



April 13, 2026

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted via comment portal and email (climatedisclosure@arb.ca.gov)

RE: Public Comments to March 23, 2026 Climate Disclosure Workshop

Dear Members of the California Air Resources Board,

On behalf of the California Society of CPAs (CalCPA) and the American Institute of CPAs (AICPA), we appreciate the opportunity to provide additional comments to the California Air Resources Board (CARB) in response to CARB's March 2026 public workshop to inform the implementation of California climate disclosure legislation—SB 253, the Climate Corporate Data Accountability Act (Wiener, Statutes of 2023), and subsequently codified into Section 38532 in the California Health and Safety Code (HSC).

During the March 2026 public workshop, CARB named the AICPA standards among the proposed acceptable assurance standards for current rulemaking. We support CARB's inclusion of the AICPA standards for CPAs who perform the assurance engagements under HSC Section 38532.

In the marketplace, assurance provides investors, regulators, and other stakeholders with confidence in the credibility of reported information. In the United States, the AICPA serves as the standard setter for financial statement audits of non-public entities and for attestation standards governing assurance over non-financial information. When a CPA issues an assurance opinion, investors and users of financial information understand the level of professional due care that underlies it.

Below we highlight considerations for CARB as it develops professional requirements for GHG limited assurance conclusions. As CARB develops these regulations, we believe it is important that users of assured GHG emissions reports have the same confidence in conclusions issued by all assurance providers—not only those who are CPAs. We encourage CARB to evaluate proposed assurance standards against consistent criteria, including transparency of standard-setting processes, practitioner competency requirements, independence expectations, and quality monitoring, to avoid disparities in assurance quality across entities.

We also respond to CARB's request for feedback on GHG emissions calculation methodologies and reporting requirements discussed during the workshop.

Our comments below address two topics:

- The importance of requiring additional minimum requirements on non-CPA assurance providers, and
- The foundational role of maintaining consistency among GHG accounting methodologies, reporting requirements and the Greenhouse Gas Protocol.

The importance of requiring additional minimum requirements on non-CPA assurance providers

CPAs are required to follow standards regarding independence and quality management and must adhere to the AICPA Code of Professional Conduct (the Code), which is recognized by state boards of accountancy across the country, including California, as the applicable professional standards governing the practice of public accountancy. Among other things, the Code requires CPAs to be objective, act with integrity, have no conflicts of interest, not subordinate their judgment to others, be competent, and comply with applicable standards and requirements. When performing an assurance engagement under the AICPA attestation standards, CPAs must also adhere to strict independence requirements—in both fact and appearance.

CPAs and CPA firms are required to follow AICPA Statement on Quality Management Standards (SQMS) No. 1, which requires firms to design, implement and operate a system of quality management that provides reasonable assurance of compliance with professional standards and the issuance of appropriate engagement reports. The AICPA and state accountancy statutes further require firms to participate in a recurring peer review program, in which an independent outside party reviews their quality management systems every three years. Together, these requirements bring consistency and rigor to engagement performance. They are further reinforced by state licensure and oversight frameworks that protect the public through entry requirements, continuing education, enforceable ethical and independence rules, and disciplinary authority.

In addition to the AICPA standards, CARB also named the IAASB's standards ISAE 3000 and ISAE 3410 (until 12/26) and ISSA 5000 (effective 12/26) as proposed standards. We note that these standards are available for use by professional accountants and non-professional accountants. We support CARB's inclusion of IAASB standards in proposed regulation. When performing engagements under these standards, practitioners must: (a) design, implement and operate a risk-based system of quality management in accordance with International Standard on Quality Management (ISQM 1), and (b) apply requirements that are at least as demanding as the relevant ethical requirements of the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics.

ISSA 5000 will be a standalone standard for sustainability assurance engagements that, once effective, will replace ISAE 3410. The AICPA has a strategic objective to converge its audit and attestation standards—as well as its ethics and quality management standards—with those of the IAASB and IESBA, where appropriate. This convergence is significant in the marketplace, as it helps establish an aligned minimum standard for assurance on a global level. To that end, the AICPA has proposed revisions to its attestation standards to enhance their alignment with ISSA 5000.¹

Other proposed assurance standards, such as International Organization for Standardization (ISO) standards and the AccountAbility series of standards, may or may not require assurance providers to follow quality management and ethical standards. In practice, non-CPA practitioners using these standards do not always disclose their adherence to assurance, quality management, and ethical standards, as evidenced by the International Federation of Accountants (IFAC) State of Play study and the Center for Audit Quality (CAQ) S&P 500 Sustainability Reporting and Assurance Analysis.² Instead, recognized standards may be used as a reference rather than complying fully to prescribed requirements. This inconsistency can result in engagements with varying levels of rigor, increasing the risk that inaccuracies in reported GHG emissions go undetected. To ensure that all assurance

¹ For further details regarding the proposed attestation standards, please see <https://www.aicpa-cima.com/resources/download/proposed-ssae-attestation-sustainability>

² IFAC State of Play study: [Global benchmarking study – State of Play in Sustainability Assurance | Professional Insights | AICPA & CIMA](#)

CAQ S&P 500 Sustainability Reporting and Assurance Analysis: <https://www.thecaq.org/sp-500-and-esg-reporting>

providers fulfill the requirements of the relevant standards, we recommend that CARB require assurance engagements to be performed "in accordance with" the applicable assurance standard.

To help ensure the quality of the assurance engagement, we recommend that CARB establish minimum requirements for assurance practitioners regarding independence, competency, ethics, oversight, and systems of quality control (additional minimum requirements). This would be consistent with HSC Section 38532 subdivision (c)(2)(F)(iv), which requires that "a third-party assurance provider shall have significant experience in measuring, analyzing, reporting or attesting to the emission of greenhouse gasses and sufficient competence and capabilities necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements" and be "independent with respect to the reporting entity." CARB may achieve this by requiring all assurance providers to adhere to additional minimum requirements at least as demanding as those of ISQM 1 and the IESBA International Code of Ethics, both of which are available to professional and non-professional accountants.

As CPAs and CPA firms are licensed and regulated by state boards of accountancy, such as the California Board of Accountancy, assurance engagements performed by CPAs are subject to independent monitoring. Many professional accountants operating internationally are similarly regulated through their respective jurisdictions. However, these oversight frameworks do not extend to non-CPA assurance providers. Providers performing assurance under other standards may lack the oversight programs necessary to oversee and monitor adherence to performance standards and quality management and ethical requirements. We therefore recommend that CARB consider what oversight and monitoring mechanisms are necessary for assurance engagements performed by non-CPA providers as it develops its regulations.

The foundational role of maintaining consistency among GHG accounting methodologies, reporting requirements, and the Greenhouse Gas Protocol

HSC Section 38532 subdivision (c)(2)(A)(ii) states "a reporting entity shall, beginning in 2026, measure and report its emissions of greenhouse gases in conformance with the Greenhouse Gas Protocol standards and guidance, including the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard." During the March 2026 public workshop, CARB discussed GHG emissions calculation methodologies that are broadly consistent with common approaches included in the GHG Protocol, but as described in the workshop, are general and do not fully reflect the more detailed calculation methodologies prescribed by the GHG Protocol for specific Scope 3 emissions categories. The GHG Protocol provides more detailed calculation guidance for all three scopes, including its *Technical Guidance for Calculating Scope 3 Emissions*, a supplement to the Scope 3 Standard.

CARB requested feedback on whether it should consider allowing alternative accounting methods and, if so, which methods and why. We believe that a generalized approach risks less accurate measurements that do not faithfully represent the underlying emissions. If CARB were to allow accounting methods beyond those permitted under the GHG Protocol for Scope 1, 2, and 3 emissions, the resulting deviations could create further fragmentation through inconsistencies: (a) in publicly disclosed information and (b) with the statutory requirement to minimize duplicative reporting obligations.³

Such deviations may also result in companies preparing California-specific inventories that differ from those prepared for voluntary or other regulatory regimes where reporting is done in accordance with the GHG Protocol. They would further require companies to obtain California-specific assurance, increasing the overall cost of compliance. We therefore encourage CARB to incorporate all GHG

³ HSC Section 38532 subdivision (c)(2)(D)(i)

Protocol accounting methods and their underlying details within its requirements, and to reference applicable guidance resources such as the *Technical Guidance for Calculating Scope 3 Emissions*.

CARB also proposed requiring disclosures covering entities' organizational boundary selection, emission factors, and accounting methods. While these disclosures are necessary for reporting in conformance with the GHG Protocol, the GHG Protocol prescribes additional required disclosures beyond those mentioned. To comply with HSC Section 38532 subdivision (c)(2)(A)(ii), which requires a reporting entity to “measure and report its emissions of greenhouse gases in conformance with the Greenhouse Gas Protocol standards and guidance,” we strongly encourage CARB to require companies to consider all quantitative and qualitative disclosures prescribed by the GHG Protocol. To assist CARB in identifying those required emissions-related disclosures, we refer CARB to Attachment 2 of our October 2025 comment letter,⁴ which provides a list of required disclosures for reporting Scope 1 and Scope 2 GHG emissions in conformance with the GHG Protocol.

In an assurance engagement where the company is required to “measure and report its emissions of greenhouse gases in conformance with the Greenhouse Gas Protocol standards and guidance,” the information subject to assurance procedures includes both quantitative and qualitative disclosures—that is, the subject matter information in its entirety. However, the Draft Reporting Template released in October 2025 may inappropriately suggest that only the quantitative metrics for total Scope 1 and Scope 2 GHG emissions are subject to assurance. Because qualitative disclosures are integral to reporting in conformance with the GHG Protocol, we recommend that CARB: (a) clarify in its regulations that the scope of assurance encompasses all quantitative and qualitative disclosures required for reporting in conformance with the GHG Protocol, and (b) revise the Draft Reporting Template accordingly to reflect these considerations.

We note that credible, independent assurance is fundamental to the core policy objective of HSC Section 38532—providing decision-useful, comparable, and reliable emissions information to regulators, investors, and the public. As noted in the CAQ S&P 500 Sustainability Reporting and Assurance Analysis, 99 percent of S&P 500 companies voluntarily reported sustainability-related information in 2023, and 73 percent of those reporting companies voluntarily obtained assurance over some portion of that sustainability information.

When considering the international regulatory landscape, wave one CSRD assurance was performed almost exclusively by companies' financial auditors, according to EY's CSRD analysis.⁵ We support CARB's continued efforts to create efficiencies in the reporting and assurance process and to minimize compliance burdens. As companies continue to navigate multi-jurisdictional reporting requirements, and consistent with our recommendation on reporting frameworks discussed above, we recommend that CARB allow companies already reporting on greenhouse gas emissions and obtaining assurance under other national or international reporting requirements to submit those reports to CARB as sufficient to satisfy compliance obligations.

In particular, we recommend that CARB explicitly permit an entity to comply by submitting a greenhouse gas emissions report prepared in accordance with the European Sustainability Reporting Standards (ESRS), the IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB), or substantially similar nationally adopted requirements based on such standards.

⁴ <https://ww2.arb.ca.gov/form/public-comments/submissions/53676>

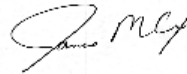
⁵ https://www.ey.com/en_gl/technical/csr/csr-technical-resources/what-the-first-year-of-csr-reporting-reveals-key-insights-and-trends

Thank you for considering our comments and for your ongoing efforts to conduct a transparent and inclusive process as this policy is implemented. We reiterate our willingness to support technical understanding as you continue drafting the regulations. Should you have any questions regarding our comments or any other aspects of the implementation regulations, please do not hesitate to contact us at Jason.Fox@calcpa.org and James.Cox@aicpa-cima.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Fox".

Jason Fox
Vice President, Advocacy & Public Affairs
California Society of CPAs

A handwritten signature in black ink, appearing to read "James Cox".

James Cox
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Relations
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