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Accuracy of Data

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Isaac M. O'Bannon • Sep. 01, 2023

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[AuditBoard](#), a cloud-based platform for audit, risk, ESG, and compliance management, has released its [2023 ESG Maturity Benchmarking Report: Accelerating ESG Transformation](#). The report found that two-thirds of organizations have not implemented ESG controls, and that 60% do not currently perform internal ESG audits. This lack of ESG program readiness raises the risk of reporting incomplete or incorrect data and leaves organizations unprepared to maintain compliance with future regulations, including the forthcoming ESG rules from the Securities and Exchange Commission (SEC).

The report, which is based on the results of a survey of more than 200 audit, risk, and compliance professionals involved in ESG management, also indicates that some organizations are more advanced than others in their ESG program readiness. For example, over 75% of respondents said they currently collect evidence for ESG

metrics, and 26% reported that they plan to begin performing internal ESG audits in

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those with an ESG budget, only 9% have a budget allocated for ESG program management technology.

“The AuditBoard survey on ESG maturity reveals an urgent need to align investment with controls and transparent disclosure. As companies face looming ESG regulations across the globe, the integration of ESG principles cannot remain segmented,” said John A. Wheeler, former Gartner IRM Analyst and Senior Advisor, Risk and Technology at AuditBoard. “Integrated risk management (IRM) technology offers a pathway to unify these elements, ensuring that businesses are not just compliant, but are leading the way in sustainable practices. By marrying investment with robust controls and clear disclosure, companies can prepare for the regulatory landscape and position themselves as responsible stewards in the global market.”

Other key findings of the report include:

- ESG is not included as a strategic part of enterprise risk management at many organizations: 40% of organizations don't include ESG risks in ERM strategy, and 35% of organizations have not performed a materiality assessment.
- Of four key areas of ESG competency (Investment and Processes; Breadth and Depth; Reporting and Disclosures; and Governance and Controls), survey respondents displayed the highest maturity in Investment and Processes and the lowest maturity in Reporting and Disclosures.
- The most tracked topics in each ESG category were: Climate change and carbon emissions (Environmental, 72%), Gender and diversity (Social, 75%), and Board composition (Governance, 66%).

To produce the *2023 ESG Maturity Benchmarking Report: Accelerating ESG Transformation* AuditBoard collected data from over 200 respondents to an online

survey conducted in April–June 2023 located in the Americas, EMEA, and APAC. Over

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