

PUBLIC CONSULTATION ON MEMBER STATE OPTION TO INTRODUCE INDEPENDENT ASSURANCE SERVICES PROVIDER (IASP)

A public consultation issued by the Department of Enterprise, Trade and Employment - Ireland
Comments from ACCA to the Department of Enterprise, Trade and Employment - Ireland

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ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

We're a thriving global community of **252,500** members and **526,000** future members based in **180** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance, and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business, and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations, and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. Find out more at accaglobal.com

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COMMENTS

Do you support the proposal that Ireland adopts the Member State option to introduce, accredit, regulate, and monitor a new service provider – called an Independent Assurance Services Provider – to give an assurance opinion on sustainability reporting?

ACCA supports the proposal that Ireland facilitates the licencing of Independent Sustainability Assurance Services Provider (ISASP). However, we emphasise that the education and ethical requirements, accreditation, regulation and monitoring of ISASPs must be aligned to those required for statutory auditors who are licenced as SASPs.

The education, accreditation, regulation, monitoring and oversight of ISASPs should also be funded on the same basis as statutory auditor SASPs, and suitable capacity to carry out the monitoring and oversight activities will be required. We would caution against introducing ISASPs without firstly undertaking market research to assess the capacity and identify the number of potential providers and determining if the cost per ISASP will be prohibitive, given that a lot of the costs will be fixed. We are aware that some larger EU countries are planning to facilitate ISASPs, but those countries have a potentially larger cohort of ISASPs among which to spread the fixed costs. There is a clear need for capacity for this additional monitoring and oversight and a need for a timeline on implementation and management.

Do you voluntarily obtain the services of a person, other than a statutory auditor, for an assurance opinion on sustainability reporting?

As a Recognised Professional Body - n/a

Do you have any views on how and by whom Independent Assurance Services Providers established in Ireland should be accredited, supervised, and monitored?

We do not believe that an ISASPs trade association in Ireland would have sufficient size to have the resources, independence and objectivity required to be a regulator. The existing Recognised Accounting Bodies do not have the structures nor mandate to licence ISASPs. The only entity already in existence that could perform the accreditation, supervision, and monitoring of ISASPs is the Irish Auditing and Accounting Supervisory Authority (IAASA).

Do you have any views on the capacity of Independent Assurance Services Providers to comply with equivalent requirements to those set out in the Directive 2006/43/EC ('Audit Directive')?

Existing statutory auditors can meet the requirements in the Directive relatively easily because the existing training regime for statutory auditors largely overlaps with that required for a SASP. However, the training regime for a statutory auditor is usually at least seven years in duration. We do not believe that standalone ISASP training, which would only require a subset of the skills a statutory auditor would need, could be undertaken any quicker than three years. We believe that ISASP training is achievable but would require considerable dedication and application over an extended time frame and may not therefore be an attractive option for many people or organisations.

Do you have any views on how Ireland (being the host Member State) should supervise the assurance of sustainability reporting carried out by Independent Assurance Services Providers established in another Member State?

We believe that IAASA is the most appropriate entity to supervise ISASPs established in other member states.

If you fall within scope of the CSRD, would you be likely to use an Independent Assurance Services Provider (other than a statutory auditor) for your sustainability assurance? Please give reasons for your preference.

N/A

Do you have any views on whether the introduction of a new sector for assurance on sustainability would benefit or harm Irish business and employment or the Irish economy?

Some have estimated that sustainability assurance will be substantial in the context of the company's existing statutory audit fee, a substantial additional cost for business. However, ACCA believes that reporting on sustainability and providing stakeholders with assurance over that reporting, will provide sustainable Irish business with a competitive advantage and overall be positive for business in Ireland.