

Issue: California is moving forward with policies in emerging areas such as sustainability reporting and artificial intelligence. As decisions increasingly rely on complex and non-financial data, policymakers and the public are focused on how to build trust in these new systems. Well-designed assurance frameworks, like those long used by the CPA profession, help provide information that is consistent, reliable, and comparable.

Ask: As California considers audit and assurance requirements for sustainability reporting, AI and other emerging areas, we encourage policymakers to build on the CPA profession's proven assurance framework that has supported trust in financial reporting for years. We also encourage an approach that recognizes these areas are still evolving and avoids weakening confidence by allowing providers that lack comparable independence, ethical and professional standards, and regulatory oversight.

Building Confidence in Sustainability Reporting and AI Systems

Assurance Performed Correctly Matters

Sustainability reporting and creditability of AI systems shape decisions for consumers, investors, regulators and communities. Assurance only works if the information produced is trustworthy, comparable and useful. When assurance isn't designed well, it can create confusion, inconsistent results and weaken, rather than strengthen, public trust.

A Proven, Plug-and-Play Framework

The CPA profession already works within a trusted and well-understood regulatory framework. It includes strong licensing requirements, independence and ethics rules, professional standards, quality controls, and regulatory oversight. This framework has protected the public interest in financial reporting for generations—and it's well suited to be applied to new, non-financial areas where trust matters just as much.

Emerging Areas Need a Thoughtful Approach

Sustainability assurance has really taken shape over the past decade, and AI assurance is still emerging. Standards, criteria and assessment methods are continuing to develop, and expectations around scope and assurance levels are still being defined. Taking a measured approach that allows these areas time to mature helps ensure quality and consistency. Moving too quickly, before frameworks are ready, can undermine the goals assurance is meant to achieve.

California Is Already Taking a Responsible Path

The CPA profession is working with the California Air Resources Board on implementing the SB 253 climate disclosure assurance requirements, focusing on recognized standards, practical implementation and producing reliable, decision-useful information for regulators and the public. This collaborative, phased approach provides a strong blueprint for how assurance in emerging areas—like AI systems—can be developed thoughtfully and effectively over time.

Building Trust the Right Way

California doesn't need to create a new trust model for sustainability or AI—we already have one. By building on the CPA profession's proven assurance framework and allowing standards to mature, policymakers can protect consumers, support better decision-making and advance the public interest.