



October 26, 2022

Phoebe W. Brown
Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006-2803

Re: Request for Information and Comment on the Application and Use of the PCAOB's Interim Attestation Standards

Dear Mrs. Brown,

This letter is submitted by Financial Executives International's (FEI) Committee on Corporate Reporting (CCR) in response to the Public Company Accounting Oversight Board's (PCAOB or Board) Request for Information and Comment on the Application and Use of the PCAOB's Interim Attestation Standards (Request).

FEI is a leading international organization comprised of members who hold positions as Chief Financial Officers, Chief Accounting Officers, Controllers, Treasurers, and Tax Executives at companies in every major industry. CCR is FEI's technical committee of approximately 50 Chief Accounting Officers and Corporate Controllers from Fortune 100 and other large public companies, representing more than \$11 trillion in market capitalization. CCR reviews and responds to pronouncements, proposed rules and regulations, pending legislation, and other documents issued by domestic and international regulators and organizations such as the U.S. SEC, PCAOB, FASB, and IASB.

This letter represents the views of CCR and not necessarily the views of FEI or its members individually.

Executive Summary

As preparers, CCR shares the PCAOB's commitment to serve the needs of investors and other users of financial reports in the public interest and appreciates the opportunity to provide feedback on the Board's Request. We commend the PCAOB for its focus on modernizing standards and issuing new standards as outlined in the PCAOB Strategic Plan. We strongly support enhancements to the interim standards related to attest engagements due to developments in auditing and the capital markets. In our letter, we offer broad support for the Board's plan to revisit the interim attest standards, share the attest engagements being performed under PCAOB standards, and provide specific improvements associated with updating the attest standards and specifically attest standards related to ESG disclosures.

Attest Engagements

Overall, we are aware of both agreed-upon procedures and reviews currently being performed under various standards. Agreed-upon procedures may be performed in connection with verifying compliance with contract terms, and reviews have been performed over climate-related disclosures or GHG emissions in some companies' sustainability reports. Such aspects of climate-related data may be subject to the work of others including ESG specialists and internal auditors. In addition to specialists and internal auditors, we have experienced shared service organizations performing attest engagements. With the expansion of climate and other sustainability-related disclosure requirements, and specifically the potential requirement



for limited assurance over emissions reporting included in the SEC’s Proposed Rules to Enhance and Standardize Climate-Related Disclosures for Investors,¹ we support the modernization of attestation standards, in particular as it relates to ESG matters. Currently, attestation provided over certain environmental data is performed under numerous standards, with many firms using AICPA Attestation Standards and some boutique firms using their own guidelines. We believe having a consistent set of updated attestation standards will facilitate consistency in application and drive further comparability.

Specific Improvements

We support the PCAOB exploring the modernization of attestation standards which would continue to provide different types of engagements with different levels of assurance. In addition, transition to new guidance and standards may be a source of risk, and we believe user education would be a critical aspect of any updates to ensure the integrity of attestation reports continues to drive the confidence and comfort received from reliance on these reports. Furthermore, we suggest the Board consider potential future ESG applications as a necessary improvement to attestation standards given the evolving impact ESG data has in financial reporting. As limited and eventually reasonable assurance may be required over emissions metrics, having additional guidance for attestation standards over these metrics could facilitate more consistent reporting. Emissions reporting data sources are disparate and rely on third party data, estimates, and at times, data that is from prior years, so having attestation standards that contemplate these varied data sources could be beneficial. We also recommend the Board consider promoting consistency in language between the attestation standard levels of assurance (e.g., “reasonable”, “moderate”, and “no specific” assurance) and the SEC language on proposed GHG emissions attestation requirements (e.g., “limited” and “reasonable” assurance).

Conclusion

We appreciate this opportunity to provide feedback on the Board’s Request for Information and Comment on the Application and Use of the PCAOB’s Interim Attestation Standards. We stand ready to participate in the outreach process and provide preparer perspectives as appropriate. We thank the Board for its considerations of our comments and welcome further discussion with the PCAOB or staff at your convenience.

Sincerely,

Rudolf Bless

Rudolf Bless
Chair, Committee on Corporate Reporting
Financial Executives International

¹ See page 475 of the [SEC Proposal on the Enhancement and Standardization of Climate-Related Disclosures for Investors](#).