

Questions for Respondents	Section or Paragraphs in this EM for reference	Responses
Overall Questions		
<i>Global Baseline Standard for Sustainability Assurance</i>		
<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>	Section 1-A, paragraph 14	<p>Yes. However, it would be helpful to differentiate the primary audit procedures that would be expected in an audit on financial statements that include sustainability matters.</p> <ul style="list-style-type: none"> ED-5000 explains that when certain information about sustainability matters is required to be included in the entity's financial statements in accordance with the applicable financial reporting framework and is subject to audit, the International Standards on Auditing apply (see paragraph 11 of ED-5000).
<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>	Section 1-B and Appendix	Yes. We note that the Appendix should be reviewed on a period basis to ensure consistency and accuracy in its application.
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>	Section 1-C	Yes. The scope and applicability of ED-5000 is clear, including when ISAE 3410 should be applied rather than ED-5000

<i>Relevant Ethical Requirements and Quality Management Standards</i>		
4. Is ED-5000 sufficiently clear about the concept of “at least as demanding” as the IESBA Code regarding relevant ethical requirements for assurance 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?	Section 1-D	Yes. “At least as demanding” is sufficiently clear within the context of International Auditing Standards.
<i>Definitions of Sustainability Information and Sustainability Matters</i>		
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?	Section 1-E, paragraphs 27-32	Yes. These terms are sufficiently clear for external auditing purposes.

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6. Is the relationship between sustainability matters, sustainability information and disclosures clear? If not, what suggestions do you have for making it clearer?	Section 1-E, paragraphs 35-36	Yes. These terms are sufficiently clear for external auditing purposes.
<i>Differentiation of Limited Assurance and Reasonable Assurance</i>		
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?	Section 1-F, paragraphs 45-48	Yes. Limited assurance and reasonable assurance are appropriately differentiated and consistent with International Auditing Standards.
<i>Preliminary Knowledge of the Engagement Circumstances, Including the Scope of the Engagement</i>		

<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>Section 1-F, paragraph 51</p>	<p>Yes. However, we have concerns about the compliance with this requirement for the appropriate risk assessment analysis for the “preliminary knowledge” process. It should be noted that we have these same concerns in general regarding the proper preparation of risk assessments in most aspects of the planning stage of the external audit processes.</p>
<p>9. Does ED-5000 appropriately address the practitioner’s consideration of the entity’s “materiality process” to identify topics and aspects of topics to be reported? If not, what approach do you suggest and why?</p>	<p>Section 1-F, paragraphs 52-55</p>	<p>Yes. However, it would be prudent to use and define a different term to avoid confusion with the traditional materiality process in a financial statement audit.</p>
<p><i>Suitability and Availability of Criteria</i></p>		
<p>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?</p>	<p>Section 1-F, paragraphs 56-58</p>	<p>Yes. However, this section should be reviewed for periodic updating given the nascent nature of this reporting.</p>
<p>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?</p>	<p>Section 1-F, paragraphs 59-60 and 68</p>	
<p><i>Materiality</i></p>		
<p>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?</p>	<p>Section 1-F, paragraphs 65-74</p>	<p>Yes. We agree that consideration of materiality of qualitative disclosure and determining materiality for quantitative disclosures is an appropriate approach when evaluating sustainability</p>

		information/disclosures for assurance engagements.
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<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?	Section 1-F, paragraphs 75-81	Yes. We 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?
<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 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?	Section 1-G, paragraphs 82-87	Yes. There is a clear definition when practitioner uses another firm or expert that it is considered not part of the engagement team.
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?	Section 1-G, paragraphs 88-93	Yes. The requirements for using the work of an external expert or another practitioner are clear and allow for consistent application for all assurance engagements.
<i>Estimates and Forward-Looking Information</i>		
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?	Section 1-G, paragraphs 94-97	Yes. The approach to the forward-looking and estimates requirements seems appropriate.
<i>Risk Procedures for a Limited Assurance Engagement</i>		

<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>Section 1-G, paragraphs 98-101</p>	<p>Yes. The ED-5000 approach of the risk procedures to identify where misstatements are likely to arise for limited assurance and identify and assess the risk of material misstatement for reasonable assurance is in line with other guidance ISAE 3000</p>
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<p>Questions for Respondents</p>	<p>Section or Paragraphs in this EM for reference</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 in other circumstances when “consolidated” sustainability information is presented by the entity? If not, what do you propose and why?</p>	<p>Section 1-G, paragraphs 102-107</p>	<p>Yes. We agree that ED-500 principle-based requirements can be applied to assurance engagement on sustainability information of groups or when “consolidated” information is presented.</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>Section 1-G, paragraphs 108-110</p>	<p>Yes. We believe that ED-5000 appropriately addresses the topic of fraud.</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>Section 1-G, paragraphs 111-112</p>	<p>Yes. We support the high-level requirement in ED-5000. The high-level requirement is similar to other aspects of the audit process.</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>Section 1-G Paragraphs 116-120; 124-130</p>	<p>Yes. We believe that the requirements in ED-5000 drive assurance reporting that meets the information needs of users, which ostensibly includes fraud or non-compliance with laws and regulations under existing auditing standards.</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>Section 1-G, paragraphs 121-123</p>	<p>No. We believe that IAASB should address “key audit matters” for a sustainability assurance engagement in this standard to avoid potential confusion to practitioners, management, and users as to what the audits should cover.</p>
<p>23. For limited assurance engagements, is the explanation in the Basis for 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>Section 1-G, paragraph 131</p>	<p>Yes. We believe the explanation here is sufficient.</p>

<p>24. Are there any public sector considerations that need to be addressed in ED-5000?</p>	<p>Section 1-I, paragraph 135</p>	<p>Yes. We believe that public sector considerations like environmental protection agencies should be consulted to changes in ED-5000 to assist in identifying sustainability practices that may be more susceptible to fraud.</p>
<p>25. Are there any other matters you would like to raise in relation to ED-5000?</p>		<p>We have no additional matters to raise at this time.</p>
<p>26. Translations—Recognizing 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 at this time on potential translation issues.</p>
<p>27. Effective Date—As explained in paragraph 138 of Section 1-I – Other Matters, the IAASB believes that an appropriate effective date for the standard would be for assurance engagements on sustainability information reported for periods beginning or as at a specific date approximately 18 months after approval of the final standard. Earlier application would be permitted and encouraged. Do you agree that this would provide a sufficient period to support effective implementation of the ISA. If not, what do you propose and why?</p>	<p>Section 1-1 – Other Matters</p>	<p>No. Given the unprecedented expansion of audit authority that this standard creates, we would expect that a 3-year adoption window would be sufficient to allow practitioners and managers to understand the changes in time for adoption.</p>