



ASSET

Accounting for Sustainability,
Social and Environmental Transparency

TEACHING MODULE 2 **Sustainability in** **assurance (how to** **include sustainability** **in accounting &** **assurance education)**

OVERVIEW



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TEACHING MODULE 2

Sustainability in assurance (how to include sustainability in accounting & assurance education)

Context

The credibility of sustainability reports is often questionable, although they are included in the corporate reports of most leading companies. As a consequence, sustainability assurance, mainly provided by audit firms¹, is frequently required as a means to increase their credibility. Since Sustainability reporting became mandatory for certain companies in the European Union, the rate of (mainly voluntary) sustainability assurance has also risen. Currently, sustainability assurance is becoming mandatory with the CSRD; therefore, accounting students should have a comprehensive understanding of what it actually involves.

Therefore, this teaching module aims to highlight the role of sustainability assurance in the current legal environment, using ISAE 3000 (Revised) as an established assurance standard under the current European sustainability reporting regime.

Students' tasks

Within the sustainability assurance context, students will have to perform various activities, both prior to and during their participation in the Intensive Study Program. As a pre-ISP activity, students should read through a few pages of preliminary information on the basics of sustainability assurance, focusing on ISAE 3000 (Revised), as well as on the current regulatory context (non-financial reporting directive) for sustainability reports.

During the ISP and before the start of Teaching Module 2, students will have already gotten familiar with the most important rules and practices of sustainability reporting, as shown in Teaching Module 2. Building on that, the sustainability assurance case will comprise two different topics: (1) Risk and materiality assessment and (2) Reporting of the Assurance provider.

Generally, the Sustainability Assurance case uses the setting of a fictional air transportation company. The cases include excerpts of sustainability reporting from the company as well as findings from the assurance provider.

Task 1 Risk and materiality assessment: For the first task, students will have to evaluate information on the sustainability reporting practices of a fictitious company. Particularly, they will receive information on those aspects that were assessed to be material. The tasks will comprise various activities, such as defining the meaning of risks and materiality within sustainability assurance, conducting research on industry information, assessing the plausibility of given sustainability reports and preparing a conclusion with a link to the case.

¹ See State of Play series (2024) of IFAC, AICPA and CIMA available at: https://ifacweb.blob.core.windows.net/publicfiles/2024-02/IFAC-State-Play-Sustainability-Disclosure-Assurance-2019-2022_0.pdf.



Task 2 Sustainability Assurance Reporting: For the second task, students will receive information on the findings of the assurance engagement. Based on this, they have to evaluate the impact of the findings on assurance reports. Additionally, students should get familiar with the reporting requirements of assurance providers, by describing and illustrating the report structure and showing the main differences between limited and reasonable assurance engagements, in line with ISAE 3000 (Revised).

Teaching methods: The tasks are set up to be group work, applying different methods such as (internet) research, assessments of given information, working with assurance standards, discussions, short written reports and presentations of results.