

9<sup>th</sup> March 2023

Account and Audit Policy Unit  
Department of Enterprise Trade & Employment

**Re: Public Consultation on the Corporate Sustainability Reporting Directive**

Dear Sirs,

I am writing to you regarding the above and the requirement for organisations to report on corporate sustainability.

The Voluntary Healthcare Forum CLG is the representative body for 18 voluntary healthcare organisations, which are among the leading providers of health services in Ireland and operate many of the country's largest health and social care providers. It is a non-profit organisation. Voluntary health and social care providers have played a critical role in the provision of healthcare in Ireland that can be traced back to the 1700s. They employ over 25,000 staff and account for 44% of the budget that the Health Service Executive (HSE) spends on hospitals.

The Board of VHF CLG discussed the matter at its recent Board meeting and raised concerns regarding the lack of resources in the context of compliance. The matter of reporting compliance against regulation and legislation has increased for organisations and resources for same has not been allocated by the funding authorities.

The issue of corporate sustainability is of the utmost importance to VHF CLG members. However, the allocation of resources to VHF CLG members (Appendix A) is required in order for member organisations to comply with the Directive.

Yours sincerely,



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**LIAM DOWDALL, CHAIRPERSON, VHF CLG**

### VHF Members 2023

<b>Organisation</b>	<b>Address</b>
IOHI (Clontarf Orthopaedic Hospital)	Blackheath Park, Clontarf, Co. Dublin D03 AY95
St Vincent's Hospital Fairview	Convent Ave, Ballybough, Dublin 3
Central Remedial Clinic	Penny Ansley Building, Vernon Ave, Clontarf East, Dublin, D03 R973
Royal Hospital Donnybrook	Morehampton Rd, Ranelagh, Donnybrook, Co. Dublin, D04 HX40
St John's Hospital Limerick	St, John's Square, New Rd, Limerick, V94 H272
Royal Victoria Eye and Ear Hospital	Adelaide Rd, Dublin 2, D02 XK51
National Rehabilitation Hospital	Rochestown Ave, Dún Laoghaire, Co. Dublin A96 E2H2,
Cappagh National Orthopaedic Hospital	Cappagh Rd, Cappoge, Dublin 11, D11 EV29
Our Lady's Hospice & Care Services	Harold's Cross, Dublin, D6W RY72
Coombe Women & Infants Maternity Hospital	Cork St, Dublin, D08 XW7X
National Maternity Hospital	Holles St, Dublin, D02 YH21

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The Rotunda Hospital	Parnell Square E, Rotunda, Dublin 1, D01 P5W9
Mercy University Hospital Cork	Grenville Pl, Centre, Cork, T12 WE28
Tallaght University Hospital	Tallaght, Dublin D24 NR0A
Mater Misericordiae University Hospital	Eccles St, Dublin 7, D07 R2WY
CHI	Herberton, St. James's Walk, Rialto D08 HP97
SJH	James St, Dublin 8, D08 NHY1
Peamount Healthcare	Peamount Road, Newcastle, Co. Dublin. D22 Y008



An Roinn Fiontar,  
Trádála agus Fostaíochta  
Department of Enterprise,  
Trade and Employment

# Public Consultation on the Corporate Sustainability Reporting Directive

Member State Options in the transposition of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

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The Department of Enterprise, Trade and Employment is seeking the views of stakeholders on the transposition of the Corporate Sustainability Reporting Directive<sup>1</sup> into Irish law.

Views from stakeholders and interested parties are requested no later than 5pm on Thursday, **9<sup>th</sup> March 2023**. Submissions should be marked Corporate Sustainability Reporting Directive and should be emailed to [CSR@enterprise.gov.ie](mailto:CSR@enterprise.gov.ie). Further queries can also be made to that email address.

The responses to the consultation will help inform the work to be undertaken by the Department on the transposition of the directive.

### 1. Background

The Corporate Sustainability Reporting Directive (CSRD) arises from the European Green Deal's climate change action objectives, to further enhance the disclosure by companies on climate and environmental data. The proposal for a directive was published in April 2021 and following negotiations by the European Council and the European Parliament,

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<sup>1</sup> [EUR-Lex - 32022L2464 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2022/2464/oj)

the agreed directive was published in the EU's official journal on the 16<sup>th</sup> of December 2022.

It expands the scope of the existing rules for non-financial reporting by very large companies and public-interest entities<sup>2</sup> to large companies, large public-interest entities, and listed SMEs (excluding micros) on a main EU stock market. It introduces mandatory reporting standards developed by EFRAG (European Financial Reporting Advisory Group) which will be adopted by the EU Commission by way of a delegated procedure. The first standards shall be adopted at the latest by June 2023.

Companies in scope will be required to report annually in their management/directors' report on environmental, social and governance (ESG) and human rights matters according to the EU mandatory standards to be known as the European Sustainability Reporting Standards<sup>3</sup>. Sustainability information will be subject to a limited assurance (audit) until the adoption of reasonable assurance standards by the Commission.

Ireland and other Member States now have 18 months to transpose the Directive i.e., July 2024<sup>4</sup>, with a view to mandatory requirements commencing for financial years on or after:

- 1<sup>st</sup> January 2024 for companies and public interest entities in scope of the existing rules (greater than 500 employees)<sup>5</sup>;
- 1<sup>st</sup> January 2025 for other large companies and public interest entities (greater than 250 employees); and

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<sup>2</sup> Banks, Insurance undertakings, companies listed on a main market in the EU

<sup>3</sup> [First Set of draft ESRS - EFRAG](#)

<sup>4</sup> Measures implementing Article 3 and 4 of the directive must be in place by 1 January 2024

<sup>5</sup> Only undertakings already reporting under NFRD. Under Ireland's rules these are 'ineligible entities' in the Companies Act 2014 - [S.I. No. 360/2017 - European Union \(Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups\) Regulations 2017. \(irishstatutebook.ie\)](#).

- 1<sup>st</sup> January 2026 for listed SMEs, with an ‘opt out’ possible until 2028.
- 1 January 2028 for subsidiary undertakings and branches of non-EU companies

## 2. Member State Options

The Department requests the views of interested parties with regard to the Member State options set out in Appendix I. It is not consulting on the balance of the Directive, which has direct effect/mandatory applicability and Member States have no discretion in this regard. However, your comments and questions on all aspects of the Directive are also requested to inform the Department’s work on the transposition and future policy developments in the area.

## 3. Consultation Responses

Stakeholder views are welcomed from all interested parties, including companies in scope, non-governmental organisations, the research community and beyond. We ask that respondents structure their responses according to the Member State Options outlined, responding to one or more of them as appropriate. Respondents are also encouraged to provide any other views they may have on the transposition process or directive in general.

## 4. Information on Consultation Process

### **Freedom of Information Act 2014 and Publication of Submissions**

The Department will make public on its website all submissions received under this consultation. Your attention is also drawn to the fact that information provided to the Department may be disclosed in response to a request under the *Freedom of Information Act 2014*. Therefore, should you consider that any information you provide is commercially sensitive, please identify same, and specify the reason for its sensitivity. The

Department will consult with you regarding information identified by you as sensitive before publishing or otherwise disclosing it.

## **5. General Data Protection Regulation**

Respondents should note that the General Data Protection Regulation ('GDPR') entered into force in Ireland on 25th May 2018 and it is intended to give individuals more control over their personal data. The key principles under the Regulation are as follows:

- Lawfulness, fairness and transparency;
- Purpose limitation;
- Data minimisation;
- Accuracy;
- Storage limitation;
- Integrity and confidentiality;
- Accountability.

The Department of Enterprise, Trade and Employment is subject to the provisions of the Regulation in relation to personal data collected by it from 25 May 2018. Any personal information which you volunteer to this Department, will be treated with the highest standards of security and confidentiality, strictly in accordance with the Data Protection Acts 1988 to 2018.





## Appendix I

Consultation by the Department of Enterprise, Trade and Employment on Member State Options under the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability Reporting

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<b>Article 1 – Amendments to Directive 2013/34/EU the Accounting Directive</b>		
<b>Article 1 Scope (Amended)</b> <i>New point 3 last subparagraph (New)</i>		
Member States <u>may</u> choose not to apply the coordination measures referred to in the first subparagraph of this paragraph to the undertakings listed in points (2) to (23) of Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council.	<p>The new requirements for sustainability reporting under the directive apply to large companies and large public-interest entities and listed SMEs.</p> <p>This option allows Member States to exclude certain undertakings on a case-by-case basis. The list of</p>	<p>The Voluntary Health Forum CLG (“VHF”) supports this option for the following reasons:</p> <ul style="list-style-type: none"><li>• Given the Government’s limited resources, all options that afford more time to the State to consider how resources need and will be allocated across all organisations subject to this Directive need to be exercised.</li><li>• This piece of legislation, although welcome, will have a material impact on organisations and their ability to fulfil their legal non-financial reporting</li></ul>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	<p>undertakings relevant to Ireland’s transposition in Article 2<sup>6</sup> are central banks; post office institutions; the Strategic Banking Corporation of Ireland, credit unions and friendly societies.</p>	<p>obligations. At this time, there has been little communication, education and/or awareness on how Government departments have audited which sectors and organisations will be most impacted; which organisations need resources; and, financial assistance to ensure compliance.</p> <ul style="list-style-type: none"> <li>• The VHF represent some of the largest hospitals’ in the State. VHF’s Members welcome this legislation. However, its Members have only been informed of the vast obligations that they will have to comply with by 1 January 2026 by their external auditors. At this juncture, there has been no communication from the Department of Health or the Health Service Executive on how some of its largest healthcare service providers will comply with this Directive, how it will be</li> </ul>

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<sup>6</sup> [EUR-Lex - 02013L0036-20220101 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2022/2464/oj)

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>resourced and/or financed and what framework the healthcare sector will have to work to. The VHF is also not aware of any audit being undertaken by the State as to which organisations most impact their local or national environment and/or how budgets have been established providing resources to mitigate this impact. There have been no workshops given by relevant Departments on how organisations can avail of National or European grants (if any) to assist them in being more sustainable and complying with all aspects of this Directive.</p>
<p><b>Article 19a – Sustainability Reporting (New)</b>  <i>Point 3 last subparagraph (New)</i></p>		
<p>Member States <u>may</u> allow information relating to impending developments or matters in the course of negotiation to be omitted in exceptional cases where, in the</p>	<p>The new Article 19a on Sustainability Reporting replaces the existing Article 19a. Article 19a sets out substantially enhanced requirements for sustainability reporting by</p>	<p>The VHF supports the State seeking to apply this option. VHF’s Members manage both highly sensitive data and commercially sensitive information and have been operating under the Freedom of Information legislation for many years. Accordingly as these institutions are fully aware of what information should and should not</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking's development, performance and position, and the impact of its activity.</p>	<p>undertakings in scope of the Directive. The information to be reported should be clearly identifiable within the undertaking's management report (ie the directors' report). This option allows Member States to permit undertakings to exclude commercially sensitive information from the sustainability reporting under certain circumstances.</p>	<p>be included when reporting on their obligations, any such exemption would be reasonably applied and would be in line with national legal requirements.</p>
<p><i>Point 9 subparagraph three (New)</i></p>		
<p>The Member State by whose national law the exempted</p>	<p>Point 9 sets out exemptions from sustainability reporting for</p>	<p>No comment from the VHF as this does not apply to its Member base.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>subsidiary undertaking is governed <u>may</u> require that the consolidated management report or, where applicable, the consolidated sustainability report, of the parent undertaking is published in a language that that Member State accepts, and that any necessary translation into such language is provided. Any translation that has not been certified shall include a statement to that effect.</p>	<p>subsidiary undertakings where a parent in the EU includes information on the subsidiary in the consolidated management report drawn up under Article 29 and 29a or, if the parent is in a third country equivalent consolidated sustainability report. Member States have the option to require that the consolidated management/sustainability report is published in an accepted language.</p>	
<p><b>Article 29a. – Consolidated Sustainability Reporting (New)</b>  <i>Point 3 last subparagraph (New)</i></p>		
<p>Member States <u>may</u> allow information relating to impending developments or</p>	<p>The new Article 29a on Consolidated Sustainability Reporting replaces the existing</p>	<p>The VHF supports this option. As noted above, the VHF’s Members manage both highly sensitive data and commercially sensitive information and have been</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>matters in the course of negotiation to be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, and position, and the impact of its activity.</p>	<p>Article 29a. Article 29a, similar to Article 19a, sets out substantially enhanced requirements for consolidated sustainability reporting by undertakings in scope of the Directive. The information to be reported should be clearly identifiable within the group management (directors) report. This option allows Member States to permit undertakings to exclude commercially sensitive information from the sustainability reporting under certain circumstances.</p>	<p>operating under the Freedom of Information legislation for many years. Accordingly as these institutions are fully aware of what information should and should not be included when reporting on their obligations, any such exemption would be reasonably applied and would be in line with national legal requirements. By applying this exemption, it would not appear to prejudice or disadvantage transparency in terms of the organisations sustainability measures.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<i>Point 8 subparagraph (New)</i>		
<p>The Member State by whose national law the exempted parent undertaking is governed <u>may</u> require that the consolidated management report or, where applicable, the consolidated sustainability report of the parent undertaking is published in a language that that Member State accepts, and that any necessary translation into such language is provided. Any translation that has not been certified shall include a statement to that effect.</p>	<p>As in Article 19a, Member States have the option to require that the consolidated management/sustainability report is published in an accepted language.</p>	<p>The VHF would support the reports being in English and/or Irish.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 30 General Publication (Amended)</b>  <i>Point 1 subparagraph 2 (New)</i></p>		
<p>Member States <u>may</u> require undertakings subject to Articles 19a and 29a to make the management report available to the public on their website, free of charge. Where an undertaking does not have a website, Member States <u>may</u> require it to make a written copy of its management report available upon request.</p>	<p>Article 30 of the Accounting Directive sets out the publication requirements for annual financial statements and management reports (i.e. the directors’ report). As a general rule, the management report must be filed with the Companies Registration Office.</p> <p>This option allows Member States to require undertakings in scope of the requirements for sustainability reporting to publish the management report on their</p>	<p>The VHF understands that all documents are available to the public via the Companies Registration Office (CRO). Accordingly, it may be that each organisation should be in a position to decide at Board level if the information is reported in its own annual report, via its website or made available on request.</p>



Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	website or make a copy available upon request.	
<i>Point 1 subparagraph 4 (Existing)</i>		
<p>Member States <u>may</u>, however exempt undertakings from the obligation to publish the management report where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.</p>	<p>As stated above as a general rule, the management report must be filed with the Companies Registration Office. Member States may exempt undertakings from this requirement provided the report can be readily obtained from the undertaking at a price not exceeding its administrative cost.</p> <p>This option is not new and was not taken in the transposition of Directive 2013/34/EU but it is repeated here for completeness.</p>	<p>No comment from VHF as it is understand that the relevant report will be filed with the CRO.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 34.3 General Requirement Auditing (Amended)</b>  <i>Point 3 (New)</i></p>		
<p>Member States <u>may</u> allow a statutory auditor or an audit firm other than the one(s) carrying out the statutory audit of financial statements to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1.</p> <p>(i.e. the opinion on the compliance with sustainability reporting)</p>	<p>Article 34 of the Accounting Directive sets out the general requirement for the statutory audit of financial statements of undertakings. It is amended to provide for the assurance (audit) of sustainability reporting by undertakings.</p> <p>This option allows Member States to permit undertakings to engage separate statutory auditors/audit firms to carry out the statutory audit of financial statements and the assurance of the</p>	<p>The VHF supports this option. As noted at the outset, notwithstanding the fact that most of VHF’s Members will have to comply with the Directive by 1 January 2026, there has been no communication, workshops, finance review, budget allocation or resource allocation raised or discussed with VHF’s Members. As VHF’s Members are already under-resourced, they must have the option of engaging separate audit firms to assist with this compliance.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	sustainability reporting.	
<i>Points 4 and 5 Independent Assurance Services Provider (New)</i>		
<p>Member States <u>may</u> allow an independent assurance services provider established in their territory to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1, provided that such independent assurance services provider is subject to requirements that are equivalent to those set out in Directive 2006/43/EC of the European Parliament and of the Council as regards the assurance of sustainability reporting as defined in point 22</p>	<p>This option allows Member States to introduce a new category of Independent Assurance Services Provider (IASP) to provide for the assurance of sustainability reporting by undertakings. IASPs must be subject to equivalent requirements to statutory auditors in respect of this assurance work including in respect of training, education, quality assurance and investigations and sanctions. In due course Member States that exercise the option to introduce IASPs must also exercise the option to permit separate</p>	<p>The VHF's Members would welcome discussion forums that would properly resource these healthcare providers to ensure that they can recruit the relevant energy officers, compliance, finance, operational and governance employees required to ensure that the hospitals' and VHF Members' Boards can fully comply with this Directive (CSRD). However, without these resources and appropriate post allocations, the VHF believes that the State will have to introduce IASP.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>of Article 2 of that Directive, in particular the requirements on:</p> <p>(a) training and examination, ensuring that independent assurance services providers acquire the necessary expertise concerning sustainability reporting and the assurance of sustainability reporting;</p> <p>(b) continuing education;</p> <p>(c) quality assurance systems;</p> <p>(d) professional ethics, independence, objectivity, confidentiality and professional secrecy;</p>	<p>statutory auditors/audit firms to carry out the audit of financial statements and assurance of sustainability reporting. Member states that exercise the option to introduce IASPs must also in due course provide for home/host model of oversight of IASPs with other Member States.</p>	

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>(e) appointment and dismissal;</p> <p>(f) investigations and sanctions;</p> <p>(g) the organisation of the work of the independent assurance services provider, in particular in terms of sufficient resources and personnel and the maintenance of client account records and files; and</p> <p>(h) reporting irregularities.</p> <p>Member States shall ensure that, where an independent assurance services provider expresses the opinion referred to in point (aa) of the second</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>subparagraph of paragraph 1 of this Article, that opinion is prepared in accordance with Articles 26a, 27a and 28a of Directive 2006/43/EC and that, where applicable, the audit committee, or a dedicated committee, reviews and monitors the independence of the independent assurance services provider in accordance with point (e) of Article 39(6) of Directive 2006/43/EC.</p> <p>Member States shall ensure that independent assurance services providers accredited before 1 January 2024 for the assurance of sustainability reporting, in accordance with</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>Regulation (EC) No 765/2008, are not subject to the training and examination requirements referred to in point (a) of the first subparagraph of this paragraph.</p> <p>Member States shall ensure that independent assurance services providers that on 1 January 2024 are undergoing the accreditation process in accordance with the relevant national requirements are not subject to the training and examination requirements referred to in point (a) of the first subparagraph as regards the assurance of sustainability reporting, provided they</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>complete that process by 1 January 2026.</p> <p>Member States shall ensure that the independent assurance services providers referred to in the third and fourth subparagraphs acquire the necessary knowledge in sustainability reporting and the assurance of sustainability reporting via the continuing education requirement referred to in point (b) of the first subparagraph.</p> <p>If a Member State, pursuant to the first subparagraph, decides to allow an independent assurance services provider to</p>		



<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>express the opinion referred to in point (aa) of the second subparagraph of paragraph 1, it shall also allow a statutory auditor other than the one(s) carrying out the statutory audit of financial statements to do so, as provided for in paragraph 3.</p> <p>5. From 6 January 2027, a Member State that has made use of the option provided for in paragraph 4 (the “host Member State”) shall allow independent assurance services provider established in a Member State other than the host Member State (the “home Member State”) to carry out</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>the assurance of sustainability reporting.</p> <p>The home Member State shall be responsible for the supervision of the independent assurance services providers established in its territory, unless the host Member State decides to supervise the assurance of sustainability reporting carried out by independent assurance services providers in its territory.</p> <p>If the host Member State decides to supervise the assurance of sustainability reporting carried out in its territory by independent</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>assurance services providers registered in another Member State, the host Member State shall:</p> <p>(a) not impose more stringent requirements or liability on such independent assurance services providers than those required for assurance of sustainability reporting by the national laws for the independent assurance services providers or auditors established in that host Member State; and</p> <p>(b) inform other Member States about its decision to supervise the assurance of</p>		

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
sustainability reporting carried out by independent assurance services providers established in other Member States.		
<b>Article 40a Sustainability Reports concerning third-country undertakings (New)</b> <i>Point 1 last subparagraph (new)</i>		
Member States <u>may</u> require subsidiary undertakings or branches referred to in the first and third subparagraphs to send them information about the net turnover generated in their territory and in the Union by the third-country undertakings.	This is a new Article 40a inserted into the Accounting Directive on sustainability reports concerning third country undertakings. This option underpins the requirement for sustainability reports by large subsidiaries and branches operating in the EU (turnover > €40 million) of non-EU companies (turnover in the EU > €150 million). It permits Member States to require subsidiary undertakings and	The VHF has no comment as this does not apply to its Member base.

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	branches to send information about net turnover generated in the Member State and in the EU.	
<b>Article 3 Amendments to Directive 2006/43/EC the Audit Directive</b>		
<b>Article 12 Combination of practical training and theoretical instruction (replaced)</b>		
<i>Point 1 (existing)</i>		
<p>1. Member States <u>may</u> provide that periods of theoretical instruction in the subjects referred to in Article 8(1) and (2) shall count towards the periods of professional activity referred to in Article 11, provided that such instruction is attested by an examination recognised by the Member State. Such instruction shall not last less</p>	<p>This Article and option allows Member States to permit that periods of study can count towards professional activity periods required in Article 11 which governs qualifications through long term practical experience of statutory auditors. There is no substantive change to this option and it is not concerned with sustainability reporting but it is amended to</p>	<p>The VHF has no comment on this.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>than one year, nor may it reduce the period of professional activity by more than four years.</p> <p>2. The period of professional activity and practical training shall not be shorter than the course of theoretical instruction together with the practical training required under the first subparagraph of Article 10(1).’;</p>	<p>take account of new cross-references in Article 8 arising from the amending Directive. It was not exercised in the transpositions of Directive 2006/43/EC and Directive 2014/56/EU however it is repeated here for completeness.</p>	
<p><b>Article 26a Assurance Standards for sustainability reporting (New)</b> <i>Point 2 (New)</i></p>		
<p>2. Member States <u>may</u> apply national assurance standards, procedures or requirements as long as the Commission has</p>	<p>Article 26a is a new article inserted into the Audit Directive which sets out the requirement for the audit of sustainability</p>	<p>This is strongly supported by the VHF. At this point, notwithstanding international frameworks being available, no framework or guidelines have been provided to the healthcare sector. It is impossible for</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p>not adopted an assurance standard covering the same subject matter.</p> <p>Member States shall communicate the national assurance standards, procedures or requirements to the Commission at least three months before their entry into force.</p>	<p>reporting to be done in accordance with assurance standards which will be developed by the EU Commission. This option permits Member States to apply national standards in the event that the Commission has not adopted a standard on the same subject matter.</p>	<p>Boards of Health Service Providers and their Executive Management Teams to plan or proactive address this Directive until guidelines have been provided. The option of national standards may mean that different sectors are given much needed guidance as soon as possible this year given the requirement on Boards to consider and evaluate how its organisation will comply with CSRD.</p>
<p><b>Article 28a Assurance Report on sustainability reporting (New)</b> <i>Point 5 (New)</i></p>		
<p>5. Member States <u>may</u> require that, where the same statutory auditor carries out the statutory audit of annual financial statements and the assurance of sustainability</p>	<p>Article 28a is a new article inserted into the Audit Directive which sets out the requirements for the assurance report by statutory auditors/audit firms of sustainability reporting to be</p>	<p>Again, this is strongly supported by the VHF. Its Members comply with their financial reporting obligations and work with their appointed external auditors to ensure compliance. It will be of great assistance that Hospitals can continue to work with their appointed auditors for compliance with CSRD.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>reporting, the assurance report on sustainability reporting may be included as a separate section of the audit report.</p>	<p>done in accordance with assurance standards which will be developed by the EU Commission (or any national standard if relevant).</p> <p>This option permits Member States to provide that where the same statutory auditor/audit firm carries out the statutory audit of the financial statements and the assurance of sustainability reporting, the assurance report may be included as a separate section of the audit report.</p>	
<p><b>Article 29 Quality Assurance Systems (Amendment)</b></p> <p><i>Point 2a (New)</i></p>		
<p>2a. Member States <u>may</u></p>		<p>Given the short timeframe to comply, it would appear</p>



<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>exempt, until 31 December 2025, persons who carry out quality assurance reviews relating to the assurance of sustainability reporting from the requirement to have relevant experience in sustainability reporting and in the assurance of sustainability reporting or in other sustainability-related services.’;</p>	<p>The amendments to Article 29, which governs quality assurance systems for statutory audit, allow where applicable for quality assurance of sustainability reporting.</p> <p>This option permits Member States to allow for a transition period for persons carrying out quality assurance reviews on sustainability reporting by exempting them until the end of 2025 from the requirement to have relevant experience in sustainability reporting or the assurance of same.</p>	<p>that this option is practical. However, the VHF is neutral on this option.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<p><b>Article 30 Systems of Investigations and Sanctions (Amended)</b>  <i>Point 2 second subparagraph (existing)</i></p>		
<p>Member States <u>may</u> decide not to lay down rules for administrative sanctions for infringements which are already subject to national criminal law. In that event, they shall communicate to the Commission the relevant criminal law provisions.’;</p>	<p>The amendments to Article 30, which governs systems of investigations and sanctions for breaches of statutory audit rules, allow for the extension of investigation and sanctions systems to assurance of sustainability reporting.</p> <p>This option is not amended directly and allows Member States not to provide for an administrative sanction regime where criminal law already applies. It was not exercised in</p>	<p>The VHF has no comment on this option.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	the transposition of Directive 2014/56/EU.	
<b>Article 39 Audit Committee (Amended)</b> <i>Paragraph 4a (New)</i>		
<p>Member States <u>may</u> allow the functions assigned to the audit committee relating to sustainability reporting and relating to the assurance of sustainability reporting to be performed by the administrative or supervisory body as a whole or by a dedicated body established by the administrative or supervisory body.</p>	<p>The amendments to Article 39, which governs the rules for Audit Committees of public interest entities, allow for the extension of certain audit committee functions to include assurance of sustainability reporting. This option permits Member States to allow these functions to be assigned to the board of directors of the public-interest for example or another dedicated body established by the public interest entity. It is similar to an option at Article 39(4) which applies to</p>	<p>The VHF has no comment on this option.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	statutory audit. This option was not exercised in the transposition of Directive 2014/56/EU.	

**Please provide any further views you have in relation to the transposition and development of future policy in this area.**

e.g Scope and Phasing, Assurance (Audit), Oversight and Sanctions.

The Voluntary Healthcare Forum (VHF) is the representative body for board members of 18 voluntary organisations, which are among the leading providers of health services in Ireland and operate many of the country’s largest hospitals. Voluntary hospitals have played a critical role in the provision of healthcare in Ireland employing over 25,000 staff and account for 44% of the budget that the Health Service Executive spends on hospitals. The VHF represents over 250 Chairs and Non-Executive Directors who serve on the boards of voluntary hospitals on a voluntary basis.

VHF’s Members welcome the transposition of the Corporate Sustainability Reporting Directive (CSRD) as it will bring renewed focus on sustainable healthcare for its patients and the care they receive.

However, CSRD will require most of VHF’s Members to comply with non-financial reporting obligations concerning and relating to all aspects of their organisation/operations. At this time, VHF’s Members comply with their financial reporting obligations but have dedicated finance personnel to ensure compliance. VHF’s Members will require allocation of personnel and resources to meet CSRD compliance obligations. Without these resources, VHF’s Members do not know how its current workforce can comply with these new requirements.

Accordingly, guidance on how relevant healthcare providers/hospitals are to comply must be provided by the State as there has been limited to no awareness or education of the implications of the CSRD given to the VHF’s Members’ Boards, Executive Management Teams or Estates functions from the appropriate external departments. Considering the impact this Directive will have on these organisations,

VHF's members need to know what support/resources are or will be made available in 2023 to ensure the governance and compliance aspects of the CSRD can be achieved.

END