

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

## Rule

The IIA noted the importance of transparency in order to provide confidence to all stakeholders, including the public.

Isaac M. O'Bannon • Mar. 08, 2024



**The Institute of  
Internal Auditors**  
*Elevating Impact*

The Institute of Internal Auditors is currently reviewing the U.S. Securities and Exchange Commission (SEC)'s newly-issued Climate Change Disclosure Rule.

Following publication of the SEC's draft rule in March 2022, The IIA submitted a [comment letter](#), in which it highlighted the need for effective governance over climate disclosures. The IIA noted the importance of transparency in order to provide confidence to all stakeholders, including the public.

The SEC's final rule, "[The Enhancement and Standardization of Climate-Related Disclosures for Investors](#)," requires registrants to disclose certain climate-related information in their registration statements and annual reports. The key disclosures include:

1. **Material Climate-Related Risks:** Registrants must disclose risks related to climate change that have significantly impacted or are reasonably likely to impact

their business strategy, results of operations, or financial condition.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

These requirements aim to enhance transparency and standardization in climate-related disclosures, ensuring that investors have relevant information to make informed decisions. The rule is in effect 60 days after it is published in the Federal Register.

For internal auditors, the final rule involves new areas of review and assurance to the board regarding compliance with the new rule. The IIA pledged to work with the SEC to provide guidance on implementing the new rule.

“The internal audit function plays a vital role in corporate governance and managing risk in organizations across industries of all sizes. However, publicly traded companies face unique and often complex reporting requirements, which create added risks, given the responsibility they have to their shareholders,” said IIA President and CEO Anthony Pugliese, CIA, CPA, CGMA, CITP. “We’re committed to providing our members with training and guidance on how the rule may impact the internal audit function within publicly traded companies and the steps they should take to ensure their organizations are compliant.”

Internal auditors play a central role in the Environmental, Social, and Governance (ESG) landscape, helping to ensure regulatory compliance and promoting best practices in their organizations. To that end, The IIA is committed to working with the SEC and other stakeholders on ESG-related issues and other emerging areas that impact the profession.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us