

21 July 2023

Climate Disclosure Unit  
Market Conduct and Digital Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Issued by email – [climatereportingconsultation@treasury.gov.au](mailto:climatereportingconsultation@treasury.gov.au)

**Re: Climate Related Financial Disclosure – Consultation Paper**

Thank you for the opportunity to respond to Treasury's *Climate-related financial disclosure* consultation paper issued in June 2023.

The Australasian Council of Auditors-General (ACAG) was established by Auditors-General over 60 years ago to facilitate the sharing of information and intelligence between Auditors-General in a time of increasingly complexity and rapid change.

Whilst ACAG Members decided not to provide detailed comment in response to the consultation paper, they wish to specifically address the clause related to assurance providers and professional requirements.

ACAG Members strongly support the position of Treasury that providers of assurance for climate-related disclosures be independent from the entity being audited, which provides legally enforceable requirements under the Corporations Act 2001, Australian Auditing Standards, and jurisdictional audit legislation (where appropriate).

As the legislated provider of independent assurance to public sector entities, ACAG Members support the proposal that financial auditors lead climate disclosure assurance engagements, reinforced by technical climate and sustainability experts, when required. This model is consistent with existing auditing standard requirements pertaining to auditors' responsibilities relating to the work of an individual or organisation in a field of expertise other than accounting or auditing, when that work is used to assist the auditor in obtaining sufficient appropriate audit evidence.

The use of subject matter experts to inform the audit process also occurs in some performance audit engagements, where audit leaders work with technical experts when auditing areas that require specialist knowledge and expertise. Additionally, Auditors-General and their offices have skills in auditing non financial information through performance audit work and in some cases through auditing performance information.

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Most Auditors-General contract private sector individuals and firms to assist with financial and non-financial audit services. As such, their offices already have processes and systems in place to ensure appropriate procurement of experts services, for monitoring the quality of those services and for managing these types of contractual arrangements.

ACAG appreciates the opportunity to comment. Should you require any additional information, or wish to discuss this further, please do not hesitate to contact ACAG's Executive Director on

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Yours sincerely

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Auditor General for Western Australia

**Convenor**

**Australasian Council of Auditors General**

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