



Marjolein Doblado  
Chair of the Subgroup on International Auditing Standards  
Committee of European Auditing Oversight Bodies - CEAOB

Cc Sven Gentner, DG FISMA

Brussels, 22 July 2024

**PwC response to CEAOB consultation - draft non-binding guidelines on limited assurance on sustainability reporting**

Dear Ms Doblado,

PwC International Ltd (PwC), on behalf of the PwC network, welcomes the opportunity to provide feedback on the CEAOB draft non-binding guidelines on limited assurance on sustainability reporting. Please find our detailed responses to the questions posed by the CEAOB below.

*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?*

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 ESRSs 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.

§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.

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

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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.

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”.

*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 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.

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).

*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?*

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:

- 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.
- In §16, the bullets seem to target a level of precision that would typically not be within the scope of a limited assurance engagement.



- The above 2 points could be resolved by using a “may” rather than a “should” in the lead-in sentence to the bullets.

If you would like to discuss any points that we have raised in this letter, please do not hesitate to contact me ([gillian.lord@pwc.com](mailto:gillian.lord@pwc.com)) or Jacomien van den Hurk ([jacomien.van.den.hurk@pwc.com](mailto:jacomien.van.den.hurk@pwc.com)).

Yours sincerely,

*Gilly Lord.*

Gilly Lord  
Global Leader for Public Policy and Regulation

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