

**Strategy and Work Plan 2024–2027 Question 5**

Do you support the identified possible new standard-setting projects as set out in Table B (see pages 20–22) within the area of sustainability and other assurance engagements (numbered L. and M.)? Topic L., Further Standards for Assurance on Sustainability Reporting, would involve addressing multiple topics (as part of possible multiple projects). Please provide your views about likely candidate topics for further standards.

**5.6 Analysis by themes****5.6.1 Developing bespoke suite of standards on sustainability assurance****1. Monitoring Group****International Association of Insurance Supervisors (IAIS)**

The IAIS supports the IAASB's focus on the timely development of a set of standards for assurance on sustainability reporting. The IAIS fully encourages the IAASB to deliver a set of high-quality assurance on sustainability reporting standards that would lead to globally consistent and comparable application of sustainability reporting by the end of 2024.

**International Forum of Independent Audit Regulators (IFIAR)**

Whilst we acknowledge the importance of sustainability standards, we are concerned about the sufficiency of resources and the risk that work by the IAASB on sustainability standards could hinder progress in improving the ISAs. IFIAR cautions that the development of these important standards should not lead to a diversion of resources needed for the setting and revising of auditing standards, since the importance and the public interest attached for further improvement of auditing standard has not changed. IFIAR would also emphasize the importance of adhering to established timelines.

**International Organization of Securities Commissions (IOSCO)**

We agree with the Board's position of maintaining a balance in terms of the Board's focus on both the traditional area of audits and reviews of financial statements, and the evolving area of sustainability and other assurance engagements

We also agree with the Board's phased approach on sustainability related assurance standard setting and that there may be a need for more specific or granular requirements for assurance over specific sustainability information

We welcome the IAASB's work towards profession-agnostic sustainability assurance standards that build on the requirements and principles of existing standards, and that can apply on a framework-neutral basis. We encourage the IAASB to continue its work to develop high-quality standards in a timely manner and in accordance with robust due process, engaging with stakeholders to help develop standards that are fit for purpose and meet the public interest need. We recognize the special importance of the Board developing an overarching standard for assurance on sustainability reporting while still acknowledging the relevance of other financial statement related audit standard setting projects with a known public interest need such as those projects we have suggested in this letter and as you may be aware, several of which were also identified in our previous two comment letters on past IAASB Proposed Strategy and Work Plans.

## 2. Investors and Analysts

### Norges Bank Investment Management (NBIM)

We anticipate the assessment of materiality to be particularly challenging for the purpose of sustainability reporting,

## 3. Regulators and Audit Oversight Authorities

### Canadian Public Accountability Board (CPAB)

CPAB acknowledges the importance of globally consistent standards for assurance on sustainability reporting, and it is important the IAASB identify incremental resources who have the competency and capacity to address this critical project. If resources are not properly planned and managed, there is a risk that resources will be diverted from important auditing standards projects. The ISAs are the foundation on which assurance sustainability standards are being developed. As such, it is critically important that the ISAs remain fit for purpose and the IAASB incorporates sufficient capacity into its work plan to allow agility and flexibility. The companies being audited are continually evolving and the IAASB's capacity to make narrow scope amendments will be critical to achieving its goal of being more agile and innovative and addressing changing public interest issues in a timely manner. Some specific examples of emerging areas where the standards are not clear, and we have had significant inspection findings in Canada, include the audits of companies in the technology, cannabis and crypto sectors.

We appreciate the efforts by the IAASB to periodically seek inputs on its strategy to ensure its activities and pronouncements continue to meet the public interest for high-quality auditing and assurance standards. While CPAB broadly supports the strategy and work plan as set out for 2024-27, we have significant concerns about the sufficiency of resources available to address the public interest needs for both assurance on sustainability standards and to continue to proactively enhance the international auditing standards (ISAs) to be responsive to evolving and emerging auditing issues.

### Committee of European Auditing Oversight Bodies (CEAOB)

The CEAOB supports the IAASB's project for the timely development of a set of standards for assurance engagements on sustainability reporting. The CEAOB is particularly encouraging the IAASB to deliver a set of standards that would lead to globally consistent quality on limited assurance of sustainability reporting before the end of 2024, and reasonable assurance at a later point in time. This will allow European countries to implement the standard, if the outcomes are fit for the purposes and aligned with the requirements of the European Corporate Sustainability Reporting Directive.

The CEAOB would also emphasize the importance of adhering to the established timelines, especially in context of requirements for assurance that will become applicable in the near future.

### Financial Reporting Council – UK (FRC)

In particular, we see the inclusion of a significant focus on building a broadly adopted suite of standards for assurance on sustainability reporting as a timely and important measure that meets a clear public interest need.

### Haut conseil du commissariat aux comptes (H3C)

The H3C supports the IAASB's project for the timely development of a set of standards for assurance engagements on sustainability reporting.

## Independent Regulatory Board for Auditors (IRBA)

Materiality in a sustainability assurance engagement as this is key area given multi-stakeholders, diverse subject matter, double materiality considerations and qualitative nature of sustainability information and/or forward-looking nature thereof.

Group audits/ consolidations – and how to address this in sustainability assurance engagement.

Considerations for use of work of experts given this is very commonly encountered on sustainability assurance engagements and encountered across the entire engagement.

Considerations / approach with regard to Report Materiality vs materiality for purposes of evaluating identified misstatements.

Considerations / approach when engaged to provide assurance over the entire sustainability report comprising both specific metrics and narrative / graphical information (i.e., Assurance of a whole report rather than metrics only).

Considerations with regard to internal controls and the impact this has on the assurance engagement and approach, especially between the different levels of assurance.

Assurance over other focused types of sustainability information (specific topics) such as reporting on performance with respect to green bonds / green finance commitments.

Considerations / approach with regard to connectivity of sustainability information to be assured in relation to the financial statements / other information surrounding the assured information.

Subject matter specific topics and related assurance considerations e.g., assurance over the materiality process, scope 3 emissions.

Considerations for areas of difficult disclosure e.g., estimates and/or forward-looking information (typically based on scenarios etc. as opposed to historical information).

## 4. National Auditing Standard Setters

### American Institute of Certified Public Accountants (AICPA)

We believe that the final Sustainability Assurance standard in the future may not address all issues, complexities, and challenges that will likely arise in practice so the IAASB should expect the need to update those standards over time. While the IAASB has also contemplated a follow-on suite of standards to accompany the overarching sustainability assurance standard, we strongly encourage that such a suite be identified and planned for according to our earlier suggestions regarding outreach and stakeholder needs. We also anticipate such standards will likely need to identify and give due consideration toward certain subject matters and regulatory requirements in-place (or being planned) in other jurisdictions. The benefit of such an approach is it contributes to the IAASB's strategic priority to have globally accepted standards. A suite of follow-on sustainability assurance standards unto itself will also require significant resources and IAASB capacity. Taking on such work while also considering other projects will need to be carefully assessed and prioritized.

While the IAASB has decided to apply a phased approach for further standards for assurance on sustainability and those standards are expected to provide more specific or granular requirements on individual elements, each of those topics would be considered a “new” project over the Proposed Strategy and Work Plan period.

### **Australian Auditing and Assurance Standards Board (AUASB)**

The AUASB supports the current IAASB Sustainability Assurance project and the development of an overarching standard to address engagements covering this topic. However, this is a subject area where market and regulatory requirements are evolving rapidly, so whilst we may not have clarity on which topic area may be next on the IAASB's Sustainability agenda we support the IAASB making provision to include possible new projects to address any Sustainability reporting developments over the 2024–2027 Work Plan period.

### **Austrian Chamber of Tax Advisors and Public Accountants (KSW)**

Regarding ISSA 5000, using the work of an auditor's expert should be a focus since recourse to subject-matter experts will be needed in assurance of sustainability information. This includes both focus on ISSA 5000 and other sustainability assurance that will trickle down to SME/LCE as part of supply chain reporting involving smaller audit firms (SMP).

We are supportive of L. Further Standards for Assurance on Sustainability see (9).

### **Canadian Auditing and Assurance Standards Board (AASB)**

Special Considerations for Group Sustainability Assurance Engagements – Currently, ISSA 5000 provides limited requirements and guidance for circumstances when the sustainability assurance engagement is conducted on consolidated sustainability information. We believe that it would be challenging to adequately address this topic in an overarching standard. The importance of a standard-setting project on group sustainability assurance engagements depends on the extent to which ISSA 5000 addresses this topic.

Assurance Procedures on Estimates – Similar to the above, we believe that it would be challenging to adequately address this matter in an overarching standard. A standard-setting project on estimates may be important to the extent that this topic is not sufficiently addressed in ISSA 5000.

Assurance on reports in accordance with frameworks and/or regulation (e.g., sustainability reporting standards promulgated by key international organizations that deal with sustainability standards such as the GRI, ISSB, UNSDG) – This future standard-setting project should be prioritized as it will be the future of sustainability assurance engagements once the frameworks are more established.

### **CNCC-CNOEC - France**

Regarding the Point L. « Further Standards for Assurance on Sustainability Reporting », we understand that ISSA 5000 is an overarching standard that could be complemented on individual elements of the assurance engagement or of the entity's sustainability reporting, by new standards derived from ISSA 5000, for example on climate, thus forming a series.

### **Hong Kong Institute of Certified Public Accountants (HKICPA)**

Sustainability reporting has become a standard practice for many companies and a growing trend is expected in coming years. It is anticipated that the IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB) will be applied widely and become the key reporting framework for sustainability disclosures. Therefore, we support the IAASB to develop an overarching standard for assurance on sustainability reporting, in particular, reports or disclosures prepared in accordance with the ISSB standards.

We also support the identified possible new standard-setting projects set out in Table B within the area of

sustainability and other assurance engagements (numbered L. and M.) (pages 20–22).

### Japanese Institute of Certified Public Accountants (JICPA)

#### (2) Items that should be included in ISSA 5000 series

Depending on what is ultimately included or not included in ISSA 5000 which is currently under development, we believe that the following items, for example, are necessary for assurance on sustainability reporting and in order for ISSA 5000 series to be separate, complete and stand-alone standards that are independent of other ISAs and ISAEs, etc. Therefore, we suggest that assurance standards for the below items be developed.

- Connectivity between financial and non-financial information
- Entity's processes and internal controls to gather and disclose sustainability information
- Future-oriented information
- Fraud risks (e.g. greenwashing)
- Information in other companies within the group or information related to the entire value chain

#### 1) Development of sustainability-related topic-specific International Standards on Sustainability Assurance and practical guidance

Because ISSA 5000 is an overarching standard for sustainability assurance engagements, more specific assurance standards and practical guidance that address topic-specific issues need to be developed. Among many topics, we suggest that the IAASB develop assurance standards and guidance related to climate-related information. The reason for this is that climate-related information is considered to be the most important topic, given that IFRS S2 “Climate-related Disclosures” is under development. Also, even if the overarching standard of ISSA 5000 incorporates some of the contents of ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements,” which is currently applied to assurance engagements related to greenhouse gas emissions, it is considered necessary to incorporate a wider range of contents to ISSA 5000 series to ensure a smooth transition from ISAE 3410.

In addition, we think that other individual topics are to be prioritized in line with the progress of the sustainability-related disclosure projects by the International Sustainability Standards Board.

Finally, we would like to add that we have received comments from assurance practitioners that they have high practical needs for standards on assurance engagements for the statement of use of proceeds from the issuance of sustainability bonds and standards on assurance engagements for EU taxonomy information, although these are not topic-specific assurance standards or practical guidance of ISSA 5000

We support further standards for assurance on sustainability reporting as the possible new standard-setting project noted in Table B because we recognize that the enhancement of ISSA 5000 “General Requirements for Sustainability Assurance Engagements” series is a very important and high priority project in the 2024-2027 work plan.

Our suggestions for possible new standard-setting projects for Topic L. “Further Standards for Assurance on Sustainability Reporting” are (1) and (2) below.

#### (1) Development of sustainability-related topic-specific International Standards on Sustainability Assurance and practical guidance

### **Public Accountants and Auditors Board (PAAB) Zimbabwe**

We support the possible new standard-setting projects as set out in Table B within the area of sustainability and other assurance engagements. We are of the view that since the ISSB is developing sustainability standards, there is need to develop standards for assurance on sustainability reporting as this will provide clarity, uniformity, consistency, faithful representation, and other qualitative and quantitative basis for reporting in this area. This is because soon, the auditors will be auditing and reviewing financial reports that are prepared in line with ISSB standards.

Some of the stakeholders in Zimbabwe are however not yet clear on whether there will be a separate auditor's report on the monetary amounts and another on the sustainability aspects of the business.

### **Royal Netherlands Institute of Chartered Accountants (NBA)**

The NBA would underscore the urgency on standard setting regarding Sustainability.

NBA strongly supports and urges to prioritize the project on assurance in respect of Sustainability Reporting. The NBA has already developed a domestic standard in this area which we would be more than willing to present if that would be helpful.

## **5. Accounting Firms**

### **BDO International Limited**

Yes, we support the identified possible new standard-setting projects and phased approach envisaged by the IAASB as set out in Table B.

However, we would place a higher priority on further standards for assurance on sustainability reporting as compared to assurance on XBRL, due to the urgency of sustainability reporting developments and the need to build consistency sooner rather than later. There is an inherent danger that without consistency from the outset, firms, regulators and other standard-setters (i.e., national or regionally-based) start to develop and interpret their own methodologies and body of standards, with the result that this could impede global adoption further down the line.

### **Deloitte LLP**

We strongly support the phased approach to address the needs for assurance standards on sustainability reporting and, as noted above, believe the focus of the IAASB should first be on completing all in-progress projects. After ISSA 5000, we believe it is imperative to address how ISAE 3000, ISAE 3410, and the EER Guidance fit with ISSA 5000 to avoid confusion among practitioners who are using all of these standards and guidance to perform varying, yet similar, engagements. Addressing this matter may include communicating externally that these standards and guidance remain fit for purpose without any changes at the current time or concluding that a new project is needed to incorporate into ISAE 3000 a subset of the changes made in developing ISSA 5000 .

Once the possible impact to ISAE 3000, ISAE 3410, and the EER guidance has been considered and addressed (again, the results of this consideration may range from issuing communications to establishing separate projects to revise them), we would be supportive of the development of additional standards under the ISSA 5000 umbrella, including consideration of whether ISAE 3410 may better fit as a subject matter standard within the ISSA 5000 suite of standards

### **Ernst & Young Global Limited**

Considering the feedback received to the exposure draft on ISSA 5000 to assess the need to develop an ISSA on “Key sustainability assurance matters” that would be applicable for reasonable assurance engagements.

Creating an ISSA to address assurance reporting on Green House Gas Statements, to replace the existing ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, as this existing standard will need aligned with ISSA 5000.

### **ETY sas**

L. Further Standards for Assurance on Sustainability Reporting (new standards)

With regard to the growing need for sustainability information and report, we welcome a quick development of ISAs on this topic. Our jurisdiction with resources constraints is not expected to develop local standards to address these needs and we clearly support development of global standards on that global need.

We support the identified possible new standard-setting projects in paragraphs L and M

### **Grand Thornton International Limited**

We support the proposal to develop further standards for assurance on sustainability reporting. We are of the view that there is a real need for assurance standards in the emerging area of sustainability reporting. As sustainability frameworks are being developed, providing engagement teams with the means to provide quality assurance against those frameworks is crucial.

### **KPMG IFRG Limited**

We also understand that the IAASB is considering exploring the development of additional assurance standards within the ISSA 5000 series to address individual elements of the assurance engagement in greater detail, e.g. further developing the concept of materiality as it applies to an assurance engagement; estimates which are not monetary amounts/ are not based on financial information, and assurance reporting, including modified conclusions, which would be applicable to assurance engagements across a number of different underlying subject matters.

We believe that the IAASB has a key role to play in developing global solutions in terms of assurance standards that best serve the public interest in this arena. In order to balance stakeholder needs for timely delivery of standards and the extent of these, we welcome the phased approach that the IAASB is proposing, i.e. to focus on the development of ISSA 5000, the foundational assurance standard for sustainability assurance engagements, as an immediate priority, with future standard-setting projects to be determined to meet the evolving needs of intended users of sustainability information as assurance practice develops. We consider that the accelerated development of ISSA 5000 will complement the development of sustainability reporting standards, and entities’ reporting in accordance with such standards.

### **Mazars**

We fully support the topic L Further Standards for Assurance on Sustainability Reporting and we believe it should take priority.

## PriceWaterhouseCoopers

Proposed ISSA 5000, like ISAE 3000 (Revised) today, will create a solid platform to build upon. But we recognise there are challenges that an overarching principles-based general requirements standard may not be able to address in sufficient detail. Practitioners and other users of the assurance standards are likely to seek direction on how to apply ISSA 5000 to particular topics, and regulators may expect the IAASB to take steps to facilitate more consistency in application when specific reporting frameworks are applied (e.g., ESRs promulgated by EFRAG). We encourage the Board to continue its outreach with stakeholders, including utilising the upcoming exposure draft process, to identify those challenges and areas where further subject- or topic- specific standards or guidance are most warranted. This may include, for example, further explaining critically important public interest areas such as fraud (including “greenwashing”), the concept of “double materiality” or “impact materiality”, and materiality related to qualitative information.

## RSM International Limited

we suggest that the IAASB considers a climate change reporting standard.

## 6. Public Sector Organizations

### Office of the Auditor General of Alberta

The GRI was established in 1997 and has issued sustainability standards across many topics. The IAASB should use its resources to co-ordinate, support and advance already existing and widely used global baseline sustainability standards of the GRI. We note the GRI standards map to the UN SDGs and the European sustainability standards, therefore the IAASB’s best sustainability assurance standards will be those built to provide assurance on double materiality standards such as the GRI. We note that the ISSB standards should likely be considered special-purpose sustainability standards for which IAASB could consider developing specific underarching standard(s), perhaps based on ISA 800, at some time in the future.

We note that the ISSB standards should likely be considered special-purpose sustainability standards for which IAASB could consider developing specific underarching standard(s), perhaps based on ISA 800, at some time in the future.

We suggest that IAASB clearly define its approach for underarching standards to ISSA 5000. We suggest that this approach be like the ISAs, a cohesive and integrated set of standards that implement stages and phases of assurance engagements, instead of the approach to underarching standards under ISAE 3000, which are applied more or less on a stand-alone basis. We suggest IAASB clearly define criteria for when ISSA 5000 is amended versus an underarching standard is created, determine whether the underarching standards will be in the clarity format, and determine whether guidance for a particular aspect of sustainability assurance will remain or be removed from ISSA 5000 when an underarching standard is created.

## 7. Member Bodies and Other Professional Organizations

### Accountancy Europe

Organisations of all sizes need to rapidly transform their business models to contribute to a sustainable economy. Accountancy Europe is committed to support Europe’s ambitious sustainability objectives and considers companies’ reporting and assurance thereon as important means to this end. Therefore, sustainability reporting and assurance should be given the highest priority by all stakeholders including the

IAASB.

In this regard, we are pleased that the ED ISSA 5000 will be released earlier than expected to allow stakeholders more time to provide input. This is especially important for Europe considering the deadlines set in CSRD for sustainability reporting and assurance.

The nature and scope of further standards on sustainability should be determined by demands following the publication of ISSA 5000. As noted above, a new standard on climate-related disclosures and updating ISAE 3410 to have it aligned with future ISSA 5000 could be the topics for new IAASB projects.

#### **ASEAN Federation of Accountants (AFA)**

Consistent with our response in par. 5, we believe that the Board's priority should be to progress and complete its existing projects, while responding to the key and urgent new project on sustainability assurance. Questions are being asked by stakeholders to the profession on the absence of a global baseline for assurance of sustainability reporting and we believe that it is essential for the Board to take leadership in responding to this challenge. Progressing with the overarching standard for assurance on sustainability reporting (ISSA 5000) would be a good start for the Board.

#### **Association of Chartered Certified Accountants (ACCA)**

In regards to likely candidate topics for further standards, ACCA has recently published a thought leadership report titled Sustainability Assurance – rising to the challenge. The underlying research was supported by a series of roundtables with sustainability assurance providers noting some areas for future standard setting focus. These areas include:

Risk of greenwashing

The unprecedented dependence on experts – may suggest going beyond ISAE 3000 and ISA 620. This is a topic that may need to be considered in coordination with IESBA.

Estimates – recognising that in Sustainability Assurance engagements practitioners deal with hypothetical scenarios which are not based on historical data or past performance.

Assurance report – should be recognised as a key priority area given that this is the end product of the assurance engagement.

#### **CPA Australia**

Within the area of sustainability and other assurance engagements, we support the IAASB's phased approach to developing the overarching standard for sustainability reporting assurance engagements as an immediate priority, followed by the development of future topic-specific assurance standards as part of a bespoke suite of standards on sustainability assurance. Future specific topics could include materiality in the context of non-financial disclosures, scenario analysis and the use of experts (not already addressed by ISA 620). Consistent with our response to Question 3, we urge the IAASB to include pre-implementation monitoring as part of its project plan.

#### **European Federation of Accountants and Auditors (EFAA)**

We generally support the identified possible new standard-setting projects.

We welcome topic L. Further Standards for Assurance on Sustainability Reporting (new standards).

### **Institute of Chartered Accountants of Nigeria (ICAN)**

Response:

We are in support of the Board’s possible new standard-setting projects as set out in Table B within the area of sustainability and other assurance engagements.

We do not have any further topics, as the topics set out are comprehensive for the Standards for Assurance on Sustainability Reporting

Response:

We are of the opinion that the Board should consider establishing Auditing standard on the impacts of Climate change and Sustainability reporting.

### **Institute of Chartered Accountants of Scotland (ICAS)**

Further Standards for Assurance on Sustainability Reporting (new standards) We have decided to apply a phased approach to address the needs for assurance standards on sustainability reporting, which comprises: (1) immediate action to develop an overarching standard for sustainability assurance engagements (see Table A); (2) future actions to align with the evolving maturity over time of the needs of intended users of sustainability information, sustainability reporting standards, entities’ reporting in accordance with such standards, and assurance practice.

- After completion of the overarching standard, we anticipate the need to continue to develop further standards as part of a bespoke suite of standards on sustainability assurance. These standards will provide more specific or granular requirements on individual elements of the assurance engagement or individual elements of an entity’s sustainability reporting.
- The above approach would involve addressing multiple topics, which may each be considered a ‘new’ project in the context of the commencement of new projects from 2024 to 2027 (see explanation on page 18). In certain instances, it may be desirable to group a number of topics together (depending on their nature and extent) to represent a project. We believe that such standards should be a key focus of the IAASB’s strategy for the short to medium term. We are, therefore, supportive of the IAASB’s proposed approach.

### **Institute of Singapore Chartered Accountants (ISCA)**

We look forward to the exposure draft of ISSA 5000, which is anticipated to drive consistency in the way assurance engagements over sustainability reporting are carried out.

We agree that subsequent to the completion of ISSA 5000 as the overarching standard, there will be a need for the IAASB to develop further standards on more specific requirements on certain aspects of sustainability reporting. This is because the topic of sustainability or sustainability reporting branches out to many individual sub-topics, which may individually warrant separate assurance engagements.

As a case in point, some organisations obtain multiple assurance reports covering various aspects of sustainability or sustainability reporting. For example, on top of an ISAE 3000 report on preparation of selected sustainability information in accordance with a sustainability reporting standard, an entity may also obtain an assurance report in accordance with ISO 14064 on certain greenhouse gas emissions information. The entity may further obtain another assurance report on selected disclosures which have

been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures.

While there are merits to each of these assurance engagements, it would generally be confusing to the users of the sustainability information given the variation in frameworks used.

As such, it would be worthwhile for the IAASB to establish ISSA 5000 as the global baseline for sustainability assurance standard and work with other assurance standard-setters, such as ISO, to have their standards align with the principles of ISSA 5000 and minimise overlapping requirements. This would enhance the clarity for users of the assurance reports.

#### **Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso (ONECCA-BF)**

ONECCA BF supports the identified possible new standard-setting projects in paragraphs L and M

##### **L. Further Standards for Assurance on Sustainability Reporting (new standards)**

With regard to the growing need for sustainability information and report, ONECCA BF welcomes a quick development of ISAs on this topic. Our jurisdiction with resources constraints is not expected to develop local standards to address these needs and ONECCABF strongly support development of global standards on that global need.

#### **Pan-African Federation of Accountants (PAFA)**

While we support the projects proposed under Topic L, we question whether there is a need for a separate standard on XBRL (Topic M). Given that the data that is reported through XBRL is subject to existing standards, and that ISAE 3000 is already in existence and being used, we do not believe that there is a need for an additional standard for this purpose.

#### **Wirtschaftsprüferkammer (WPK)**

However, going forward and on the other side, the requirements of sustainability and other assurance engagements pose significant challenges for the profession. This will require significant demands on the resources of all stakeholders and should be the clear focus of IAASB's activities. We would therefore encourage the IAASB to put more emphasis on these sustainability issues and to elaborate even further that this will be the focus for the coming years.

Yes, in principle we agree with the proposals.

However, the projects should be prioritized.

According to the European “Corporate Sustainability Reporting Directive” (CSRD) “independent assurance provider” shall be entitled to perform assurance services on sustainability reports as well.

We are therefore convinced that the IAASB must primarily focus its resources on developing a high-quality and globally applicable standard for assurance on sustainability reports.

The requirements for sustainability reports will presumably differ around the world. It is all the more necessary that the future standard can cope with these different requirements.

In the future, the sustainability report in the EU will be part of the management report. According to the CSRD, the sustainability report must be audited, initially with limited assurance, and in subsequent years with reasonable assurance.

This means that the opinion on the sustainability report must be harmonized in some way with the audit opinions on the annual financial statements and the management report. Solutions must be developed for this.

## 8. Academics

### Deakin University Integrated Reporting Centre

In relation to ‘those charged with governance’, we believe that the definition of ‘those charged with governance’ should be revisited so that management and the board of directors are separated and not viewed as one:

given the modern concept of governance, which is enshrined in the Integrated Reporting Framework, where the board of directors (and equivalents) is an instrument of value creation in its own right, complementing the separate but connected role of management in developing and implementing strategy; and

the separate roles, responsibilities and potential liabilities of the board of directors and management enshrined in company law, including in relation to corporate reporting, in many parts of the world.

Strong integrated reports should include descriptions of both the governance and strategic management processes and associated KPIs as to the performance and prospects of those processes, demonstrating the connectivity between the separate but complementary contributions of the board and management to value creation. This is important to investors and other stakeholders in understanding the respective roles of the board of directors and management in relation to the business, its performance and prospects.

This separation permeates the entire Integrated Reporting Framework. It is the board of directors who accept, declare responsibility for the integrity of integrated and other corporate reports to investors, and are the bodies that litigants look to in relation to perceived deficiencies in those reports. Management reports to and is overseen by the board of directors.

Such an aligned conceptual framework can be the basis of future sustainability reporting standard-setting by both organisations, ensuring continued connectivity and alignment in standards and reporting under them.

A bespoke integrated reporting assurance standard

Integrated reporting assurance is an example of a form of sustainability reporting which in our view requires a bespoke standard. Just as integrated reporting is an important component of sustainability reporting, integrated reporting assurance is an important component of sustainability reporting assurance. This was recognised by the inclusion of an integrated reporting assurance example (Example 10) in the IAASB’s 2021 Extended External Reporting Assurance (EERA) Guidance.

Other aspects of such a bespoke standard will relate to specific considerations in relation to the way in which assurance evidence is gathered, the use of experts, the substance of communications with those charged with governance and management - particularly when report modifications in relation to the description of The Business or Basis of Preparation and Presentation are possible, reaching conclusions and reporting on the engagement.

We agree with the decision to apply a phased approach to address the needs for assurance standards on sustainability reporting, beginning with the overarching framework-neutral, practitioner-agnostic ISSA 5000. We also agree with the strategy for future actions to be aligned with the evolving maturity over time of the needs of intended users of sustainability information, sustainability reporting standards, reporting in accordance with such standards, and assurance practice, building a suite of bespoke standards on more

specific requirements of individual elements of the assurance engagement or individual elements of an entity's sustainability reporting.

## 9. Individuals and Others

### Chris Barnard

Please see my comments on sustainability reporting in my response to question 2 above. I will keep an open mind on this topic, and will gladly participate in your consultation process for the Overarching Standard for Assurance on Sustainability Reporting (ISSA 5000).

I also support the IAASB's proposal to prioritize efforts on the rapidly evolving theme of sustainability reporting. I welcome further clarification and guidance here, and fully agree with you that "there is the need for assurance and a growing, urgent call to develop international standards on sustainability assurance".

## 5.6.2 Aligning proposed ISSA 5000 with other the IAASB standards

### 1. Monitoring Group

#### International Organization of Securities Commissions (IOSCO)

In this regard, the Board should consider whether the concepts and outcomes pursued in these other financial statement related audit standard setting projects might also be relevant for assurance over sustainability related information such as suggested updates to the International Standard on Auditing (ISA) 500 series, ISA 620, Using the Work of an Auditor's Expert and Internal Controls.

### 4. National Auditing Standard Setters

#### American Institute of Certified Public Accountants (AICPA)

Given that expectation and the expectation that the IAASB does not believe it is possible within the 2024-2027 work plan period to take on revisions to International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), we are concerned about the consequences for those in practice who apply ISAE 3000 for assurance engagements for which no stand-alone standard exists. We believe commensurate updates to the new Sustainability Assurance standard suite and ISAE 3000, to the extent changes in one informs changes in the other, is important to the consistent performance of high-quality assurance engagements. As such, IAASB planning, and resources need to be allocated to perform this work. Instead of undertaking a project to revise ISAE 3000 each time a Sustainability Assurance standard is issued or revised, the IAASB could consider building into those project plans anticipated "conforming" amendments to ISAE 3000.

#### Canadian Auditing and Assurance Standards Board (AASB)

The development of ISSA 5000 has identified numerous areas where requirements beyond existing ISAE 3000 have been developed, such as quality management, materiality, and estimates. These areas also exist in other assurance engagements that use ISAE 3000. By reflecting on the new principles, requirements and application material developed for ISSA 5000, and incorporating the relevant material in ISAE 3000, the updated ISAE 3000 will be better positioned to ensure the same high-quality assurance engagements for both existing engagements and future emerging demands for new assurance engagements.

In addition, the IAASB will need to consider the next steps regarding ISAE 3410 and ISAE 3400 after ISSA 5000 is completed. This may include revising or withdrawing the ISAEs to remove inconsistencies among

the assurance engagement standards.

#### **CNCC-CNOEC - France**

We agree and consider that ISAE 3410, Assurance Engagements on Greenhouse Gas Statements (June 2012), should be revised to conform with ISSA 5000 requirements.

Additionally, we believe that EER guidance should be updated to align with ISSA 5000 as it contains useful examples to implement sustainability assurance standard.

### **5. Accounting Firms**

#### **Deloitte LLP**

We strongly support the phased approach to address the needs for assurance standards on sustainability reporting and, as noted above, believe the focus of the IAASB should first be on completing all in-progress projects. After ISSA 5000, we believe it is imperative to address how ISAE 3000, ISAE 3410, and the EER Guidance fit with ISSA 5000 to avoid confusion among practitioners who are using all of these standards and guidance to perform varying, yet similar, engagements. Addressing this matter may include communicating externally that these standards and guidance remain fit for purpose without any changes at the current time or concluding that a new project is needed to incorporate into ISAE 3000 a subset of the changes made in developing ISSA 5000 .

Once the possible impact to ISAE 3000, ISAE 3410, and the EER guidance has been considered and addressed (again, the results of this consideration may range from issuing communications to establishing separate projects to revise them), we would be supportive of the development of additional standards under the ISSA 5000 umbrella, including consideration of whether ISAE 3410 may better fit as a subject matter standard within the ISSA 5000 suite of standards

#### **Ernst & Young Global Limited**

Updating ISAE 3000, Assurance engagements other than audits or reviews of historical financial information, to incorporate requirements, application material or drafting concepts in final ISSA 5000 that would be beneficial to all assurance engagements. If the IAASB does not undertake this project concurrent with, or shortly after the issuance of ISSA 5000, we believe there is a risk that the baseline ISAE 3000 will be viewed as a “lesser” standard and there will be confusion among the profession as to why there are more robust requirements in ISSA 5000 compared to ISAE 3000.

#### **KPMG IFRG Limited**

As we have noted in other, recent communications with the IAASB, for example, in our comment letter on the EER Guidance Document, there are a number of concepts and guidance that the IAASB has explored and developed, and which are included in the EER Guidance Document, which may be considered to extend beyond those set out in ISAE 3000 (Revised), e.g. in respect of understanding internal control; application of the concept of materiality, and the introduction of the concept of assertions. We note that certain of this material is derived from the ISAs, adapted as appropriate for assurance engagements, and we believe these concepts and related guidance are important to assist practitioners in operationalising certain requirements of ISAE 3000 (Revised) when performing an assurance engagement. Accordingly, we recommend that the IAASB consider a project to update ISAE 3000 (Revised) (together with the other assurance standards in the ISAE 3000 suite) to incorporate such material.

We encourage the IAASB to consider the current positioning of ISAE 3410, Assurance Engagements on Greenhouse Gas Statements within the ISAE 3000 series, and how this is intended to interact with ISSA 5000 going forwards. We consider it important to develop a mechanism to clearly establish the relationship between ISSA 5000 and ISAE 3410, to enable ISAE 3410 to be applied when performing a broader sustainability assurance engagement with a greenhouse gas element in accordance with ISSA 5000, and reporting in accordance with ISSA 5000, i.e. that ISSA 5000 should clearly cross-reference to, and confer authority to use, ISAE 3410 as part of such a broader engagement, with ISAE 3410 complementing ISSA 5000 by including incremental/more explicit requirements for the greenhouse gas element of the broader engagement, and so that an engagement team does not need to explicitly report in accordance with both standards

We highlight that the inclusion of such material within the assurance standards themselves is important, in particular, for practitioners who do not have an audit background, and therefore would not be able to apply such concepts unless these are embedded in the standards, supported by appropriate application material.

We recommend that ISAE 3000 (Revised), in particular, and other standards in the ISAE 3000 suite of standards, are updated and, to the degree appropriate, aligned with ISSA 5000, and other standards that may be developed in the ISSA 5000 series in the future. We also consider that all assurance standards would benefit from updates to more closely align them with the auditing standards, where applicable, as these have undergone significant revisions in recent years, in particular, with respect to reporting matters; the identification and assessment of risks, and the implications of the recent rapid development in technology.

#### **RSM International Limited**

We support the identified new standard-setting project on sustainability reporting set out in Table B but as mentioned in our response to Question 3, we would appreciate clarification of the impact of ISSA 5000 on ISAE 3410, given that greenhouse gas assurance could also come under sustainability. Would practitioners in this area follow ISAE 3410 or ISSA 5000?

### **7. Member Bodies and Other Professional Organizations**

#### **Accountancy Europe**

The nature and scope of further standards on sustainability should be determined by demands following the publication of ISSA 5000. As noted above, a new standard on climate-related disclosures and updating ISAE 3410 to have it aligned with future ISSA 5000 could be the topics for new IAASB projects.

#### **Chartered Accountants Australia and New Zealand (CA ANZ)**

7 Further sustainability standards as needed (new) A phased approach to address the needs for assurance standards on sustainability reporting, which comprises: (1) immediate action to develop an overarching standard for sustainability assurance engagements);

(2) future actions to align with the evolving maturity over time of the needs of intended users of sustainability information, sustainability reporting standards, entities' reporting in accordance with such standards, and assurance practice. We agree that these projects should be undertaken as necessary, however, until specific needs are identified, they are a lower priority than other more fundamental projects. The board also needs to consider whether the current ISAE suite should be revised to reflect changes that have occurred within the ISA suite and any material that may be useful that has been developed in the sustainability

standard.

## **5.6.3 Continuing outreach and engagement with stakeholders**

### **1. Monitoring Group**

#### **International Organization of Securities Commissions (IOSCO)**

we encourage further engagement with stakeholders as this area matures

### **2. Investors and Analysts**

#### **Norges Bank Investment Management (NBIM)**

Regarding likely candidate topics for specific standards beyond the overarching one, we suggest strong stakeholder engagement to inform prioritisation. We anticipate the assessment of materiality to be particularly challenging for the purpose of sustainability reporting, but encourage the IAASB to closely engage with preparers, assurance providers and other stakeholders to evaluate which specific topic, if any, would most benefit from a specific project and standard. A sensible approach could be to first evaluate the market response, adoption and implementation of the overarching sustainability assurance standard ISSA 5000, as this would facilitate assessment of which specific aspects of the sustainability assurance engagement might need more granular requirements.

### **4. National Auditing Standard Setters**

#### **American Institute of Certified Public Accountants (AICPA)**

While the IAASB has also contemplated a follow-on suite of standards to accompany the overarching sustainability assurance standard, we strongly encourage that such a suite be identified and planned for according to our earlier suggestions regarding outreach and stakeholder needs

### **5. Accounting Firms**

#### **Ernst & Young Global Limited**

Continue to proactively engage in understanding needs and challenges related to assurance on ESG information (both as part of the audit and with respect to assurance on non-financial reporting). As an example, the recent project initiated by the IASB on climate-related risks in the financial statements will require coordination between the IAASB and the IASB and may lead the IAASB to consider a project on updating the ISAs to add considerations of climate-related risks in an audit.

#### **KPMG IFRG Limited**

Instead, we recommend that the IAASB monitor practice and liaise with other bodies, including sustainability reporting standard-setters, such as the ISSB, as well as regulatory bodies driving initiatives in this area, e.g. the EU and the US. Such monitoring and outreach activities could inform, and be the basis for, expanded requirements and application material to ISSA 5000, which we envisage would address the application of the standard to specific subject matter information. In the longer term, if the IAASB does decide to pursue separate standards in respect of specific topic areas in response to issues that may emerge from underlying subject matters that form part of a broader sustainability assurance engagement, we recommend that such standards are developed to address only incremental requirements and related application material in respect of the subject matter and do not duplicate material from ISSA 5000, as the foundational standard,

i.e. we do not consider that such standards should be standalone, but rather that they should supplement ISSA 5000.

We would be supportive of this approach, and we note that many such ‘emerging assurance issues’ were explored in detail in the Non-Authoritative Guidance: Extended External Reporting (EER) Assurance (the “EER Guidance Document”). We recommend that the IAASB continue to monitor practice in this area and liaise with other bodies, including sustainability reporting standard-setters, such as the ISSB, as well as regulatory bodies as appropriate.

## **MNP LLC**

CPAs practice under established and well-recognized global assurance standards and our experience can be leveraged and adapted to meet this need with respect to the development of sustainability assurance standards. As a profession, CPA registrants and firms are well positioned to safeguard the public interest and provide services for assurance and non-assurance engagements over sustainability information. We, therefore, recommend that the IAASB should continue its efforts to further the involvement of CPAs in establishing robust assurance standards for sustainability. This will become even more important as financial reporting and sustainability reporting become more integrated. The IAASB should also engage with external regulators of non-CPA sustainability assurance service procedures to ensure a uniform high-quality application of IAASB standards.

Collaboration with the International Sustainability Standards Board (“ISSB”). If the eventual integration of financial and sustainability-related information within one report is an end goal to which global entities are aspiring in their recommended approach to ESG reporting, there will need to be effective coordination between the IAASB and ISSB pertaining to language, goal-setting and timeliness to maintain uniformity. However, we also note that IAASB ESG assurance standards should also be applicable to future US ESG reporting standards for entities that may be listed in the US.

## **PriceWaterhouseCoopers**

We support the Board in being agile to monitor and respond to evolving sustainability reporting standards and demands for assurance thereon from intended users of sustainability information, to determine the need for, and prioritisation of, further International Standards or guidance on Sustainability Assurance.

Proposed ISSA 5000, like ISAE 3000 (Revised) today, will create a solid platform to build upon. But we recognise there are challenges that an overarching principles-based general requirements standard may not be able to address in sufficient detail. Practitioners and other users of the assurance standards are likely to seek direction on how to apply ISSA 5000 to particular topics, and regulators may expect the IAASB to take steps to facilitate more consistency in application when specific reporting frameworks are applied (e.g., ESRs promulgated by EFRAG). We encourage the Board to continue its outreach with stakeholders, including utilising the upcoming exposure draft process, to identify those challenges and areas where further subject- or topic- specific standards or guidance are most warranted. This may include, for example, further explaining critically important public interest areas such as fraud (including “greenwashing”), the concept of “double materiality” or “impact materiality”, and materiality related to qualitative information.

## **7. Member Bodies and Other Professional Organizations**

### **Institute of Singapore Chartered Accountants (ISCA)**

As such, it would be worthwhile for the IAASB to establish ISSA 5000 as the global baseline for

sustainability assurance standard and work with other assurance standard-setters, such as ISO, to have their standards align with the principles of ISSA 5000 and minimise overlapping requirements. This would enhance the clarity for users of the assurance reports.

#### **International Federation of Accountants' Small and Medium Practices Advisory Groups (SMPAG)**

The SMPAG supports the approach of developing an overarching standard for sustainability assurance engagements. Whether and when this can be followed by future standards as part of a bespoke suite on sustainability assurance is, however, unclear. There will be some jurisdictions that are moving quickly in this space, but we do not have any global topics for consideration at this time. We believe that it is currently still too early to determine the need for further standards in this area and recommend the Board undertakes outreach activities to understand where, if any, the most demanding areas to further explore are. That said, we appreciate the IAASB's signaling its willingness to address new demands that will undoubtedly arise in this field in future.

#### **Nordic Federation of Public Accountants (NRF)**

We strongly support global standards regarding sustainability assurance engagements, and we believe the IAASB has a key role to play in this regard. This is however a new area, and therefore to some extent difficult at this point in time to anticipate what the most appropriate next step should be. We encourage a regular dialogue and outreach activities with different stakeholder groups to be able to understand where the greatest public interest need is.

#### **Norwegian Institute of Public Accountants**

We support the input shared by NRF.

### **8. Academics**

#### **Deakin University Integrated Reporting Centre**

We recommend that the overall sustainability reporting assurance project be pursued in close collaboration with the ISSB (in relation to the TCFD and Integrated Reporting Framework-derived components of S1 and S2) and the Connectivity and Integrated Reporting team within the IFRS Foundation in relation to integrated reports prepared in accordance with the Integrated Reporting Framework

### **9. Individuals and Others**

#### **Cristian Munarriz**

Yes, I support these possible new standard-setting projects. Sustainability should be top priority and work coordinated with sustainability reporting standard-setters like ISSB and GRI.

## **5.6.4 Monitoring the global development of sustainability reporting and assurance thereon**

### **1. Monitoring Group**

#### **International Organization of Securities Commissions (IOSCO)**

This further highlights the importance of the Board remaining flexible to address new or emerging issues based on the needs of investors. In addition to setting auditing standards, we encourage the Board to

continue to monitor developments globally and prioritize action on audit and sustainability topics with a known public interest need.

### **3. Regulators and Audit Oversight Authorities**

#### **Committee of European Auditing Oversight Bodies (CEAOB)**

The CEAOB supports the IAASB’s project for the timely development of a set of standards for assurance engagements on sustainability reporting. The CEAOB is particularly encouraging the IAASB to deliver a set of standards that would lead to globally consistent quality on limited assurance of sustainability reporting before the end of 2024, and reasonable assurance at a later point in time. This will allow European countries to implement the standard, if the outcomes are fit for the purposes and aligned with the requirements of the European Corporate Sustainability Reporting Directive.

#### **Haut conseil du commissariat aux comptes (H3C)**

The H3C is particularly encouraging the IAASB to deliver a set of standards that would lead to globally consistent quality on limited assurance of sustainability reporting before the end of 2024, and reasonable assurance at a later point in time. This will allow European countries to implement the standards, if the outcomes are fit for the purposes and aligned with the requirements of the European Corporate Sustainability Reporting Directive.

### **4. National Auditing Standard Setters**

#### **American Institute of Certified Public Accountants (AICPA)**

We also anticipate such standards will likely need to identify and give due consideration toward certain subject matters and regulatory requirements in-place (or being planned) in other jurisdictions. The benefit of such an approach is it contributes to the IAASB’s strategic priority to have globally accepted standards.

#### **Austrian Chamber of Tax Advisors and Public Accountants (KSW)**

Focus on sustainability ISSA 5000 is of most importance. We need a robust and easily applicable standard for the limited assurance aspect of sustainability reporting (i.e., CSRD in Europe), but also for sustainability data reported from suppliers in the supply chain to those reporting on “full sustainability requirements”.

#### **Hong Kong Institute of Certified Public Accountants (HKICPA)**

Sustainability reporting has become a standard practice for many companies and a growing trend is expected in coming years. It is anticipated that the IFRS Sustainability Disclosure Standards developed by the International Sustainability Standards Board (ISSB) will be applied widely and become the key reporting framework for sustainability disclosures. Therefore, we support the IAASB to develop an overarching standard for assurance on sustainability reporting, in particular, reports or disclosures prepared in accordance with the ISSB standards.

#### **Public Accountants and Auditors Board (PAAB) Zimbabwe**

We support the possible new standard-setting projects as set out in Table B within the area of sustainability and other assurance engagements. We are of the view that since the ISSB is developing sustainability standards, there is need to develop standards for assurance on sustainability reporting as this will provide clarity, uniformity, consistency, faithful representation, and other qualitative and quantitative basis for

reporting in this area. This is because soon, the auditors will be auditing and reviewing financial reports that are prepared in line with ISSB standards.

## 5. Accounting Firms

### Ernst & Young Global Limited

Closely monitor advancements in corporate reporting requirements and continue coordination with the IASB and the International Sustainability Standards Board (ISSB) as well as other ESG standard-setting organizations.

### PriceWaterhouseCoopers

We support the Board in being agile to monitor and respond to evolving sustainability reporting standards and demands for assurance thereon from intended users of sustainability information, to determine the need for, and prioritisation of, further International Standards or guidance on Sustainability Assurance.

## 7. Member Bodies and Other Professional Organizations

### Institute of Singapore Chartered Accountants (ISCA)

As a case in point, some organisations obtain multiple assurance reports covering various aspects of sustainability or sustainability reporting. For example, on top of an ISAE 3000 report on preparation of selected sustainability information in accordance with a sustainability reporting standard, an entity may also obtain an assurance report in accordance with ISO 14064 on certain greenhouse gas emissions information. The entity may further obtain another assurance report on selected disclosures which have been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures.

### Wirtschaftsprüferkammer (WPK)

In the future, the sustainability report in the EU will be part of the management report. According to the CSRD, the sustainability report must be audited, initially with limited assurance, and in subsequent years with reasonable assurance.

## 8. Academics

### Deakin University Integrated Reporting Centre

We recommend that the IAASB should closely monitor developments in relation to and as a result of the ISSB's forthcoming Integration in Reporting consultation, which is expected to be issued in the second quarter of 2023. This project is likely to have significant implications for ISSA 5000 between the time that the Exposure Draft is issued and the standard is finalised in 2024.

We believe that the IAASB should consider discussing with the IFRS Foundation a shared or common conceptual framework which contains key concepts and definitions (for instance, the concept of 'sustainability' and its relationship to the six capitals of the Integrated Reporting Framework and enterprise value, the definitions of 'sustainability-related financial' and 'those charged with governance'); and where the fundamental concepts of the Integrated Reporting Framework provide a potential foundation for that common framework in the same way that integrated thinking is the foundation of integrated reporting.

A Basis of Preparation and Presentation focusing on the Integrated Reporting Framework as the primary

reporting framework for an integrated report together with the use of IFRS Sustainability Disclosure Standards as primary standards can ensure that integrated reports will be suitable criteria for assurance under ISSA 5000.

## **5.6.5 Assessing the IAASB's need for resources**

### **1. Monitoring Group**

#### **International Forum of Independent Audit Regulators (IFIAR)**

Whilst we acknowledge the importance of sustainability standards, we are concerned about the sufficiency of resources and the risk that work by the IAASB on sustainability standards could hinder progress in improving the ISAs. IFIAR cautions that the development of these important standards should not lead to a diversion of resources needed for the setting and revising of auditing standards, since the importance and the public interest attached for further improvement of auditing standard has not changed. IFIAR would also emphasize the importance of adhering to established timelines.

### **3. Regulators and Audit Oversight Authorities**

#### **Canadian Public Accountability Board (CPAB)**

CPAB acknowledges the importance of globally consistent standards for assurance on sustainability reporting, and it is important the IAASB identify incremental resources who have the competency and capacity to address this critical project. If resources are not properly planned and managed, there is a risk that resources will be diverted from important auditing standards projects. The ISAs are the foundation on which assurance sustainability standards are being developed. As such, it is critically important that the ISAs remain fit for purpose and the IAASB incorporates sufficient capacity into its work plan to allow agility and flexibility. The companies being audited are continually evolving and the IAASB's capacity to make narrow scope amendments will be critical to achieving its goal of being more agile and innovative and addressing changing public interest issues in a timely manner. Some specific examples of emerging areas where the standards are not clear, and we have had significant inspection findings in Canada, include the audits of companies in the technology, cannabis and crypto sectors.

We appreciate the efforts by the IAASB to periodically seek inputs on its strategy to ensure its activities and pronouncements continue to meet the public interest for high-quality auditing and assurance standards. While CPAB broadly supports the strategy and work plan as set out for 2024-27, we have significant concerns about the sufficiency of resources available to address the public interest needs for both assurance on sustainability standards and to continue to proactively enhance the international auditing standards (ISAs) to be responsive to evolving and emerging auditing issues.

#### **Financial Reporting Council – UK (FRC)**

We encourage the IAASB to consider how the strategy and work plan can be delivered in the context of available resources, as well as how competing priorities can be managed. It may be challenging to cover the breadth of content the IAASB proposes to work on, alongside important projects in respect of revisions to auditing standards. This may be particularly pressing an issue in relation to sustainability reporting, where the IAASB may need to acquire new skillsets in a competitive market for talent and, as the strategic objective on this topic points out, there is an expectation of urgency.

#### 4. National Auditing Standard Setters

##### American Institute of Certified Public Accountants (AICPA)

A suite of follow-on sustainability assurance standards unto itself will also require significant resources and IAASB capacity. Taking on such work while also considering other projects will need to be carefully assessed and prioritized.

#### 5. Accounting Firms

##### Grand Thornton International Limited

We recommend that the IAASB consider allocating resources to the development of this standard in priority to the audit topics listed above. As previously discussed, not only will this assist in the issuance of such standards on a more timely basis, it will also provide audit firms with a period of stability in which to consolidate and embed changes to methodologies for those standards recently issued and those standards currently under revision, thereby continuing to promote quality audit engagements.

#### 7. Member Bodies and Other Professional Organizations

##### Wirtschaftsprüferkammer (WPK)

However, going forward and on the other side, the requirements of sustainability and other assurance engagements pose significant challenges for the profession. This will require significant demands on the resources of all stakeholders and should be the clear focus of IAASB's activities. We would therefore encourage the IAASB to put more emphasis on these sustainability issues and to elaborate even further that this will be the focus for the coming years.

#### 9. Individuals and Others

##### Mo Chartered Accountants (Zimbabwe)

Yes, we do. Standards setters and regulators need to be careful not to get unjustifiably swept up in all the euphoria surrounding such standards and ensure that it is practical and justifies the necessity to implement such and who needs to implement this in light of all the greenwashing and papering-over of information. Also there will up scaling of skills and knowledge required to respond and implement these standards and this will have a bearing across multiple service lines. All these factors need to be considered.

### 5.6.6 Developing framework-neutral and profession-agnostic sustainability assurance standards

#### 1. Monitoring Group

##### International Association of Insurance Supervisors (IAIS)

The IAASB should be aware that the sustainability reporting standards can be implemented on a stand-alone basis and should be implementable by all assurance practitioners.

##### International Organization of Securities Commissions (IOSCO)

We welcome the IAASB's work towards profession-agnostic sustainability assurance standards that build on the requirements and principles of existing standards, and that can apply on a framework-neutral basis. We encourage the IAASB to continue its work to develop high-quality standards in a timely manner and in

accordance with robust due process, engaging with stakeholders to help develop standards that are fit for purpose and meet the public interest need.

#### 4. National Auditing Standard Setters

##### American Institute of Certified Public Accountants (AICPA)

As we stated earlier, we are concerned about the long-term impact to the global accountancy profession (including the regulatory oversight thereof in the public interest) because of the development of profession-agnostic sustainability ethics and assurance standards. We also shared our view that implementation and other guidance will be vital, and that resource priority should be given to that work over new standard setting projects through 2024.

Profession-Agnostic Sustainability Assurance. It is unclear what the long-term consequences to the global accountancy profession will be, and thereby the consequences of public interest, because of decisions by the IESBA and the IAASB to develop profession-agnostic sustainability-related ethics and assurance standards. We understand that regulators in certain jurisdictions may allow for sustainability engagements to be conducted by individuals who are not practitioners, as defined by the IAASB and IESBA standards, and those stakeholders are looking to both boards to develop standards that can be more widely applied. That realization notwithstanding, will standards that are intended to be understandable and applied by those outside the accountancy profession impact:

The clarity of responsibilities, including the quality of the work performed and the durability of the related code of ethics,

The ability to regulate practitioners and non-practitioners and hold them accountable to their responsibilities, and

The pipeline of global talent (i.e., talented students may seek to become nonpractitioners applying the same assurance standards as practitioners)?

A market-based accountancy profession that provides trust in the capital markets ecosystem is in the public interest because of its commitment to a comprehensive system built to protect the public interest (i.e., standards, ethics, licensing, training, oversight, enforcement, and regulatory requirements). Clarity is needed regarding how the IAASB will focus on the comprehensive quality of sustainability assurance engagements given the shift to develop profession-agnostic authoritative standards that can be applied by other professions that may not have the comprehensive approach to quality like the accountancy profession and may not view their responsibilities to the public interest in the same way. With the approval of the Proposed Strategy and Work Plan, we believe the IAASB should express a long-term direction about this significant change in focus and describe the benefits and risks to all interested stakeholders, including how it may impact regulatory oversight of the accountancy profession and other providers of sustainability assurance. It would not be in the public interest for these types of assurance engagements to be performed by non-practitioners unless they are subject to regulatory oversight to ensure the IAASB and IESBA standards are applied in the way they are intended.

##### Australian Auditing and Assurance Standards Board (AUASB)

The AUASB appreciates the need for standard setting projects to align to current and existing IAASB pronouncements. However where new standards are intended for use by a wide range of stakeholders (including non-accountants, as is the case with the proposed Sustainability Assurance standard currently in development), it is important that the scope of any proposed standards is inclusive and not overly drawn-out

and complex. Brevity and clarity should be a priority when drafting new standards, especially when they are intended to have a broad user base.

### **Canadian Auditing and Assurance Standards Board (AASB)**

We also encourage the IAASB to continue to maintain neutrality in future sustainability assurance projects (i.e., avoid promoting one sustainability reporting framework over another). To that end, we suggest that the IAASB's final strategy and workplan refer not just to the ISSB, but to all key international organizations that deal with sustainability standards (e.g., GRI, ISSB and UNSDG).

### **New Zealand Auditing and Assurance Standards Board (NZAuASB)**

It is critical that the IAASB is, and is seen to be, an independent standard setter, transparent and operating free from bias. We consider this is particularly important in the context of developing profession agnostic, globally accepted standards for assurance on sustainability reporting.

We encourage the IAASB to ensure its due process is profession agnostic, including non-accountants in the membership of the board and task forces and in broad consultation from the project proposal stage.

## **5. Accounting Firms**

### **Baker Tilly International**

Baker Tilly response: We support the IESBA's project to make the IESBA Code profession agnostic in support of ISSA 5000 being profession agnostic. To complete the suite of profession agnostic standards which deliver high quality independent standards for sustainability assurance engagements, performed to globally accepted standards of ethics and independence within a globally accepted framework, the IAASB should consider making International Standards of Quality Management 1 and 2 profession agnostic too. In our view this is a greater priority than the projects described in L and M of Table 2.

### **MNP LLC**

To promote quality and consistency across the global market, it is imperative that standards established apply equally to all sustainability assurance service providers. Whether the service providers are CPAs or non-CPAs and whether they are providing assurance or non-assurance services over sustainability information there is a need for a high level of accountability and responsibility to stakeholders and these requirements should be equally applied across any profession providing these services to reduce complexity, foster uniformity and promote trust/reliability in the market.

## **8. Academics**

### **Deakin University Integrated Reporting Centre**

We agree with the decision to apply a phased approach to address the needs for assurance standards on sustainability reporting, beginning with the overarching framework-neutral, practitioner-agnostic ISSA 5000. We also agree with the strategy for future actions to be aligned with the evolving maturity over time of the needs of intended users of sustainability information, sustainability reporting standards, reporting in accordance with such standards, and assurance practice, building a suite of bespoke standards on more specific requirements of individual elements of the assurance engagement or individual elements of an entity's sustainability reporting.

## 5.6.7 Other specific views on Topic L

### 1. Monitoring Group

#### International Organization of Securities Commissions (IOSCO)

We welcome the IAASB's work towards profession-agnostic sustainability assurance standards that build on the requirements and principles of existing standards, and that can apply on a framework-neutral basis. We encourage the IAASB to continue its work to develop high-quality standards in a timely manner and in accordance with robust due process, engaging with stakeholders to help develop standards that are fit for purpose and meet the public interest need.

### 3. Regulators and Audit Oversight Authorities

#### Committee of European Auditing Oversight Bodies (CEAOB)

The CEAOB is particularly encouraging the IAASB to deliver a set of standards that would lead to globally consistent quality on limited assurance of sustainability reporting before the end of 2024, and reasonable assurance at a later point in time.

The CEAOB would also emphasize the importance of adhering to the established timelines, especially in context of requirements for assurance that will become applicable in the near future.

#### Financial Reporting Council – UK (FRC)

We also note the potential for new and time urgent issues to emerge, and therefore the need for contingency and prioritisation.

#### Haut conseil du commissariat aux comptes (H3C)

The H3C is particularly encouraging the IAASB to deliver a set of standards that would lead to globally consistent quality on limited assurance of sustainability reporting before the end of 2024, and reasonable assurance at a later point in time.

The H3C would also emphasize the importance of adhering to the established timelines, especially in context of requirements for assurance that will become applicable in the near future.

#### Irish Auditing and Accounting Supervisory Authority (IAASA)

IAASA supports the IAASB's project for the timely development of standards for assurance engagements on sustainability reporting. It is essential that the IAASB meets its timelines in this area given the requirements for the assurance of sustainability reporting that will soon be applicable in Europe.

In particular, it is important that the IAASB delivers a set of standards that will lead to a globally consistent approach to the limited assurance of sustainability reporting before the end of 2024, and reasonable assurance after that. This will allow European countries including Ireland to implement the standard, if it is aligned with the requirements of the European Corporate Sustainability Reporting Directive.

### 4. National Auditing Standard Setters

#### American Institute of Certified Public Accountants (AICPA)

As we stated earlier, we are concerned about the long-term impact to the global accountancy profession (including the regulatory oversight thereof in the public interest) because of the development of profession-

agnostic sustainability ethics and assurance standards. We also shared our view that implementation and other guidance will be vital, and that resource priority should be given to that work over new standard setting projects through 2024.

### **Austrian Chamber of Tax Advisors and Public Accountants (KSW)**

Focus on sustainability ISSA 5000 is of most importance. We need a robust and easily applicable standard for the limited assurance aspect of sustainability reporting (i.e., CSRD in Europe), but also for sustainability data reported from suppliers in the supply chain to those reporting on “full sustainability requirements”.

## **5. Accounting Firms**

### **Baker Tilly International**

The sustainability assurance project should be the IAASB's priority, and delivered to a shorter timeframe than described in this plan

### **Ernst & Young Global Limited**

We believe that it will be critical for the IAASB to perform a post-implementation review of ISSA 5000 Overarching Standard for Assurance on Sustainability Reporting and that targeted revisions to that standard, based on this post-implementation review and changing expectations of stakeholders, may be needed in two to three years post implementation due to the evolving nature of this topic.

Develop implementation guidance for ISSA 5000, including report examples. Because ISSA 5000 will be overarching in nature, it is our understanding that only a few examples will be available in ISSA 5000. Specifically, we suggest that the “non-authoritative guidance on applying ISAE 3000 (Revised) to sustainability and other extended reporting assurance engagements” (“EER guidance”) be revised and aligned with ISSA 5000, as we believe this guidance contains a lot of very useful examples. We feel it will be very difficult to continue using the EER guidance without such revisions as the requirements and vocabulary used in ISSA 5000 will differ from the ones in ISAE 3000 (revised) and the existing EER guidance.

Consider providing non-authoritative guidance in instances where it has been identified that there is a pressing need, but it is not feasible to develop and deploy a standard on an accelerated basis.

### **MNP LLC**

The development of assurance standards should include the same qualities as the audits and reviews standards, such as, globally relevant, coherent, scalable, proportionate, operable, and adaptable for the future. We believe that there needs to be proportionate consideration given to smaller issuers and non-public entities in the development of sustainability standards and it needs to represent the less complex entities as they represent a large volume of entities globally. We believe that the standard-setting process and oversight thereof should contain a principle that there are differences between large public, mid-market and non-public companies and that the relevant assurance standards may need to differ to meet the needs of stakeholders in the different spaces. The approach taken by the IAASB should not be a “one-size fits all”. We believe oversight needs to continue to be different between these companies.

## 7. Member Bodies and Other Professional Organizations

### Accountancy Europe

It would also be helpful for the IAASB to consider its role with regards to the need for support material for ISSA 5000 given the significance of this "new land" for many stakeholders.

### Chartered Accountants Ireland (CAI)

We note the timeline for the ED of ISSA 5000 reflects this urgency.

### European Federation of Accountants and Auditors (EFAA)

We welcome topic L. Further Standards for Assurance on Sustainability Reporting (new standards). That said, as we note above in our response to Q3 we are concerned to ensure from the outset that any new standards on sustainability reporting and assurance carefully and fully consider scalability and SMEs / LCEs from the outset – ‘Think Small First’ or ‘Think Simple First’.

## 5.6.8 Does not support Topic L or part of Topic L

### 4. National Auditing Standard Setters

#### Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)

Consequently, we do not believe that the projects referred to in either L. or M. should be planned to be undertaken at this time. We refer to our response to question 6 below as to other areas within the assurance and related services space for which projects may be of greater importance at an international level.

We believe that considering further standards for assurance on sustainability reporting (L) is very premature because, until the ISSA 5000 is completed and has been implemented over a number of years so that a reasonable post-implementation review can be performed, the IAASB will not be in a position to determine whether further standards are necessary, if any, and if so, which ones.

With respect to the second bullet point under Proposed Strategic Objective 2, we note the implicit commitment to initiate further standards on sustainability assurance. Even if the selection of new topics is subject to the criteria set out in the Framework for Activities, we are hesitant about supporting the initiation of projects for further sustainability standards because we believe that once ISSA 5000 has been issued in final form, the IAASB needs to allow some time for implementation as well as for a few years' experience of application of the standard before commencing a post-implementation review of the application of the standard. Only once such a post-implementation review has been undertaken would the IAASB be able to use the results of this review to determine whether additional standards, if any, might be needed.

### 5. Accounting Firms

#### KPMG IFRG Limited

As a result of the developing nature of reporting frameworks and client readiness, as well as the limited extent of practical experience of practitioners, we do not consider that practice is sufficiently mature, currently, to support the development of additional, bespoke standards in the ISSA 5000 series, regarding discrete underlying subject matters that may form part of a broader sustainability assurance engagement. We also recommend that ISSA 5000 should first be adopted and implemented, to inform the need for additional standard-setting projects. Further, even as practice matures in this area, we do not believe it should be necessary, and in fact we do not consider it to be the most appropriate approach, to develop

entirely new standards in respect of individual underlying subject matters as we believe that ISSA 5000 should be capable of operating not just as a foundational standard, but with sufficient specificity such that it can be applied on engagements across a wide range of underlying subject matters within the sustainability arena.

In the longer term, if the IAASB does decide to pursue separate standards in respect of specific topic areas in response to issues that may emerge from underlying subject matters that form part of a broader sustainability assurance engagement, we recommend that such standards are developed to address only incremental requirements and related application material in respect of the subject matter and do not duplicate material from ISSA 5000, as the foundational standard, i.e. we do not consider that such standards should be standalone, but rather that they should supplement ISSA 5000.

## **7. Member Bodies and Other Professional Organizations**

### **Institute of Chartered Accountants in England and Wales (ICAEW)**

#### **L. FURTHER STANDARDS FOR ASSURANCE ON SUSTAINABILITY REPORTING (NEW STANDARDS)**

Following successful completion of the initial sustainability assurance standard we suggest that a stable platform is needed for implementation, and to enable IAASB to focus on other critical projects, including technology, to the extent that it has not been addressed earlier.

Technology is included as a key strategic driver. We suggest that it should instead be a strategic objective. Additional work on sustainability, alongside the proposed work plan would be too ambitious, leaving inadequate time and focus. Please also see paragraph 14 and 17 above.

While standard setters are excited about the new sustainability assurance standard, it is based on extant standards, including ISAE 3000 (Revised). The maintenance of extant standards should therefore remain a priority for IAASB.

## **5.6.9 XBRL**

### **1. Monitoring Group**

#### **International Organization of Securities Commissions (IOSCO)**

Other assurance engagements

1 Assurance on XBRL Medium

We suggest the Board continues to monitor the pervasiveness of assurance requirements and the public interest need related to digital reporting. As certain jurisdictions already require assurance on XBRL, we suggest a separate standard-setting project is undertaken to support consistent and comparable assurance engagements

### **3. Regulators and Audit Oversight Authorities**

#### **Committee of European Auditing Oversight Bodies (CEAOB)**

Given the increasing use of financial statements in digitalized format, and the prospect of preparation of sustainability statements in such a format, the CEAOB also supports the development of an ISA to address the specific needs and challenges for the audit of statements produced in electronic format. Guidelines adopted by the CEAOB in 2021 in the absence of relevant international standard available to cover those specific challenges could be used as a starting point by the IAASB in this regard.

### **Haut conseil du commissariat aux comptes (H3C)**

#### Electronic formats of reporting (XBRL)

Given the increasing use of financial statements in digitalized format, and the prospect of preparation of sustainability statements in such a format, the H3C also supports the development of an ISA to address the specific needs and challenges for the audit of statements produced in electronic format. Guidelines adopted by the CEAOB in 2021 in the absence of relevant international standard available to cover those specific challenges could be used as a starting point by the IAASB in this regard.

### **Independent Regulatory Board for Auditors (IRBA)**

#### Assurance of XBRL (New Standard)

This is low in priority for our jurisdiction. The South African Companies and Intellectual Property Commission makes use of XBRL. Assurance of XBRL reporting is not yet required by the regulator.

### **Irish Auditing and Accounting Supervisory Authority (IAASA)**

Given the increasing use of financial statements in a digitalised format, and the proposed requirement to prepare sustainability statements in such a format, IAASA supports the proposed development of an ISA to address the specific needs and challenges relating to the audit of statements produced in electronic format.

## **4. National Auditing Standard Setters**

### **Australian Auditing and Assurance Standards Board (AUASB)**

Furthermore the AUASB does not consider any new standard on Joint Audits or Assurance on XBRL should be part of the IAASB's proposed future Work Plan, as both of these subject matter areas do not have a wide application across the globe and the IAASB should prioritise its resources on projects with a broader international scope.

### **Austrian Chamber of Tax Advisors and Public Accountants (KSW)**

As reporting and assuring XBRL generated reports will increase in the future (e.g. CSRD requirement in Europe) we do support to explore the need for an assurance standard on XBRL.

### **CNCC-CNOEC - France**

Regarding the Point M. « Assurance on XBRL », we believe that XBRL is an important topic (tagging is also used to check the consistency of accounts) and not just an additional assurance topic.

This is why we would like the IAASB to launch an XBRL project, but not for a new ISAE 3000 standard or to complete its application, but rather to make it a research project in order to understand how these elements should be integrated into the ISAs (how and under what conditions?): risk assessment, work effort and report -see our comment in the cover letter.

It is also the case for the ISAEs and even for ISSA 5000, since sooner or later, it will be the whole corporate reporting that will be digitalized (in Europe for instance, the CSRD on corporate sustainability reporting, currently being transposed in the Member States, requires XBRL for sustainability reporting).

Another point to take into account in this project should be the security of reporting, with the electronic signature; Html files are indeed easy to modify.

We believe that between now and the publication of a standard, it would be useful to have a staff paper to bridge the gap between "today" and the "target".

### **Hong Kong Institute of Certified Public Accountants (HKICPA)**

We also support the identified possible new standard-setting projects set out in Table B within the area of sustainability and other assurance engagements (numbered L. and M.) (pages 20–22).

### **Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)**

With respect to assurance on XBRL (M.), based upon our experience in writing our national IDW standard for assurance on the European Single Electronic Format – ESEF – (which covers both the conversion of financial statements and management report into XHTML and their tagging with iXBRL), we have come to the conclusion that the nature of the assurance conclusion and therefore the nature and extent of the assurance work depends largely upon how local legislation designs the requirements for both the technology that reporting entities are to apply and the nature of the assurance conclusion to be given by practitioners. For these reasons, we do not believe that it is possible to design an international standard for this area that is both “framework-neutral” and “jurisdiction-neutral”, which, in our view is a prerequisite for an assurance standard at an international level

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Consequently, we do not believe that the projects referred to in either L. or M. should be planned to be undertaken at this time. We refer to our response to question 6 below as to other areas within the assurance and related services space for which projects may be of greater importance at an international level.

### **New Zealand Auditing and Assurance Standards Board (NZAuASB)**

Use of XBRL is not prevalent in NZ, however, we would support a project on assurance over XBRL if there is demand from other jurisdictions, given the increasing focus on digital reporting of financial information under various reporting frameworks, and the international efforts to standardise this.

Looking forward, we would like to see the IAASB working towards a set of standards that can be used across various subject matters (financial, non-financial, sustainability) presented together in the same report. We do not believe that it will serve global markets to perform assurance engagements on different types of subject matter in accordance with different standards and to report in separate assurance reports in the long term.

### **Public Accountants and Auditors Board (PAAB) Zimbabwe**

We support the possible new standard-setting projects as set out in Table B within the area of sustainability and other assurance engagements.

## Royal Netherlands Institute of Chartered Accountants (NBA)

We also note that the use of XBRL for reporting is increasingly mandated, and therefore we support developing a global standard for assurance on reporting in XBRL. The NBA has developed a domestic standard for such assurance, which could potentially form a basis for a global standard.

## 5. Accounting Firms

### BDO International Limited

Yes, we support the identified possible new standard-setting projects and phased approach envisaged by the IAASB as set out in Table B.

However, we would place a higher priority on further standards for assurance on sustainability reporting as compared to assurance on XBRL, due to the urgency of sustainability reporting developments and the need to build consistency sooner rather than later. There is an inherent danger that without consistency from the outset, firms, regulators and other standard-setters (i.e., national or regionally-based) start to develop and interpret their own methodologies and body of standards, with the result that this could impede global adoption further down the line.

### Deloitte LLP

We believe these sustainability-related projects would take precedence over a project to address XBRL, as they are more important from a public interest perspective.

### Ernst & Young Global Limited

With regards to project number M: Assurance on XBRL (new standard), we believe that the IAASB should continue to monitor demand for a specific assurance standard on financial information reported in a digital format. However, from an assurance standard-setting standpoint, we do not believe that the development of this standard is a priority.

### ETY sas

M. Assurance on XBRL (new standard)

XBRL is not common in our jurisdiction, we encourage the IAASB to consider other reporting format as well.

We support the identified possible new standard-setting projects in paragraphs L and M

### Grand Thornton International Limited

We would not support a project to explore the need for an assurance standard on XBRL at this time. We are of the view that resources would be better allocated towards developing further standards for assurance on sustainability engagements.

### KPMG IFRG Limited

We agree with the IAASB's proposal to explore this area further, and we recommend that they reach out to other key stakeholders, including those involved in establishing the criteria for performance of these engagements. We highlight the initiatives already underway, e.g. the European Single Electronic Format (ESEF) regulations, and the applicability of certain US Data Quality Commission XBRL rules for US SEC filers.

As above, we also believe that it may not be necessary to develop an entirely new standard, within the ISAE 3000 series, for assurance on XBRL as a discrete subject matter that is subject to such assurance. Instead, we believe that an updated ISAE 3000 (Revised) should also be capable of operating not just as a foundational standard, but with sufficient specificity such that it can be applied on engagements across a wide range of subject matters, including an XBRL assurance engagement.

### **Mazars**

For topic M XBRL, we believe that tagging is key but we should be careful to be principles based and not developing a standard based on a technology that could be maybe replaced very soon by another one.

### **PriceWaterhouseCoopers**

For many jurisdictions, digital financial reporting is simply not being contemplated and therefore this project is seen as of little value and low priority. For other jurisdictions, such as in the EU and US, digital reporting is an area of growth and is likely to expand quite rapidly. As such, these jurisdictions view a project to address assurance needs in this area as being higher priority. Overall, we believe this is likely to become a much higher priority in the near future and the Board needs to maintain active monitoring of jurisdictional developments to determine if, and when, there is sufficient demand for global standard-setting activity, including assessing whether a global solution is possible based on jurisdictional requirements. In one respect, we would draw comparisons to the Board's current LCE project. There is a risk that, if the IAASB does not seek to address this topic in the short- to medium-term, the greater is the likelihood of more national standard setters developing jurisdictional responses and inconsistent approaches to assurance developing that creates barriers to a global baseline solution. At a minimum, we recommend the Board needs to accelerate its information gathering and research activities with respect to this project such that it is ready to move swiftly when the time is right.

### **RSM International Limited**

We question whether an assurance standard on XBRL is required and would prefer the IAASB to defer this project whilst other more urgent standards are addressed, as discussed above.

## **7. Member Bodies and Other Professional Organizations**

### **Association of Chartered Certified Accountants (ACCA)**

Assurance on XBRL (new standard)

While we do not disagree with exploring the need for a new standard on XBRL as regulation in this space continues to develop globally, we still believe that the topics discussed above have higher priority and as of today are more relevant globally.

### **Chartered Accountants Australia and New Zealand (CA ANZ)**

Assurance over XBRL Explore the need for an assurance standard on XBRL in response to the increased focus and use of digital reporting (for financial and non-financial information). This could be a potential subject-matter specific standard that builds on and supplements the application of ISAE 3000 (Revised) for these assurance engagements. We believe that digital reporting will become more widely adopted/mandated in the coming years. However, while we encourage the board to consider the assurance implications of the adoption of digital reporting using XBRL, there is no current mandate for digital reporting in Australia or New Zealand, so this project is low priority.

### **Chartered Accountants Ireland (CAI)**

There needs to be a project on an Auditing Standard for XBRL tagging, similar to the ISA 501 scope standard on a specific matter

### **CPA Australia**

The use of XBRL-based digital reporting is not prevalent in Australia as there are no current mandated requirements for this form of reporting. However, we have been advocating for the adoption of mandated digital reporting for listed companies over the past decade and accordingly, we believe it will be of value to include new requirements in ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Revised) that support the application of XBRL-based financial reporting.

### **Institute of Chartered Accountants in England and Wales (ICAEW)**

IAASB should not prioritise assurance on XBRL. XBRL is currently fragmented globally, and its implementation is required on a more consistent basis before assurance can be considered. Recognition of the digitalisation of reporting should be addressed within revisions to extant ISAs where necessary.

### **Institute of Chartered Accountants of Nigeria (ICAN)**

Response:

We are in support of the Board's possible new standard-setting projects as set out in Table B within the area of sustainability and other assurance engagements.

We do not have any further topics, as the topics set out are comprehensive for the Standards for Assurance on Sustainability Reporting

### **Institute of Chartered Accountants of Scotland (ICAS)**

M Assurance on XBRL (new standard) Explore the need for an assurance standard on XBRL in response to the increased focus and use of digital reporting (for financial and non-financial information). This could be a potential subject-matter specific

standard that builds on and supplements the application of ISAE 3000 (Revised) for these assurance engagements. We are not convinced at this time of the need for IAASB to expend scarce resources on this proposed initiative.

### **Institute of Management Accountants (IMA) & XBRL International**

Through this letter, we emphasize and encourage the development of a global standard for the independent review of Inline XBRL as important and urgent. Moreover, it appears that this development may benefit from supporting assessments of the following:

- The status of regulation, listing requirements, or similar mandates regarding the use of XBRL or similar tagging technology and the extent to which they create an environment suitable for the adoption of assurance standards.
- The costs of the current fragmented data transmission systems and how the use of digital reporting technology saves the costs of corporate reporting compliance throughout the information value chain
- The benefits and challenges of instituting separate assurance engagements on issued data (reports),

such as a specialist add-on to ISAE 3000.

- The frequency and timing for which such assurance should be provided over externally issued data.
- The resources and timeline for developing such an international solution regarding the assurance of digital corporate reporting, including a phased-in approach that responds to accelerating legal requirements (such as, for example, the reliance on independent assurance for existing European Single Electronic Format (ESEF) digital disclosures).

#### **International Federation of Accountants' Small and Medium Practices Advisory Groups (SMPAG)**

As noted in our December 2022 comment letter, given the differences in national legal requirements for XBRL, we are not convinced that it will be possible to develop a global assurance standard, so this will require further exploring before starting any project.

#### **Nordic Federation of Public Accountants (NRF)**

Given the differences in national legal requirements both in terms of joint audit and XBRL, we do not suggest prioritizing these suggested projects within this timeframe.

#### **Norwegian Institute of Public Accountants**

We support the input shared by NRF.

#### **Ordre National des Experts Comptables et des Comptables Agréés du Burkina Faso (ONECCA-BF)**

M. Assurance on XBRL (new standard)

XBRL is not common in our jurisdiction, ONECCA BF encourages the IAASB to consider other reporting format as well.

ONECCA BF supports the identified possible new standard-setting projects in paragraphs L and M

#### **Pan-African Federation of Accountants (PAFA)**

While we support the projects proposed under Topic L, we question whether there is a need for a separate standard on XBRL (Topic M). Given that the data that is reported through XBRL is subject to existing standards, and that ISAE 3000 is already in existence and being used, we do not believe that there is a need for an additional standard for this purpose.

#### **Wirtschaftsprüferkammer (WPK)**

Yes, in principle we agree with the proposals.

However, the projects should be prioritized.

### **8. Academics**

#### **Deakin University Integrated Reporting Centre**

XBRL

In relation to a new standard on XBRL, we believe that it will be important for the standard to cover both financial and sustainability reporting assurance.

## **9. Individuals and Others**

### **Mo Chartered Accountants (Zimbabwe)**

Assurance on XBRL – We support a subject-matter specific standard.