

Leading Organizations in Public and Private Company Auditing Release New ESG Reporting and Attestation Roadmap

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February 17, 2021, Washington, D.C. – Today, the Center for Audit Quality (CAQ) and the Association of International Certified Professional Accountants (the Association) released a new roadmap to provide audit practitioners with a blueprint to support companies in achieving their environmental, social, and governance (ESG) reporting goals. The CAQ and the Association are releasing the report at a watershed moment for public and private companies' ESG reporting: investors, consumers, and other stakeholders increasingly make decisions based on companies' ESG practices, companies increasingly report ESG information using established standards and frameworks, and the Biden Administration has made climate risk a focus of its policy agenda.

The roadmap, *ESG Reporting and Attestation: A Roadmap for Practitioners*, provides tools to help independent auditors inform their clients' approach to ESG disclosures, help clients determine whether to seek an attestation report on ESG information, and help determine how to report ESG information in a Securities and Exchange Commission (SEC) submission.

While ESG reporting has historically taken place outside of SEC submissions, there are increasing calls for public companies to incorporate ESG information, including the impact of climate change and diversity and inclusion metrics, into SEC submissions such as proxy statements, annual reports, and quarterly reports. Further, rising expectations for ESG reporting come as many market stakeholders see the value of having some or all reported ESG information subject to external attestation by an independent auditor.

"ESG is a rapidly evolving area of reporting, and while there is no one-size-fits-all approach, independent auditors have an important role as this reporting continues to take shape," said Dennis McGowan, CPA, Senior Director of the CAQ's Professional Practice. "The auditing profession is steeped in bringing accountability, standards-based analysis and objectivity to the review of company-reported information – and these skills are transferable to these other areas of company-reported information like ESG data."

The *Roadmap* also examines the history and evolution of ESG reporting, the latest developments driving towards ESG's inclusion in SEC filings and current practices of disclosure and attestation over ESG information disclosed in SEC filings. The report includes examples of Vornado Realty Trust and Etsy including, or referring to, attestation of an ESG report in their SEC submissions.

"With growing company interest in disclosing ESG information in SEC submissions, this is a very timely resource for audit practitioners who are being called on to perform assurance engagements over these ESG disclosures," said Desiré Carroll, CPA, Association Senior Manager – Public Accounting. "The Roadmap explores how and why ESG disclosures are

being included in SEC submissions and provides practitioners with insight into the risk and legal considerations associated with performing assurance engagements over such information.”

The Roadmap can be found [here](#) and [here](#).

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