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Mr Tom Seidenstein,
Chair,
International Auditing and Assurance Standards Board,
529 Fifth Avenue, 6th Floor,
New York,
NY 10017,
USA

Dear Mr Seidenstein

**Exposure Draft Proposed International Standard on Sustainability Assurance 5000
*General Requirements for Sustainability Assurance Engagements***

Crowe Global is delighted to present a comment letter on Exposure Draft Proposed International Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements*. Crowe Global is a leading global network of audit and advisory firms, with members in over 140 countries.

We agree with the overall approach of the Exposure Draft. We recognise that ED-5000 is an overarching standard that sets general requirements for sustainability assurance engagements. There will be the opportunity in the future for the development of further specific standards that develop the foundation approach of ED-5000 and learn from the implementation experience of the standard.

Our broad support for ED-5000 as presented for exposure is that it is imperative that a standard is delivered on the timetable that the IAASB is currently working to. This standard is required for the performance of sustainability assurance engagements under the EU CSRD. There is the opportunity for the IAASB's standards to be the standards applied for assurance reporting in all EU Member States. Without the prompt delivery of this IAASB standard, there is a risk of fragmentation with each individual Member States developing their own standards.

It is important that implementation guidance is developed by the IAASB to support the practical application of ED-5000. Guidance is required in areas where there are new concepts such as "double materiality" or areas where there are public interest concerns such as "greenwashing".

Looking forward, we encourage the IAASB to prepare a strategic plan for the development of specific standards on sustainability reporting that support tED-5000, the overarching foundation standard.

We trust that our comments assist IAASB with the prompt completion of this project. We shall be pleased to discuss our comments further with you.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read "David Chitty". The signature is written in a cursive, flowing style.

David Chitty
International Accounting and Audit Director

Appendix – Response to Questions for Respondents Exposure Draft Proposed International Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements*

Question	Comment
Overall Questions	
<p>1. Do you agree that ED-5000, as an overarching standard, can be applied for each of the items described in paragraph 14 of this EM to provide a global baseline for sustainability assurance engagements? If not, please specify the item(s) from paragraph 14 to which your detailed comments, if any, relate (use a heading for each relevant item).</p>	<p>We agree that ED-5000 can be applied as an overarching standard for each of the items described in paragraph 14 of the Explanatory Memorandum to provide a global baseline for sustainability assurance engagements.</p> <p>We see ED-5000 as a foundation standard, and the first of a suite of standards to support the performance of sustainability assurance standards. At this time, our view is that the ED-5000 requires completion and issue in line with the IAASB’s timetable. This results in a standard that can be applied for the assurance of engagements where there is reporting under the EU CSRD.</p>
<i>Public Interest Responsiveness</i>	
<p>2. Do you agree that the proposals in ED-5000 are responsive to the public interest, considering the qualitative standard-setting characteristics and standard-setting action in the project proposal? If not, why not?</p>	<p>We agree that the proposals in ED-5000 are responsive to the public interest.</p>
Specific Questions	
<i>Applicability of ED-5000 and the Relationship with ISAE 3410</i>	
<p>3. Is the scope and applicability of ED-5000 clear, including when ISAE 3410 should be applied rather than ED-5000? If not, how could the scope be made clearer?</p>	<p>We regard the scope and applicability of ED-5000 as being clear. We are forming this view on our requirement for a standard that can be applied for the assurance of engagements where there is reporting under the EU CSRD.</p>
<i>Relevant Ethical Requirements and Quality Management Standards</i>	
<p>4. Is ED-5000 sufficiently clear about the concept of “at least as demanding” as the IESBA Code regarding relevant ethical requirements for assurance</p>	<p>We have no issues here, but we would like to see improved alignment between the IAASB and IESBA with the development of standards concerning sustainability. We are</p>

<p>engagements, and ISQM 1 regarding a firm's responsibility for its system of quality management? If not, what suggestions do you have for additional application material to make it clearer?</p>	<p>concerned that the two Boards may develop standards, concepts, and definitions independently as well as deliver their standards at different times. Alignment and timing is essential, particularly with the approaching need to report under the EU CSRD.</p>
<p><i>Definitions of Sustainability Information and Sustainability Matters</i></p>	
<p>5. Do you support the definitions of sustainability information and sustainability matters in ED-5000? If not, what suggestions do you have to make the definitions clearer?</p>	<p>We support the definitions of sustainability information and sustainability matters in ED-5000.</p>
<p>6. Is the relationship between sustainability matters, sustainability information and disclosures clear? If not, what suggestions do you have for making it clearer?</p>	<p>We regard the relationship between sustainability matters, sustainability information, and disclosures as being clear.</p>
<p><i>Differentiation of Limited Assurance and Reasonable Assurance</i></p>	
<p>7. Does ED-5000 provide an appropriate basis for performing both limited assurance and reasonable assurance engagements by appropriately addressing and differentiating the work effort between limited and reasonable assurance for relevant elements of the assurance engagement? If not, what do you propose and why?</p>	<p>ED-5000 does provide an appropriate basis for performing both limited and reasonable assurance engagements. The differentiation in the standard between the two types of engagement clear and we recognise that the IAASB has used outreach to develop and test the differentiation. The recognition that there will be limited assurance reporting followed by reasonable assurance reporting is important, particularly as this will be the case for reporting under the EU CSRD.</p>
<p><i>Preliminary Knowledge of the Engagement Circumstances, Including the Scope of the Engagement</i></p>	
<p>8. Is ED-5000 sufficiently clear about the practitioner's responsibility to obtain a preliminary knowledge about the sustainability information expected to be reported and the scope of the proposed assurance engagement? If not, how could the requirements be made clearer?</p>	<p>ED-5000 is sufficiently clear about the practitioner's responsibility to obtain a preliminary knowledge about the sustainability information expected to be reported and the scope of the proposed assurance engagement.</p>
<p>9. Does ED-5000 appropriately address the practitioner's consideration of the</p>	

entity's "materiality process" to identify topics and aspects of topics to be reported? If not, what approach do you suggest and why?	ED-5000 does appropriately address the practitioner's consideration of the entity's "materiality process".
<i>Suitability and Availability of Criteria</i>	
10. Does ED-5000 appropriately address the practitioner's evaluation of the suitability and availability of the criteria used by the entity in preparing the sustainability information? If not, what do you propose and why?	ED-5000 does appropriately address the practitioner's evaluation of the suitability and availability of the criteria used by the entity in preparing the sustainability information.
11. Does ED-5000 appropriately address the notion of "double materiality" in a framework-neutral way, including how this differs from the practitioner's consideration or determination of materiality? If not, what do you propose and why?	The content in ED-5000 on "double materiality" will require supplementing by implementation guidance. New concepts are being applied, meaning that implementation support is needed not only for practitioners, but also for the preparers they are reporting on, oversight bodies monitoring the assurance work and reporting, and stakeholders using the reports. Without implementation guidance there is the risk of inconsistent application.
<i>Materiality</i>	
12. Do you agree with the approach in ED-5000 for the practitioner to consider materiality for qualitative disclosures and determine materiality (including performance materiality) for quantitative disclosures? If not, what do you propose and why?	We agree with the approach but stress the point we made above about the importance of providing implementation support for the application of the concepts of materiality and the contexts in which these concepts are applied.
<i>Understanding the Entity's System of Internal Control</i>	
13. Do you agree with the differentiation in the approach in ED-5000 for obtaining an understanding of the entity's system of internal control for limited and reasonable assurance engagements? If not, what suggestions do you have for making the differentiation clearer and why?	A differentiation in approach for obtaining an understanding of the entity's system of internal control for limited and reasonable assurance engagements would be expected. We agree with the approach proposed in ED-5000.
<i>Using the Work of Practitioner's Experts or Other Practitioners</i>	
14. When the practitioner decides that it is necessary to use the work of a firm	

<p>other than the practitioner’s firm, is ED-5000 clear about when such firm(s) and the individuals from that firm(s) are members of the engagement team, or are “another practitioner” and not members of the engagement team? If not, what suggestions do you have for making this clearer?</p>	<p>ED-5000 is clear about the distinction between a member of the engagement team and “another practitioner”.</p>
<p>15. Are the requirements in ED-5000 for using the work of a practitioner’s external expert or another practitioner clear and capable of consistent implementation? If not, how could the requirements be made clearer?</p>	<p>The requirements in ED-5000 for using the work of a practitioner’s external expert or another practitioner clear and capable of consistent implementation. The standard appropriately recognises the importance that experts will play in sustainability assurance engagements. Because of this implementation guidance is needed, and, in due course a specific standard.</p>
<p><i>Estimates and Forward-Looking Information</i></p>	
<p>16. Do you agree with the approach to the requirements in ED-5000 related to estimates and forward-looking information? If not, what do you propose and why?</p>	<p>We agree with the approach to the requirements in ED-5000 related to estimates and forward-looking information.</p>
<p><i>Risk Procedures for a Limited Assurance Engagement</i></p>	
<p>17. Do you support the approach in ED-5000 to require the practitioner to design and perform risk procedures in a limited assurance engagement sufficient to identify disclosures where material misstatements are likely to arise, rather than to identify and assess the risks of material misstatement as is done for a reasonable assurance engagement? If not, what approach would you suggest and why?</p>	<p>We support the approach to the design and performance of risk assessment procedures for a limited assurance engagement.</p>
<p><i>Groups and “Consolidated” Sustainability Information</i></p>	
<p>18. Recognizing that ED-5000 is an overarching standard, do you agree that the principles-based requirements in ED-5000 can be applied for assurance engagements on the sustainability information of groups or</p>	<p>We agree that the requirements of ED-5000 can be applied for assurance engagements on the sustainability information of groups and situations where “consolidated” sustainability information is presented. We make this response in recognition that ED-5000 is an overarching standard, but we</p>

<p>in other circumstances when “consolidated” sustainability information is presented by the entity? If not, what do you propose and why?</p>	<p>consider that the IAASB must develop a group standard on sustainability reporting as part of its suite of standards.</p>
<p><i>Fraud</i></p>	
<p>19. Do you agree that ED-5000 appropriately addresses the topic of fraud (including “greenwashing”) by focusing on the susceptibility of the sustainability information to material misstatement, whether due to fraud or error? If not, what suggestions do you have for increasing the focus on fraud and why?</p>	<p>As an overarching standard ED-5000 addresses the issue. It is right to give the risk of fraud the attention that it is given in ED-5000. However, the public interest concerns about “greenwashing” mean that the IAASB must provide relevant implementation guidance to support the application of the standard and be open to developing a specific standard on the risk of fraud in its suite of standards,</p>
<p><i>Communication with Those Charged with Governance</i></p>	
<p>20. Do you support the high-level requirement in ED-5000 regarding communication with management, those charged with governance and others, with the related application material on matters that may be appropriate to communicate? If not, what do you propose and why?</p>	<p>We support the requirements and application material as presented in ED-5000 regarding communication with management, those charged with governance and others. This is an area where implementation guidance would be appropriate.</p>
<p><i>Reporting Requirements and the Assurance Report</i></p>	
<p>21. Will the requirements in ED-5000 drive assurance reporting that meets the information needs of users? If not, please be specific about any matters that should not be required to be included in the assurance report, or any additional matters that should be included.</p>	<p>ED-5000 establishes assurance reporting requirements for this area that builds on the IAASB’s experience with developing and issuing reporting standards. The reporting approach meets the information needs of users. Reporting is a subject that can be addressed further in a future standard, the development of which can take account of the initial experience of reporting under ISSA 5000.</p>
<p>22. Do you agree with the approach in ED-5000 of not addressing the concept of “key audit matters” for a sustainability assurance engagement, and instead having the IAASB consider addressing this in a future ISSA? If not, what do you propose and why?</p>	<p>We agree that as ED-5000 is an overarching first standard it is right to level the concept of “key audit matters” for sustainability assurance engagements to the development of a future standard.</p>
<p>23. For limited assurance engagements, is the explanation in the Basis for</p>	<p>It is important that an assurance report explains the scope of an engagement. We</p>

<p>Conclusion section of the assurance report that the scope and nature of work performed is substantially less than for a reasonable assurance engagement sufficiently prominent? If not, what do you propose and why?</p>	<p>agree with the proposed explanation about limited assurance engagements.</p>
<p><i>Other Matters</i></p>	
<p>24. Are there any public sector considerations that need to be addressed in ED-5000?</p>	<p>We have no comments to make about public sector considerations.</p>
<p>25. Are there any other matters you would like to raise in relation to ED-5000?</p>	<p>We have no other matters to raise.</p>
<p>Request for General Comments</p>	
<p>26. Translations—Recognising that many respondents may intend to translate the final ISSA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing ED-5000.</p>	<p>We have no comments to make about translations.</p>