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available, the IFAC-AICPA & CIMA study found.

**Isaac M. O'Bannon** • Feb. 28, 2023



The largest global companies continue to show momentum on corporate reporting and related assurance involving environmental, social and governance (ESG) issues, according to a [report](#) from the International Federation of Accountants (IFAC) and AICPA & CIMA, the latter two of which form the Association of International Certified Professional Accountants. Significant hurdles remain, however, when it

comes to providing consistent, comparable and high-quality sustainability

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we're tracking reveals continuing fragmentation around the world in terms of which standards and frameworks are used," noted IFAC CEO Kevin Dancey. "Eighty-six percent of companies use multiple standards and frameworks. This patchwork system does not support consistent, comparable, and reliable reporting. Importantly, it also does not provide the necessary foundation for globally consistent, high-quality sustainability *assurance*."

The report also examines the extent to which companies provide *forward-looking* information on emissions reduction targets and plans. While two-thirds of companies disclosed targets, they lag the rate at which companies report their *historic* greenhouse gas emissions (97%).

"Steady increases in reporting and assurance are significant, yet more companies need to take the additional step to obtain assurance to build trust and confidence in what they report," said Susan Coffey, AICPA & CIMA's CEO of public accounting. "Our profession's role in providing that assurance is crucial. CPAs have unquestioned competence, professional judgment and operate within a robust system built with public protection in mind. We should be the clear choice for instilling trust and value in ESG data around the world."

## Additional Key Findings

- Use of Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-Related Financial Disclosures (TCFD) framework have increased significantly between 2019 and 2021: there was a 29% increase for SASB standards usage and 30% for the TCFD framework.
- While accounting firms conduct more engagements, their market share—57% of sustainability/ESG assurance engagements—has declined from 63% in 2019.
- When companies obtained assurance from a professional accountant, they chose their statutory auditor 70% of the time.

- Globally, the International Auditing and Assurance Standards Board's

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in the remaining 15 jurisdictions. The current report includes data from 2019-2021. Full methodology is available in [the study](#).

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