

Assuring the Assurers

Why Governance & Accreditation
Matter in Sustainability Assurance



Presented by:



VirentAssure LLC



AccountAbility



SPEAKERS



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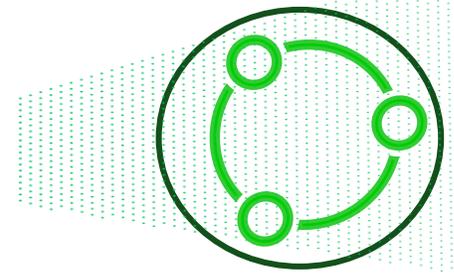


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VirentAssure LLC



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AccountAbility

Types of Assurance Providers for Non-Financial Audits



	Practitioners	Oversight Body	Membership & Accreditation (Mandatory/Voluntary)	Assurance Frameworks/ Standards
	Chartered Professional Accountants and Statutory Auditors (External)	USA – AICPA EU – EU Accounting Directive Canada – CPA Canada Australia – CPA Australia Global – Respective Regional Professional Bodies	Yes - Mandatory	ISAE 3000 or ISSA 5000
	Lead GHG Verifier (External)	AA 1000 International Accreditation Bodies (ANAB, IAF)	Yes – Mandatory for GHG Climate and Energy Assurance	ISO 14064-3
	Internal Auditors (Internal)	Institute of Internal Auditors	Voluntary- but expected	IIA Global Internal Audit Standards
	Independent Assurance Providers (External)	AA 1000 International Accreditation Bodies (ANAB, IAF)	Voluntary	AA1000AS v3 + AA1000AP (2018) ISAE 3000 or ISSA 5000

Risks Companies/Organizations face when Assurance Standards are not enforced for Independent Assurance Practitioners (IAPs)

01

Quality Risk

- **Without monitoring, practitioners** may issue Assurance without Robust Testing (e.g., no sampling or no evidence of audit trail).
- Reports may look compliance but **lack rigor** that regulators expect.

02

Independence Risk

- IAPs may **offer consulting + assurance to the same client** creating **self-review threats**.
- Unlike Chartered Professional Accountants, **they may not have formal independence rules** enforced by regulators.

03

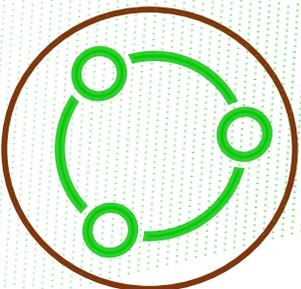
Regulatory Risk

- Under laws like **CSRD in the EU** or **SB-261/SB-253 in California**, assurance must increasingly be performed by **statutory auditors** or **accredited providers**.
- Using an IAP without accreditation may **not meet legal requirements**, exposing companies to fines or mandatory restatements.

04

Reputation & Litigation Liability

- Investors expect assurance to be “audit-like.”
- If it emerges that an IAP’s assurance was lightweight or non-compliant, the company’s ESG disclosures can be challenged → reputational damage and loss of credibility.
- If ESG claims are later **proven false (greenwashing, misstated emissions)**, and assurance was issued by an IAP with no regulated accountability
- The company may face lawsuits.
- The assurance provider may simply dissolve or avoid liability.
- Stakeholders are left without protection.



Financial Statement Audit – Auditors fined and license revoked



Home > Auditing



Auditing | January 14, 2026

PCAOB Punishes Zwick CPA Owner, and a Manager Awry

The PCAOB announced sanctions on the accounting firm Zwick CPA, the firm's manager Jeffrey Hoskow for an audit gone wrong.

Jason Bramwell



Connect with CPA Practice Advisor

The Public Company Accounting Oversight Board announced sanctions on Jan. 13 against Southfield, MI-based accounting firm Zwick CPA, the firm's owner Jack Zwick, and former audit manager Jeffrey Hoskow for an audit gone wrong.

The audit firm, Zwick, and Hoskow received the penalties for violating PCAOB rules and standards during the integrated audit of Genie Energy Ltd., a Newark, NJ-based energy services provider, for the year ended Dec. 31, 2022.

According to the PCAOB's disciplinary order for the firm and Zwick, who served as the engagement partner, they failed in the following areas while performing the Genie audit:

- Properly plan, identify, and assess the risks of material misstatement;
- Obtain sufficient appropriate audit evidence to support the accounting firm's opinion on internal control over financial reporting;
- Obtain sufficient appropriate audit evidence as to Genie's reported revenue and unbilled revenue; and
- Prepare audit documentation pursuant to PCAOB standards.

Zwick also failed to properly supervise the work of the firm's engagement team members, the PCAOB said.

Hoskow, who was an audit manager at Zwick CPA, violated PCAOB rules and standards by improperly adopting workpapers from Genie's predecessor auditor as the firm's own. Specifically:

- Hoskow took the predecessor auditor's workpapers, replaced the

Non-Financial Disclosure - Greenwashing Ad- Corporate fines TotalEnergies was not found to be properly verified or supported by a robust, independent, and transparent assurance process.



World Business Markets Sustainability Legal More

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French court penalizes TotalEnergies for deceptive greenwashing claims

By America Hernandez

October 23, 2025 1:04 PM EDT · Updated October 23, 2025



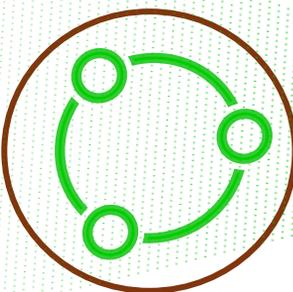
TotalEnergies signs at a petrol station in Nice, France, October 10, 2022. REUTERS/Eric Gaillard [Purchase Licensing Rights](#)

Summary Companies

- Total ordered to pay 8,000 euros to each of three suing NGOs
- Must remove carbon neutrality claims from website or face fines
- First application of French greenwashing law to an energy firm
- EU-level greenwashing law stalled in negotiations

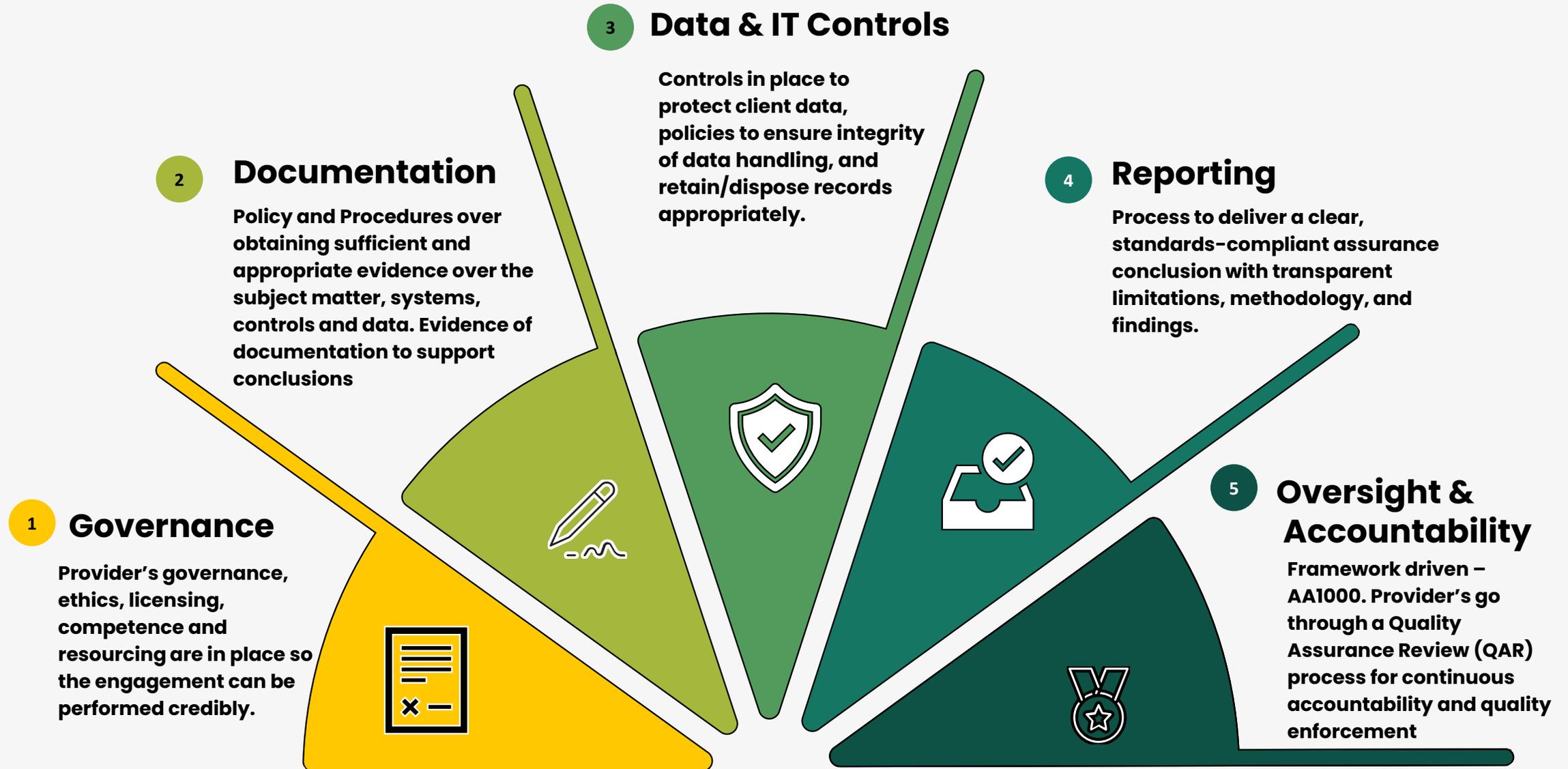
PARIS, Oct 23 (Reuters) - Oil major TotalEnergies (TTEE.PA) misled consumers in a 2021 ad campaign claiming it could become carbon neutral by 2050, a French civil court found on Thursday, in the first decision applying France's greenwashing law to an energy company.

The court ordered TotalEnergies to remove from its website all statements regarding carbon neutrality and the energy transition that were deemed misleading, and post a link to the legal decision for 180 days, or face penalties of up to 20,000 euros per day.

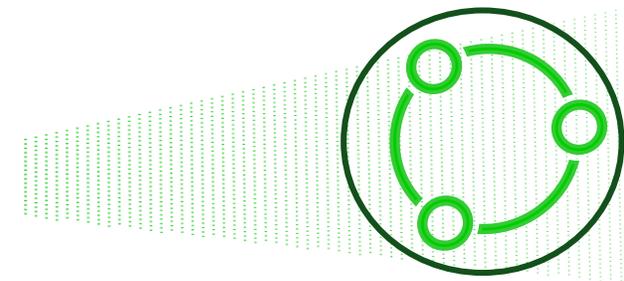


Assurance Life Cycle – Across Standards

Importance of a Sustainability Assurance Life Cycle



GOVERNANCE



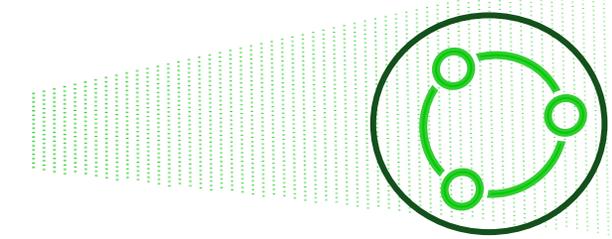
Governance Standards Common Across Assurance Frameworks (AA 1000, ISAE 3000 & ISSA 5000):

Assurance Stage	AA 1000 AS v3	ISAE 3000	ISSA 5000	Risk	Impact	Practical Interpretation
Firm Governance, Ethics & Independence	✓	✓	✓	Conflict of Interest and Assess Independence: No established control environment that enables credible assurance (e.g., Advisory and Assurance team report to leadership team.) Inconsistent ethical decision-making with no clear escalation path for ethical issues.	Ethical breaches with no enforcement mechanism that could lead to assurance reports deemed unreliable resulting in reputational damage. Undetected ethical violations that could lead to litigation and regulatory exposures which could result in loss of trust.	Formal governance charter, independence policy, ethics code, quality management system
Engagement Acceptance & Continuance Scope, Criteria & Materiality Definition	✓	✓	✓	Engagement Acceptance & Continuance: Engagement letter does not have consistent defined scope and criteria. No clear scope, boundaries, intended users; alignment to assurance standards.	Deviation between the agreed-upon scope in the engagement letter and the work actually performed.	Documented acceptance checklist and engagement approval. Written scope/engagement memo and criteria justification
Practitioner Competence & Professional Development	✓	✓	✓	Practitioner Competence & Professional Development: Practitioners performing work beyond competence or inappropriate reliance on management representations.	Missed material misstatements or impacts leading to incorrect assurance conclusions and could result in regulatory or investor challenge	Acquire certifications, CPD hours, competence and ethics compliance training hours.

✓ **Mandatory:** Required to claim compliance with the standard

➤ **Expected Strong :** Not always prescriptive, but failure to implement materially weakens defensibility

DOCUMENTATION



Documentation Standards Common Across Assurance Frameworks (AA 1000, ISAE 3000 & ISSA 5000):

Assurance Stage	AA 1000AS v3	ISAE 3000	ISSA 5000	Risk	Impact	Practical Interpretation
Planning & Risk Assessment	✓	✓	✓	Key risks not identified or addressed. Example: No assessment of transition-risk assumptions used in climate scenario analysis.	Material errors or unrealistic assumptions go undetected. Assurance focuses on low-risk areas and fails to address what investors and regulators actually rely on, reducing decision usefulness.	Risk-based planning. Procedures and sampling explicitly linked to identified risks. Documented in an assurance platform or standardized planning template.
Evidence Gathering, Testing & Documentation	✓	✓	✓	Insufficient or inappropriate evidence; weak audit trail. Example: Energy meter readings recorded manually with no photo, system extract, or recalculation; sampling rationale cannot be demonstrated during inspection.	Assurance conclusions cannot be defended. Even if work was performed, undocumented work is treated as not done, leading to re-performance, regulatory challenge, or litigation exposure.	Defined testing and sampling approach. Complete, reviewable workpapers with clear linkage between evidence, procedures, and conclusions.
Evaluation & Professional Judgment	✓	✓	✓	Over-reliance on management assertions; lack of professional skepticism. Example: Aggressive decarbonization targets accepted without challenging feasibility, assumptions, or external constraints.	Assurance becomes confirmatory rather than independent. Over-optimistic narratives are validated, increasing greenwashing risk and likelihood of future restatement or enforcement action.	Documented evaluation and rationale. Documented in an assurance platform or assurance documentation template.
Internal Quality Management Engagement Review	✓	✓	➔	No engagement quality review before issuing assurance statement. Example: Senior reviewer not involved; errors or omissions remain undetected until after publication.	Quality failures reach the public domain. Firm lacks a mechanism to correct issues pre-issuance, damaging credibility and triggering re-assurance, sanctions, or loss of client trust.	Engagement quality review performed by a senior, qualified reviewer. Review conclusions and remediation actions documented before issuance.

DATA & IT CONTROLS



Data & IT Controls Common Across Assurance Frameworks (AA 1000, ISAE 3000 & ISSA 5000):

Assurance Stage	AA 1000AS v3	ISAE 3000	ISSA 5000	Risk/Scenario	1st Order Impact (Immediate)	2nd Order Effect (Near-term Cascade)	3rd Order Effect (Long-term Consequence)	Required Controls
Data Receipt (Data Governance & AI use)	➤	➤	✅	Analyst pastes client emissions data into public ChatGPT to quickly identify anomalies	Client's confidential supplier relationships, spend data, and proprietary conversion factors enter public AI training corpus	NDA breach discovered during client's internal audit; competitor gains access to supplier pricing; client loses trust in all IAP providers	Industry-wide regulatory response mandating AI use policies; client faces shareholder lawsuit for data breach; firm excluded from future bids	Written AI-use policy; enterprise AI only (no data retention); explicit client consent for any AI processing; annual training on permitted tools
Data Storage (Access Controls & Security)	✅	✅	✅	All 12 staff can access all client folders; intern forwards GreenTech file to personal Gmail to "work from home"	Client ESG data now exists on uncontrolled personal device outside firm's security perimeter	Intern's Gmail compromised in unrelated phishing attack; GreenTech's unreleased sustainability metrics leak before annual report	Stock price volatility; SEC inquiry into selective disclosure; GreenTech terminates relationship and publicly names firm as source of breach	Role-based access by engagement; corporate email only with DLP; endpoint protection; prohibited personal device use; quarterly access reviews
Data Analysis (Data Integrity & Change Mgmt)	✅	✅	✅	Senior manager manually updates 15 emission factors using newer EPA data during review but doesn't document changes	Final assured numbers don't match source documentation; no audit trail explaining variance	Regulator inspection finds workpapers don't support conclusions; firm cannot demonstrate which data was actually assured	Assurance report invalidated; mandatory restatement of client's ESG disclosures; firm loses accreditation; litigation for professional negligence	Version-controlled workpapers; documented change rationale with manager approval; mandatory re-testing when assumptions change; change log audit trail
Engagement Close (Retention, Exit & Incident Response)	✅	✅	✅	After close, workpapers remain on shared drive for 3+ years with drafts, superseded calculations, and Slack screenshots all accessible	No distinction between draft notes, final evidence, and archived documentation; data accessible to unauthorized staff	Client faces greenwashing lawsuit; lawyers subpoena "all documents"; early drafts with flagged concerns (later resolved) appear damaging out of context	Client loses lawsuit partly based on firm's own draft comments; firm named as co-defendant; insurance costs spike; talent exodus	Defined retention periods (e.g., 7 years); secure archiving at close; formal destruction with certificates; incident response plan tested annually

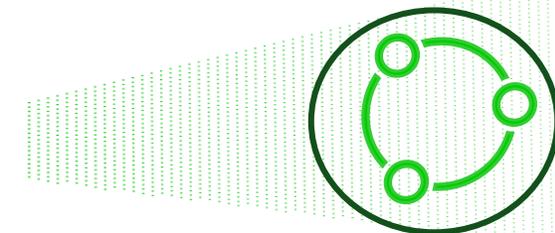
REPORTING



Reporting Standards Common Across Assurance Frameworks (AA 1000, ISAE 3000 & ISSA 5000):

Assurance Stage	AA 1000AS v3	ISAE 3000	ISSA 5000	Risk	Impact	Practical Interpretation
Report Scope, Criteria & Level of Assurance Clarity	✓	✓	✓	Assurance report does not clearly define scope, criteria, boundaries, or level of assurance. Example: Limited assurance engagement written in language implying reasonable assurance or broader scope.	Users misinterpret what was assured. Clients face allegations of misleading disclosure or greenwashing; regulators may reject or challenge the assurance.	Standardized reporting templates clearly stating scope, criteria, boundaries, and level of assurance, aligned to engagement letter and work performed.
Alignment of Report with Work Performed & Evidence	✓	✓	✓	Report conclusions are not fully supported by documented procedures and evidence. Example: Assurance statement references controls testing that was not actually performed.	Assurance becomes non-defensible under inspection or dispute. Firm and client are exposed to regulatory scrutiny and potential re-performance.	Mandatory cross-check between report language, workpapers, and conclusions before issuance; sign-off confirming alignment.
Use of Clear, Balanced & Non-Misleading Language	✓	✓	✓	Overly positive, vague, or promotional language used in assurance statement. Example: Report emphasizes "strong performance" without disclosing limitations or uncertainties.	Stakeholders rely on overstated conclusions. Increased enforcement, litigation, and reputational risk tied to perceived greenwashing.	Prescribed report wording, explicit limitations, and balanced presentation of findings, uncertainties, and scope restrictions.
Report Authorization, Review & Issuance Controls	✓	✓	➔	Assurance report issued without proper review or authorization. Example: Report released without engagement quality review or partner approval.	Errors reach the public domain. Firm lacks opportunity to correct issues pre-issuance, leading to loss of credibility and re-issuance costs.	Defined report approval workflow, engagement quality review, and documented authorization prior to issuance.

OVERSIGHT & ACCOUNTABILITY



Quality Assurance Review requirements across Assurance Frameworks (AA 1000, ISAE 3000 & ISSA 5000):

Assurance Stage	AA 1000AS v3	ISAE 3000	ISSA 5000	Risk	Impact	Practical Interpretation
Independent Oversight Framework & Accountability	✓ External - oversight through licensing, complaints, and sanctions by AccountAbility	➤ Firm internal system of quality management	➤ Inspection-ready governance	Oversight relies on informal or self-review with no independent accountability. Example: Engagement partner reviews and approves their own assurance work.	Lack of independence undermines assurance credibility. Regulators and clients may reject assurance due to absence of demonstrable, independent oversight.	Defined oversight model separating engagement delivery, independent review, and escalation; clear accountability for quality at firm leadership level.
Engagement Quality Review (Pre-Issuance)	✓	✓	➤	Assurance reports issued without an independent quality review. Example: No second-partner or independent reviewer involved before report issuance.	Errors or misstatements reach the public domain, leading to re-issuance, regulatory scrutiny, and loss of client confidence.	Mandatory pre-issuance engagement quality review by a qualified reviewer independent of the engagement team, completed before report release.
Reviewer Independence, Competence & Authority	✓	✓	✓	Reviewers lack sustainability or assurance expertise or are not independent. Example: Junior staff review complex climate or Scope 3 conclusions.	Reviews provide false assurance. Material judgment errors go unchallenged, increasing greenwashing and enforcement risk.	Defined reviewer qualification criteria, independence confirmation, and authority to challenge conclusions and require remediation.
Review Documentation, Remediation & Continuous Improvement	✓	✓	➤	Review findings undocumented or not remediated. Example: Review comments resolved informally with no evidence or recurring issues across engagements.	Firm cannot demonstrate effective quality management during inspection. Systemic issues persist, increasing repeat findings and reputational damage.	Documented review notes, responses, and sign-off; root-cause analysis; remediation tracking; methodology and training updates based on QAR outcomes.

Why Use the AA1000AS v3

The leading principles-based sustainability assurance standard

28 January 2026

DUBAI

LONDON

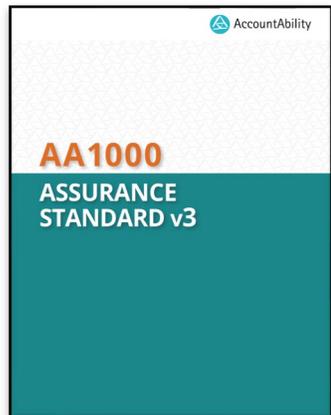
NEW YORK

RIYADH

About AccountAbility: A global advisory services and standards firm

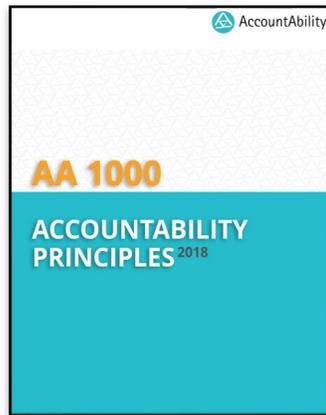
Since 1995, we have helped corporations, nonprofits, and governments embed sustainability, governance accountability into their organizational DNA.

At the core of AccountAbility's work is the AA1000 Series of Standards:



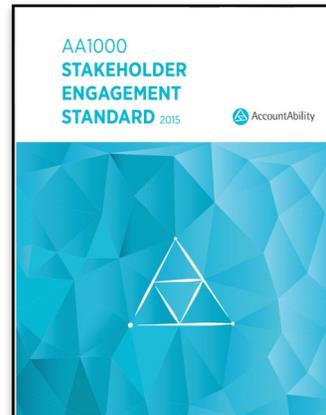
AA1000 Assurance Standard (AA1000AS v3)

An internationally- recognized, freely-available standard that provides the requirements for AccountAbility-licensed assurance providers to conduct high-quality sustainability assurance on the application of the AA1000 AccountAbility Principles (AA1000AP, 2018) by reporting organizations.



AA1000 AccountAbility Principles

A globally accepted, principles-based framework that outlines the foundational AccountAbility Principles (*presented right*).



AA1000 Stakeholder Engagement Standard (AA1000SES)

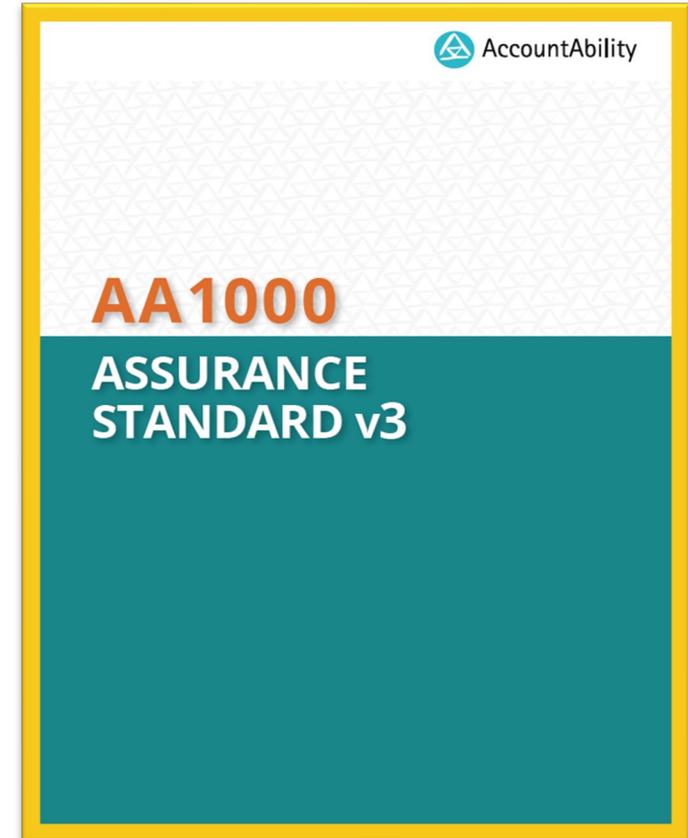
A tried-and-true methodology, that enables organizations to respond to stakeholders in a comprehensive and balanced way to material issues, impacts, and opportunities.

Principles underpinning the AA1000 Series of Standards:

- **Inclusivity** – People should have a say in the decisions that impact them.
- **Materiality** – Decision makers should identify and be clear about the sustainability topics that matter.
- **Responsiveness** – Organizations should act transparently on material sustainability topics and their related impacts.
- **Impact** – Organizations should monitor, measure, and be accountable for how their actions affect their broader ecosystems.

Why AA1000AS v3?

- **The leading principles-based standard for sustainability assurance**
- Globally recognized, principles-based assurance standard focuses on **Inclusivity, Materiality, Responsiveness and Impact**
- Testing Sustainability Data for its usefulness to inform future sustainability performance decisions and commitments
- Aligned with evolving expectations (ESRS, GRI, ISSB, regulatory scrutiny)
- Designed for credibility, consistency, and comparability
- Recognized by regulators globally
- Connected to a network of licensed assurance providers, certified sustainability assurance practitioners who must maintain their qualification through CPD hours and a due diligence approach to all AA1000AS v3 engagements



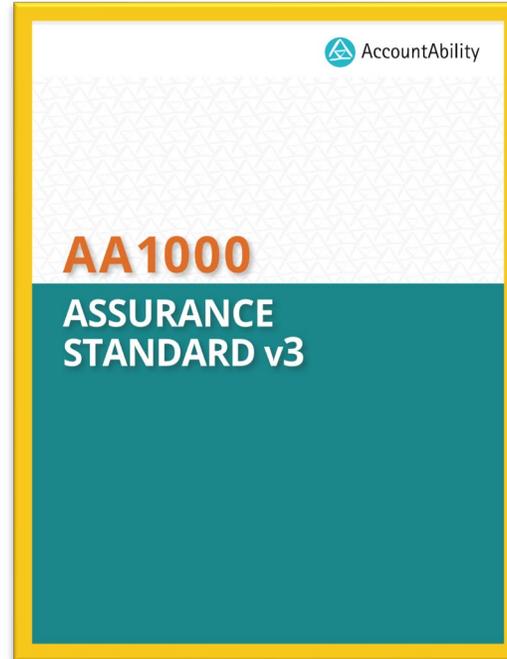
AA1000AS v3 Differentiators

Bound to Core Sustainability Principles

- Each report assured by the **AA1000AS v3** receives an assurance statement explaining how the reporting company meets the underlying AccountAbility Principles, which have sustainability at their core.
- These principles are *Materiality, Inclusivity, Responsiveness, and Impact*.
- If the reporting organization does not meet these requirements, an assurance statement will state that it does not adhere to the AccountAbility Principles.

Quality Assurance

- All engagements and assurance providers need to meet AccountAbility quality assurance protocols, administered through a cutting-edge e-licensing platform.
- AccountAbility undertakes quality assessments to determine whether providers and companies are meeting expectations.



Builds a Robust Sustainability Network

- Using the **AA1000AS v3** allows sustainability experts and practitioners to assess the sustainability data, not just statutory auditors and accountants.
- This provides a long-term perspective on data, helps reporting companies achieve targets, and offers a more accurate view of performance, fostering continuous improvement in specialized sustainability areas.

Stakeholder Dispute Resolution

- AccountAbility empowers stakeholders to examine the level of assurance and assess the actions taken by reporting companies. As such, a comprehensive issue and dispute resolution process is available globally to all stakeholders. When triggered, AccountAbility conducts a thorough investigation and provides each complainant with a response.
- This rigorous process ensures providers meet elevated quality standards and reinforces the credibility and robustness of the assurance statement.

Value for an Assurance Provider

Strengthening Assurance Quality

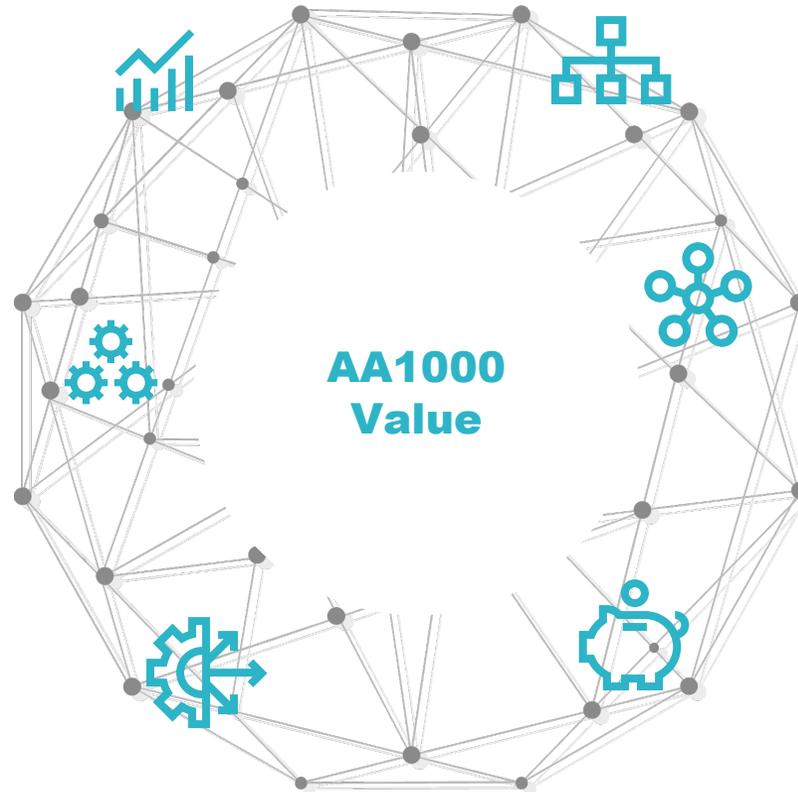
- A principles-based frameworks that demonstrates leadership and performance in accountability, responsibility, and sustainability.

Credibility & Differentiation

- The AA1000 License signals independence, competence, and ethical assurance
- Recognized by regulators, investors, and reporting frameworks

Structured, Defensible Methodology

- Clear requirements for evaluating the AA1000 Principles
- Reduces assurance risk through consistent, auditable processes



Market Relevance

- Included in the World Economic Forum's ESG Ecosystem Map, the AA1000 Series of Standards advances large-scale, integrated, and focused ESG change.

Professional Recognition

- Part of a global network of licensed providers
- Demonstrates alignment with leading accountability practices

Stronger Market Position

- The AA1000AS is complementary to reporting standards and helps define the stakeholder-centricity of the organizations rating score.

Value for a Reporting Organization

Enhancing trust, quality, and decision usefulness



Stronger materiality & impact focus



Future-ready assurance



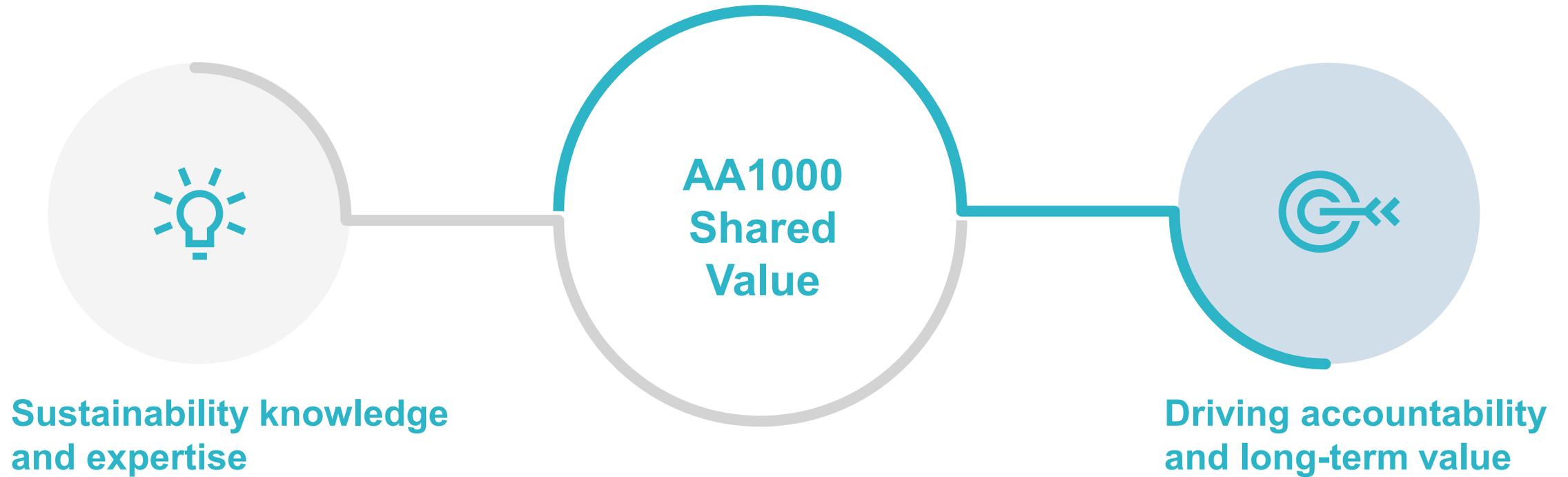
Increased credibility with stakeholders



Improved reporting quality & a focus on performance



Mutual Benefits



AA1000AS v3 increases ESG Rating Scores

Research by CSRHub Prove the following Benefits of Using the AA1000AS v3

5.4
POINTS

Issuing an ESG report increased a company's overall score by a 5.4 point average over two years — *0.9 points more than non-reporting companies gain over that time.*

5.9
POINTS

Those that used the AA1000AS v3 to assure their report received a 5.9-point increase — *1.4 points over non-reporters.*



Regular users of the standard saw continuous growth year-over-year on their ESG rating score.



The AA1000AS v3 helped companies grow their scores specifically in **6 sustainability topics**, including *leadership ethics; board management; training, health and safety; diversity and labor rights; compensation and benefits; and product.*

4 Mechanisms to Validate Adherence & Consistency

1. Each report gets a unique ID to use on assurance statements and in reports.



AA1000
Licensed Report
/V3-QT5MJ

2. Each certified sustainability assurance practitioner is listed on our website under [AA1000 Qualified Individuals](#) to give confidence in your audit team

PCSAP
Anisa Chowdhury
United States of America

Email

3. Each AA1000 licensed assurance provider is listed on our website under [AA1000 Licensed Assurance Providers](#) to give confidence in your audit team

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United States of America

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Services

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4. Each assurance engagement that has met the requirements of the AA1000AS v3 will be reported on the AccountAbility website under [AA1000 Reports](#).

Apex Companies, LLC
Healthy 2030 2024 Impact
Report Appendix
CVS Pharmacy, Inc.

2024
United States of America

Health Care

ISOS Group, Inc.
Impact Report & GRESB Real
Estate Assessment
Franklin Templeton Institutional LLC

2024
United States of America

Infrastructure

Growlity Inc
Independent Assurance on
Annual Sustainability Report -
2024
Excellent Facets Inc.

2024
United States of America

Consumer Goods

Centre for Sustainability and
Excellence
Independent Assurance
Statement
ABM

2024
United States of America

Services

THANK YOU

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