
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<ul style="list-style-type: none"> •There is no reference to ISAE 3000 (Rev.) as the previous standard for the assurance of sustainability reports. •There is a lack of handling of the sustainability report. It should be clarified which annexes the assurance report opinion should contain. •In addition, it should be clarified that the verification of the information in accordance with Article 8 is also risk-oriented. The statements in the third paragraph on this part of the audit are not clear. •It should be stated that it is also possible to submit a digital assurance report by the auditor with a corresponding electronic signature.
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>A link to ISAE 3000 (Rev.) would be highly recommended so that reporters can get a simple picture of the audit requirements.</p>

Organisation	European Contact Group (ECG)
Country	Belgium
Stakeholder group declared	Assurance services provider; Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>ECG broadly supports the CEAOB's draft high level guidelines, aimed at avoiding fragmentation and encouraging consistent practices until a limited assurance standard based on the future ISSA 5000 is adopted at an EU level, subject to our replies below.</p> <p>From a public interest perspective, we think the following content is not useful and will potentially create confusion for users:</p> <p>(1) wording that is too close to reasonable assurance wording (e.g. §9 refers to "substantive procedures" and to sampling which are both not required in a limited assurance engagement (under ISAE 3000 and ED ISSA 5000) and Section II on Taxonomy disclosures;</p> <p>(2) references to key assurance matters (§17(5)) as this concept does not exist in international assurance standards and may mislead users into thinking procedures for an audit/reasonable assurance have been carried out and</p> <p>(3) appendix 3 on joint performance of an engagement is too specifically geared towards one or two countries that have joint performance regimes and is therefore better suited to relevant Member State guidance and unnecessary in CEAOB guidelines.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We think that the following point in the draft guidelines should be developed further for clarity and consistency:</p> <p>In §6, we suggest separating fraud and non-compliance into two separate guidelines, to avoid confusing users. A specific sentence should be added stating that in the absence of identified or suspected non-compliance, the practitioner is not required to perform procedures regarding the entity's compliance with laws and regulations other than remaining alert to the risk of non-compliance with law and regulations (see ED ISSA 5000, §61).</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Other suggestions that we would like to share:</p> <p>(1) §10: Targets are mentioned as an example of forward-looking information. In our view, a target is different from an expectation (prognosis). Also, the wording regarding assumptions should be aligned with the wording used for estimates in §11 ("Practitioners are not required to perform detailed procedures on the assumptions"). Furthermore, we suggest that developments on forward looking information could build on paragraphs 374 to 376 of IAASB EER guidance.</p> <p>(2) §20: We suggest that objectivity be requested from experts but not "independence" which implies a specific set of strict requirements. In international standards, objectivity is requested for experts, not independence.</p>

Organisation	European Group of International Audit Networks and Associations (EGIAN)
Country	Belgium
Stakeholder group declared	Assurance services provider; Auditor
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<ul style="list-style-type: none"> •The document generically describes high level assurance procedures. In our view, but since it is intended to address limited assurance on sustainability reporting, there should be references throughout to specific sustainability issues such as forward-looking information, value chain, double materiality assessment •The language used in the document, including technical language, is in places imprecise and contradictory and could introduce inconsistent application, confusion and misinterpretation; we therefore recommend that the CEAOB revisit the basis for the guidelines. Examples of issues with the current wording include: <ul style="list-style-type: none"> oThe use of the phrase "faithful representation" is misleading because CSRD and ESRS is considered to be a compliance framework and limited assurance is not considered to comment on "fair representation" oSection 5 attempts to distinguish between the two concepts of materiality and double materiality, but does not address the EU-specific need for applying limited assurance to double materiality oSection 7 on risk indicates no difference to procedures that would be required for a reasonable assurance engagement; as this document is intended to be specific about limited assurance we recommend practical guidance on procedures that would not ordinarily be in scope for limited assurance procedures oSection 11 on estimates is confusing in that it seems odd that under a limited assurance engagement the assurance provider would need to do any work on assumptions. In other assurance standards the requirements covering estimates and forward-looking information are typically presented in a single section of the standards with no distinction between estimates and forward-looking information on the extent of procedures required. However, in the CEAOB's draft guidelines, the procedures suggested over forward-looking information (section 10) are not entirely consistent with the procedures suggested for estimates (section 11). In our view, the CEOAB's guidelines should bring together the procedures on estimates and forward-looking information into a single section, and when developing those procedures reference should be made to the nature and extent of procedures on estimates and forward-looking information specified in other relevant assurance standards, including ISAE 3400 and ED-ISSA 5000. •Use of words with the sentiment of "should" is inappropriate given that the document is a non-binding guideline and not, for example, a standard •It is unfortunate that paragraph 1 of section 2 does not reference either ISAE 3000, ISAE 3410 (which are extant international standards currently widely in use for providing assurance on sustainability information) or the upcoming ISSA 5000; ISAE 3000 is more specific about limited assurance procedures than the CEAOB's guidelines •EGIAN members are professional accountants and auditors and we are familiar with the assurance concepts which are addressed in the guidelines – if we find some of the content confusing then it is likely that non-professional accountant assurance providers will be even more confused •Appendix 3 (performance of the engagement by several practitioners) is applicable not only to limited assurance and its content is not as specific for example as the French standard – we recommend its removal from the limited assurance guidelines
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	<ul style="list-style-type: none"> •It is unfortunate that independence, ethics and quality management, which are in the public interest, are not addressed in the guidance, particularly for non professional accountants; to do so would help to ensure consistency and a level playing field for all assurance providers and safeguard users' interests who will assume that all assurance providers (whatever their background) are operating under identical standards •We recommend only giving guidance where international standards do not address EU-specific requirements – for example the section in this document on the EU taxonomy is helpful – EU assurance providers also need further clarity regarding what may be an appropriate work effort for: <ul style="list-style-type: none"> o value chain, o double materiality, and o additional CSRD reporting requirements in addition to the assurance opinion •Section IV on reporting could be improved by including example disclosures that the CEAOB is looking for, specific to Limited Assurance on ESG information; there could usefully be an appendix giving a template for a limited assurance report in accordance with the CSRD. It would be especially helpful if further clarity could be provided as to the extent of the description of limited assurance procedures performed. •It would be useful for the document to describe the approach to oversight that will be taken by regulators, including on quality management
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<ul style="list-style-type: none"> •We agree with the need for guidance on limited assurance and appreciate the opportunity to comment – we support the need for a consistent standard addressing (limited) assurance across the EU and we welcome the CEAOB's intent in providing these non-binding guidelines to help drive consistency. As set out in earlier responses, in our view the current guidelines fall short in some areas and further clarity is required to ensure consistent interpretation and performance delivery. •We recommend only providing guidance where international standards do not address EU-specific requirements – for example the section in this document on the EU taxonomy.

Organisation	EY
Country	France
Stakeholder group declared	Assurance services provider
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>We commend the CEAOB's efforts to provide high level assistance to facilitate a common understanding of some of the key aspects of the limited assurance engagement requirements introduced by the CSRD. As expressed in the European Commission's request to the CEAOB of 7 March 2024, the aim is to avoid fragmentation and ensure that practices are as consistent as possible during a transitional period until the adoption of limited assurance standards by the European Commission by 1 October 2026.</p> <p>In the meantime, most Member States are adopting national sustainability assurance standards that either endorse or build on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) (hereafter "ISAE 3000"). It is therefore consequential that the CEAOB guidelines are aligned with this existing standard. The guidelines may have to be reviewed if Member States - before adoption of a standard by the European Commission – decide to update and base their local standards on International Sustainability Assurance Standard (ISSA) 5000 once finalized by the International Auditing and Assurance Standards Board later this year.</p> <p>We welcome that the draft guidelines are broadly following the approach foreseen under ISAE 3000 which forms the baseline for most standards in Member States.</p> <p>However, in some respects the guidelines set expectations that go beyond a limited assurance engagement, for example:</p> <p>(a) Section 6 on fraud and non-compliance with laws or regulations uses language from International Standards on Auditing that are aimed at providing reasonable assurance (e.g. "remain alert" as in ISA 250 para. 8 and 16). It should also be noted that procedures related to fraud, irregularities and non-compliance with laws or regulations are dealt in different standards (e.g. ISA 240 or ISA 250). We therefore suggest having different sections as procedures and considerations involved may differ. It should also be stated that the identification or investigation of non-compliance with laws and regulations is not an objective of the assurance engagement and hence not required.</p> <p>(b) Section 9 provides examples for substantive procedures like random or targeted sampling and suggests that tests of controls – while not required – may be performed. As said in recital 60 of the CSRD, the amount of work in a reasonable assurance engagement entails extensive procedures including consideration of internal controls of the reporting undertaking and substantive testing and is therefore significantly greater than in a limited assurance engagement. If despite this Section 9 refers to extensive procedures it should be further explained when this might be relevant or not in a limited assurance engagement; it is highly likely that for some disclosure, there is no risk that these are materially misstated, which would lead to a conclusion that substantive procedures would not be needed.</p> <p>(c) Section 17 (5) suggests a description of key (assurance) matters. We strongly recommend taking out the reference to key assurance matters. The use of key audit matters is prevalent in a reasonable assurance context only, providing more insights especially to users of the financial statement audit reports. This builds on the additional procedures and efforts required to achieve reasonable assurance. Introducing the concept of key assurance matters in the guidelines may however confuse users by implying a level of assurance similar to reasonable assurance; see also our response to question 2.</p> <p>Section 12 sets an expectation for periodic communication between the sustainability assurance provider and the statutory auditor. This seems to go beyond what would be expected today for an assurance engagement in accordance with ISAE 3000, or the draft ISSA 5000. While the guidance says that this should only take place if not prohibited by laws or regulations, it is still very unclear what local laws or regulations will stipulate as the CSRD is</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>The EU lawmaker made a deliberate choice to require limited assurance only until a further review by the European Commission. While the concept of limited assurance is not new, it is important to clarify to the broad group of users of sustainability reports the differences between limited and reasonable assurance engagements both, conceptually and process-wise. As a central and important document, we would welcome if the CEAOB guidelines would emphasize and further clarify this (with more examples beyond what is said in Section 4), thereby better managing expectations in the interest of preparers, assurance providers, regulators, and users. Now it seems that the guidelines do the opposite by suggesting matters that in some regard go beyond a limited assurance engagement in line ISAE 3000, and hence the applicable standards in Member States building on ISAE 3000 (see our response to question 1).</p> <p>In addition, it would be helpful if the CEAOB guidelines acknowledge that there are inherent limitations and specific circumstances under which the first sustainability reports under the CSRD will get prepared. This may have an impact also on the work performed by assurance providers and their conclusions. Acknowledgement of this would not only raise the necessary awareness but also further manage expectations.</p> <p>Section 18 refers to three different types of conclusions while we suggest that four types of conclusions should be clearly distinguished and mentioned: "clean" conclusion, qualified conclusion, adverse conclusion, and disclaimer of a conclusion. Even though not strictly considered as a conclusion in the international standards, the possibility of having a disclaimer of a conclusion should be clearly stated here rather than indirectly referring to this in Section 17 (3) by saying "conclusions on whether or not" – also keeping in mind the target audience (see our comment in response to question 3).</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>The guidelines should avoid overly detailed prescriptions that make the document feel binding or even a standard. In this regard, we observe the frequent use of the term 'should' in the guidelines which appears contradictory to the intended non-binding nature of the guidelines.</p> <p>It might also be helpful if the guidelines identify the target audience. Considering that there will be local binding assurance standards that will have to be applied by different types of assurance providers subject to oversight and enforcement by local competent authorities there are different target audiences with different backgrounds: the financial statement auditor also providing assurance on the company's sustainability report, another auditor providing sustainability assurance or another independent assurance provider that has no audit qualification. Especially for the latter the guidance might be extremely helpful to fully understand the differentiation between a limited and reasonable assurance engagement and related expectations.</p> <p>Section 20 on the use of experts' work should not use the terms "independence or objectivity" as in international standards (e.g. ISAE 3000, para 52(a) and ISA 620, para. 9), objectivity is required for experts, but not independence.</p>

Organisation	Filiance (Test Inspection Certification)
Country	France
Stakeholder group declared	Assurance services provider; Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>1 - The content of this draft is useful.</p> <p>2 - We appreciate Footnote (11) " Including relevant laws and regulations" in paragraph 7 : "Procedures targeted at risk identification and assessment Practitioners should obtain an understanding of the entity, its environment (11) and its system of internal control relevant to the preparation of the sustainability statements. This understanding should be sufficient to provide the practitioners with the ability to identify and assess the disclosures where material misstatements are likely to arise, thus providing a foundation for determination of further procedures to be designed and performed to respond to risks".</p> <p>3 - Throughout the engagement, the auditor exercises professional judgment and professional skepticism. In particular, the exercise of professional judgment requires the auditor to take the necessary step back from the sustainability information published and the information provided to the auditor on which that information is based.</p> <p>4 - The draft CEAOB guidelines are consistent with the H3C's opinion and FILIANCE's position and in particular : In paragraph 7 "Risk identification and assessment procedures", it is thus recalled: "Practitioners must acquire knowledge of the entity, its environment and its internal control system in relation to the preparation of sustainability statements. This understanding should be sufficient to enable practitioners to identify and assess information that may contain material misstatement, which provides a basis for determining additional procedures to be designed and implemented to address risks. When identifying the risk of material misstatement, particular attention should be paid to the information that is likely to be most material for the information needs of the intended users and whether the information meets the qualitative characteristics of the information defined by the ESRS, including relevance and fair representation, In paragraph 8, it is further stated that: "Practitioners must take into account the qualitative characteristics of the information in accordance with the ESRS which requires that the information (according to the principle of double materiality) be relevant and accurately represent the substance of the phenomena, by being complete, neutral and accurate. Paragraph 10 on forward-looking information states: "The information reported in accordance with the ESRS shall include impacts, risks and opportunities and, where these are in place, a description of the relevant objectives and action plans. These types of information may have a forward-</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>Regarding the auditor's mission, FILIANCE supports the position expressed in the H3C technical opinion of June 2023: "This is a different mission from the missions carried out by the auditors on the half-yearly or annual financial statements or by independent third-party bodies on the declaration of extra-financial performance. For example, it is no longer just a question of checking historical information or financial or non-financial performance, but of verifying that the sustainability information provided by the company in application of the CSRD Directive, including the ESRS standards, which must meet the criteria of relevance, fair representation, comparability, verifiability and comprehensibility, make it possible to understand the way in which the company takes into account, in a forward-looking manner, sustainability issues in the evolution of its economic model and strategy"</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>FILIANCE supports the position expressed in the H3C technical opinion of June 2023. We suggest to take into account all others detailed points of this draft guidelines. We appreciate option and pragmatism of Appendix 15 of CEAOB guidelines on this point : "Joint assurance implies close cooperation between the practitioners, requiring them to discuss any important matters identified in the course of their respective work and to speak out together when a matter needs to be discussed with the entity's management or its governance bodies, including situations of disagreement between them, where these exist "</p>

Organisation	Forvis Mazars
Country	Belgium
Stakeholder group declared	Assurance services provider; Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>Forvis Mazars welcomes the draft CEAOB non-binding Guidelines on limited assurance on sustainability reporting. As an audit firm for which the single market is a key market, we commend the intention of the draft Guidelines to bring further clarity and harmonization to practitioners' approaches to limited assurance on sustainability reporting, as they contribute to CSRD consistent implementation across the EU, foster sustainability information appreciation by investors and key stakeholders, and create a level playing field among assurance providers. The Appendix 3 is very useful as we already experienced assignments including engagement with more than one practitioner.</p> <p>The guidelines would benefit from the following requirements being removed or further specified as, in the draft, they do not seem to be aligned with the limited assurance framework:</p> <ul style="list-style-type: none"> •Key Assurance Matter concept (section 17): we disagree with the introduction of this concept in limited assurance engagements: KAM should apply – if at all - only to reasonable assurance engagements over sustainability reporting in accordance with a reporting framework, such as the ESRS. •Procedures targeted at risk identification and assessment (section 7): "this understanding should be sufficient to provide the practitioners with the ability to identify and assess the disclosures where material misstatements are likely to arise, thus providing a foundation for determination of further procedures to be designed and performed to respond to risks." We suggest the deletion of the word "assess" in this sentence, to stay in line with ISAE 3000 Revised for a limited assurance engagement. •The description of the work effort to obtain an understanding of key processes (cf. section 7: "obtain an understanding of its system of internal control"; section 8: "Practitioners (...) should design and perform procedures") appears to differ from the work effort expected on the taxonomy reporting (section 14: "evaluate whether these procedures are designed and implemented") and is creating confusion around the nature of the procedures to be performed. In our view, the testing of design and implementation is not required for a limited assurance and depends on professional judgement in line with international assurance standard. •The extent of procedures expected in a limited assurance engagement (sections 7,8,9) should be clarified and more specific to help the practitioner in planning and performing procedures (what types of procedures and for which circumstances), especially in the absence of definition for each procedure to respond to risk.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We acknowledge that the CEAOB states that a limited assurance engagement on sustainability follows a compliance framework as referred to the conclusion (section 17):</p> <p>(i)"are not prepared, in all material respects, in accordance with the applicable legal provisions and the ESRS (...); and</p> <p>(ii)"are not prepared, in all material respects, in accordance with the reporting requirements of Article 8 of the Taxonomy regulation (...)".</p> <p>To ensure consistency between the objective of limited assurance (section 4) and the related conclusion above, it would be helpful to introduce at the end of section 4: " based on the procedures performed and evidence obtained, no matter(s) has come to the attention of the practitioner that causes the practitioner to believe that the sustainability information is not prepared, in all material respects, in accordance with the applicable legal requirements, the ESRS reporting standards and Article 8 of taxonomy regulation" – so that practitioners benefit from a clear wording in the report.</p> <p>Entity's double materiality process:</p> <ul style="list-style-type: none"> •A presentation (section 8) of the various components that are inherent to this process would be very useful in highlighting areas where a material misstatement of the sustainability information is likely to arise, and in assisting the practitioner in risk assessment procedures, thus making the guidelines aligned with ESRS requirements. •Practitioners need more guidance on value chain (section 27), especially on what "further procedures" mean in this context. Items that are particularly important are (i) managing the situation when another practitioner is involved (in providing evidence from entities within the value chain) and (ii) when such assurance report exists, how to deal with it in the assurance engagement. •Irrespective of the materiality assessment process, the guidelines should clarify the practitioner's role and duties when an entity is willing to include voluntarily non-material disclosures in the sustainability statements. Should the limited assurance scope include all sustainability statements or is there a possibility for the practitioners to scope out part of the information (as in Germany for instance)? The guidelines should recall the applicable criteria to be used by the practitioner in assessing the information subject to assurance engagement (relevance, completeness, reliability, neutrality, understandability and availability). <p>Forward looking information (Section 10): this section will benefit from being expanded as it is one of the most complex areas of the statements altogether for the preparer, the practitioner and the user. It should provide examples of the presentation of forward-looking information and risk assessment procedures. Same comments for Estimates (section 11).</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Ethics, engagement acceptance and quality control (section 3): to align practices and ensure a level playing field across auditors and non-audit firms, it might be useful to explicitly refer to the key provisions of the Audit Directive (Article 24a and 24b) and the Accounting Directive (Article 34.4).</p> <p>Practitioner's Materiality (section 5): more details on how to determine such materiality and how such concept should be adjusted and applied to qualitative disclosures and the best way to document use of professional judgment in this specific area would be helpful.</p> <p>Fraud (sections 6 and 9): distinction should be made between fraud and irregularities or non-compliance with ESG-related laws or regulations such as environmental or health and safety rules. The guidelines should provide (i) more guidance about the extent of the work to be performed and the expected level of the documentation with regards to the consideration of fraud and (ii) an example to illustrate both cases (fraud vs. non-compliance).</p> <p>"Procedures to respond to fraud risk ..." (section 9): the guidelines should include consideration of the materiality of the impact on sustainability information.</p> <p>Regarding substantive procedures (section 9):</p> <ul style="list-style-type: none"> •Substantive procedures or sampling for tests of details in a limited assurance engagement should be implemented based on professional judgement only and are not systematically required in limited assurance engagements. •"Targeted sampling" is closely linked to ISA 530 but it might be confusing in this context if no reference is made to ISAs. These guidelines should specify what targeted sampling implies here. •In the paragraph "The nature, timing and extent of procedures (...)", the term "absence" is very strong for a limited assurance engagement. To ensure consistency with the conclusion, in a limited assurance engagement, we suggest replacing "absence" by "the information is free from material misstatement whether due to fraud or error." <p>Misstatements aggregation (section 13): it would be very helpful to clarify under which circumstances aggregation is allowed and provide clear examples. Indeed, the first paragraph states that they "...often cannot be accumulated" but the second paragraph mentions aggregation.</p> <p>Representation letter (section 19): It should include an appendix with a list of uncorrected misstatements (qualitative and quantitative) which have been considered immaterial, individually and in aggregate, by the practitioner.</p> <p>Information accompanying the sustainability statements (section 23): It should be added "material inconsistencies".</p>

Organisation	Frank Bold Society
Country	Czech Republic
Stakeholder group declared	Non-Governmental Organisation
Is there any content, in the draft CEOAB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>The CSRD mandates the EU Commission to adopt a limited assurance standard by October 2026. In absence of such standard, these guidelines are of utmost importance to harmonise EU practice and help practitioners while performing their limited assurance engagements on sustainability reporting.</p> <p>Frank Bold recommends the CEOAB to maintain all information incorporated in the draft guidelines and consider our recommendations in questions 2 and 3 with the objective of providing relevant and common guidance to practitioners across the EU in line with the EU Corporate Sustainability Reporting Directive legal requirements and the European Sustainability Reporting Standards.</p>
Are there any areas or topics not covered in the draft CEOAB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<ol style="list-style-type: none"> 1. Disclosure of the outcomes of double materiality assessment (DMA). The Guidelines should encourage a critical review of the disclosure of the outcomes of DMA, i.e. impacts, risks and opportunities (IRO). In this regard, ESRS 2 SBM-3, requires these disclosures to be made at the level of entity specific IROs. In current practice, undertakings often carry out materiality assessment and present its result only at the level of generic sector-agnostic or sector-specific topics. Other anticipated problems involve insufficient transparency on why impacts are material and misapplication of criteria defined in ESRS 1 (severity and likelihood) as companies continue to apply other criteria such as 'leverage' or overly rely on stakeholder surveys. See H3C guidelines points 48-53 for more useful guidance. 2. GHG accounting. The ESRS refers to the GHG Protocol. However, the ESRS provide different rules for determining the reporting boundaries based on financial and operational control. Furthermore, contrary to the current practice, both ESRS and GHG Protocol for Scope 1 and Scope 2 emissions do not permit exclusions of certain emissions and subsidiaries prior to the calculations of the emissions. 3. Climate transition plans. The Guidelines should encourage assurance providers to take a critical approach to evaluation of climate transition plans disclosures for which the ESRS specific criteria, in order to address an increased risk of greenwashing in this area. In line with ESRS, auditors must be clear that net-zero commitments alone do not represent an actual plan. Climate targets must be provided, including Scope 1,2,3 emission reduction aligned with the 1.5°C goal, using recognised frameworks and methodologies. Auditors must be able to assess whether given hypotheses are realistic (access to specific resources and/or technologies). 4. Entity-specific information and value chain. Guidelines should provide more specific guidance on the evaluation of entity-specific and value chain information, stressing that despite transitional provisions, undertakings must consider material IROs across the entire value chain. On the other hand, the ESRS do not require undertakings to gather primary information from value chain actors where this is not reasonable or when such information would not meet qualitative characteristic of information and requirements regarding entity-specific information in ESRS 1 AR1-5.
Are there any other suggestions that you would like to share with the CEOAB, before adoption of the final CEOAB guidelines on limited assurance on sustainability reporting?	<ol style="list-style-type: none"> 1. Definition of users: In section 5, the draft Guidelines define the 'material misstatements' based on their ability "to influence the decisions taken by the intended users of the sustainability statements". In line with ESRS 1, section 3.1. and the double materiality principles, the Guidelines should specify that users include other users of sustainability statements who may be interested in the information on impacts, including trade unions and social partners, civil society and NGOs, governments as well as - in some cases - affected stakeholders 2. Connectivity of information on material IROs and policies, actions and targets, and metrics: Material IROs provide the basis for the content of disclosures under topical ESRS. ESRS require disclosure of (a) whether and how the undertaking manages those material IROs through policies, actions and targets (PATs), and (b) documentation of the IROs through metrics or qualitative descriptions as appropriate. The Guidelines should emphasize that the assurance providers should review whether the sustainability statement includes this information for all material IROs and vice-versa whether the sustainability statement does not include information on PATs and metrics which is not linked to material IROs. 3. Materiality and consolidation Most of the standardised metrics (KPIs) in the sector-agnostic ESRS should be reported for all entities included in the consolidation, regardless whether the underlying material matter is present in the entire group or only in specific subsidiaries. On the contrary, entity-specific metrics and a few select ESRS sector-agnostic metrics need to be reported only for specific entities in which operation or value chain the material matter occurs. In this case, H3C also provide additional guidance in line with the CSRD and ESRS (see point 59-60)

Organisation	Hibpma
Country	Argentina
Stakeholder group declared	Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	no
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	no
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	no

Organisation	IFAC (International Federation of Accountants)
Country	Global
Stakeholder group declared	Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>The International Federation of Accountants (IFAC) appreciates the opportunity to respond to the CEAOB's non-binding guidelines on limited assurance on sustainability reporting draft. As the voice of the accounting profession, representing more than 3 million professionals in over 180 jurisdictions, we strongly support the CEAOB's objective of establishing high-quality assurance standard guidelines that promote consistent and comparable sustainability assurance across European Union (EU) Member States.</p> <p>We highlight section IV, subsection 17(5) of the guidelines that allow for the optional inclusion of "a description of key (assurance) matters addressed by the practitioners during the limited assurance engagement," which are currently only applicable to audits (reasonable assurance) of public interest entities. It is our view that the work required to determine key assurance matters should rise to the level of reasonable assurance and is not consistent with the initial intent of the guidelines to support only limited sustainability assurance engagements. Further, we caution that the introduction of key (assurance) matters could result in confusion between the choice of proving such key matters when a modified assurance opinion is warranted. Thus, we recommend removing language from the guidelines related to key assurance matters.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>IFAC supports the CEAOB's use of the International Audit and Assurance Standards Board's (IAASB) draft sustainability assurance standard as a basis for the guidelines on limited assurance on sustainability reporting. Using the IAASB's draft standard (i.e., ISSA 5000) as a basis for the guidelines promotes consistency and comparability for sustainability assurance and can help facilitate transition to the EU's adoption of mandatory assurance standards once finalized in 2026. Therefore, IFAC recommends an explicit reference to the IAASB's draft standard ISSA 5000 in the CEAOB's final guidelines. This would also allow the CEAOB to better identify gaps and differences between the CEAOB sustainability assurance guidelines and the IAASB's proposed sustainability assurance standard.</p> <p>Additionally, the non-binding guidelines intentionally avoid guidance on sustainability assurance ethics and quality management; opting to defer these topics to the Audit Directive, Audit Regulation, and national provisions. It is IFAC's opinion that sustainability assurance ethics, including independence, and quality management require specific considerations that differ from those of financial audit. Thus, we believe it is appropriate to have specific recommendations for handling sustainability assurance ethics and quality management included in the guidelines.</p> <p>In particular, the CEAOB's guidelines should consider the specific ethical and independence challenges associated with assuring the value chain. The nature and extent of assurance procedures on value chain information will depend on how the entity collects and reports data from its upstream and downstream value chain as well as whether an entity's management validates information gathered through their value chain or uses estimates or proxies when relevant data is not available. Therefore, it would be helpful for the guidelines to highlight what assurance providers should consider when communicating with other independent assurance providers in the value chain, how to evaluate independence in the value chain, and what assurance providers should do when they are unable to obtain comfort with the work of those in the value chain.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>The implementation of assurance will require monitoring and oversight of independent assurance providers. IFAC suggests the CEOAB consider including guidance for Member States to address how jurisdictions can best develop monitoring and oversight of such providers.</p> <p>Further, assurance should provide users of sustainability disclosures with confidence that the information they are using is consistent and reliable, which requires effective, uniform monitoring and oversight of practitioners. Such oversight will be an even greater imperative in jurisdictions that allow other independent assurance providers, in addition to accountancy practitioners, to conduct sustainability assurance engagements. Please see our latest research (page 21) (https://www.ifac.org/knowledge-gateway/audit-assurance/publications/state-play-sustainability-disclosure-assurance-2019-2022-trends-analysis) which highlights current differences in practice amongst assurance providers currently implementing ISAE 3000 (Revised) for sustainability assurance engagements.</p>

Organisation	Innov'Active
Country	France
Stakeholder group declared	Other
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>The main point is that the auditors make sure that what it is said and planned is really done and implemented. Otherwise, CSRD could be considered as new greenwashing practicals and not strategic pathways to make the social and ecological changes, that are EU's purposes. Auditors have to meet the challenges of today's world and take their part in it. Even if they maybe do not feel fully prepared today to these ambitions, they have to face it and take the right decisions : be a lever for change or a mere compliance checker CSRD was an EU democratic choice. So European people and children should rely on auditors to make sure that this choice will be really implemented, whatever difficulties are and will be, whatever pressures are and will be. This is not only datas and figures : we are talking about what make our daily and future life possible, desirable and sustainable.</p>

Organisation	Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)
Country	Germany
Stakeholder group declared	Standard setter
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>1. Section 2 states: "Member States' competent authorities may recommend or impose the use of the guidelines..." Recommending or imposing the CEAOB guidelines would effectively make them into rules, which is not how they were conceived, and is therefore inappropriate.</p> <p>2. Unlike ISAE 3000 (Revised) or ISSA 5000 (version as at June 2024 IAASB agenda papers) the guidance includes a reference to key (assurance) matters, specifying them in part (3) of section 17. This neither reflects current practice nor current IAASB thinking: The CEAOB guidance may therefore create (unrealizable) expectations.</p> <p>3. The first sentence of section 8 should be deleted, as the reference to "place particular emphasis" adds confusion. Practitioners need to obtain an understanding of the process to prepare the sustainability information, of which the process to identify the information to be reported is a part.</p> <p>4. The fifth paragraph of section 9 states: "The nature, timing and extent of procedures... with limited assurance regarding the absence (OR NOT) of material misstatements." If material misstatements are "not absent", the so-called "deep dive" provision in ISAE 3000 (Revised) and the draft of ISSA 5000 becomes applicable, where the practitioner must "determine" (i.e. obtain more than limited assurance) that a material misstatement exists prior to modifying the opinion for this misstatement. We therefore suggest that "(or not)" be deleted.</p> <p>5. The second sentence of the second paragraph of section 27: "Obtaining external evidence or assurance reports are not necessarily required ..." , may lead to a false sense of security. It undermines the basis for assurance engagements on information arising from within the value chain. If preparers obtain value chain information from other entities that they do not control, they will make use of that information rather than making proxy estimates. Practitioners will therefore need to consider the reliability of that information, including whether to use the work of other practitioners and their reports. Consequently, this sentence is misleading and should be deleted.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>6. It would be helpful for the first sentence of section 6 to clearly state that not all fraud(s) and instances of NOCLAR will be relevant to the scope of sustainability assurance engagements – that is, practitioners only seek to detect material misstatements due to fraud and noncompliance with laws and regulations. Section 9 could similarly be clearer. Not all fraud and NOCLAR of which practitioners become aware (e.g., petty theft or speeding tickets) needs to be communicated to authorities – it depends upon the nature of the fraud or NOCLAR (i.e., its severity). This needs to be taken into account.</p> <p>7. The second sentence in section 6 reads: "Practitioners should communicate irregularities ... to authorities designated by the Member State..." It should be clear that this applies to both fraud and NOCLAR. There may be legal confidentiality provisions that prevent communication to an outside authority. This circumstance needs to be acknowledged in the guideline.</p> <p>8. As the CEAOB is aware, value chain information poses various challenges to assurance practitioners, including access issues. A description of the inherent limitations relating to using the work of other practitioners in a limited assurance engagement is missing in section 17 and section 27. In particular, the risk of not detecting a material misstatement in information, included in the sustainability information, obtained from sources in the value chain outside of the operational control of the entity is ordinarily higher than this risk in information obtained from sources under the operational control of the entity, because the entity is not able to control the preparation of that information and, due to limitations on access, the practitioner is neither able to directly test this preparation nor, if applicable, become sufficiently and appropriately involved in the work that they use of other practitioners on such information through direction, supervision and review of their work. Without description of such inherent limitations, broad user groups will assume that the quality of the information obtained from value chain entities not under the control of the reporting entity is the same as that obtained from within the entity or group, which will lead to unreasonable expectations and has the potential to damage the reputation of assurance engagements in the sustainability space. Further, the entity should be encouraged to describe and convincingly justify these limitations within the sustainability information so that practitioners can refer to them in their report.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>9. The guidelines are inconsistent in sections 7, 9, 11 and 16 in relation to whether practitioners should "identify" disclosures where material misstatements are likely to arise (the current ISAE 3000 (Revised) approach) or "identify and assess" risks of material misstatement (the potential ISSA 5000 approach). The current "identify" approach is used in practice. Reference is also often incorrectly made to identifying RISKS, whereas it is the DISCLOSURES where misstatements are likely to arise that should be identified under the ISAE 3000 (Revised) approach.</p> <p>10. Section 16 outlines, with five bullet points, how the practitioner addresses disclosure required by Article 8 of the Taxonomy Regulation. The second bullet gives the incorrect impression that the practitioner assesses only disclosures that relate to activities that are both eligible and aligned.</p> <p>11. We would be happy to discuss our comments with you.</p> <p>12. The 2,500-character limit on responses meant that we were unfortunately unable to provide suggestions for improved wording and we can provide this if requested. The increase in the limit to 5,000 characters was at too short notice for us to be able to significantly revise our input before the deadline.</p> <p>13. There were a number of other terminology and drafting points we also noted, which we can also provide to you upon request.</p>

Organisation	International Ethics Standards Board for Accountants (IESBA)
Country	Global
Stakeholder group declared	Standard setter
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>I - The development of the draft CEAOB guidelines is a welcome step towards providing EU Member States with harmonized guidance for financial years beginning on 1 January 2024 under the Corporate Sustainability Reporting Directive (CSRD) in the European Union (EU), pending the adoption by the European Commission (EC) of limited assurance standards on sustainability reporting by 1 October 2026.</p> <p>II - The IESBA strongly welcomes the CEAOB proposal, in the sense that it will allow the EU to fulfil the unregulated but already mandatory activity of sustainability assurance.</p> <p>III - The content of the draft guidance seems all relevant and does generally cover areas which the IESBA recognizes as being relevant from the public interest perspective.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>I - The CEAOB's draft guidelines do not address ethical provisions. Instead, they propose that all practitioners are required to comply with the relevant ethical and independence provisions described in the EU Audit Directive and Audit Regulation, and with any relevant national provisions applicable to limited assurance engagements as transposed in national laws. It is, however, critical that these guidelines, as well as the future European framework, include robust ethics and independence requirements to ensure that the assurance framework operates with quality, integrity and effectiveness. Ethics and independence are a cornerstone to sustainability assurance quality and to public trust in assurance on sustainability reports. For any sustainability assurance framework to be trustworthy and effective, it must be complemented by ethics and independence standards that are rigorous, comprehensive, and interoperable with the assurance provisions. This has been rightly recognized in the CSRD and welcomed by the IESBA.</p> <p>II - The IESBA therefore recommends that the CEAOB considers leveraging the IESBA's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) for purposes of developing and finalizing the draft guidelines, pending the IESBA's finalization by the end of this year of its proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA).</p> <p>III - To be effective and respond to the needs of the market, and investors and to the public interest, steps must be taken to ensure that the ethics and independence framework for sustainability assurance (i) is complete, covering all the relevant ethics and independence issues that may arise in sustainability assurance engagements; and (ii) is consistent and interoperable with the international ethics and independence framework, in the interest of global capital markets, investors and regulators, in an area where most of the players are transnational and operate internationally.</p> <p>IV - COMPLETENESS: The ethics and independence framework for sustainability assurance must offer a comprehensive ethical package of ethics and independence provisions for all possible ethical issues raised when applying the relevant assurance standards. In that respect, the IESBA developed a complete, fit-for-purpose, profession-agnostic and framework neutral framework that takes into consideration the specific risks, realities and threats involved in sustainability assurance. Treating them as being at the same relevance level as financial audits, they were tailored for the specific reality of sustainability information. It includes all the relevant elements of sustainability assurance in ISSA 5000 or any other reporting framework and will be applicable to all providers of sustainability assurance.</p> <p>V - CONVERGENCE AND INTEROPERABILITY - HARMONIZED ETHICS PROVISIONS: A robust global baseline of high-quality ethics and independence standards is important to avoid fragmented approaches to ethical and independence provisions across jurisdictions and countries. Fragmented standards and regulations, as they create unnecessary costs and complexity for practitioners and the market, sow uncertainty and confusion among global investors, regulators and other stakeholders, and allow opportunities for regulatory arbitrage.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>I - While there will be a high level of harmonization with respect to the limited assurance procedures, there is a risk of a fragmented landscape with respect to the applicable ethics and independence provisions across EU Member States and vis a vis the international framework. It is, therefore, in the public interest that regulators, policy makers and standard setters unite efforts to deliver an operable and convergent framework that can be consistently used by market agents and overseen by regulators. The availability of international standards is key to setting a global benchmark and improving consistency across jurisdictions.</p> <p>II - Both the International Organization of Securities Commissions (IOSCO) and the Financial Stability Board publicly recognized the complementary nature of the work of both the IESBA and the International Auditing and Assurance Standards Board (IAASB) and welcomed the two global standard-setting Boards' plans to develop high-quality, global assurance and ethics (including independence) standards that are profession-agnostic and can support limited and reasonable assurance of sustainability information. The IESBA has committed resolutely to responding to IOSCO's and FSB's calls as a matter of the highest strategic priority. The IESBA has been coordinating closely with the IAASB to ensure that the IESEA and the IAASB's ISSA 5000, both due to be approved later this year, are fully aligned and interoperable. This will assist practitioners using these global standards to carry out independent, high-quality sustainability assurance engagements in a consistent manner at the EU and global levels.</p> <p>III - The IESBA's strategic decision to develop the IESEA on a profession-agnostic basis, beyond reacting positively to a clear call from regulators, namely from IOSCO and FSB, will fully respond to the need for ethical provisions that will apply to all sustainability assurance practitioners in the EU, regardless of their backgrounds. In this context, earlier this year, the IESBA entered into a strategic partnership with the International Accreditation Forum (IAF), under which the IAF will stipulate to national accreditation bodies around the world that the IESEA are to be used when accrediting and authorizing conformity assessment bodies (CABs) to carry out assurance work on corporate sustainability disclosures. Assurance practitioners accredited under the IAF umbrella, many of whom are not professional accountants (PAs), will therefore be complying with the ethics and independence standards set out in the IESEA when conducting sustainability assurance engagements. The IESEA and why, when issued, it will provide a ready solution to the question of harmonization for ethical provisions for limited, and ultimately reasonable, assurance engagements on sustainability reporting under the CSR</p> <p>IV - While developing the IESEA, the IESBA has been carefully addressing the policy options in the CSRD to avoid major inconsistencies between the two frameworks upfront. The IESBA is open to making possible additional refinements in the draft IESEA where these are possible and imperative to ensure that both frameworks fit together and that there will be no issues preventing the EU or the EU Member States to use from using the IESEA as the relevant ethics and independence framework for sustainability assurance. The IESBA is ready to work with the CEAOB, namely by sharing the early conclusions of a benchmarking exercise of the existing EU ethics framework for sustainability assurance and the IESEA, and by making the necessary efforts and providing any support to ensure a greater integration of the two frameworks.</p> <p>V - As the CEAOB finalizes the draft guidelines, the IESBA would strongly encourage the CEAOB to consider giving a greater emphasis in the document and its work to the ethics and independence component of the guidance and framework being developed, namely by recognizing the importance of each Member State adopting a strong ethics and independence framework to complement the assurance framework for sustainability assurance in a consistent manner – ie, ensuring convergence at EU level and full consistency with the future international framework to be delivered until the end of 2024 and which main features will be publicly available after September 2024. This will enhance the public trust in sustainability information and avoid the incidence of greenwashing.</p>

Organisation	Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen (KSW, Austrian Chamber of Tax Advisors and Public Accountants)
Country	Austria
Stakeholder group declared	Standard setter
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>In general, the Austrian Standard Setter support the draft CEAOB guidelines. We believe that it is very important that the guidelines are based on existing international assurance standards such as ISAE 3000 since many countries, including Austria, currently require to use such standards for assurance engagements other than audits or reviews for historical financial statements. However, detailed additions to EU-specific additional requirements are helpful and welcome.</p> <p>It is unclear, what "should" mean. We recommend making more clear if, coming from this non-binding guideline, something is required („shall") or if it is a recommendation („may").</p> <p>When reading we found that in some instances the guidance is unclear regarding the risk of material misstatement (ROMM). We believe the Guidance must clarify the approach the practitioner should take (for example: identification of disclosures where ROMM is likely to arise).</p> <p>In some instances, we consider that the guidelines may go too far in terms of work effort for a limited assurance engagement: e.g., internal controls, sampling, substantive procedures.</p> <p>Regarding Section 9 (Responding to risks) in the interest of clarification please reconsider the distinction between bullet 1 and 2, if needed: "analytical procedures" (bullet 1) are already a substantive procedure (bullet 2); confirmations, recalculation etc. are also substantive procedures.</p> <p>Section 17 (5), Key assurance matters: we disagree with having key assurance matters in limited assurance reports, as key matters exist in international standards only for audits of public interest entities (reasonable assurance engagements). Having such key matters in a limited assurance report would confuse the public as to the difference between limited and reasonable assurance and create an expectation gap on the extent of work performed by the practitioners.</p> <p>Section 19 (Representation Letter) recommends representation letters from those charged with governance (TCWG). This is in contradiction to international standards and (legal) practice TCGW are not subject to representation letter requirements because they do not draw up Company's reporting.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We agree that in the context of sustainability reporting, misstatements identified during the engagement often cannot be accumulated. Hence, CEAOB should explain how practitioners could consider the impact of the uncorrected misstatements on their conclusion, along with specific examples where the extent of the misstatements is pervasive and thus an adverse or a disclaimer of conclusion is warranted.</p> <p>Although sustainability reporting will not be digital from the beginning as envisaged by the CSRD, we believe that this is an important matter. Global assurance standards will not address this EU-specific issue. Accordingly, the CEAOB should play its role in promoting a consistent assurance approach to machine-readable reporting especially with limited assurance.</p> <p>The Guidance should differentiate between the financial statements and the management report (in which the sustainability information is integrated) on the one hand and other information, such as additional chapters in a comprehensive annual report or an (unreferenced) corporate governance report that is published together with the financial statements and management report. We suggest clarifying that practitioners are not required to provide additional limited assurance on information originally stemming from corporate reporting (and there already being subject to audit requirements), either processed as part of information in the sustainability statement required by CSRD (eg net revenue for energy intensity as per DR E1-5) or only linked to information required by CSRD. In the light of ESRs 1.123 ff, the level of procedures required with respect to elements of corporate reporting (also see ESRs 1.118) will need to be different from that related to "other information" as set out in ISAE 3000.62.</p> <p>We suggest clarifying that practitioners are not required to test the assumptions used and/or develop their own point estimate or range but are expected to evaluate the methods applied by the entity to develop estimates or forward-looking information as to whether these methods are appropriate and have been consistently applied.</p> <p>The guidance should acknowledge that there may be inherent limitations regarding value chain information as achieving data availability and quality may be particularly challenging. The nature and extent of assurance procedures on value chain information will depend on how the entity collects and reports data from its upstream and downstream value chain.</p> <p>It should be clarified that the practitioners are not expected to search for cases of NOCLAR outside the scope of the engagement and their responsibility relates only to actual or suspected NOCLAR that they become aware of during the engagement. In limited assurance engagements, practitioners typically review how entity's management assesses applicable legal requirements and mitigates associated risks.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>It would be very helpful if CEAOB and its members could clarify the supervisory approach they plan to take in EU Member States with regards to the first year of CSRD implementation.</p> <p>There will be different users than those of financial statements for sustainability reporting and assurance. Therefore, CEAOB, in coordination with the EC, could explain how to read sustainability assurance reports by elaborating on different concepts e.g. emphasis of matter paragraph, qualification, scope limitation, etc. and what they mean for users. The entity management's responsibility, however, is not reduced just because the sustainability information is subject to limited assurance.</p> <p>The provisions of Art. 34 (a) (ii) (aa) of the Directive 2013/34/EU are quite clear and we encourage the Board to stay on clarification that the guidance is built on "compliance with the ESRs". The language "faithful presentation" in the information box could confuse even though it refers to the qualitative characteristics of information in accordance with ESRs 1 appendix B., hence it should be removed.</p> <p>We noted several inconsistencies in drafting and in the terminology used throughout the guidelines. For example:</p> <ul style="list-style-type: none"> •It is inaccurately stated in Section 5 that practitioners may 'accept' immaterial misstatements. Practitioners accumulate misstatements identified during the engagement, other than those that are clearly trivial, and request management to correct these. Then, they determine whether uncorrected misstatements are material, individually or in the aggregate. •Section 7 suggests specific attention should be placed on disclosures that are likely to be most important to the information needs of intended users. This is not consistent with the approach taken in international assurance standards and CEAOB draft guidelines where practitioners identify disclosures where material misstatements are likely to arise. The concept of disclosures that are likely to be 'most important' introduces additional and unnecessary subjectivity. •With regards to Section 9, in limited assurance engagements, practitioners do not conclude on the 'absence' of material misstatements. The wording should be aligned with the limited assurance conclusion formulated in international assurance standards as "nothing has come to our attention that causes us to believe that...". <p>CEAOB should continue engaging in dialogue with relevant stakeholders, including auditors, to support consistent and high-quality implementation.</p>

Organisation	KPMG
Country	United Kingdom
Stakeholder group declared	Assurance services provider; Auditor
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<p>KPMG is supportive of the CEAOB's endeavors to develop non-binding guidelines regarding limited assurance with the aim of avoiding fragmentation and ensuring that practices are as consistent as possible until the adoption of a limited assurance standard based on the future ISSA 5000 at an EU level, subject to our comments below.</p> <p>Overall, we expect that ISSA 5000, once published later this year, will have the same aim. We believe providing guidance on areas where ISSA 5000 will set requirements and provide application material may in general not be relevant and/or useful.</p> <p>From a public interest perspective, we believe that wording that is too close to reasonable assurance wording terminology is not relevant or useful (e.g. substantive procedures, sampling, to remain critical, or "to assess" procedures as mentioned amongst others in Section 2 for EU Taxonomy Regulation Disclosures).</p>
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	<p>We think that the following points in the draft guidelines could be developed further for clarity and consistency:</p> <ul style="list-style-type: none"> —addressing what the common baseline is for the performance of a limited assurance engagement in Section 2 —how information incorporated by reference should be subjected to limited assurance procedures in section 24 —how/whether required comparative numbers for EU Taxonomy disclosures should be included in the scope and subjected to limited assurance procedures in section 26.
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>We have no additional suggestions.</p>

Organisation	MEDEF - Afep
Country	France
Stakeholder group declared	Preparer of sustainability reporting
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<p>We consider the following points not useful or relevant:</p> <p>§Risk identification / §Process carried out and described by the entity / §Format & content (boxed text): When QC are quoted in the guidelines, please also include understandability - which encompasses conciseness - and strictly use faithful representation in relation to information and refrain from generalizing by referring to the report as a whole. It is far too early and necessarily inaccurate to settle the emerging debate between fair representation and conformity. The CEAOB guidelines shouldn't enter into this debate in the line of the IAASB which remains agnostic on that point. The CSRD gives a clear description of the practitioner's work scope, especially on Double materiality assessment: 'compliance of the reporting with the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards'. Companies stress the CSRD's burden and the need to balance cost and benefits to reach acceptability and to give flexibility during a necessary learning curb. They thus urge the CEAOB to stick to the CSRD without creating new uncertainties on the audit scale, especially when the first report publication is so close.</p> <p>§Fraud / non-compliance with laws & regulations: Non-compliance shouldn't be confounded with fraud, given the huge difference of intentionality. 'Non-compliance connected to the subject examined' is a far too broad scope of laws and regulations; it is also too granular. The practitioner cannot assess compliance with laws or regulations other than those ruling the report, even more in limited assurance.</p> <p>§Forward looking / §Estimates: It is useful to introduce a dedicated paragraph on diligences to be done on forward looking information as they are key in the sustainability report and represent a significant challenge both for preparers and auditors. We note that the guidelines are similar for estimates and forward-looking information, although the level of uncertainty is not the same. The differences and the consequences on the audit should be further explained. Regarding the forward-looking information, the guidelines do not clearly state the consequences on the opinion.</p> <p>For both paragraphs, instead of 'remain critical' which is a very broad notion and may thus feed the expectation gap, the guidelines should require 'professional judgement to consider the underlying assumptions used and their consistency'. Besides, to better pinpoint cases where further assessment is required, the focus should be on forward looking / estimates which seem 'manifestly' unreasonable.</p> <p>§Communication with other professionals: the incitation to use other professionals' work is not strong enough (the practitioner 'should consider using'), companies may thus support unnecessary double cost. The practitioner should use the expert's work except when he has serious concerns regarding its quality or independence.</p> <p>§Taxonomy: the work description in the paragraph starting with 'For each article 8 disclosure selected...' is far too developed and precise for limited insurance. Companies do not consider that specific developments are needed on the auditing of taxonomy as it is a part of the CSRD report without specificities justifying a particular treatment; consistency with E1-E5 should be removed, links are not described in the ESRS and complex to analyse, the general principle of consistency is sufficient.</p>
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>We would like to make the following suggestions:</p> <p>§Objective of the limited assurance engagement: Given the ongoing discussions within the field of audit among practitioner and the preparators, we strongly advise explaining the difference between reasonable and limited assurance in the CEAOB guidelines. The first paragraph adequately quotes the CSRD recital but fails to add explanations, whereas it would be highly useful to better highlight in the guidelines the differences with a reasonable assurance.</p> <p>§Material misstatement for practitioners in the context of an assurance engagement / §Procedures targeted at risk / §Accumulation and consideration of identified misstatements: the notion of 'intended users' should be clearly connected to ESRS1; given the broad spectrum of potential users, the introduction of 'key' / 'main' users is needed. It doesn't disqualify any category of users but enables to avoid an excessively granular approach.</p>

Organisation	NBA - Royal Netherlands Institute of Chartered Accountants
Country	Netherlands
Stakeholder group declared	Other
<p>Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?</p>	<p>We refer to our letter (available at https://www.nba.nl/nieuws/2024/juli/nba-reageert-op-concept-richtlijnen-voor-limited-assurance-bij-csrd-informatie/). In summary, the guidance isn't sufficiently specific and does not sufficiently distinguish between reasonable and limited assurance.</p>
<p>Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?</p>	<p>We refer to our letter (available at https://www.nba.nl/nieuws/2024/juli/nba-reageert-op-concept-richtlijnen-voor-limited-assurance-bij-csrd-informatie/). In summary, the guidance should be specific to limited assurance and set a work effort which is clearly distinguishable from reasonable assurance. Also, the guidance should be sufficiently specific to assurance procedures relevant to sustainability reporting, and focus on the areas where assurance procedures will be different from an audit engagement.</p>
<p>Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?</p>	<p>We refer to our letter (available at https://www.nba.nl/nieuws/2024/juli/nba-reageert-op-concept-richtlijnen-voor-limited-assurance-bij-csrd-informatie/). In addition to the summarized comments above, we emphasize the importance that the drafting of the guidance reflects its non-binding status based on European law and that the guidance should be easily understood by accountants and other assurance professionals alike.</p>

Organisation	OROC - Ordem dos Revisores Oficiais de Contas
Country	Portugal
Stakeholder group declared	Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>OROC supports the issuing of non-binding guidelines (NBG) by CEAOB. We think that it may help to drive consistency around Europe. The present draft however has some topics that deserves further work and clarification because may generate some confusion among practitioners:</p> <p>a)It assumes there are no "relevant" standards (#2). That is not true in Portugal because ISAE 3000 is applicable by law and that constitute the basis for performing the work and issuing the assurance report. In addition, there were recent pronouncement by the Portuguese audit regulator that, in absence of a specific international standard or other, practitioners should apply ISAE 3000. If there is no "relevant" standard that will not contribute to drive consistency and may create confusion among practitioners and readers, which already struggle to understand the difference between different levels of assurance. With the purpose of not creating deregulation at this stage, which would generate more enforcement problems – that does not contribute to quality work – we would suggest clarifying that ISAE 3000 constitute the basis for your guidelines with further specific developments of ED ISSA 5000.</p> <p>b)Having a limited assurance report, the draft refers in few parts to a language and procedures that seems more applicable to reasonable assurance (#9) such as "substantive procedures" and "samples" - and it is not only a question of sample size– it is not required by ISAE 3000 (or ED ISSA 5000). Regarding internal controls (#14) the ISAE 3000 47L and 47R establish the differences between the procedures to be performed on limited and reasonable assurance - which is not clear on the text by the reference of "evaluated whether these processes are designed and implemented to ensure..." those procedures are for reasonable assurance (47L) and not for limited assurance. In fact, the reference to substantive procedures after referring the type of procedures and techniques ("substantive procedures, including random or targeted sampling for tests of details, depending on the type of information and population.") is not clear from the ISAE 3000 where that term is not used. Also, substantive procedure is defined in ISA 330 for audits, ie, reasonable assurance. We also note that the conforming amendments in ISAE 3402 that deals extensively with test of controls and samples, removed the reference to samples in limited assurance, changing to "selecting less items for examination". That is in line with the concept of limited assurance, where the practitioner does not define a response to a risk.</p> <p>Also, the reference to free from material misstatement is also closer to reasonable assurance as per international standards.</p> <p>We suggest in (#14) to remove the reference to D&I to stick to an understanding of the process to establish taxonomy information and in (#16) to substitute "testing" by "procedures".</p> <p>c)It is necessary to clarify the distinction between "targets" and "estimations". It is not clear what is expected (#10 & #11). Concept of "key (assurance) matters" (#17-5) does not exist in the ISAE 3000 or ED ISSA 5000 and it is not appropriate for a limited assurance report. Additionally in a limited assurance report the conclusion is expressed by through a negative statement and not "may be expressed" (#17-3). That is the distinction between limited and reasonable assurance conclusion. The reference to faithful representation could be understood as meaning that it would be a concept that the ESRs require to be applied overall. But this is in our view not the case because ESRs clearly indicate that fair representation needs to be applied on an information/disclosure-level but not as an overall concept.</p> <p>d)We support the approach and the content of the conclusion as compliance framework.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>The subject that deserves discussion and guidelines would be the concept of "double materiality" which constitute a new paradigm. That is not at all covered on the document. This is a matter that is necessary to provide guidelines in a consistent way among Europe, because it is not dealt under ISAE 3000. We would strongly recommend having this on the final version.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Having a chapter (#6) that mix fraud and non-compliance with laws and regulations would create confusion about the mechanism to react to those two different concepts. Having non-compliance with the reporting framework also constitutes a "non-compliance" that would be reported on the conclusion, as well as any relevant material information that is absent or misstated.</p> <p>The statement "non-compliance with laws and regulations connected to the subjects examined during the sustainability assurance falls within this category" is too vague.</p> <p>We may face many different regulations and enforcement authorities and different levels of impact. Some of them may be public crime other are just matter of administrative infringements. Each national law describes different duties to an auditor but not to any other practitioner that is not an auditor. That is very critical and should not be addressed in a way that could be so vague that creates an expectation that the auditor, in addition to the verification of the information, should also act as an enforcer for the application of the subject matter with compliance of all laws and regulations. We suggested to revisit the approach on this chapter and:</p> <p>a)Distinguish fraud from Non-compliance with laws and regulations – by having two different chapters.</p> <p>b)Stay at the grounds of what the EU legislation states/requires about the role of auditor/practitioner regarding the services provided under this assurance report on the external communication to the authority(ies) with a cross reference for such requirements (as it is in other areas of the document).</p> <p>In addition (#6), it may be read as requiring all non-compliance with law and regulation to be reported, without any materiality consideration. In our perspective, it should be stated that in the absence of identified or suspected non-compliance, the practitioner is not required to perform procedures regarding the entity's compliance with laws and regulations other than remaining alert to the risk of non-compliance with law and regulations.</p>

Organisation	PIBR
Country	Poland
Stakeholder group declared	Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>5. Wyeliminować nadmiernie eksponowane w regulacjach audytów wyrazem „oszustwo”, które jest określenie hańbiącym. Zastąpić to przez „stwierdzone nieprawidłowości i niezgodności”. Oszustwo może stwierdzić wymiar sprawiedliwości. Natomiast pewne hochsztaplerstwo (nie śmiem nazwać aż oszustwem) popełniają lansujący ten termin często spotykani w zawodach publicznego zaufania liczni eksperci bez pozytywnej ścieżki kariery zawodowej w praktyce zawodowej. Prezentujących siebie jako wybitnych trenerów dla szeregowych członków samorządu. Swoje mizerne praktyczną wartością wykłady podpierają przekazywaniem sążnistych materiałów - zapewne zlepek prac pewnych uczelni dla akademickich celów a nie praktyki zawodowej. Jest to zawłaszczanie czasu zobligowanych do wysłuchiwania tego słuchaczy, negatywne dla samopoczucia i integracji oraz dla autorytetu zawodu i organizacji. Tu zakres powiązań i etyki miałyby większe znaczenie w odniesieniu do organów samorządowych i państwowego nadzoru niż do zwykłych wykonawców audytu.</p> <p>3. Dalsza twórczość w państwach członkowskich, na ten temat, może dotyczyć wyłącznie zastosowania tradycyjnego, profesjonalnego języka macierzystego dla ułatwienia zrozumienia zasad opisanych w tym dokumencie z zakazem powiększania objętości tego dokumentu. Pozwoliłoby to uniknąć „hybrydowej walki” nadzoru z szeregowymi członkami samorządu do uzyskania środków z tyt. kar finansowych za literalne usterki w wyniku posługiwania się w regulacjach nadmiernych neologizmów, nowych pojęć i definicji – rozpuszczające do minimum główny cel atestacji i wysiłek audytora.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>W obecnym systemie prawnym człowiek jest niczym w aspekcie ESG. To daje preferencje zinstytucjonalizowanym szkodnikom. Cytuję fragment przykładowo orzecznictwa sądów i urzędów "Wskazać również należy, że w, orzecznictwie sądów administracyjnych i ugruntowany został pogląd, zgodnie z którym w postępowaniach z zakresu prawa budowlanego, mających związek z nieruchomością wspólną legitymację do reprezentowania interesu podmiotu zbiorowego - ogółu właścicieli lokali, ma utworzona przez nich wspólnota mieszkaniowa, działająca poprzez zarząd lub zarządcę. Ogół właścicieli, których lokale wchodziły w skład określonej nieruchomości, tworzy bowiem - stosownie do art. 6 ustawy z dnia 24 czerwca 1994 r. o własności lokali (tekst jedn.: Dz.U. z 2021 r. poz. 1048) wspólnotę mieszkaniową, która może nabywać prawa i zaciągać zobowiązania, pozywać i być pozwana. Stosownie zaś do 8 art. 21 ust. 1 powołanej wyżej ustawy, zarząd kieruje sprawami wspólnoty mieszkaniowej i reprezentuje ją na zewnątrz oraz w stosunkach między wspólnotą a poszczególnymi właścicielami lokali. Tym samym, co do zasady w postępowaniu w sprawie pozwolenia na budowę, status strony w rozumieniu art. 28 ust. 2 p.b. przysługiwać będzie wspólnocie mieszkaniowej reprezentowanej przez odpowiednie organy." Audytor wykonujący atest projektu powinien dokonywać wywiadu środowiskowego.</p> <p>4. W regulacji zabrakło podstawowego kryterium oceny zadań i celów projektów jednostek związanych z ESG. Zadania i cele projektów muszą być mierzalne i porównywalne. Z tym, że istotna jest porównywalność z zewnętrznymi praktykami a nie z dotychczasowymi osiągnięciami w jednostce. W odwrotnym przypadku będzie to źródło kombinacji i promocji jednostek, które w tej dziedzinie były szkodnikami. Tu mają dużo do zrobienia ale własnym kosztem.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Konieczna pomoc finansowa dla osób fizycznych w postępowaniach w sprawach ESG, w tym finansowanie usług biegłych - tu nazwanych praktykami. Praktykiem nie bywa się po egzaminach na uczelni i przed komisją zawodową tylko lata pracy w zawodzie.</p> <p>6. Ważne by szkolić doświadczonych biegłych co to znaczenia ESG w ramach ODZ w zakresie przyjaźnie przetłumaczonych regulacji i pojęć z tych regulacji. Polecam również urzędnikom w Ministerstwie Rozwoju i Technologii pracę organizacji AGE reprezentującej ponad 28 milionów obywateli EU w wieku 50+ .Konsultacje na temat przyszłości "EU 2020" skierowaną do Komisji Europejskiej. To znakomite tematy na krajowe spotkania interesariuszy Agendy 2030. Wszakże ogólnym celem strategii AGENDA 2030 tak jak EU 2020 powinno być wzmocnienie solidarności obywateli, regionów i państw EU oraz promocja większej społecznej spójności i bardziej przyjaznego środowiska. Wyszło poprzednio jak zwykle a błazenada z tworzeniem pojęć i regulacji nie wróży i tu pozytywnych efektów.</p>

Organisation	Polish Chamber of Statutory Auditors
Country	Poland
Stakeholder group declared	Standard setter
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	Generally, the Polish Chamber of Statutory Auditors (Polska Izba Biegłych Rewidentów – PIBR) supports high-level guidelines that, on one hand, will drive some consistency between EU countries and, on the other, leave space for local specificity. Also, while ISSA 5000 has not been finalized yet, we noted that the guidelines are generally consistent with ISAE 3000 (Revised). This is primarily because this is the approach expected in Poland but also due to the fact that, to our knowledge, the same approach will be taken in other member states. However, we have noted certain instances where the wording used implies a reasonable level of assurance to be provided and is beyond what would be expected in limited assurance engagements, ie the level of assurance required by the EU. This might create a gap between the level of assurance provided and expectations of the users of the sustainability reporting. For example, section 9 mentions tests of details as a type of substantive procedure to be performed in the limited assurance engagements. At the same time, section 9 indicates that such samples would "ordinarily be less extensive than those that would be needed for a reasonable assurance engagement," which in our view requires more guidance in order to be well understood and applied consistently in practice-ordinarily tests of details would not be performed as a standard procedure for limited assurance engagements.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	We believe that section 6 regarding fraud and non-compliance with laws and regulations could be expanded to better explain the role and responsibilities of the practitioner in relation to these matters in the context of limited assurance engagements in relation to sustainability reporting and especially where assurance is for non public interest entities. We also believe that, in order to avoid an expectation gap, it should be made clear that limited assurance engagements in relation to sustainability reporting are not aimed at identifying or preventing fraud. In addition, in general, we believe that any additional guidance on what is not required in a limited assurance engagement, as opposed to a reasonable assurance engagement, would contribute to closing the expectation gap.
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	Section 17 suggests the possibility of providing a description of key assurance matters. Ordinarily, key assurance (audit) matters are provided in reasonable assurance engagements and not in limited assurance engagements. Hence, in order to facilitate diversity of approaches between the countries or practitioners, we would suggest removing this from the guidance. We are also of the view that Section 17 where it refers to the practitioner's conclusions should be modified to explicitly state that conclusion is expressed through a negative form of assurance, rather than -as currently suggested in point (3) on page 8- positive form. This is especially important from the intended users' perspective who do not necessarily comprehend all the nuances of the wording.

Organisation	PwC IL
Country	Belgium
Stakeholder group declared	Assurance services provider; Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>PwC International Ltd, on behalf of its network of member firms (PwC), commends the CEAOB for issuing guidance to support practitioners in performing limited assurance engagements on sustainability statements in accordance with the ESRs and the CSRD. We think that the guidelines are helpful and we fully support the CEAOB's objective to achieve alignment and facilitate a common understanding of some of the key aspects of the limited assurance engagements across member states as introduced by the CSRD. We also believe that this guidance supports the public interest. Below we have made some suggestions where we believe the guidance can be improved.</p> <p>§2 refers to "absence of relevant international assurance standard(s) covering fully the CSRD requirements for limited assurance on sustainability reporting". We recommend anchoring this guidance as supplemental to ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information or any other relevant (sustainability) assurance standards adopted by member states which are often based on ISAE 3000 (Revised). We believe it to be in the public interest that assurance practitioners work from a common baseline which ISAE 3000 (Revised) provides.</p> <p>We appreciate that in §17 the option for inclusion of key assurance matters is acknowledged, which is commensurate with practices in certain member states. However, the work performed in a limited assurance engagement may be significantly less than that for a reasonable assurance engagement and may not provide a sufficient and clear basis for determining key assurance matters. Consequently, if key assurance matters are included, there is also a risk that users may infer a greater level of assurance than warranted based on the description of the key assurance matters. Due to the risk of users misinterpreting the level of assurance conveyed and the extent of work performed, we recommend that the CEAOB adds some cautionary language for the practitioner to consider this risk prior to inclusion of key assurance matters. We note that we are supportive of reporting key assurance matters in a reasonable assurance sustainability engagement.</p> <p>In §6, the last sentence "Non-compliance with laws and regulations connected to the subjects examined during the sustainability engagement falls within this category" may inadvertently run the risk that it goes beyond what is currently expected of an assurance practitioner. We recommend using the same construct as regarding irregularities in the previous sentence, as follows: "Non-compliance with laws and regulations detected during the sustainability assurance engagement falls within this category".</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We agree with the language to be used for the assurance conclusion in §17 on page 7. This is in line with our own analysis of the ESRs/CSRD requirements. We recognise that in the future, practice may need to change, in particular if there are changes in the reporting requirements applicable to preparers.</p> <p>In §7, we note that reference to risk identification and assessment should either refer to "identifying disclosures where material misstatements are likely to arise" (if seeking to reflect ISAE 3000) or "identify and assess the risks of material misstatements at the disclosure level" (if seeking to reflect the expected final draft of ISSA 5000).</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>In certain areas of the guidance there seems to be an expectation for procedures that go beyond what would typically be expected in a limited assurance engagement in accordance with, for example, ISAE 3000. We recommend that the CEAOB reevaluates whether this is indeed commensurate with its intent. Examples of where the guidance seems to suggest assurance procedures that exceed what would typically be expected in a limited assurance engagement are primarily in connection with the article 8 disclosures, for example:</p> <p>In §14, we agree that practitioners should obtain an understanding of the processes that the entity has implemented to identify its activities, their nature (eligible/aligned) and prepare the disclosures required by Article 8. However, the bullets seem to prescribe procedures that exceed a typical limited assurance engagement.</p> <p>In §16, the bullets seem to target a level of precision that would typically not be within the scope of a limited assurance engagement.</p> <p>The above 2 points could be resolved by using a "may" rather than a "should" in the lead-in sentence to the bullets.</p>

Organisation	RSE France
Country	France
Stakeholder group declared	Assurance services provider
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	No
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	No
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	Make clear that assurance on sustainability reporting is not just a matter of compliance but implies, as it is stated in the draft guidelines, that "specific attention should be placed on disclosures that are likely to be most important to the information needs of intended users and on whether the disclosures meet the qualitative characteristics of information defined by the ESRS including relevance and faithful representation"

Organisation	RSM International Limited
Country	Global
Stakeholder group declared	Auditor
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>Overall, we consider the draft CEAOB guidelines on limited assurance on sustainability reporting to be too general, and they essentially restate the principles of the current international standards for assurance engagements. Therefore although we do not necessarily disagree with the draft guidelines, we do not believe they are useful from a public interest perspective.</p> <p>General guidelines leave much room for interpretation, so regulators, oversight bodies and practitioners may develop different understandings for the same guidelines. One possibility is that regulators will look at the sustainability assurance engagement similar to a review of historical financial statements and expect similar documentation and procedures, even if not stated in the guidelines. Given the general nature of the guidelines, standard application is unlikely to be achieved. This may result in situations where the amount of work, and consequently the level of limited assurance, may vary from what would be acceptable for limited assurance. This would not be in the public interest.</p> <p>We recommend that the CEAOB consider leveraging the International Auditing and Assurance Standards Board's (IAASB's) International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, and the Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements, to the extent applicable to limited assurance engagements and issue guidance on topics or areas not addressed by these standards. Many EU countries are already use ISAE 3000 (Revised), ISAE 3410 and the EER guidance in providing assurance on sustainability-related key performance indicators and green bond covenants.</p> <p>Taxonomy</p> <p>The EU taxonomy requirements are specific. However, the draft guidelines are general. In Section 15, Presentation, under Article II, Disclosures provided to address Taxonomy Regulation Article 8, there is a reference to the European Sustainability Reporting Standards (ESRS). However, ESRS 1, Article 8, paragraph 113 states that the taxonomy information is explicitly not covered by the requirement of the ESRS. The guidance on the linkage between the ESRS and taxonomy should be clarified.</p> <p>In Section 16, Testing of Article 8 disclosures, there is a specific requirement to 'evaluate whether the taxonomy disclosures are consistent with the other information reported according to the ESRS (E1, E2, E3, E4 and E5)'. However, there is not a one-to-one match to the disclosure requirements in the ESRS and the EU taxonomy and additional clarification to achieve this would be useful.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>Scope</p> <p>The draft guidelines seem to indirectly indicate that the CEAOB guidelines apply to both assurance practitioners that are professional accountants (PAs) and assurance practitioners that are not professional accountants (non-PAs) by a combination of referencing a requirement in the CSRD and a footnote reference. We believe it would be helpful to explicitly state in Section 1, Context, that these draft guidelines apply to assurance practitioners that are non-PAs as well as assurance practitioners that are PAs.</p> <p>Further, we have concerns that there are concepts either not addressed or mentioned in the guidelines that non-PAs would not be familiar with due to their lack of experience with auditing and assurance standards, such as acceptance and continuance including independence, group engagements, use of experts and analytical procedures. We suggest that this matter should be addressed prior to finalisation of the guidelines.</p> <p>Definition of 'Disclosure'</p> <p>It is unclear what is meant by 'disclosures', that is if the term 'disclosures' refers to the topics or aspects of topics to be disclosed, or if 'disclosures' refers to the specific data points reported for an aspect of a topic. We believe the definition of 'disclosure' should be consistent with the IAASB's International Standard for Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, definition when it is finalised and apply both to ESRS and the taxonomy reference framework.</p> <p>Materiality</p> <p>In Section 5, Material misstatement for practitioners in the context of an assurance engagement, the CEAOB guidelines note that the 'materiality of a misstatement in a disclosure is linked but is not the same as the "double materiality" used by the entity'. However, the guidelines do not explain the relationship between the materiality used by the practitioner to determine if a disclosure is misstated and double materiality used by the entity to determine the disclosures that should be reported under ESRS. In addition, the guidelines do not appear to address the practitioner's consideration of double materiality from a practitioner's perspective in determining whether a disclosure is materially misstated.</p> <p>We recommend that the guidelines should address the entity's double materiality assessment consistent with ISSA 5000's definition when it is finalised.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Ethics and Quality Management</p> <p>ISAE 3000 (Revised) and ISAE 3410 require the use of the International Code of Ethics for Professional Accountants (Including International Independence Standards) (the IESBA Code) and International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, or professional requirements or requirements imposed by law or regulation that are at least as demanding. It may be useful to non-PAs to provide additional guidance on how to determine if the relevant ethics and quality management standards being used are at least as demanding as the IESBA Code or ISQM 1. We recommend that the CEAOB consider consulting with the most recent draft of the proposed ISSA 5000 for this guidance.</p> <p>Risk identification and assessment</p> <p>Section 7, Procedures targeted at risk identification and assessment, notes that 'in identifying the risk of material misstatement specific attention should be placed on disclosures that are likely to be most important to the information needs of intended users and on whether the disclosures meet the qualitative characteristics of information defined by the ESRS, including relevance and faithful representation.' This seems to suggest that practitioners should place as much or more attention on the information needs of the intended users than on the criteria under ESRS and the taxonomy reference framework.</p> <p>We believe that it would be more appropriate to include the emphasis on the attention placed on the information needs of the intended users in Section 8, Process carried out and described by the entity, as this is a primary criterion in the entity's materiality process when deciding which disclosures should be included in the sustainability report. If the disclosure does not include information important to the intended users, it may not be necessary to include it in the report.</p> <p>Once the practitioner is satisfied with the disclosures included, the practitioner would assess the disclosures where material misstatements are likely to arise in accordance with the ESRS and/or the taxonomy reference framework. This would also be consistent with the most recent draft of ISSA 5000.</p> <p>Responding to Risks</p> <p>Section 9, Responding to risks, lists examples of types of procedures that may be used in assurance engagements. While we agree that these procedures are available in a limited assurance engagement, the primary procedures in limited assurance engagements would generally consist of analytical procedures and inquiry and, depending on the specific disclosures, may include other procedures as deemed necessary to obtain limited assurance.</p> <p>The way the section is currently drafted suggests that the nature of the procedures completed should be similar to that of a reasonable assurance engagement, but less in extent. For example, in listing the procedures available, inspection, observation and confirmation are first and analytical procedures and inquiries are last, and as currently worded, it appears sampling should be performed in similar circumstances as a reasonable assurance engagement (but to a lesser extent).</p>

Organisation	The Association of Chartered Certified Accountants (ACCA)
Country	Global
Stakeholder group declared	Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>ACCA commends the CEAOB for issuing the draft non-binding guidelines and welcomes the opportunity to provide our comments.</p> <p>Objectives and CEOB guidelines</p> <p>In respect of the objectives, while the guidelines specifically note that they are not binding and that they do not constitute a standard, they do also note that Member States' competent authorities may impose the use of the guidelines in full, or in addition to national pronouncements, for the sake of harmonisation of limited assurance practices in the EU level. We therefore stress the importance of these guidelines being up to date, accurate and relevant in order to avoid fragmentation and to ensure that practices are as consistent as possible until the adoption of an assurance standard at EU level, as the consultation paper notes.</p> <p>We also note that the guidelines use the word 'required' as well as the word 'shall' in a number of instances which does imply moving away from their non-binding nature. We therefore suggest that the language is softened for example by using words such as 'may' or 'recommended' or 'suggested' etc.</p> <p>Ethics and quality control</p> <p>The guidelines clarify that they do not specifically cover ethical provisions, directing all practitioners to adhere to the ethical standards outlined in the Audit Directive and Audit Regulation. This might be clear for professional accountants/auditors but may not be as useful for independent assurance service providers (IASPs). We suggest addressing this in the guidelines.</p> <p>Material misstatement for practitioners in the context of an assurance engagement</p> <p>It is not clear whether the intention is for the guidelines to align with ISSA 5000 or ISAE 3000 (Revised). We therefore note that if the intention is for the guidelines to align with ISSA 5000 then these should be updated with the latest IAASB revisions. For example, for limited assurance engagements, IAASB no longer uses 'material misstatements that are likely to arise' but refers to 'material misstatements at the disclosure level'. These updates should be reflected throughout the guidelines, available on the IAASB's website.</p> <p>Fraud and non-compliance with laws or regulations</p> <p>The draft guidelines note that 'practitioners should remain alert to the risk of fraud and instances of non-compliance with laws and regulations throughout the limited assurance engagement'. While we agree with the guidelines, we suggest that they clarify that the assurance practitioner does</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>Professional Scepticism</p> <p>We note that the draft guidelines do not refer to professional scepticism which is as vital for sustainability assurance engagements as it is for financial statement audits. The vital importance of professional scepticism in sustainability assurance engagements was also emphasised by our stakeholders in ACCA's thought leadership report titled Sustainability Assurance – rising to the challenge. Furthermore, given that some Member States may allow for IASPs to undertake such engagements it is important to clarify that assurance practitioners are expected to maintain professional scepticism throughout the engagement and to highlight the framework to do this within the guidelines.</p> <p>In addition to professional scepticism, we also suggest that the guidelines make reference to certain assurance skills and techniques that sustainability assurance practitioners are expected to have such as planning, evidence gathering, evidence evaluation, communication and reporting skills and techniques as found in global frameworks.</p> <p>Inherent limitations</p> <p>While the draft guidelines touch on many of the key areas of a sustainability assurance engagement under limited assurance, they do not make any reference to inherent limitations. It is particularly important to emphasise that there are inherent limitations when it comes to the practitioner's work, particularly in some areas. This is relevant, for example, when it comes to fraud, estimates and forward-looking information, in order to avoid creating an expectation gap. This will also allow IASPs to obtain some guidance in this space.</p> <p>Using the work of third party</p> <p>The guidelines note that practitioners should consider using the work of third parties engaged by the entity depending on their assessment of the objectivity or independence of the third party and of the work performed, to avoid duplication in carrying it out again. However, the guidelines do not refer to the procedures that practitioners need to do before deciding whether to rely on such work. We therefore suggest providing further guidance on this.</p> <p>Different types of conclusions</p> <p>While the guidelines refer to instances where practitioners may face a limitation in scope, when it comes to the implications the guidelines do not distinguish instances where this is within or outside management's control and hence, we suggest that it is taken into consideration.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>Glossary and definitions</p> <p>The guidelines glossary should be updated ensuring that all terms used are included. For example, this should include fraud, substantive procedures etc.</p> <p>Digitalisation of the information</p> <p>The draft guidelines note that they don't cover the requirements introduced by the CSRD related to the electronic format of the information and the compliance of the sustainability statements with the requirements to mark up the information. While we understand that this is delayed, the guidelines should be extended to cover these requirements to ensure consistency of application across the EU.</p> <p>Independent Assurance Service Providers</p> <p>We emphasise that it is of vital importance that the guidelines are clear and helpful to all assurance practitioners including IASPs. The IAASB did receive a number of comments by its stakeholders during the public consultation phase of ISSA 5000, questioning whether some areas of the standard and its concepts would be clear to non-professional accountants or IASPs in the EU. We therefore suggest that the CEAOB does ensure that all the information included in the guide takes into consideration that IASPs may not be as familiar with certain terms and concepts and hence further guidance might be needed.</p>

Organisation	The Malta Institute of Accountants
Country	Malta
Stakeholder group declared	Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	Nil response.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>By way of a general comment, it is to be highlighted that the draft guidelines are very broad, high level and does not present enough detail.</p> <p>The guidelines do not specify how the ethics and quality management requirements will apply to non-auditors.</p> <p>As regards to the paragraph 5 Material misstatement for practitioners in the context of an assurance engagement, it would be helpful if the guidelines were to specify what should be considered material and what not. This is particularly necessary and useful in this context given that there is going to be quantitative and qualitative data. As already noted above, the wording used is considered to be generic.</p> <p>We recommend that paragraph 6 Fraud and non-compliance with laws or regulations is revisited to take into consideration the fact that different sustainability assurance practitioners might be bound by different regulatory frameworks when it comes to professional secrecy given differences between different Member States.</p> <p>More guidance is necessary as regards to what is expected with respect to forward-looking information (paragraph 10). In this regard, it is also important for the guidance to clarify what "remain critical" would entail within the context of a limited assurance engagement. The latter also applies for estimates (paragraph 11). Another question related to the work that needs to be carried out with respect to estimates is what information is going to be used by the sustainability assurance practitioner when the said practitioner is not the statutory auditor.</p> <p>As regards to paragraph 12, Communication between practitioners and other professionals, guidance is required as regards to what is the responsibility of the group auditor in terms of the other auditor when the other auditor is in another country.</p> <p>More guidance is also required with respect to the level of documentation (paragraph 21) that is expected.</p> <p>In addition, further clarity is necessary as regards to the work that needs to be carried out by the sustainability assurance practitioner with respect to information accompanying the sustainability statements (paragraph 23) when the practitioner is not also the statutory auditor.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>The guidelines specify that "Appropriate procedures are to be designed and performed by the practitioners to provide this limited assurance." However, it does not give much information as regards to what is considered to be appropriate. In addition, there are certain statements/proposed procedures, specifically "Free from material statement" and "substantive testing", that are currently not applicable for limited assurance engagements. Concluding on material misstatement during a limited assurance engagement is contradictory in terms of scoping. As regards to the nature, timing and extent of procedures to be undertaken, it is imperative that these are designed and performed by the practitioners based on their assessment of what is necessary to allow them to conclude with limited assurance. Hence, we recommend that the draft guidelines are revisited to address these points keeping in view that these guidelines are intended for limited assurance engagements.</p> <p>As regards to the Format and content (paragraph 17) of the limited assurance report, it might be helpful to mandate a standard such as ISAE 3000 so as to ensure consistency and comparability.</p>

Organisation	TIC Council
Country	Belgium
Stakeholder group declared	Assurance services provider
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>1.paragraph 8: It should be requested, or highly recommended, to appoint auditors with experience of the entity activity sector when reviewing the double materiality (ex. the auditor should have worked in this activity for at least 2 years with technical or operational responsibilities). This is particularly important for entities operating industrial processes.</p> <p>2.Paragraph 9: in the 2nd paragraph, it should be mentioned that when referring to laws and regulations, it encompasses environment and social.</p> <p>3.Paragraph 10: After year 1, the assessment of looking-forward information should review the yearly achievements, the trajectory and compare their performances with the medium- and long-term targets.</p> <p>4.Paragraph 11: the auditor shall also review the accuracy of the reported data and the outcome uncertainty.</p> <p>5.Paragraph 26: the auditor shall review the consistency of the data reporting methodology. Any change and its impacts should be described by the entity.</p>

Organisation	Universitat Politècnica de València
Country	Spain
Stakeholder group declared	Academia
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	In my opinion all information provided is useful from the public interest perspective. The guidelines provide a clear summary of limited assurance on sustainability reporting. In page 4 it is stated: "Tests of controls are not required but may be performed if deemed effective by the practitioners to collect evidence in the circumstances". In my opinion is better remove that sentence because test of controls can be required when substantive procedures do not provide enough and sufficient evidence.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	Yes, in my opinion there are. The limited assurance report should stay: •A section on the ethics requirements of the assesor. This section must include a statement on the ethical provisions mentioned in section 3 of the draft guidelines. •The guidelines should provide more orientation on this information of the assurance report: "a description of the scope of the limited assurance engagement". Limitations could come from contents in the sustainability reports not covered by the assurance work or from entities in a consolidated sustainability report not covered by the assurance work. Guidelines should state that failing to provide a precise description of the scope of the limited assurance engagement assesor becomes fully responsible for the entire sustainability report. •The content "a summary of the procedures performed by the practitioners" should describe the use of experts' works when it is the case. The limited assurance report may include an "Other matter paragraph". In this section, the assesor could inform in case of material inconsistencies between the financial statements and the management report with the sustainability statements, improving the understanding by the users of the sustainability statements and the assurance reports on them. In this way, the connectivity between the financial statements and the sustainability statements will be enhanced.
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	Sustainability statements can combine different sustainability frameworks. Guidelines should address this situation. Specifically, Guidelines should address the information regarding Sustainable Development Goals.

Organisation	Wirtschaftsprüferkammer
Country	Germany
Stakeholder group declared	Other
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>The WPK (German Chamber of Public Accountants) would like to express our gratitude for the opportunity to provide our comments on the draft CEAOB non-binding guidelines on limited assurance on sustainability reporting. These guidelines will serve as a crucial initial orientation for auditors (and companies as well) in the early stages and will support them in performing limited assurance engagements on sustainability reporting.</p> <p>Therefore, we support the CEAOB's efforts in developing these guidelines and appreciate the opportunity to contribute our insights. We believe that with careful consideration of scalability and adaptability, the guidelines will be a usable tool for both auditors and companies.</p> <p>Moreover, in terms of clarity we encourage a closer alignment with international assurance standards issued by the IAASB, and to avoid the guidelines being seen as too close to reasonable assurance, as for example:</p> <ul style="list-style-type: none"> •No. 4, 2nd paragraph, 1st sentence: As per international assurance standards the reference to information being "free from material misstatement(s)" is closer to reasonable assurance than to limited assurance. •No. 9, 5th paragraph: Regarding the request of practitioners "to conclude with limited assurance regarding the absence (or not) of material misstatements" international standards are requiring practitioners to express their limited assurance conclusions in form of a negative statement. •No. 16: The heading implies that, like for reasonable assurance, "testing" would be required. •No. 17: Though marked as optional, the concept of "key (assurance) matters" exists solely for audits (i.e. reasonable assurance) of listed entities, and should not be introduced into limited assurance engagements for a wider group of entities.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>We recommend proposing and illustrating scalability aspects and options for the assurance of sustainability information within the guidelines.</p> <p>In Germany, it is estimated that approximately 15,000 companies will be required to prepare a sustainability report within their management report and have it audited on a statutory basis from 2025 on. The majority of these companies are not listed entities, despite they form the backbone of the German economy (so called „Mittelstand“) and despite the fact, that these companies are „large“ in terms of their size. This will mean that many auditors, who predominantly audit these firms, will also need to familiarize themselves with auditing sustainability reports. Consequently, the guidelines will be of paramount interest to both auditors and companies alike.</p> <p>In light of this, we consider it particularly important that the guidelines are sufficiently scalable and adoptable to be effectively utilized by both companies and auditors. Scalability and adaptability are crucial in maintaining the practicality and relevance of the guidelines across the diverse landscape of businesses.</p> <p>In addition, we suggest that the CEAOB should mention the applicable extant standards and drafts for sustainability assurance engagements to the profession, as these are currently (and presumably will be) used by most auditors worldwide. These are ISAE 3000 and the standards under development (such as ISSA 5000 and the sustainability audit section of the IESBA Code of Ethics). We believe that it is important that the companies concerned, and their auditors are aware of the relevant professional pronouncements and that the CEAOB takes a favourable view of them.</p> <p>No. 17 3rd paragraph, inserted text box: the reference to "faithful representation" implies that this is an overall (new) concept required by the ESRS. We understand that ESRS 1 QC5 to QC9 and QC14 require application of fair representation on a disclosure level, but not as an overall concept. We suggest clarifying the guidance or deleting that paragraph in the text box.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>It is recommended to add CSRD in the title of the guidelines in order to clarify that they are solely directed to CSRD sustainability reporting.</p> <p>No. 6: The combination of fraud and non-compliance with laws and regulations in one guidance / paragraph appears confusing. To align with international assurance standards that provide different concepts of practitioners' responsibilities in relation to fraud and their considerations of non-compliance with laws and regulations, we suggest to address these concepts separately</p>

Organisation	WWF
Country	France
Stakeholder group declared	Non-Governmental Organisation
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	<p>WWF considers that the current content of the draft CEAOB guidelines on limited assurance on sustainability reporting only contains information that is useful and relevant from a public interest perspective.</p> <p>Since these guidelines are intended to provide a reference for procedures required by practitioners in the context of CSRD assurance provision in the absence of a limited assurance standard, they are by nature limited in scope and depth. All information currently provided in the guidelines is therefore deemed relevant and essential to the proper conduct of practitioners' activity and should not be removed or reduced in detail.</p> <p>These guidelines must serve as a relevant basis for the further development of a limited assurance standard, tailored to ESRS requirements, and providing detailed and prescriptive elements to guide practitioners' activity.</p> <p>In this sense, no elements should be extracted from the CEAOB guidelines, which provide essential elements for the proper understanding of both practitioners, and final information users on the nature and scope of the assurance providers' work.</p>
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	<p>WWF considers that the following topics would be relevant to cover under CEAOB guidelines or future standards: level of qualification required for sustainability assurance practitioners (including the nature and minimum training time required); obligations/conditions of recourse to experts; obligations/conditions of reference to stakeholder expectations.</p> <p>The following topics should be increasingly detailed:</p> <p>1. Context: it is important to situate the CSRD in the context of the EU Green Deal and explain the CSRD's objective: providing transparency on companies' performed and planned actions to align with EU environmental and social objectives.</p> <p>5. Material Misstatement: it would be helpful to better define how misstatement and double materiality differ, and expectations in terms of processes and formalization to justify how the practitioner determines the materiality of a given misstatement. This also applies to section 7 on how the practitioner qualifies material misstatement risk (which must include the capacity of information to influence decision-making by information users, the materiality of topics as assessed by the undertaking, and the perceived level of quality of its risk mitigation systems.)</p> <p>8. Process of the entity: it would be helpful to define at which level the double materiality analysis must be carried out. ESRS defines multiple levels (sustainability topics, sub-topics, DRs and ARs, and data points.) It should be made clear at what level double materiality analysis applies, and at what level material misstatements risks on 'disclosures' are to be identified (link to section 7.)</p> <p>9. Responding to risks: it would be important to provide more information about when further risk mitigation procedures for material misstatements should be designed and implemented.</p> <p>10. Forward-looking information and 11. Estimates: further guidelines must be developed to clarify what is considered unreasonable: this is not through obligations of means or results, but based on alignment with science and existing EU policy.</p> <p>13. Accumulation of misstatements: specific attention should be given to interdependent disclosures. Due to the interconnected nature of environmental and social topics in ESRS, a material misstatement may influence the representativity of information throughout the company's sustainability report. The evaluation of misstatement materiality should thus be a result not only of accumulation but also co-dependency to other disclosures.</p>
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	<p>In the WWF view, it would be important for CEAOB guidelines to address issues that depart from the traditional role of an audit standard, dedicated to a specific framework (in this case the ESRS). In relation to the evolution of the disclosures being audited, which now concern forward-looking information, it is crucial to consider that the traditional role of assurance providers will also have to change to accommodate the specific needs of such an exercise. In particular, assurance currently largely relies on the notions of conformity (to a legal framework, here the ESRS) and sincerity (that addresses the subject of the quality of published information). It is important that practitioners quickly develop a capacity to evaluate the credibility of forward-looking information, which carries uncertainty in nature.</p> <p>Importantly, WWF is not demanding that practitioners certify that assumptions and estimates used to publish forward-looking information are certain to occur; however, auditors must be critical of scenario choices made by private entities for their disclosures, of hypotheses, assumptions and estimates used to establish targets, policies and actions intended to mitigate material impacts and risks. Although there is a reference to this in sections 10 and 11 of the CEAOB guidelines, CEAOB should provide clear reference points for the way in which practitioners may evaluate the credibility of underlying factors in their forward-looking analyses.</p> <p>Moreover, due to the numerous interactions of CSRD with other regulations, it would be useful for CEAOB to clarify how these interactions are to be considered in the work of practitioners. This clarification should notably highlight that such interactions cause higher risks of material misstatements, due to the multiplicity of regulatory requirements around a given topic, and to the potential for misrepresentation generated by the dependency of different regulations around a given data point.</p> <p>Finally, WWF understands from the draft guidelines that CEAOB considers that assurance on sustainability information as required by the ESRS falls under the scope of fair representation assurance provision, and not sole compliance (much like for financial auditing). WWF supports this vision and insists on its central and crucial character for properly implementing the CSRD. This must be maintained in the final version of the CEAOB guidelines and made clear in the audit standard to be produced by CEAOB at a later date.</p>

Organisation	Ycompris
Country	France
Stakeholder group declared	Preparer of sustainability reporting; User of sustainability reporting
Is there any content, in the draft CEAOB guidelines on limited assurance on sustainability reporting, that you would assess as not useful or relevant from a public interest perspective?	Not from my perspective.
Are there any areas or topics not covered in the draft CEAOB guidelines that would need to be addressed in the guidelines or developed in the future European standard on limited assurance?	Should auditors examine the sustainability report from an ESRS compliance perspective only? Or should they ensure that the disclosed information reflects a true and fair image of the company's practices? Do they have to ensure that the disclosed action plans comply with the legislation? Should they investigate whether the action plans are realistic in terms of magnitude?
Are there any other suggestions that you would like to share with the CEAOB, before adoption of the final CEAOB guidelines on limited assurance on sustainability reporting?	From the first "whereas" of the CSRD directive, "The European Green Deal [...] aims to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of Union citizens from environment-related risks and impacts". It seems to me that by reducing the audit of the sustainability report to the verification of compliance with ESRS, we would empty the CSRD of its substance. It would be diverted from its objective to the benefit of a few service providers at the expense of the companies concerned.