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Date	Re	Our ref	Attachment	Direct dial nr
22 november 2023	Responses to IAASB's request f	23/JZ/167815	Responses to IAASB's request for comments	T +3188-4960254

Dear Mr Seidenstein,

The NBA welcomes the opportunity to respond to the Exposure Draft of the Proposed International Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements and the Proposed Conforming and Consequential Amendments to Other IAASB Standards* (hereafter 'ED-ISSA5000'). You have asked us to provide our feedback using a specifically developed template. We have attached that template as an Annex to this letter. The letter itself addresses our key comments on the ED-ISSA5000.

Royal Netherlands  
Institute of Chartered  
Accountants

### **Executive summary**

Overall, we commend the IAASB for the efforts to develop ED-ISSA5000 in a short timeframe. The coming into force of the national requirements stemming from the Corporate Sustainability Reporting Directive (CSRD) will result in an upsurge in sustainability reporting by companies, and related assurance engagements to be performed by auditors and/or Independent Assurance Services Providers (IASPs). Users of sustainability reporting expect consistency in assurance services on that reporting, across Europe and globally. The IAASB's proposed standard can help contribute to such consistency. We identified, however, the need for some key improvements which we urge the IAASB to consider and implement in its process of finalizing this standard. The implementation of these key improvements will contribute to the standard being fit-for-purpose and contribute to a consistent set of requirements.

The NBA is highly worried that the level of 'limited assurance' is too broadly defined in ED-ISSA5000, which may lead to different interpretations of the nature and extent of procedures to be performed in order to achieve limited assurance. As sustainability reporting leads to an extended group of users of corporate reporting, the user's information needs differ significantly. Furthermore, while law or the entity's request may specify limited assurance, this may not always be sufficient to meet the users' expectations on the level of assurance to be achieved. In order to avoid an expectation gap and to avoid practitioners to individually assess the expectations/needs for the meaningful assurance level for these groups, the NBA believes it is important to be very clear on the nature and extent of procedures to be performed in a limited assurance engagement. In the NBA's view, ISRE2400 provide the most meaningful starting point for such definition. This is because sustainability reporting, similar to financial reporting, will typically be based on a defined such of reporting requirements (such as ISSB, ESRS or other generally accepted sets or reporting standards). That consistency (within and between jurisdictions) on the reporting requirements and the fact that reporting is aimed at a wide set of stakeholders calls for consistency in the assurance as well. ISRE2400 sets a consistent basis for limited assurance in the context of financial re-orting, while ISAE3000 is more focused on providing assurance for a wide

array of situations, whereby the set of users is more limited and hence a narrow definition of limited assurance will not be possible. Therefore we propose to limit the procedures to be performed in a limited assurance engagement to primarily inquiry and analytical procedures, which is in line with how ISRE2400 defines limited assurance in context of financial reporting. We note that in addition to inquiry and analytical procedures some (limited) inspection and recalculation may be necessary. The NBA is of the view that consistency should be sought with ISRE2400 instead of with ISAE3000.

Sustainability reporting differs from financial reporting on a number of key elements. We are of the view that these could be better addressed in ED-ISSA5000. We suggest that ED-ISSA5000 should put more emphasis on:

- The requirements regarding the assessment of qualitative assurance materiality (the materiality used by the practitioner). We note that the requirement in paragraph 91 and the related examples in A278 do not provide guidance on what is expected from the practitioner in considering materiality, nor how such consideration affects the further assurance procedures.
- The procedures on the entity's process of selecting the relevant sustainability topics to report on (the entity's materiality process), and more specifically on the practitioners responsibility to assess whether all material topics are included in the reporting.
- The procedures on narrative information.
- The procedures on forward-looking information to clarify the expectations of the practitioner's procedures in this area.
- The procedures and requirements with respect to fraud and greenwashing.
- Cooperation and communication with other practitioners, including those operating at the level of subsidiaries or parent companies, with the practitioner's experts, and with practitioners involved with companies in the value chain. This is particularly important for situations where
- The assurance-conclusion, in particular regarding qualifications and pervasiveness of misstatements.

We also note that European law, more specifically CSRD, sets a number of specific requirements concerning the assurance on sustainability reporting. It would therefore be welcomed if ISSA5000 would be responsive these European requirements. This primarily relates to the requirement stemming from article 34(1)(aa) of Directive 2013/34/EU that the assurance over sustainability reporting also addresses the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards. The information reported by the entity is based on the outcomes of the entity's materiality process, and this is very specific to sustainability reporting. It is therefore essential that an assurance standard appropriately sets out the auditor's responsibilities to assess the entity's materiality process. As included in the reporting template, we urge for improvements in this area.

The NBA suggests that the element of mark up of the reporting, which also potentially could apply to financial reporting, and would therefore not necessarily require being addressed in a standard on sustainability assurance. NBA would support the IAASB developing a separate standard on mark up for all kinds of reporting. In this regard, the NBA's Standard 3950N could provide meaningful input.

### **Closing Remarks**

For further information, please contact Martijn Duffels ([m.duffels@nba.nl](mailto:m.duffels@nba.nl)).

Yours sincerely,  
NBA, the Royal Netherlands Institute of Chartered Accountants,

/s/ Anton Dieleman

Anton Dieleman,  
Chair of the Dutch Assurance and Ethics Standards Board  
NBA

## RESPONSE TEMPLATE FOR EXPOSURE DRAFT OF PROPOSED ISSA 5000, *GENERAL REQUIREMENTS FOR SUSTAINABILITY ASSURANCE ENGAGEMENTS*

### Guide for Respondents

Comments are requested by **December 1, 2023**. *Note that requests for extensions of time cannot be accommodated due to the accelerated timeline for finalization of this proposed standard.*

This template is for providing comments on the Exposure Draft of proposed International Standard on Sustainability Assurance Engagements™ (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements* (ED-5000), in response to the questions set out in the Explanatory Memorandum to ED-5000. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate the IAASB's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
  - Respond directly to the questions.
  - Provide the rationale for your answers. If you disagree with the proposals in ED-5000, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
  - Identify the specific aspects of ED-5000 that your response relates to, for example, by reference to sections, headings or specific paragraphs in ED-5000.
  - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the “**Submit Comment**” button on the [ED-5000 webpage](#) to upload the completed template.

**Responses to IAASB’s Request for Comments in the Explanatory Memorandum for ED-5000, General Requirements for Sustainability Assurance Engagements**

**PART A: Respondent Details and Demographic information**

Your organization’s name (or your name if you are making a submission in your personal capacity)	Royal Netherlands Institute of Chartered Accountants
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Anton Dieleman, Chair of the Dutch Assurance and Ethics Standards Board
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Martijn Duffels Senior Technical Expert
E-mail address(es) of contact(s)	<a href="mailto:m.duffels@nba.nl">m.duffels@nba.nl</a>
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on ED-5000). Select the most appropriate option.	<a href="#">Europe</a>
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on ED-5000). Select the most appropriate option.	<a href="#">Jurisdictional/ National standard setter</a>
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	The NBA is the professional body for account-ants and auditors in the Netherlands. NBA's members include over 21,000 professionals working at accounting firms, government agencies, as internal auditors or in organiza-tional management.

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB’s preference is that you incorporate all your views in your comments to the questions (also, the last question in Part B allows for raising any other matters in relation to ED-5000).

**Information, if any, not already included in responding to the questions in Parts B and C:**

## PART B: Responses to Questions in in the Explanatory Memorandum for ED-5000

**For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.**

### Overall Questions

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).

*(See Explanatory Memorandum Section 1-A, paragraph 14)*

**Overall response:** [Disagree, with comments below](#)

### Detailed comments (if any):

As ED-5000 currently stands, it does not yet provide for a global baseline for sustainability assurance engagements. In the NBA's opinion, there are two main concerns underlying this viewpoint:

- Limited assurance is not sufficiently clearly defined
- ED-5000 does not provide a baseline for important elements of assurance engagements, including those on digital sustainability reporting

Furthermore, the NBA has observed a number of other areas where improvements should be made:

#### *Limited and reasonable assurance engagements*

The NBA does not support ED-5000's proposed approach in which limited assurance is flexible, and defined as somewhere between 'just above assurance' and 'just below reasonable assurance'. In the view of the NBA, this leads to different assessments of the nature and extent of procedures to be performed in order to achieve limited assurance. Rather, in the NBA's view, the widespread adoption of sustainability reporting and assurance calls for a clearly defined limited assurance product, which is also clearly distinguished from the extant reasonable assurance product. In order to avoid an expectation gap and to avoid practitioners to individually assess the expectations/needs for the meaningful assurance level for these groups, the NBA believes it is in the public interest to be very clear on the nature and extent of procedures to be performed in a limited assurance engagement. In the NBA's view, ISRE2400 provide the most meaningful starting point for such definition. This is because sustainability reporting, similar to financial reporting, will typically be based on a defined such of re-orting requirements (such as ISSB, ESRS or other generally accepted sets or reporting standards). That consistency (within and between jurisdictions) on the reporting requirements and the fact that reporting is aimed at a wide set of stakeholders calls for consistency in the assurance as well. ISRE2400 sets a consistent basis for limited assurance in the context of financial reporting, while ISAE3000 is more focused on providing assurance for a wide array of situations, whereby the set of users is more limited and hence a narrow definition of limited assurance will not be possible. There-fore we propose to limit the procedures to be performed in a limited assurance engagement to primarily inquiry and analytical procedures, which is in line with how ISRE2400 defines limited assurance in context of financial reporting. We note that in addition to inquiry and analytical procedures some (limited) inspection and recalculation may be necessary. The NBA is of the view that consistency should be sought with ISRE2400 instead of with ISAE3000.

Further, whilst appreciating the consistency of terminology between ED-5000 and ISAE3000, the NBA observes that the wording 'areas where misstatements are likely to arise' creates confusion in current engagement reports. In addition, the notion that misstatements could be likely to arise, does not properly reflect management's responsibility and efforts to prepare sustainability reporting that is free from material misstatement.

The NBA proposes that practitioners should focus their work on areas with an elevated risk of material misstatement to replace the terminology in paragraph 94L and related paragraphs.

The NBA strongly urges the Board to seek alignment with ISAE2400, which addresses limited assurance on financial information, which has a similarly wide range of users as sustainability reporting, and also intends to offer similarly consistent information based on an agreed and accepted set of reporting standards.

Therefore, the NBA proposes to clarify that a limited assurance engagement normally requires a practitioner to perform the following audit procedures:

- Inquiry
- Analytics procedures
- (limited) Inspection
- (limited) recalculation

The NBA hence suggests that reperformance, observation, and external confirmation are normally not expected to be performed in a limited assurance engagement on sustainability reporting. Practitioners could always select such a procedure when necessary, for instance to follow up on a suspected misstatement, but these audit procedures should not be part of the requirements for limited assurance.

By clearly defining what is expected in a limited assurance engagement, there is no longer a need to describe in the assurance report for a limited assurance engagement the extent of the procedures performed, and how these differ from a reasonable assurance engagement. The NBA suggests to abandon that requirement which will lead to more consistency in reporting.

#### *All reporting mechanisms*

In the European Union, assurance on sustainability reporting will be required based on the implementation into national law of the Corporate Sustainability Reporting Directive (CSRD). This Directive sets out that assurance is required on:

- the compliance of the sustainability reporting with the requirements of this Directive, including the compliance of the sustainability reporting with the sustainability reporting standards adopted pursuant to Article 29b or Article 29c,
- the process carried out by the undertaking to identify the information reported pursuant to those sustainability reporting standards, and
- the compliance with the requirement to mark up sustainability reporting in accordance with Article 29d, and
- as regards the compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852;

The NBA observes that the ED primarily covers the first and the last bullet, which creates challenges for the European adoption of this assurance standards, and requires further standard setting for the two other elements on which assurance is required.

The NBA suggests that the second bullet can be dealt with through improved requirements on the practitioner's work effort regarding the entity's materiality process. The NBA urges IAASB to also develop a standard regarding auditor's/practitioner's responsibilities on information provided in a digital format. This is also important given the EU's requirement that listed entities prepare their financial reporting in ESEF-format.

#### *Other comments*

The NBA would like to share a few more important observations and suggestions, as follows:

- From the NBA's perspective as National Standard Setter for auditors in the Netherlands, it is hard to judge whether this standard can be applied by non-auditors when providing assurance on sustainability reporting. At this stage, the NBA does not have any legal powers to impose the use of this (or any other standard) on non-auditors.
- The NBA suggests that the ED-5000 upon finalization should provide for the opportunity of early application.
- In particular for reasonable assurance engagements, the reliability of the data underlying sustainability reporting is essential. Since systems used for sustainability information typically differ from the accounting systems used by companies, and considering that controls like double-bookkeeping do not apply to sustainability data, it is important that the standard guides the practitioner's procedures in this area. We suggest to specifically address data quality and the practitioner's consideration thereof in the requirements applicable to reasonable assurance, whilst noting that for Information Provided by the Entity (IPE) in a limited assurance context normally no procedures would be expected.
- The NBA suggests that ED-5000 should include enhanced requirements and guidance as regards both the entity's (or the company's) materiality process and assurance materiality. Furthermore, the NBA suggests that the use of materiality be reviewed throughout ED-5000 to confirm whether any reference to 'materiality' is sufficiently clear as to whether it relates to the entity's materiality process or assurance materiality.
- The nature of sustainability reporting results in the fact that misstatements cannot mutually compensate each other (where an overstatement in one area of financial reporting sometimes may compensate an understatement of another area in the financial statements). As a result, accumulation of misstatements in sustainability reporting works differently than for financial auditing. It is important that ED-5000 more clearly guides the process on accumulating and evaluating misstatements.
- The NBA expects that most companies that will have an assurance opinion on their sustainability reporting, are also subject to audit of their financial statements. Given that in some cases there may be overlap regarding the underlying assumptions and information used for financial and sustainability reporting, it is important that ED-5000 as well as the auditing standards require appropriate communication and cooperation between the auditor of the financial statements and the practitioner providing assurance on sustainability reporting.
- In the same vein, most assurance engagements on sustainability reporting will be of companies that are considered groups, preparing consolidated sustainability reporting. It is important that ED-

5000 provides much more clear guidance on the group assurance approach and expected requirements.

- Additionally, sustainability reporting may also include information from outside the group or its components. This may be the case with scope-3 reporting on emissions, and with respect to value chain reporting. It is important that the role and responsibility of the practitioner in this regard is made more clear in ED-5000.
- The NBA is furthermore hugely worried that ED-5000 does not clearly establish requirements helping the practitioner to determine the sufficiency and appropriateness of evidence to be obtained and the impact that the differing levels of assurance may have on the necessary evidence. The requirement in paragraph 160 and the related application materials are too generic to support consistency in practice.
- Lastly, the NBA observes that the requirements of ED-5000 seem very generic, and that only in the application material further specificity as regards sustainability is provided. Given that this standard intends to describe generically assurance on sustainability reporting, it is important that also the requirements are tailored to assurance on sustainability reporting. We urge IAASB to review the requirements for the appropriate focus on sustainability assurance.

#### *Public Interest Responsiveness*

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?

*(See Explanatory Memorandum Sections 1-B, and Appendix)*

**Overall response:** [Agree, with comments below](#)

#### **Detailed comments (if any):**

Apart from our two comments below, the NBA is of the opinion that the proposals generally are responsive to the public interest. Our two concerns in that context are:

- As explained in our response to Question 1, the NBA is of the opinion that limited assurance should be better defined and more clearly distinguished from reasonable assurance. The absence of a clear definition of what limited assurance entails in context of sustainability reporting is in the NBA's view not in the public interest.
- The standard does not sufficiently address the practitioner's responsibility to challenge the company's selection of topics on which to report. In the EU, this selection of topics should be based on an appropriate materiality process within the company, which requires appropriate procedures on behalf of the practitioner. We will provide further detail in our response to Question 9. We are of the opinion that such improvements are needed from a public interest perspective.



## Specific Questions

### *Applicability of ED-5000 and the Relationship with ISAE 3410*

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?

*(See Explanatory Memorandum Section 1-C)*

**Overall response:** [Yes, with comments below](#)

### Detailed comments (if any):

We observed that the Consequential Amendments per ED-5000 include some changes to ISAE3410 in order to reference to ED-5000. We suggest to make related cross-references from ED-5000 to ISAE3410 in order to more clearly explain the relationship between the two standards, including when these two standards should each be applied.

### *Relevant Ethical Requirements and Quality Management Standards*

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?

*(See Explanatory Memorandum Section 1-D)*

**Overall response:** [Yes, with comments below](#)

### Detailed comments (if any):

In the opinion of the NBA, appropriate Ethical Requirements as well as appropriate Quality Management Standards are paramount to ensuring high quality sustainability assurance. The NBA therefore wholeheartedly agrees with the notion that ISSA-5000 will require practitioners to also comply with ethical requirements and quality management standards.

The NBA would share the following observations in this regard:

- IESBA has not yet finished its proposals (for consultation) of ethical requirements for sustainability assurance engagements. This is an important caveat, the NBA cannot commit to proposals that are under development. This is also important because we can at this stage not determine whether the Code of Ethics is sufficiently clear for application by non-practitioners. This is important because the Code of Ethics should contribute to setting the right incentives for practitioners to achieve quality.
- The notion ‘at least as demanding’, while familiar as a concept, remains challenging in its application. It is unclear to us whether it means that each and every detailed provision should be at least equal, or whether an overall review is acceptable. We urge IAASB to clarify at which level of detail an assessment of whether other suites of standards and requirements are ‘at least as demanding’ should be made.

In this context, the NBA also observes that the standard does not provide sufficient guidance on how a determination of whether other requirements are ‘at least as demanding’ can be made, let

alone how such determination is to be evidenced/documentated. We urge to provide more specific requirements on this assessment, together with sufficiently specific application material.

ED-5000 is not clear about whether the individual practitioner, the firm or the National Standard Setter is to make the assessment of whether requirements can be considered at least as demanding as the Code of Ethics or ISQM. We would support such assessments to be made at the NSS-level, and that practitioners are entitled to rely on determinations made by the NSS.

- Finally, it should be made clear what the practitioner's responsibilities are in the context when opining on sustainability assurance. In this context, we also stress that the requirement in paragraph 34 is insufficient. The engagement leader cannot suffice with only taking responsibility for the members of the engagement team having been made aware of relevant ethical requirements; the engagement leader should also be required to determine that such requirements have been met.

#### *Definitions of Sustainability Information and Sustainability Matters*

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?

*(See Explanatory Memorandum Section 1-E, paras. 27-32)*

**Overall response:** [Yes, with comments below](#)

#### **Detailed comments (if any):**

The NBA generally supports the notions behind the proposed definitions. We suggest the following clarifications to be made:

- We suggest to expand the definition of 'assurance skills' (paragraph 17(e)) to also include risk analysis.
- We suggest to clarify the definition of 'engagement team' (paragraph 17(p)) as to whether the engagement quality reviewer is included in the engagement team or not.
- We suggest to amend the definition of 'substantive procedure'. In our opinion substantive procedures should be designed to 'determine whether or not a material misstatement exists', instead of to 'detect material misstatement', as now proposed. (paragraph 17(ss)).
- We are of the opinion that the definition of 'sustainability information' (paragraph 17(uu)) should not refer directly to 'other IAASB assurance standards', as ED-5000 is intended to be a stand-alone standard, and the reference may be (mis)understood to imply that the other standards apply as well. We therefore suggest to move the reference to the application material.
- We suggest to clarify that sustainability information may likely also include financial information, which may or may not be subject to audit. It is important that the standard then also clarifies the responsibility for the assurance of financial information that may be part of sustainability information, including, where relevant, the cooperation between the practitioner and the auditor and the extent to which the practitioner may rely on the work of the auditor.
- We are of the opinion that the definition of 'sustainability matters' (paragraph 17(vv)) lacks clarity and specificity as regards the impacts on the entity. We therefore suggest to amend clause (i) of said definition as follows (additions underlined): 'The impacts of an entity's activities, products and

services on the environment, society, economy or culture, or the impacts from environment, society, economy or culture on the entity's financial performance, position or risks, and'

6. Is the relationship between sustainability matters, sustainability information and disclosures clear? If not, what suggestions do you have for making it clearer?

(See *Explanatory Memorandum Section 1-E, paras. 35-36*)

**Overall response:** Yes (with no further comments)

**Detailed comments (if any):**

N/A

*Differentiation of Limited Assurance and Reasonable Assurance*

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?

(See *Explanatory Memorandum Section 1-F, paras. 45-48*)

**Overall response:** No, with comments below

**Detailed comments (if any):**

Our key concerns with the proposed distinction between limited and reasonable assurance and with the wide range of assurance that limited assurance under ED-5000 could deliver, have been addressed in our response to Question 1. While we don't want to repeat all comments already made, we reiterate the importance of consistency in the assurance being provided by an assurance report, and hence the need for a much clearer definition and set of expectations regarding what constitutes limited assurance on sustainability reporting. This is equally important because our discussions with practitioners show that the expectations set by ED-5000 are perceived as unclear and providing too little direction on what is expected from a practitioner.

With respect to the proposed procedures in order to be able to express a limited or a reasonable assurance opinion, we offer the following suggestions and observations:

- We would expect that substantive procedures, other than analytical procedures and reconciling the sustainability report to underlying information, would only be required for reasonable assurance engagements, in line with our earlier proposal to delineate between limited and reasonable procedures. We also observe that, while the definition of substantive procedures also addresses Tests of Detail, the standard does not elaborate on those, other than in application material paragraph A358 which is not linked to neither the definition nor the requirements on substantive procedures. We urge the Board to provide more direction on substantive procedures.
- We urge the Board to clarify that inquiry as the sole audit procedure would be insufficient, both in case of limited and of reasonable assurance.

- With respect to assurance on estimates, we wonder whether it is fitting for limited assurance that practitioners will develop an expectation themselves. If the Board retains the view that practitioners should be developing an expectation themselves, we ask the Board to clarify how practitioners can develop an expectation that is sufficiently precise for the purpose of limited assurance.

*Preliminary Knowledge of the Engagement Circumstances, Including the Scope of the Engagement*

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?

*(See Explanatory Memorandum Section 1-F, para. 51)*

**Overall response:** [Yes, with comments below](#)

**Detailed comments (if any):**

While we generally agree with the proposed approach, we suggest the following amendments:

- Firstly, we suggest that the Engagement Leader will also have a defined role in the processes regarding the preliminary circumstances of the engagement, including its scope. This seems relevant since the engagement leader will bear the ultimate responsibility for the assurance report, for which the scope is an essential element.
- Also, the preliminary knowledge of the engagement circumstances should include a high level review of the company's materiality process and whether, as a result of the company's materiality process, the relevant topics will be in scope of the sustainability reporting and the proposed assurance engagement.

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?

*(See Explanatory Memorandum Section 1-F, paras. 52-55)*

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

The entity's 'materiality process' is a cornerstone in driving company sustainability re-orting. It is therefore essential that the practitioner pays close attention to the entity's materiality process, in order to ensure that sustainability reporting includes the relevant information. We have provided some comments on the entity's materiality process in our responses to Questions 2 and 8. In addition to these comments, we have the following observations and suggestions:

- We observe that requirements on the entity's materiality process are scattered around in ED-5000. This does not contribute to practitioners giving the entity's materiality process the focus it deserves. Therefore, we suggest that the requirements regarding the company's materiality process are brought together and clearly linked to each other in the standard.

- We also emphasize that only a high-level assessment of the materiality applied by the entity, will likely not suffice stakeholder’s needs. We call upon IAASB to prevent the creation of a new expectation gap, by requiring appropriate procedures in regards the entity’s materiality process.
- Paragraph 71 on ‘appropriate sustainability matters’ focuses on those matters that the entity intends to include in its reporting. We suggest to also address in that requirement that the practitioner should assess that all items on which the entity would be required to report, are indeed included in its sustainability reporting. The requirement only seems to suggest that the practitioner should assess the appropriateness of what is reported, but the completeness of sustainability matters also requires procedures to be performed by the practitioner.
- We seek further clarification that the entity’s materiality process and its impact (in the EU’s CSRD and ESRS framework, the entity’s materiality process drives the required disclosures) on what needs to be reported, should be addressed in also limited assurance engagements (A157 addresses the need to obtain a preliminary knowledge thereon, but otherwise there is little guidance on what the practitioner is supposed to do on the entity’s materiality process). Most guidance in the standard is about the practitioner’s own materiality assessment for audit purposes, which is (as also stated in the standard) different from the entity’s materiality process.
- Finally, understanding who the stakeholders are, is a key part of the entity’s materiality process, especially when reporting under CSRD and ESRSs, as well as a crucial consideration for the practitioner’s assessment of assurance materiality. It requires more attention in the standards. This is also because the sustainability reporting requirements have increased the scope of stakeholders as compared to the stakeholders practitioners are used to consider, primarily investors.

#### *Suitability and Availability of Criteria*

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?

*(See Explanatory Memorandum Section 1-F, paras. 56-58)*

**Overall response:** [Yes, with comments below](#)

**Detailed comments (if any):**

- We suggest to elevate the language from A170 which limits the work effort on the criteria when a generally accepted framework is being applied. We suggest a consideration of whether the requirements on suitability of criteria could be made conditional to the situation that no generally accepted framework exists and to the situation that a company adds its own further criteria to those in the framework.
- We observe that most of the application material focuses on what is not required. In our view it would be useful if the application material also would better explain to practitioners what is expected, perhaps through some short examples.

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?

*(See Explanatory Memorandum Section 1-F, paras. 59-60 and 68)*

**Overall response:** [Yes, with comments below](#)

**Detailed comments (if any):**

We refer to our other comments on the entity’s materiality process in response to Questions 2 and 8-10.

Furthermore, since sustainability reporting is in large parts narrative information, with KPIs and other data to support the disclosures made, more attention is needed to qualitative aspects of assurance materiality. Whilst not entirely new, their importance is increasing and qualitative materiality has always posed challenges in implementation. This calls for enhanced guidance, and maybe further requirements. We urge the Board to be clearer on qualitative aspects of materiality.

#### *Materiality*

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?

*(See Explanatory Memorandum Section 1-F, paras. 65-74)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

The NBA considers the proposed approach unclear. We therefore suggest the following:

- It should be made clear whether, and if so how, qualitative materiality can be disaggregated over sustainability matters.
- Furthermore, disaggregation of assurance materiality and performance materiality within the group may require further guidance, since the differing nature of sustainability reporting in comparison with financial reporting, which may require a different approach, both in terms of process and in terms of approach.
- ED-5000 provides too little clarity about how assurance materiality is applied in the evaluation of misstatements and of the sufficiency and appropriateness of assurance procedures performed. For instance, it is unclear whether when the misstatements found are close to materiality, the practitioner is expected to perform additional procedures.
- We seek clarification that ‘compensation’ of misstatements is not possible when aggregating the misstatements in sustainability reporting.
- We are of the view that the requirement to ‘consider’ materiality for qualitative disclosures needs further explanation, especially for practitioners who are not used to applying the auditing standards and hence lack familiarity with the intended (relatively narrow) understanding of the verb ‘consider’.

*Understanding the Entity's System of Internal Control*

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?

*(See Explanatory Memorandum Section 1-F, paras. 75-81)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

In our opinion, the approach regarding internal control needs further clarification, both for limited assurance and for reasonable assurance engagements. More specifically we suggest that:

- The standard should be clear that for limited assurance testing of the operating effectiveness of controls is not expected. Hence, all requirements regarding the testing of controls should be marked 'R' and be made applicable to reasonable assurance engagements only. This does not mean that a practitioner in a limited assurance engagement is prevented from testing controls, but it does make clear that this is not required or expected. The application material may include language that explains that controls testing may be done in a limited assurance engagement in rare circumstances, and that the R-paragraphs will then provide useful guidance.
- We consider the standard as to what the practitioner needs to do when control deficiencies are found. We cannot find further narrative within the standard on the evaluation of deficiencies. We request clarity as to whether this means a qualified conclusion/opinion or whether there is an expectation that alternative procedures are to be performed, and if so what the nature and extent of these procedures are expected to be. We also suggest there should an 'evaluate' requirement in the reasonable assurance column.
- Finally, we observe that ED-5000 does not distinguish between limited and reasonable assurance for IPE. In our view, unless there are indications otherwise, a practitioner performing a limited assurance engagement should be able to use IPE without performing specific procedures on its reliability. A practitioner performing a reasonable assurance engagement, however, should perform procedures to determine that the information is reliable. We propose that the Board makes such clarifications in the standard. Of course, any IPE used by the practitioner should be 'fit for purpose' and provide meaningful information about the subject matter.

*Using the Work of Practitioner's Experts or Other Practitioners*

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?

*(See Explanatory Memorandum Section 1-G, paras. 82-87)*

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

The NBA has already expressed in its response to question 1 its strong concerns over the group approach in ED-5000. In addition to that, we have the following three concerns:

- Especially in case of a reasonable assurance engagement, it is important that the practitioner and expert agree on procedures to evaluate the inputs and data to be used by the expert. The expert and the practitioner need to have a mutual understanding about the validity of the inputs/data being used, and who will perform which procedures to establish that the data/inputs can indeed be used by the expert of the purposes of the expert's work.
- In the same vein, ED-5000 should be much clearer on the work effort when performing a limited assurance engagement with respect to the work of experts and other practitioners. Along our earlier suggestions (in the context of IPE) we suggest the practitioner in a limited assurance engagement should be allowed to use reports from other experts and practitioners at face value, unless there are indications otherwise.
- In addition, we are of the opinion that it is important that the expert also ensures appropriate direction, supervision and review of the work performed by members of the expert's team, where applicable. Similarly, the practitioner should ensure appropriate direction, supervision and review of the expert, taking into account that the expert is engaged on the grounds of specific expertise on a specific topic.

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?

*(See Explanatory Memorandum Section 1-G, paras. 88-93)*

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

We refer to our comments in response to Question 14.

*Estimates and Forward-Looking Information*

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?

*(See Explanatory Memorandum Section 1-G, paras. 94-97)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

In our assessment, estimates are typically more quantitative than forward-looking information which includes much more narrative and qualitative information. This difference should also lead to different procedures being necessary, whereby an estimate requires more attention to matters like accuracy and support by underlying information/evidence, and forward-looking information will require more attention to consistency of the information with the actual and planned activities of the entity, as well as the possibility



of execution of the intentions/plans. Furthermore, we suggest that the standard should also distinguish the work effort between reasonable and limited assurance for each of the two.

*Risk Procedures for a Limited Assurance Engagement*

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?

*(See Explanatory Memorandum Section 1-G, paras. 98-101)*

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

While the NBA is supportive of a distinction in the risk approach between limited and reasonable assurance, we do not support the proposed risk focus for limited assurance towards the areas where 'misstatements are likely'. As noted in our response to Question 1, we propose that the threshold should be for the practitioner in a limited assurance engagement to focus on the areas with elevated risk of material misstatement. We acknowledge that 'areas where material misstatements are likely to arise' is the definition stemming from ISAE3000, however, we observe that this definition gives rise to a lot of misunderstanding and uncertainty also by users of assurance re-ports. Given that we are now developing a specific standard for assurance on sustain-ability reporting, we are of the view that there is a very high public interest in a clearer definition of the risks that practitioners are expected to focus on.

In addition, we suggest that the notion of paragraph 115R(c) that the practitioner shall obtain more persuasive evidence the higher the assessed risk also should be applicable for limited assurance engagements, acknowledging that the level of persuasiveness of evidence still may differ between the two levels of assurance.

Finally, we suggest that the standard should provide more detail on the 'spectrum of risk', which is briefly mentioned in paragraph 123R. The sole notion about the spectrum of risk in the requirements relates to the need to test the controls in the current period. This requirement cannot work without requirements and guidance for practitioners on how to plot the risks on the spectrum and how position of a risk on the spectrum affects the further procedures to perform..

*Groups and "Consolidated" Sustainability Information*

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?

*(See Explanatory Memorandum Section 1-G, paras. 102-107)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

As referenced before in this letter, the NBA has strong concerns that ED-5000 does not address sufficiently and appropriately the topic of group assurance as well as the topic of assurance on information from outside the group (i.e., scope 3 and value chain reporting). Given that most of the entities that will be subject to the first wave of mandatory sustainability reporting, will have consolidated reporting, including reporting on value chain and/or scope-3 emissions, this topic is extremely relevant to high quality assurance. In addition to our other observations on this topics elsewhere in this letter, we have the following comments:

- Under ED-5000, assurance for consolidated reporting focuses on reporting boundaries. This is a new concept/approach. This may lead to two different approaches being applied in entities that are subject to both financial statement audit and sustainability reporting by the same practitioner/auditor/firm. These different approaches may lead to confusion and misunderstandings, both for the company and for those involved in audit/assurance. In addition, it will likely lead to inefficiencies and higher costs for stakeholders, without a related quality gain. We therefore propose to develop an approach consistent with the recently revised ISA-600 approach. In our assessment, that approach, which drives audit work on the areas of financial statement risk, would work well also for assurance on sustainability reporting.
- Finally, we are of the opinion that the communication between the various practitioners and auditors within the group audit and the group assurance engagements deserves much more attention in the standard. Timely communication between them will contribute to quality of audit and assurance, but this is not sufficiently addressed in ED-5000, nor in consequential amendments to the ISAs.

#### *Fraud*

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?

*(See Explanatory Memorandum Section 1-G, paras. 108-110)*

**Overall response:** [Disagree, with comments below](#)

#### **Detailed comments (if any):**

Fraud and greenwashing are areas of concern to many stakeholders. Assurance on sustainability reporting is an important measure to contribute to the prevention as well as detection and addressing fraud and greenwashing. This requires appropriate focus on the topics of fraud and greenwashing in the standard. In the NBA’s opinion, ED-5000 lacks soundness and specificity in its requirements and thereby fails to achieve on the expectations. The NBA has the following comments:

- A review of the ‘fraud triangle’ shows that inherently fraud risks factors can be observed. However, ED-5000 does not seem to be based on that notion, nor does it require practitioners to use the fraud triangle to help assess fraud risk factors and subsequently fraud risks.
- We also note that the risk of management override of controls may also be higher than for financial reporting, for example because information systems may be less developed, more judgements are made and override of controls is less traceable. We urge the Board to elaborate on this in the standard, and to include appropriate requirements in response.

- We ask the board to more visibly address bias in reporting. Bias may be unintentional or intentional, each requiring a different response. Some (limited) bias may not lead to a misstatement, while other bias or consistent bias to show more positive results may result in greenwashing or misstatements. When this is intentional, it may also be fraudulent. This means that practitioners should be highly conscious of the risk of bias, and perform appropriate procedures in response. We urge the Board to include this in the Standard.
- The definition of fraud in the context of ED-5000 is very high level, making it hard to apply it properly when addressing fraud and fraud risks in the performance of the assurance engagements. A definition of greenwashing is lacking entirely. We urge the Board to further develop these definitions, and also ensure that they can be applied by practitioners for determining their work effort, considering the outcomes thereof and evaluating information, indications and evidence.
- We suggest that a consideration whether the overall presentation of the reporting results in greenwashing be made an explicit consideration by the practitioner at the end of the engagement. It may well be part of the overall step-back requirement in which the engagement leader will assess the procedures performed, the evidence obtained in conjunction with the entity's reporting to assess the validity of the conclusions drawn.
- We also suggest to be more explicit about the team discussion, and to ensure that not only senior members of the engagement team are included, but also the observations from junior members of the team are sought, which is relevant because they tend to be less biased by previous experiences.
- We also seek much more clarity about the expectations on non-compliance with laws and regulations. This topic does not necessarily need to result in fraud or greenwashing, but fraud cannot be committed without breaching any laws or regulations, and therefore fraud and non-compliance do have a strong connection. Considering that the areas covered by sustainability reporting typically have many laws and regulations setting out specific requirements for companies, it is important for users of sustainability assurance as well as for practitioners to have a good understanding how far the responsibility of the practitioner goes in terms of assessing a company's compliance with all these laws and regulations.
- We suggest that with respect to fraud and non-compliance, the practitioner also needs to assess the outcomes of the entity's procedures and activities aimed at preventing, detecting and remediating fraud and non-compliance, and follow-up on these where necessary.

*Communication with Those Charged with Governance*

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?

*(See Explanatory Memorandum Section 1-G, paras. 111-112)*

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

The NBA suggests that the communication requirements with management and those charged with governance should be more consistent with the communication requirements in ISAs 260 and 265. In

addition, the NBA is worried about the lack of emphasis on the importance of adequate two-way communication between the practitioner and the entity, and urges IAASB to address two-communication more explicitly in the Standard.

#### *Reporting Requirements and the Assurance Report*

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.

*(See Explanatory Memorandum Section 1-G, paras. 116-120, 124-130)*

**Overall response:** [Yes, with comments below](#)

#### **Detailed comments (if any):**

The NBA supports the proposed approach regarding reporting. However, the NBA also observes that in a number of areas, adaptations and clarifications are necessary. The NBA's suggestions are as follows:

- ED-5000 recognizes that the standard can be used for both 'fair presentation' and 'compliance' frameworks. However, the distinction between these two frameworks isn't very clear, neither is the impact on the practitioner's procedures. We ask the Board to make clarifications accordingly.
- Earlier in this letter, we have explained that we do not support the proposed wide range of 'limited' assurance in the area of sustainability reporting, and that we instead propose a more clear and narrow definition of what constitutes limited assurance for sustainability reporting. This is because companies are increasingly required to prepare such reporting on the basis of a set framework. This is also done as to contribute to better comparability, and therefore it is essential that also the assurance work-effort is more comparable than now proposed. Accordingly, we suggest that the paragraph on what constitutes the work effort for limited assurance should be omitted, and modified by a simple and clear description of the definition of limited assurance.
- We are of the opinion that stakeholders of a reasonable assurance report for a listed entity have a justified expectation that Key Assurance Matters, similar to Key Audit Matters in an audit, will be provided in the assurance report. We agree with the Board developing a further standard thereon in the coming years, since we expect that initially the vast majority of engagements will be based on limited assurance, which limits the need for immediate development of requirements on Key Assurance Matters. We do not agree, however, with the notion in the Explanatory Memorandum that KAM for limited assurance engagements may not be appropriate or even misleading. We think that the practitioner should be allowed to include KAM in the report, whereby such KAMs should be drafted so that they are not misleading. We suggest that the Board allows the use of KAMs also for limited assurance engagements, as they can provide meaningful information.
- ED-5000 allows for an engagement to be performed on the basis that some elements will be on a limited assurance level while others will be on a reasonable assurance level. While we do not disagree with this, we ask the Board to provide more examples, and also to provide guidance on ensuring that the report and the level(s) of assurance are sufficiently understandable for users of the practitioners report.
- We seek clarification about inherent uncertainties that may exist with respect to sustainability matters. It is important in the NBA's view that the standard explains whether inherent uncertainties

that are appropriately disclosed in sustainability reporting and that are indeed unavoidable, can lead the practitioner to issue an unmodified conclusion, and if so, what procedures the practitioner must perform to support that conclusion.

- We suggest to delete paragraph 170(g) since a section on inherent limitations creates confusion. In the rare circumstance that a very specific inherent limitation regarding a specific sustainability matter would exist, this could be dealt with by an Emphasis of Matter paragraph provided that the inherent limitation is also appropriately addressed in the sustainability reporting.
- We disagree with the statement in paragraph 170(h)(vi) that the risk of not detecting material misstatement due to fraud is higher. This is not consistent with the assurance framework and the notion that the practitioner issues a report that the sustainability reporting is free from material misstatement.
- We disagree with paragraph 172 on referring to a practitioner's expert. In our view, the practitioner should take full responsibility for the opinion/conclusion and therefore not refer to any other practitioners or experts who performed work on the engagement, unless it is necessary to make such reference in order to provide the basis for a modified report. If the IAASB decides to retain the concept of referencing an expert, this should be limited to situation where law and regulation explicitly allow for such reference in the opinion/conclusion.
- We suggest to review the application material relating to the assurance report:
  - Paragraph A469 seems to suggest that the auditor's report could include the names of the entities (including those in the value chain) whose information is included in the sustainability information. We disagree with this notion, since this should form part of the sustainability reporting itself. Including it in the practitioner's report/conclusion blurs the responsibilities between the entity and the practitioner.
  - We disagree to the notion (paragraph A488(c)) that the long form reporting may elaborate on the details of the qualifications and experiences of the practitioner and others involved with the engagement. This may constitute personal data for which we wonder whether this is necessary to share.
  - We disagree that the practitioner's recommendations could be part of the long form report (paragraph A489). We do not agree that a (long form) assurance report should be the vehicle to share recommendations or advice, as these may create doubts about the value of the opinion themselves. Also, we note it is good practice that the entity can respond to the recommendations and advice, whilst the final assurance report would normally not be subject to feedback from the entity, and hence would suggest that recommendation and advice are part of other forms of communication.
- We doubt whether an 'Other matter' paragraph would be acceptable under EU-law. We are also of the opinion that a material error in the prior year will likely impact the view (from a comparability perspective) in the current year and that the practitioner should therefore consider the impact on his opinion and on the report.

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?

(See Explanatory Memorandum Section 1-G, paras. 121-123)

**Overall response:** [Agree, with comments below](#)

**Detailed comments (if any):**

We refer to the third bullet of our response to Question 21.

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?

(See Explanatory Memorandum Section 1-G, para. 131)

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

As noted in the second bullet of our response to Question 21, and along the lines set out in our response to Question 1, we disagree with a wide range of assurance levels being 'limited assurance', and rather propose a clear and narrow(er) definition of limited assurance. Therefore an elaborate explanation of what assurance is provided in a limited assurance engagement would not be necessary, since there would be a consistent and clear level of 'limited assurance'. We re-emphasize that such consistency in what entails limited assurance would be in the public interest.

*Other Matters*

24. Are there any public sector considerations that need to be addressed in ED-5000?

(See Explanatory Memorandum Section 1-I, para. 135)

**Overall response:** [No, with comments below](#)

**Detailed comments (if any):**

At this stage of implementation of sustainability reporting requirements, it is hard to foresee specific public sector considerations. We suggest the Board keeps track of implementation of sustainability reporting requirements within the public sector, in order to assess whether assurance on public sector sustainability reporting would re-require specific considerations in the Standard.

25. Are there any other matters you would like to raise in relation to ED-5000?

**Overall response:** [Yes, as further explained below](#)

**Detailed comments (if any):**

- When sustainability reporting standards require a company to report on its value chain and/or on scope-3 emissions, most of the underlying information will need to be obtained from entities beyond the company's control. The assurance on that information will likely require additional attention. This is because it is uncertain whether that information from other entities will be subject to any

assurance, and also whether the practitioner will have access to the assurance provider for that information. We urge the Board to help clarify how practitioners can deal with that in practice, by developing specific requirements and appropriate application material for those situations. We also encourage the IAASB to work with IESBA on this specific situation, as it may bear on confidentiality and independence.

- We expect that much of sustainability reporting will be in narrative form. We observe that much of the useful guidance thereon in the EER-guidance, would remain relevant to sustainability assurance. We suggest that IAASB reviews that guidance and includes a summary of it into the standard.
- The requirement on evidence is challenging in terms of how to interpret the expectation and understand the appropriateness and sufficiency of evidence. We suggest to develop clearer guidance for the practitioner on assessing the appropriateness and sufficiency of evidence.
- We suggest to reflect in paragraph 19 on compliance with the ISSA that not only all requirements should be complied with, but also that the objectives of the relevant ISSAs have been achieved.
- We suggest that in the section on Forming the Assurance Conclusion clarification is included about the role of the Engagement Leader in forming the conclusion, for instance in paragraph 163.
- We suggest to ensure that the engagement leader be required to document the work performed to take overall responsibility (paragraph 166).
- We suggest the procedures on 'other information' be further developed, especially for the rather likely situation that the practitioner providing sustainability assurance and the auditor auditing the financial statements are the same person or from the same firm. It would be inefficient if the auditor in that case would deem the sustainability information to be part of the 'other information' whereas the practitioner would deem the financial statements to be part of the 'other information'. The NBA suggests to clarify that in such a case the 'real' 'other information' is that which is made available together with sustainability information and financial statements, but is neither the first or the second.

## Part C: Request for General Comments

The IAASB is also seeking comments on the matters set out below:

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.

**Overall response:** [No response](#)

**Detailed comments (if any):**

N/A

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 ISSA. If not, what do you propose and why?

**Overall response:** [Agree, with comments below](#)

**Detailed comments (if any):**

We urge IAASB to ensure that the effective date for this standard aligns with the effective date of the sustainability provisions for the Code of Ethics, leaving after finalization of these two standards appropriate time for translation and implementation.