

# CSRD assurance: 4 pillars for a robust approach

**In short** Nearly all large listed companies in the Netherlands voluntarily applied the CSRD in their sustainability reports for 2024. This resulted in a lot of relevant information regarding the impact of companies on the environment, people and society. For the first time, PIE audit firms provided limited assurance on these CSRD sustainability reports. The AFM has a positive view of the effort made by PIE audit firms, noting that significant progress has been made. This report shares our insights and presents four pillars for the (further) development of a robust approach for CSRD assurance. High-quality CSRD assurance contributes to reliable, understandable and consistent sustainability reporting, enabling users to make well-informed decisions.

## Robust CSRD assurance

### 4 pillars:



Maintain a robust quality control system for CSRD assurance.



Ensure a competent assurance team and effective project management.



Understand the client and its processes for an appropriate assurance plan.



Tailor the procedures in the execution phase to the assessed assurance risks and assurance materiality.

# Contents

<b>1. Introduction</b>	<b>3</b>	<b>4. Understand the client and its processes for an appropriate assurance plan</b>	<b>11</b>
<b>2. Maintain a robust quality control system for CSRD assurance</b>	<b>5</b>	4.1 Gain in-depth insight into the client	11
2.1 Setting up a quality control system is not a simple task	5	4.2 Use the acquired insight for the DMA assessment	11
2.2 Ensure sufficient capacity and expertise	5	4.3 Make assurance risks sufficiently specific	11
2.3 Tailor client and engagement acceptance procedures	6	4.4 Apply differentiation to assurance materiality	12
2.4 Develop a methodology with accompanying work programmes and guidance	7	<b>5. Tailor the procedures in the execution phase to the identified assurance risks and assurance materiality</b>	<b>13</b>
2.5 Employ the right mix of safeguards and provide adequate support for assurance teams	8	5.1 Apply professional scepticism, perform a thorough review and maintain an overview of the bigger picture for a well-balanced mix of assurance procedures	13
2.6 Ensure a good PDCA cycle for continuous development of the quality control system	8	5.2 The first year requires additional assurance procedures ("first-year effect")	14
<b>3. Ensure a competent assurance team and effective project management</b>	<b>10</b>	<b>Annex: Accountability</b>	<b>16</b>
3.1 Ensure a competent assurance team	10		
3.2 Start early and maintain in control of the engagement	10		

# 1. Introduction

**A sustainability report shows a company's place in the world around it.**<sup>1</sup> According to the Corporate Sustainability Reporting Directive (CSRD), companies must prepare their sustainability reports in accordance with the European Sustainability Reporting Standards (ESRS). They must request auditors to provide assurance (CSRD assurance). The aim of this assurance is to provide reliability, understandability and consistency of sustainability reporting, thereby assisting investors and society in making well-informed decisions.

**In 2025, PIE audit firms provided assurance for the first time on sustainability reports prepared in accordance with the ESRS.** The CSRD was not yet implemented in Dutch law in 2025. Nevertheless, almost all large listed companies in the Netherlands voluntarily prepared their sustainability reports for the 2024 reporting year (the first wave) in line with the ESRS. Audit firms licensed to perform statutory audits for public interest entities (PIE audit firms) provided CSRD assurance on these reports.

**Assurance on sustainability reporting differs fundamentally from assurance on financial reporting.** The CSRD prescribes limited assurance – a lower level of assurance than the reasonable assurance required for statutory audits of financial statements. Limited assurance is not unique to the CSRD; it can also be provided for financial information, such as reviews of half-year financial statements. However, sustainability reports cover different topics. These reports contain many different subjects with different non-monetary units without a double-entry accounting system, often with external information focusing on the value chain, a broad stakeholder group and short- and long-term goals. Estimates are therefore more common. This can lead to more extensive and in-depth work for CSRD assurance.

**The AFM considers it important that PIE audit firms control the quality of CSRD assurance.** This means, as a minimum, that assurance is performed in accordance with laws and regulations, that sufficient and appropriate assurance evidence is obtained and that an appropriate assurance report is provided along the sustainability reports. In 2023, we conducted an exploratory review of the preparations made by the four largest PIE audit firms (Deloitte, EY, KPMG and PwC) to provide CSRD assurance in 2025. This review showed that significant progress was still needed in terms of capacity, expertise and organisational structure in anticipation of the CSRD.<sup>2</sup> Our current exploratory review shows that substantial progress has been made on these three aspects.

**The Omnibus Directive has an impact on the ongoing development of the CSRD.** The Omnibus Directive narrows the scope of companies subject to the CSRD. Additionally, the reporting obligation for large companies (the second wave) and listed SMEs (the third wave) has been postponed for two years. Once the Omnibus Directive is implemented, the obligation is no longer applicable for a large part of the second wave and the complete third wave. As a result, the anticipated increase in CSRD engagements will be significantly lower. Companies and audit firms need to reconsider strategic decisions in order to align capacity with the new, reduced scope of the CSRD.

**This report shows how audit firms approached CSRD assurance for the first wave of companies.** At the six PIE audit firms in The Netherlands (BDO, Deloitte, EY, Forvis Mazars, KPMG and PwC), we gained insight into the quality control systems and the work performed for these first-year CSRD assurance engagements. Our

<sup>1</sup> [The company and its place in the world: 3 focus areas for CSRD reporting](#), AFM 2025.

<sup>2</sup> [CSRD: No time to lose! Exploratory research into the application of new regulation on sustainability reporting in annual reports \(CSRD\) at listed companies and audit firms](#), AFM 2023.

aim was to understand how these audit firms control the quality of CSRD assurance. At the engagement level, we examined, among other things, the work performed on the double materiality analysis (DMA) and greenhouse gas emissions. The AFM has a positive view of the efforts made by PIE audit firms to provide CSRD assurance. In our review, we saw examples where interventions by assurance teams led to improvements in CSRD reporting, such as in the DMA, corrections to ensure the completeness of reported greenhouse gas emissions and the correct application of the ESRS. This underscores the importance of CSRD assurance.

**The AFM identifies 4 key pillars to help audit firms and their auditors manage quality control for CSRD assurance:**

1. Maintain a robust quality control system for CSRD assurance.
2. Ensure a competent assurance team and effective project management.
3. Understand the client and its processes for an appropriate assurance plan.
4. Tailor the procedures in the execution phase to the assessed assurance risks and assurance materiality.

These pillars are also relevant for statutory audits. It is important to make them concrete for CSRD assurance. These four pillars form the foundation of this report. In the following chapters we share our observations on how the PIE audit firms structured their quality control systems for CSRD assurance and how they provided CSRD assurance in 2025. We include examples to inspire the sector to continue developing a sound approach to CSRD assurance engagements. We encourage audit firms to continue the positive trend of a robust approach, drawing on the insights in this report.

## 2. Maintain a robust quality control system for CSRD assurance

**CSRD assurance requires an appropriate quality control system to safeguard the quality of these engagements.** The importance of embedding quality safeguards structurally within the quality control system increases as more CSRD engagements are undertaken.

### 2.1 Setting up a quality control system is not a simple task

**An appropriate design is essential when setting up a quality control system for CSRD engagements.** The structure of the quality control system for statutory audits can serve as a starting point, which can then be tailored specifically for CSRD engagements. Most audit firms have established a steering committee for the implementation of CSRD assurance. Such a committee is involved in policy development and strategic decisions for providing CSRD assurance. Additionally, most audit firms have ESG panels or working groups to implement the policies and to support the assurance teams.

### 2.2 Ensure sufficient capacity and expertise

**In our 2023 review, ‘CSRD: no time to lose!’, we emphasised the importance of audit firms having timely access to sufficient capacity and expertise to provide CSRD assurance.**<sup>3</sup> Our current exploratory review shows that the audit firms involved in our 2023 review have made significant progress in terms of capacity and expertise. We have a positive view of these efforts.

**All audit firms indicate that their responsible auditors and staff had sufficient professional competence.** They indicate that assurance teams completed a mandatory CSRD curriculum in a timely manner, often tailored to their role. CSRD-related accreditations are centrally registered and monitored. Responsible auditors and staff also learn through involvement in CSRD engagements and informal consultations. Furthermore, teams learn from each other through peer reviews facilitated by the audit firms, where experiences regarding obstacles, dilemmas and lessons learned are shared. Newsletters keep them informed of the latest (technical) developments.

**All audit firms indicate that they had sufficient experts available.** Most firms have the necessary experts in-house or otherwise have arrangements with external experts. They also maintain an overview of (internal) experts who can be called upon. Given the nature of the topics covered by CSRD assurance, the required expertise will be of a different kind compared to statutory audits. We consider it important that sufficient expertise is available, whether internally or externally, appropriate to the CSRD engagements undertaken by the audit firm.

**All audit firms indicate they had sufficient capacity to provide CSRD assurance for the first wave of companies.** A significant increase in required capacity was anticipated for the second wave of companies, for which audit firms were already scaling up. However, the number of CSRD engagements will now increase less sharply due to the Omnibus directive. This impact requires a reassessment of capacity needs and strategic choices, such as who should be trained for CSRD engagements. Whereas previously the plan was to train the entire assurance practice, it may now be preferable to assign the work to a team of specialists to safeguard knowledge and experience.

<sup>3</sup> [CSRD: No time to lose! Exploratory research into the application of new regulation on sustainability reporting in annual reports \(CSRD\) at listed companies and audit firms](#), AFM 2023.

**Audit firms indicate they monitor the deployment of capacity and the progress of CSRD engagements.** The methods and the management information generated by the monitoring activities vary. It is important to monitor deployment of capacity at both individual and aggregate level, as well as over time. If a single engagement is delayed, it may be manageable, but if many engagements are postponed to the same period, the situation may become more difficult. Audit firms indicate that responsible auditors and staff are not scheduled for too many engagements simultaneously, to allow for flexibility.



**For inspiration: a dashboard can assist in monitoring CSRD engagements**

One audit firm regularly analyses planned versus actual hours across all CSRD engagements using a dashboard. This provides insight into progress and potential bottlenecks at both individual and aggregate level, enabling timely follow-up.

## 2.3 Tailor client and engagement acceptance procedures

**All audit firms adapted their client and engagement acceptance procedures (CEAC) for CSRD engagements.** The existing CEAC procedures for statutory audits serve as a basis and are expanded with specific considerations for CSRD engagements. Some audit firms involve an ESG specialist in the CEAC process, for example to assess whether an expert should be engaged when a company reports on specific and complex material topics.



**For inspiration: specific CSRD questions support the decision-making process during engagement acceptance.**

One audit firm developed a specific CEAC form for CSRD engagements, including specific CSRD questions – such as those concerning material topics – to enable an appropriate assessment of the complexity of the engagement and the time, experience and resources required. The form requires explicit documentation of these considerations, for example concerning the involvement of ESG experts. ESG-specialised team members are involved in drafting and reviewing the form. This approach facilitates professional scepticism and consistent execution of CEAC procedures.

**All audit firms classified CSRD engagements for the first wave of companies in the highest risk category.** The primary reasons are that the companies involved are public interest entities (PIEs) and that CSRD assurance is being provided for the first time. For the second wave of companies, most audit firms still need to develop criteria for assessing the risk of CSRD assurance engagements. The risk category is a key parameter for determining which quality safeguards are applied.

**Most audit firms perform both CSRD assurance and statutory audits for the same client, although it is also possible to provide only CSRD assurance.** In the latter case, additional assessments are required as part of the CEAC. The complexity of the intended client and the impact on the effectiveness and efficiency of the assurance engagement are examples of such assessments. Consideration must also be given to the conditions necessary for adequate coordination with the external auditor responsible for the statutory audit.

**The AFM identifies a self-review threat to independence when non-audit services are provided that affect the sustainability report.**

This may occur, for example, if advice is given on developing the DMA. For the first wave of companies, this is generally not an issue due to a prohibition on providing non-audit services for PIEs. For the second wave of companies, most audit firms can further specify their independence policies to adequately identify threats and implement safeguards.

## 2.4 Develop a methodology with accompanying work programmes and guidance

**All audit firms developed a methodology with corresponding work programmes and guidance for CSRD assurance.** This is often developed at international level and subsequently supplemented in the Netherlands to comply with specific national regulations, such as the Dutch auditing standards (NV COS 3810N).

**All audit firms prepared comprehensive work programmes for the assessment of the DMA.** The DMA is the foundation of the sustainability report, so thorough assessment of it is crucial. These work programmes support the assurance teams in executing and documenting their assessments. They include all relevant ESRS requirements, with extensive explanations. Frequently, a table is provided to document the questions asked and other significant discussions with the client.

**We observe differences in the way risks are assessed and documented.** It is important that the assessment is made sufficiently specific and that tendencies are identified in order to support the development of the assurance plan. Most audit firms use assertions for this purpose. Additionally, some firms prescribe that the risk of management override of controls and/or the risk of fraud (such as greenwashing) should always be included in the assurance plan, making these risks specific to the client in question.



**For inspiration: summary overviews can assist in seeing the big picture**

At one audit firm, the file facilitates the documentation of the identified risks and the assertions to which these risks are linked. On this basis, the level of risk is determined. Once all steps are completed, a summary screen is automatically generated in the file, showing how the risk assessment and planned assurance procedures are connected by theme. This helps the assurance team to assess, with professional scepticism, whether the assurance plan as a whole is appropriate.

**We note differences in the determination and documentation of materiality.** Materiality is established at various levels, such as by topic or by KPI, taking into account both qualitative and quantitative factors. We also observe different ranges for determining the materiality percentage. It is especially important to determine, with professional scepticism, which materiality is appropriate at which level for the client in question and to document these considerations thoroughly.

**We see variation in depth and documentation of the engagement quality review (EQR).** Some audit firms' work programmes explicitly prescribe which elements of the CSRD engagement must be reviewed as a minimum. Sometimes, the work programmes include examples of questions that an EQR reviewer might pose to the assurance team. Certain firms encourage EQR reviewers to explicitly document their considerations and material discussions held with the assurance team. We deem proper documentation of the EQR reviewer's work and considerations important.

**All assurance reports are based on the template of the professional body for accountants in the Netherlands (NBA) and include one or more emphasis of matter paragraphs.** The paragraphs used to emphasise matters differ, as does the extent to which they are tailored to the specific CSRD assurance engagement.

**In most audit firms, many work programmes are prepared in MS Excel and MS Word.** All firms facilitate documentation of CSRD engagements in their files. The degree of automation varies. This may involve generating relevant work steps for procedures to be performed, as well as providing overviews to assess the completeness, consistency and appropriateness of the assurance plan and the outcomes of assurance procedures. Automation can positively impact the quality of assurance procedures and may improve the efficiency of the steps in the assurance process. The AFM encourages audit firms to take further steps in automation.

## 2.5 Employ the right mix of safeguards and provide adequate support for assurance teams

**All audit firms involved an EQR.** According to the firms, an EQR reviewer must have completed a mandatory CSRD curriculum. The EQR reviewer makes a valuable contribution to the quality of CSRD assurance by posing critical questions, according to assurance teams. In most CSRD engagements, the same EQR reviewer is assigned to both the CSRD engagement and the statutory audit. Teams indicate that this allows the EQR reviewer to pay attention to the connectivity between the financial report and the sustainability report and that it is also more efficient. When necessary, specific ESG expertise is added to the EQR team. We encourage the inclusion of connectivity and ESG expertise in the execution of the EQR function.

**All audit firms have mandatory consultations, largely based on the consultation policy for statutory audits.** Consultations mainly take place in the context of modified assurance reports; the consultation policy contains few mandatory consultations on CSRD-specific elements. In some firms, it is mandatory to consult on engagement confirmations and/or the acceptability of entity-specific criteria.

**We also observe many other forms of support provided by audit firms to strengthen professional scepticism and competence within assurance teams.** It is up to the audit firm to determine the appropriate support, depending on the situation and circumstances. Examples include:

- Facilitating informal consultations;
- Involvement of DMA experts;
- Providing coaching for assurance teams on the execution and documentation of assurance procedures;
- Facilitating calls with all involved CSRD assurance partners to exchange experiences and promote consistency across engagements;
- Conducting thematic reviews across different engagements; and
- ESRS reviews performed by reporting experts.

## 2.6 Ensure a good PDCA cycle for continuous development of the quality control system

**All audit firms indicate that the curriculum, methodology, work programmes and checklists are being refined, on the basis of developments in legislation and experience from the first year.** It is important for audit firms to consider three points in the further development of the quality control system. First, the Omnibus directive with regard to the scope and timing of reporting obligations; second, the impact of revised and simplified concepts for the ESRS; and third, the implementation and further development of the International Standard on Sustainability Assurance (ISSA 5000), when it replaces NV COS 3810N. Input for further development is also obtained by identifying lessons learned from the applied quality safeguards, including other types of support and experiences from assurance teams based on the first CSRD engagements. Due to the Omnibus directive, audit firms are reconsidering which auditors and staff will perform CSRD engagements going forward. The curriculum will be revised, for example due to the new ESRS standards. Some firms are reconsidering the methodology by supplementing or refining elements on the basis of first-year experiences, for example in the determination of materiality. Templates are also being further developed by being made more specific in certain areas and with duplicate elements being removed.



**In the coming years, some audit firms need to further develop the criteria for the application of quality safeguards.** In the first year, all firms applied a wide range of safeguards and other forms of support. In the years ahead, audit firms must continue to evaluate which safeguard or support is effective, especially for CSRD engagements in the second wave of companies.

### 3. Ensure a competent assurance team and effective project management

#### 3.1 Ensure a competent assurance team

**Assurance teams combine financial and sustainability expertise.** All team members are obliged to complete a CSRD curriculum. Teams typically include ESG specialists and members of the statutory audit team. Often, one external auditor is responsible for both engagements, supported by an experienced ESG partner or manager. According to the teams, this blend of expertise creates synergies, particularly in areas such as (fraud) risk analysis, understanding the client and assessing the connectivity between financial and sustainability information. Where specific knowledge is lacking, experts are brought in, for example in the case of complex calculations of greenhouse gas emissions. The AFM considers it vital for the quality of assurance that a competent assurance team is assembled. We have observed many good examples in this regard.

#### 3.2 Start early and maintain in control of the engagement

**A timely start and effective project management are crucial for control and quality.** Some assurance teams began assessing the DMA process as early as 2023, while others started immediately after acceptance of the engagement, usually before the summer of 2024. This gave companies time to gather additional data points where necessary, based on feedback of assurance teams. The first drafts of the sustainability reports were often reviewed in the third or fourth quarter of 2024, allowing teams to provide timely feedback and points of attention with the client. Flexible planning, active monitoring and close client involvement are essential, according to the teams. Assurance teams report that an integrated reporting team with ESG and reporting expertise at the client supports the timely and well-controlled execution of the engagement.

## 4. Understand the client and its processes for an appropriate assurance plan

### 4.1 Gain in-depth insight into the client

**All assurance teams indicate that understanding the client and the material topics to be reported on is essential.** The required insight into the client differs to some extent from what is needed for statutory audits, because CSRD assurance covers different topics and requires greater understanding of the value chain and the broad stakeholder group. There is also no double-entry bookkeeping system. The auditor must assess the maturity of the client's internal controls, particularly regarding the process of collecting, processing and controlling sustainability data up to the point of reporting. Internal controls are generally less mature than for financial information and sustainability information is often less robust. The sustainability data is often more limited available, it has to be sourced from third parties and it contains more estimates. This requires professional scepticism. We observe differences between teams regarding the appropriate depth in both procedures and documentation. Organisational support, such as providing specific guidance, can help ensure consistency in depth and documentation.

### 4.2 Use the acquired insight for the DMA assessment

**Critical assessment of the DMA process and outcomes is crucial.** Most assurance teams not only focus on understanding the process but also actively challenge management on the outcomes, especially around the materiality threshold. This demonstrates professional scepticism. Through scenario analyses, stand-back sessions, benchmarking with peers and testing against stakeholder expectations, teams make a nuanced and substantiated assessment of the process and its outcomes. This approach is particularly important for the quality of sustainability reports and the assurance provided on these reports, especially in the first year.



#### For inspiration: formulating expectations reduces biases

One assurance team, before receiving the client's DMA, developed its own expectations regarding impact, risks and opportunities (IROs) and material topics, based on client and sector knowledge and desktop research. The team then assessed the client's DMA process and outcomes against its own expectations. The team documented its considerations and assessment in detail, including questions posed to the client and the follow-up performed. Applying this method reduces the risk of biases such as anchoring bias, confirmation bias and the halo effect. Anchoring bias is the tendency to rely too heavily on the first information people receive when making decisions or judgments - even if this first information is incomplete or not the most relevant. Confirmation bias is a tendency to only search for information consistent with existing beliefs. The halo-effect is a bias when information is unconsciously assessed more positively, because of a positive view of the client. These biases increase the likelihood of insufficient professional judgement of DMA information received from the client.

### 4.3 Make assurance risks sufficiently specific

**Specific assurance risks help in creating an appropriate assurance plan.** Most assurance teams indicate that formulating assurance risks based on assertions (even though this is not required based on NV COS 3810N) helps to clearly determine tendencies and determine appropriate procedures to address the identified risks. Risks are generally identified by overarching topic. Where necessary, risks are made more specific at the level of mandatory disclosures or KPIs to enhance the relevance and distinctness of the assessment.



**For inspiration: a risk matrix helps to visualise assurance risks.**

One assurance team created a risk matrix based on the available knowledge of the client and its processes and then refined it with insights gained during the engagement. The team indicates that this provided a comprehensive overview of the engagement and helped assess the completeness of the identified assurance risks.

## 4.4 Apply differentiation to assurance materiality

**We observe differences in how assurance teams determine materiality.** The criteria from the audit firm's methodology serve as a basis, but we also see variations in how these criteria are applied and how considerations are documented by each team. Many teams lower the assurance materiality for topics where an increased risk has been identified, for example when a KPI is linked to executive remuneration. When determining the level and differentiation of assurance materiality, the impact on the information needs of a broad stakeholder group must also be taken into consideration by the assurance teams. Some teams explicitly document their assessment of this impact when substantiating the level and differentiation of assurance materiality.

## 5. Tailor the procedures in the execution phase to the identified assurance risks and assurance materiality

### 5.1 Apply professional scepticism, perform a thorough review and maintain an overview of the bigger picture for a well-balanced mix of assurance procedures

**Professional scepticism is essential when determining the nature and depth of the procedures.** The assurance approach must be tailored to each engagement, taking into account the assessed risks and assurance materiality. Assurance teams can consider which audit evidence from the statutory audit can be leveraged. For example, audit evidence regarding purchasing volumes from the statutory audit may serve as a basis for forming expectations in analytical procedures for greenhouse gas emissions. Critical thinking is also required when determining the extent of sampling, recalculation and the reconciliation of reported sustainability information with underlying documentation and source data.

**For the first wave of companies, we observe a focus on substantive procedures by assurance teams.** All teams assess the maturity of the internal control environment to determine whether additional procedures are necessary. An immature control environment often leads to more or larger samples. In our review, we did not observe teams relying on internal controls at the client. The reason given was the immaturity of the control environment or the selection of other assurance procedures for the sake of efficiency.

**Depth and efficiency present a challenge.** Assurance teams indicate they struggle to determine how far they should go to obtain limited assurance and which combination of procedures yields the most efficient and effective assurance approach. However, the teams found it difficult to make this challenge concrete. The reviewed files showed only limited examples and considerations. Due to the

frequent absence of (assurance on) comparative figures, teams often opted for substantive procedures such as sampling, recalculation and reconciliation with underlying documentation. We observed differences in the depth with which these procedures were performed. Some teams reconciled the emission factors used in sustainability reporting with the client's source, while others also assessed the reasonableness of the emission factors in the light of alternative sources. We also observed that teams often considered the use of different calculation methods when determining sampling populations. Coordination with colleagues and support from the audit firm helps to determine the appropriate depth.

**A CSRD engagement at a company with group components requires additional considerations.** An auditor of a company with group components must determine an appropriate approach for planning and executing assurance procedures to address the identified risks of material misstatement in the group's sustainability report. The group auditor may use the work of the component auditor. Whether this is effective depends on the client's environment and circumstances. In situations where clients are organised in a decentralised manner and internal processes differ between group components, it may be appropriate to use component auditors. We observed this in one CSRD engagement; in other cases, the group auditor performed the procedures, including site visits.



#### For inspiration: the use of component auditors for specific procedures

For an international group, the group auditor provided instructions to the component auditor for specific procedures. The group auditor ensured that the component assurance team had the necessary sustainability accreditations, supplemented by a training programme with relevant CSRD and ESRS elements. The group auditor gave specific instructions for the procedures and, among other things, collaborated in sessions every other week, to assess the consistent application of ESRS requirements within the group. The group team regularly visited the location to coordinate and review the work performed.

**Estimation elements within E1-6 (gross scope 1, 2, 3, and total GHG emissions) are approached and assessed in various ways.** Estimates within E1-6 relate to the methods used by the client (such as the spend method), the determination of emission factors, conversion factors and extrapolation. We observed a variety of approaches by assurance teams in assessing the reasonableness and consistent application of these estimation elements. The ESRS provide reporting companies with considerable latitude in determining estimates. Therefore, auditors must exercise professional scepticism to obtain sufficient and appropriate assurance evidence regarding estimates that may be specific to the client.

**Qualitative disclosures are often entirely assessed.** All audit firms ensure alignment with the mandatory ESRS reporting requirements ("is everything included?"). They also assess underlying documentation ("is what is stated correct?") and determine whether the report as a whole presents a balanced view. We observed differences in the considerations made by assurance teams and the extent to which these assessments are documented.



#### For inspiration: the audit trail makes the assurance team's considerations transparent.

One assurance team included an overview of all qualitative disclosures in the file. These were assessed by the team, which then explicitly documented the questions posed to the client, the responses and supporting documents provided and the rationale for concluding that the discussion points had been resolved. This helps the assurance team demonstrate that sufficient and appropriate assurance evidence has been obtained.

**It is important not to lose sight of the bigger picture.** Responsible auditors often emphasise the importance of maintaining a "helicopter view". This is achieved through stand-back sessions or by preparing summary memoranda, such as a memo on the assessment of the balanced nature of the qualitative disclosures in the sustainability report. We consider these to be good examples of partner involvement.

## 5.2 The first year requires additional assurance procedures ("first-year effect")

**Assurance teams indicate that the first year of CSRD assurance requires additional and more extensive procedures.** For the first wave of companies, it was the first time they prepared a sustainability report in accordance with the ESRS. Consequently, these were also first-year CSRD engagements for the teams, who had little or no experience from previous years to draw upon. We observed the impact of this "first-year effect" mainly in the following areas:

- Teams were generally composed of more senior team members. The subject matter was new to everyone, requiring much interpretation, professional judgement and experience to make decisions during the engagement.
- The preparation and assessment of the DMA required significant time and attention in the first year. This is likely to take less time in subsequent years, unless there are major changes at the company or in its environment.
- Considerable time was spent gaining insight into the client and its environment, the internal control environment and the reporting and data process. This can be built upon in future years.

- Additional verification of the risk assessment that certain aspects, such as specific topics or locations, are properly considered immaterial for the report. For example, assessing whether a particular scope 3 emission category is justifiably omitted.
- Due to the lack of (assurance on) historical data, it is difficult to form a robust expectation for analytical procedures. Therefore, in the first year, these were performed less frequently or were less effective. Instead, teams often opted for sampling.
- Qualitative disclosures are new in the first year. In subsequent years, the assessment will focus mainly on adjustments and incorporating developments.

## Annex: Accountability

This annex briefly describes the purpose, review design and limitations of the exploratory review.

### Purpose

The objective of our exploratory review was to gain insight, at both quality control system and engagement file level, into how the six PIE audit firms in The Netherlands have managed the quality of CSRD assurance in this first year of CSRD reporting. This is particularly relevant given that it is the first year for CSRD assurance. With this publication, we aim to share our observations and highlight inspirational examples that can contribute to managing the quality of CSRD assurance, so that the accountancy sector as a whole can learn from them and further develop in this area.

### Review design

In 2025, we conducted an exploratory review to understand how the six PIE audit firms (BDO, Deloitte, EY, Forvis Mazars, KPMG and PwC) have developed their quality control systems for CSRD assurance. We also included individual CSRD engagements to see how the quality control system is applied in practice and to gain insight into the procedures performed.

The review of the quality control system consisted of a questionnaire, including a request for relevant documents and an interview with the audit firm. Various elements were addressed, such as the general structure of the system, CEAC procedures, safeguards for the professional competence of assurance teams, the deployment of quality safeguards and the methodology and work programmes.

For the file review, a total of ten CSRD engagements were selected. We primarily reviewed the procedures carried out in the planning phase regarding the DMA, IROs, determination of assurance materiality and risk assessment. Subsequently, in the execution phase, we observed the nature and depth of the procedures performed on ESRS topic E1-6 (gross scope 1, 2, 3, and total GHG emissions). We also reviewed the assessment of text claims. We conducted in-depth interviews with the assurance teams regarding the execution of the procedures.

### Limitations of the review

Due to the way in which the review was conducted, there are certain limitations. The AFM bases its observations on the interviews conducted and the documents provided for each part of the review. Some audit firms provided copies of files in advance; these files were not examined in their entirety. Other firms offered on-site access or explanations of the files. The review does not provide an opinion on whether the audit firms issued an appropriate assurance report for the sustainability reports they reviewed, nor did we determine whether the auditors obtained sufficient and appropriate assurance evidence to support their conclusions. Additionally, we did not assess whether the quality control system complied with relevant laws and regulations.

#### Disclaimer

This report is a translation of the original Dutch report. Efforts have been made to ensure the accuracy of this translation. However, in the event of any discrepancies or inconsistencies between this translation and the original Dutch version, the Dutch version shall prevail.