

Proposed ISSA 5000 – Explanation of Significant Changes

This paper explains the significant changes and the rationale for the changes that have been made by the Sustainability Assurance Task Force (the SATF) to proposed ISSA 5000,TM *General Requirements for Sustainability Assurance Engagements* (ISSA 5000) since the June 2024 meeting. This paper provides explanations for significant changes to the paragraphs discussed in the June IAASB meeting and the July mid-quarter Board call, the latter of which are indicated with yellow highlighting of the paragraph numbers (or first word in bullets) in **Agenda Items 2-B.1 and 2-B.2**. Minor editorial changes are not addressed in this paper.

Matters subject to ongoing coordination with IESBA¹ are indicated as a “**Matter for IESBA Coordination**” in this paper.

Paragraph references in this paper are to the respective paragraphs in **Agenda Items 2-B.1 and 2-B.2**, unless otherwise indicated.

References to “Board comments” or “offline comments” relate to comments from Board members in the June plenary session or July Board call, or offline comments from Board members, respectively.

Reference	Significant Changes and the Rationale for Those Changes
Introduction	
General	<ul style="list-style-type: none"> The Board suggested that the SATF provide additional wording in the introduction section to explain the different starting points and objectives of limited assurance engagements, and asked the SATF to consider adding material to explain the differences between limited and reasonable assurance engagements. The SATF discussed this and noted that the differences between limited and reasonable assurance engagements are explained in various places throughout the proposed standard, including, for example, in paragraph 9 and the definition of assurance engagement in paragraph 18. The SATF was of the view that it would be more appropriate to provide further explanation, if needed, in the implementation guidance.

¹ International Ethics Standards Board for Accountants

Reference	Significant Changes and the Rationale for Those Changes
Paragraph 2	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A1: Deleted wording that was deemed repetitive of the last sentence of paragraph 2. Also changed the wording at the end of the sentence to “environment, society or economy” and in several other places throughout the standard for consistency with terminology used by IESBA.
Paragraph 3	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A2: Changed the wording from “develop and implement” to “select and apply” here and in several other places throughout the proposed standard (e.g., paragraph A199) to be consistent with wording in other IAASB standards (e.g., ISA 315 (Revised 2019)).²
Paragraph 4	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A3: Added a reference to the diagram in Appendix 2, which illustrates the various “touch points” throughout the engagement where the practitioner considers the entity’s process to identify sustainability information to be reported.
Paragraph 6	<ul style="list-style-type: none"> The Sustainability Assurance Task Force (SATF) deleted the word “other” in subparts (a) and (b) in this paragraph and, as applicable, elsewhere in the proposed standard (e.g., paragraphs A62 and A68) to align with the definition of relevant ethical requirements and the wording in paragraph 34(b). The SATF was of the view that the deletion of “other” does not imply that the IESBA Code³ or ISQM 1⁴ are not “professional requirements.” <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A7 and A10: Revised the wording and paragraph references to align with paragraphs A62 and A73.

² ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

³ International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*

⁴ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

Reference	Significant Changes and the Rationale for Those Changes
Scope of this ISSA	
Paragraph 8	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A14: In response to a Board comment, revised this paragraph to clarify that the practitioner may intend to obtain evidence from the work performed by the financial statement auditor or another assurance practitioner if the information incorporated by reference is within the scope of the sustainability assurance engagement.
Paragraph 12	<ul style="list-style-type: none"> During outreach, a regulator raised a question about the clarity of the wording of this paragraph, which seemed to suggest that the assurance practitioner would need to apply the ISAs⁵ to information about sustainability matters required to be included in the financial statements. The SATF noted that the intent was to indicate that such information would be covered by the audit of the financial statements and therefore would be the responsibility of the external auditor. The SATF revised the wording to state clearly that proposed ISSA 5000 does not deal with such information. Rather, the auditor of the financial statements is required to apply the ISAs to such information.
Effective Date	
Paragraph 15	<ul style="list-style-type: none"> See Agenda Item 2-C.
Definitions	
Paragraph 18	<p><i>General</i></p> <ul style="list-style-type: none"> The definitions are now presented in a table because it became overly complex to retain letters for the individual definitions. The SATF was of the view that the tabular format improves readability. The SATF noted that the definitions are authoritative so therefore must remain in the body of the standard (i.e., cannot be moved to an appendix or a separate glossary of terms). Any references to the definitions in other parts of the standard will be to paragraph 18.

⁵ International Standards on Auditing

Reference	Significant Changes and the Rationale for Those Changes
	<p>Matter for IESBA Coordination</p> <p><i>Definition of Another Practitioner</i></p> <ul style="list-style-type: none"> Added “sustainability” to the core definition to align with the definition of component practitioner. As explained in the July Board call, the SATF elevated wording from paragraph A29 to subparts (a) and (b) of the definition to highlight that the work of another practitioner is performed in the context of a separate engagement and individuals performing such work are not members of the engagement team because they are not performing procedures on the engagement. These changes were part of the changes made by the SATF to address the concern raised by IOSCO Committee 1 about using the work of another practitioner in a group component. See also the explanations below for the related changes to paragraphs A104-A106. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A16-A16A: The application material presented during the July Board call was deleted and the matters are now addressed in paragraphs A125-A126. See the explanation for paragraph 50(a) below.
	<p><i>Application Material to the Definition of Assertions</i></p> <ul style="list-style-type: none"> Paragraph A17R: As the practitioner is only required to use assertions in a reasonable assurance engagement, the paragraph was revised accordingly and an “R” designation added to the paragraph number. Note that paragraph A413AL indicates that the practitioner may choose to use assertions if they are useful in considering the types of potential misstatements that could occur or designing and performing procedures in response to them.
	<p>Matter for IESBA Coordination</p> <p><i>Definition of Component</i></p> <ul style="list-style-type: none"> As explained in the July Board call, the IAASB and IESBA have used the same underlying concepts related to group sustainability assurance engagements. To provide greater alignment with IESBA, the SATF moved wording from the application material (paragraph A18) to the definition to describe the references to group component and value chain component for purposes of the ISSAs.

Reference	Significant Changes and the Rationale for Those Changes
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A18: During the IESBA coordination discussions, the SATF was asked to consider adding guidance to explain the concept of operational control for the purpose of ISSA 5000. The SATF noted that ESRS defines “operational control” and has therefore used wording consistent with that definition. The SATF was of the view that this explanation should be kept as concise as possible, and linked to the applicable criteria.
	<p>Matter for IESBA Coordination</p> <p><i>Definition of Component Practitioner</i></p> <ul style="list-style-type: none"> Revised to refer to “assurance work” as a component practitioner is a member of the engagement team and is performing procedures on the sustainability assurance engagement. IESBA revised their core definition of component practitioner to include the wording that previously was essential application material in the IAASB definition. As the two Board’s definitions are now aligned, the reference to “for purposes of the ISSAs” was deleted. <p><i>Application Material to the Definition of Component Practitioner</i></p> <ul style="list-style-type: none"> Paragraph A20: As explained in the July Board call, the SATF added this paragraph to describe the circumstances in which it may be possible for the practitioner to be sufficiently and appropriately involved in the work of another firm at a value chain component. The SATF revised the wording of the last sentence in response to Board comments that the wording was unclear. In the circumstances described, the other firm would be a component practitioner as defined in paragraph 18 and in accordance with paragraph 43.
	<p><i>Application Material to the Definition of Engagement Team</i></p> <ul style="list-style-type: none"> Paragraph A29: See the explanation above for the change to the definition of another practitioner.
	<p><i>Application Material to the Definition of Group</i></p> <ul style="list-style-type: none"> Paragraph A35: The Board requested the SATF to revise this application material to indicate that single legal entities with branches or divisions would be treated as a group only in circumstances in which the sustainability

Reference	Significant Changes and the Rationale for Those Changes
	<p>information is aggregated through a process (akin to a “consolidation process”) to align with ISA 600 (Revised)⁶. The SATF revised the paragraph accordingly.</p>
	<p>Matter for IESBA Coordination</p> <p><i>Definition of Relevant Ethical Requirements</i></p> <ul style="list-style-type: none"> • The wording deleted from the June draft was reinstated as discussed in the July Board call. The SATF also made some minor changes to align the wording with the requirement in paragraph 34. • The definition of relevant ethical requirements is now comprehensive because it includes references to the provisions of the IESBA Code related to sustainability assurance engagements, and professional requirements, or requirements in law or regulation, that an appropriate authority has determined to be at least as demanding as the provisions of the IESBA Code. Therefore, the word “ordinarily” was deleted and the lead-in wording to the requirement in paragraph 34 from the June draft was reinstated.
	<p>Matter for IESBA Coordination</p> <p><i>Definition of Reporting Boundary</i></p> <ul style="list-style-type: none"> • The IESBA definition of reporting boundary does not refer to the applicable criteria. Therefore, the SATF moved the reference in the first sentence of paragraph A41 to become essential application material to the IAASB core definition so that the two Boards’ core definitions would be aligned.
	<p>Matter for IESBA Coordination</p> <p><i>Definition of Sustainability Information</i></p> <ul style="list-style-type: none"> • As discussed in the July Board call, the core definition is now aligned with the IESBA definition. Certain application material has been elevated to be essential application material to the definition to provide specific context for purposes of the ISSAs.

⁶ ISA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*

Reference	Significant Changes and the Rationale for Those Changes
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A45: See the explanation above for the definition of sustainability information.
<p>Paragraph 17(vv)</p>	<p>Matter for IESBA Coordination</p> <p><i>Definition of Sustainability Matters</i></p> <ul style="list-style-type: none"> After further coordination discussions, the IESBA core definition of sustainability matters has been changed to replace the word “factors” with “matters.” The respective core definitions of sustainability matters of the two Boards are now fully aligned. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A46: The sub-points previously included in the definition were moved to the application material.
<p>Requirements</p>	
<p>Acceptance and Continuance of the Assurance Engagement</p>	
<p>Paragraph 26</p>	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A61: The last bullet was deleted based on a suggestion from IESBA staff. The SATF noted that the other bullets describe independence matters that are more generally applicable to assurance engagements, whereas the last bullet is more limited in its application. Paragraph A63: In the July Board call, the Board questioned the clarity of the last sentence, including whether the reference to “jurisdictional” was appropriate. The SATF agreed that the reference to “jurisdictional” could be deleted. The SATF also noted that the last sentence is repetitive of the requirement in paragraph 34(b) as the appropriate authority would necessarily have undertaken an assessment of some kind in determining that the professional requirements, or requirements in law or regulation, are at least as demanding as the IESBA Code. Therefore, the last sentence was deleted and the application material now focuses on its primary purpose of explaining an “appropriate authority.”

Reference	Significant Changes and the Rationale for Those Changes
Firm-level Quality Management	
Paragraph 30	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A68: Revised based on a comment from IESBA staff that the reference to “Code of Ethics” implied the IESBA Code, whereas the intent of the bullet is to refer more broadly to any comprehensive set of ethical requirements. Paragraph A74: See the explanation for paragraph A63 above.
Engagement-level Quality Management	
<i>Overall Responsibility for Managing and Achieving Quality</i>	
Paragraph 33	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A82: Revised the lead-in wording for clarity and to remove the implication that paragraph 33 requires the specific matters addressed in the bullet points.
<i>Relevant Ethical Requirements, Including Those Related to Independence</i>	
Paragraph 34	<p>Matter for IESBA Coordination</p> <p><i>Requirement</i></p> <ul style="list-style-type: none"> See the explanation above for the definition of relevant ethical requirements regarding the change to the lead-in wording. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A63: See the explanation above related to the changes to the application material to paragraph 26.

Reference	Significant Changes and the Rationale for Those Changes
<i>Engagement Resources</i>	
Paragraph 43	<p>Matter for IESBA Coordination</p> <p><i>Requirement</i></p> <ul style="list-style-type: none"> As explained above for the definition of component practitioner, a reference to “assurance work” was added to the definition as a component practitioner is a member of the engagement team and is performing procedures on the sustainability assurance engagement. The SATF determined that such a reference was not necessary in paragraph 43 as the requirement is addressing broadly the use of the work of a firm other than the practitioner’s firm, and is appropriately focused on the core concept of whether the engagement is or is not able to be sufficiently and appropriately involved in that work. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A104-A105: As explained in the July Board call, the SATF added application material in response to a concern raised by IOSCO Committee 1 about the involvement of another practitioner in a group component. The Board supported the application material but asked the SATF to further clarify the wording. In response, the SATF: <ul style="list-style-type: none"> Highlighted in paragraph A104 the presumption that the practitioner would ordinarily be sufficiently and appropriately involved in the work of another firm in relation to sustainability information of a group component. The Board agreed in June to strengthen this to a presumption (rather than an expectation). Clarified that the practitioner would be required to fulfill the requirements in paragraphs 50-55 related to the using the work of another practitioner, including determining whether the evidence obtained from that other practitioner’s work is adequate for the practitioner’s purposes. Clarified the last sentence regarding the practitioner’s ability to consider that separate engagement in developing the overall strategy and engagement plan for the group engagement, if such an engagement is performed in subsequent years. Paragraph A106: Added a reference to the work already being performed as another example of a circumstance in which an inability to be sufficiently and appropriately involved in the work of a firm other than the practitioner’s firm may arise.

Reference	Significant Changes and the Rationale for Those Changes
<i>Using the Work of Another Practitioner</i>	
Paragraphs 50-55	<p><i>Application material</i></p> <ul style="list-style-type: none"> The SATF added a number of subheadings in the application material in this section to enhance clarity and readability.
Paragraph 50(a)	<p>Matter for IESBA Coordination</p> <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A125-A126: In the July Board call, the SATF presented two new application material paragraphs (A16 and A16A) to acknowledge that relevant ethical requirements may differ depending on the nature of the work performed by another practitioner, and to provide a steer for practitioners to differentiate assurance and non-assurance engagements. In response to various Board comments and concerns about these paragraphs, the SATF: <ul style="list-style-type: none"> Deleted paragraph A16 and incorporated the concepts in paragraph A125. Based on the coordination discussions with IESBA, deleted the example referring to the IESBA Code in paragraph A125 as the specific independence requirements relating to using the assurance work of another practitioner have not yet been finalized. Added paragraph A126 as a replacement for paragraph A16A. The Board noted that the wording of paragraph A16A, which was derived from ISAE 3000 (Revised),⁷ was confusing and would not be helpful for practitioners in distinguishing between an assurance and non-assurance engagement. The SATF was of the view that a few high-level principles in proposed ISSA 5000, focused on the nature of the engagement and the wording of the report of another practitioner, would provide a steer to practitioners. Additional guidance can be considered as part of the implementation guidance.

⁷ ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Statements*

Reference	Significant Changes and the Rationale for Those Changes
Paragraph 51	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The SATF revised the requirement in response to a Board member comment about the reference to “for the purpose of conveying assurance” and a suggestion to make the wording more general. However, the SATF also noted that the intended focus of paragraph 51 is one-to-many reports and that such reports would likely be assurance reports (e.g., based on engagements performed in accordance with ISAE 3402).⁸ Therefore, the reference to an “assurance report” was retained in paragraphs 51 and 52. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A130: This paragraph was revised in response to an offline comment that complementary user entity controls may also be identified in an assurance report other than a one-to-many report. Paragraph A132: Revised the first bullet as the practitioner would most likely request another practitioner to communicate compliance with independence requirements for an assurance engagement. Also revised the fifth bullet as proposed ISSA 5000 does not include the concept of “significant deficiencies” in internal control.
<i>Using the Work of a Practitioner’s Expert</i>	
Paragraphs 56-58	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The SATF changed the order of some paragraphs and added a number of subheadings in the application material in this section to enhance clarity and readability.
Paragraph 56(a)-(b)	<p>Matter for IESBA Coordination</p> <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A142: As discussed in the July Board call, this paragraph was added to provide a bridge to relevant ethical requirements that may include provisions addressing the fulfillment of the practitioner’s ethical responsibilities related to evaluating whether an external expert has the necessary competence, capabilities and objectivity for the practitioner’s purposes, and the circumstances in which the practitioner is unable to determine

⁸ ISAE 3402, *Assurance Reports on Controls at a Service Organization*

Reference	Significant Changes and the Rationale for Those Changes
	or has determined that an external expert does not have the necessary competence, capabilities and objectivity for the practitioner's purposes.
Paragraph 57	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A151: This paragraph (paragraph A116 in the June draft) was deleted as these points were elevated to the requirement in the June draft (and therefore should have been deleted in the June draft).
Fraud and Non-Compliance with Laws and Regulations	
Paragraph 66A	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Board requested that the application material relating to reporting fraud or non-compliance with laws and regulations to an appropriate authority be elevated to a requirement. In response, the SATF added this requirement, adapted from both ISA 240⁹ paragraph 69 and ISA 250¹⁰ paragraph 29. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A133-A134 in the June draft were elevated to the proposed new requirement in paragraph 66A.
Communication with Management and Those Charged with Governance	
Paragraph 67	<p><i>Requirement</i></p> <ul style="list-style-type: none"> As requested by the Board and consistent with ED-5000, the SATF reinstated “significant matters,” on the basis that “matters” may be too broad. This is also consistent with the use of “significant” in the related application material paragraphs A169-A170. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A168: The SATF amended the lead-in wording to clarify the communication that is encompassed by this paragraph. The SATF also deleted the first bullet point as paragraph 128 already requires communication

⁹ ISA 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statement*

¹⁰ ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

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Reference	Significant Changes and the Rationale for Those Changes
	with management or those charged with governance if the practitioner suspects there may be instances of fraud or non-compliance with laws and regulations.
Documentation	
Paragraph 71	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A182: Deleted the bracketed wording as this sentence describes a requirement in ISQM 1. The premise in paragraph 6(b) and the requirement in paragraph 30 already refer to professional requirements, or requirements in law or regulation, that are at least as demanding as ISQM 1. Therefore, there is no need to repeat the reference to “at least as demanding” when ISQM 1 is mentioned in the proposed standard.
Paragraph 73(aa)	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The requirement was deleted given the Board’s decision to eliminate the option for the firm determination of quality management requirements or relevant ethical requirements that are at least as demanding as ISQM 1 or the IESBA Code, respectively.
Preconditions for an Assurance Engagement	
<i>Establishing Whether the Preconditions are Present</i>	
Paragraphs 74-75	<p><i>Heading</i></p> <ul style="list-style-type: none"> As requested by the Board, the SATF amended the heading above paragraph 74 to use “establishing” to align with the requirement. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A186: The Board asked for better alignment with the requirement (see paragraph 75). In response, the SATF amended this application material to contrast the work effort at the acceptance and continuance stage with the breadth and depth of knowledge obtained in the performance of the engagement, adding that the nature and extent of preliminary knowledge is a matter of professional judgment.

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Reference	Significant Changes and the Rationale for Those Changes
	<ul style="list-style-type: none"> Paragraph A188: As requested by the Board, the SATF reviewed the terminology used for the public sector and amended this paragraph to use consistent wording with that used elsewhere in proposed ISSA 5000 and in other IAASB standards. In addition, the SATF aligned the wording with the requirements for establishing the preconditions and removed one example that did not align with any precondition. The SATF considered the applicability of the paragraph to other entities as requested by the Board, but concluded that the examples were specific to the public sector.
<i>Reasonable Basis for the Sustainability Information</i>	
Paragraph 75(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A192 and A195: The SATF removed the reference to adequacy in relation to controls in paragraph A192 response to the Board's request. The SATF also considered the characteristics of the sustainability matters listed in paragraph A195, as requested by the Board, but decided to retain the existing wording as these characteristics would impact whether the sustainability matters are appropriate.
<i>Suitability and Availability of Criteria</i>	
Paragraph 77(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A199: See the description above of the change to paragraph A2. Paragraph A200: The SATF separated the circumstances when the framework criteria may need to be supplemented with entity-developed criteria into a new paragraph A200, in order not to confuse such criteria with the entity's reporting policies. The SATF considered the Board suggestion to apply this paragraph to both framework and entity-developed criteria, but decided to restrict the applicability of this paragraph to framework criteria, as the SATF considered that entity-developed criteria would not need to be supplemented by further criteria, as that would itself be entity-developed criteria.
Paragraph 77(d)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A205: Deleted as the point is addressed in paragraph A200.

Reference	Significant Changes and the Rationale for Those Changes
Paragraph 79(a)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A213L: The SATF amended this application material to align with ISAE 3000 (Revised) paragraph A5.
Terms of the Assurance Engagement	
<i>Agreeing the Terms of the Assurance Engagement</i>	
Paragraph 84	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The SATF amended sub-paragraph (a)(iv) to align with the wording used in paragraph 187 relating to combined reasonable and limited assurance engagements. In response to Board offline comments, the SATF clarified that the sustainability information subject to limited or reasonable assurance needs to be identified.
Evidence	
<i>Sufficiency and Appropriateness of Evidence</i>	
Paragraph 88(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A238L: Revised for clarity and consistency with similar wording elsewhere in the proposed standard. Paragraph A241: In response to offline comments, the SATF revised the middle bullet to focus more generally on the source of information used to prepare the disclosures, and to note that limitations on access to such information, or to the work of another practitioner that may have provided assurance on such information, may affect the practitioner's evaluation of the relevance and reliability of information intended to be used as evidence. Paragraph A244: Revised based on an offline comment that the entity's information system may not necessarily be more robust but may be different for quantitative and qualitative information.

Reference	Significant Changes and the Rationale for Those Changes
<i>Information Intended to be Used as Evidence</i>	
Paragraph 89	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A255: Added in response to offline comments that limitations on management's ability to obtain information from the value chain may lead the practitioner to focus more on whether management has complied with the applicable criteria, including understanding management's process for obtaining such information. Paragraph A256: Revised to indicate that a scope limitation may exist if management is unable to obtain material value chain information and has not otherwise estimated such information through other means (e.g., through the reliefs that may be provided in the applicable criteria in these circumstances).
<i>Work Performed by a Management's Expert</i>	
Paragraph 91(d)	<p><i>Requirement</i></p> <ul style="list-style-type: none"> A Board member questioned why the requirement did not include an evaluation of the appropriateness of the work of the management's expert. The SATF discussed this and agreed to add a requirement consistent with paragraph 11(d) in the draft of proposed ISA 500 (Revised)¹¹ presented to the Board in March 2024 (see Agenda Item 5-A for that meeting). <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A274A: Added based on paragraph A78A of the draft of proposed ISA 500 (Revised).
<i>Doubts About the Relevance and Reliability of Information Intended to be Used as Evidence</i>	
Paragraph 92	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A276: Deleted the reference to significant deficiency in internal control as that concept is not included in proposed ISSA 5000 (see also the explanation above for the change to paragraph A132).

¹¹ Proposed ISA 500 (Revised), *Audit Evidence*

Reference	Significant Changes and the Rationale for Those Changes
Planning	
<i>Planning Activities</i>	
Paragraph 94	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A281: The Board asked the SATF to consider adding application material in the planning section to encourage communication between the sustainability assurance practitioner and the auditor of the financial statements on matters that may be of mutual interest between the two engagements. The SATF added paragraph A281 to indicate that such communication, if not prohibited by law or regulation, may be useful for planning the assurance engagement and may take place at appropriate times throughout the engagement.
Paragraph 95(a)	<p>Matter for IESBA Coordination</p> <p><i>Requirement</i></p> <ul style="list-style-type: none"> Changed the reference from “procedures” to “assurance work” to be more consistent with paragraph 22(a) of ISA 600 (Revised), which refers to “audit work.” Corresponding changes were also made to the related application material. The coordination discussions with IESBA indicated that this change would also be helpful for alignment with the wording in the Code.
Paragraph 95(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A291: The SATF made various changes to this paragraph to remove references to another practitioner because the requirement in paragraph 95(b) relates to resources needed to perform the engagement, including component practitioners. Paragraph 95(c) addresses whether the practitioner plans to obtain evidence from the work performed by another practitioner. Paragraph A292: The third bullet was revised as part of the various paragraphs in the application material that address the limitations that may exist in obtaining information from the value chain (see, for example, paragraphs A241, A255, A256, and A258).

Reference	Significant Changes and the Rationale for Those Changes
Paragraph 95(c)	<i>Application Material</i> <ul style="list-style-type: none"> Paragraph A293: The wording of the paragraph was streamlined for clarity.
<i>Materiality</i>	
Paragraph 98	<i>Requirement</i> <ul style="list-style-type: none"> In response to the Board's decision regarding the practitioner's response when the criteria require double materiality (both financial materiality and impact materiality) to be applied, the SATF replaced “apply” with “take into account,” as the entity applies double materiality and the practitioner would take both perspectives into account when considering or determining materiality for the engagement. <i>Application Material</i> <ul style="list-style-type: none"> Paragraph A308: The application material has been revised consistent with the changes to the requirement.
Paragraph 99	<i>Application Material</i> <ul style="list-style-type: none"> Paragraphs A310: The SATF simplified the wording to improve understandability, and to be consistent with the way the concept of aggregation risk is described in ISA 600 (Revised). Paragraph A311: The SATF revised the factors the practitioner may take into account in setting performance materiality to align the wording more closely with similar guidance in ISA 600 (Revised) and to include a reference to group engagements.

Reference	Significant Changes and the Rationale for Those Changes
Risk Assessment Procedures	
<i>Determining the Suitability of the Applicable Criteria</i>	
Paragraph 106	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The SATF shortened the subheading by deleting the reference to evaluating the appropriateness of the application of the criteria, as the related requirements (see paragraphs 107-107A) have been amended to focus on the understanding of the entity's reporting policies under a separate subheading, as explained below. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A321: The SATF amended this application material to clarify that the practitioner may need to supplement the understanding of the applicable criteria obtained when accepting the engagement when performing risk assessment procedures. Paragraph A328A: The SATF added a new application material paragraph to further explain the work effort that may be necessary to meet the requirement in paragraph 106. This application material explains that the practitioner's evaluation of the criteria at the acceptance and continuance stage may remain appropriate for the purpose of meeting the requirement in paragraph 106 or a more detailed determination of the suitability of the criteria may be necessary depending on the circumstances of the engagement.
<i>Understanding the Entity's Reporting Policies</i>	
Paragraphs 107-107A	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The SATF amended the requirement to align more closely with the approach to understanding accounting policies in ISA 315 (Revised 2019). The SATF inserted a new subheading to clearly separate the determination of the suitability of the criteria in paragraph 106 from the understanding of the entity's reporting policies required in paragraphs 107-107A.

Reference	Significant Changes and the Rationale for Those Changes
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The Board indicated the need for clarification regarding how the entity's reporting policies relate to the criteria. In response, the SATF: <ul style="list-style-type: none"> Paragraph A342A: Added new application material to explain that the entity's reporting policies are not criteria, but those policies assist the entity in complying with the applicable criteria, including matters to consider in obtaining an understanding of the entity's criteria. Paragraph A342B: Added an example to illustrate how the entity's reporting policies are used to apply the criteria.
<i>Understanding Components of the Entity's System of Internal Control</i>	
Paragraph 117R	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The lead-in wording was revised to use the same "shall obtain" construct as paragraphs 112-115.
<i>Identifying and Assessing the Risks of Material Misstatement</i>	
Paragraphs 120L/120R	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A406: Revised in response to Board comments that the previous wording was unclear. Paragraph A407L: The paragraph was revised and has been designated with an "L" as the Board noted that the paragraph related only to limited assurance engagements. Paragraph A413R: Revised the third bullet in response to a Board member comment questioning the reference to forward-looking information for the completeness assertion. Paragraph A413AL: In response to Board comments, this paragraph has essentially been reinstated to the same location as it was in ED-5000.

Reference	Significant Changes and the Rationale for Those Changes
Responding to Risks of Material Misstatement	
<i>Overall Responses</i>	
Paragraphs 126L/126R	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A425: The SATF clarified the lead-in wording in response to a Board comment that it appeared to be circular because it was referring to the same point addressed in the third bullet. The bullets now align with the respective points in the requirement.
<i>Responding to Actual or Suspected Fraud or Non-Compliance with Laws and Regulations</i>	
Paragraphs 127-129	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A428A-A428B: To address concerns raised by the Board that the practitioner should not be expected to report fraud or non-compliance with laws and regulations to those within the entity who may have been involved, the SATF added application material to further clarify the avenues that the practitioner can pursue if management or those charged with governance may be involved in the fraud or non-compliance. This new application material is aligned with both ISA 240 and ED-240.¹² <p>Matter for IESBA Coordination</p> <ul style="list-style-type: none"> Paragraph A429: As a result of coordination with IESBA, the SATF deleted the examples of relevant ethical requirements drawn from the IESBA Code to avoid the risk of final wording changes as a result of the IESBA's deliberations on the amendments to the Code.

¹² Exposure Draft, Proposed International Standard on Auditing 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements and Proposed Conforming and Consequential Amendments to Other ISAs* (ED-240)

Reference	Significant Changes and the Rationale for Those Changes
<i>Substantive Procedures</i>	
Paragraph 138	<p><i>Requirement</i></p> <ul style="list-style-type: none"> • The Board noted in June that the reference in this paragraph to disclosures that, in the practitioner's judgment, are "important to the information needs of intended users" may imply that substantive procedures would need to be considered for all disclosures. Based on its further discussions, the SATF noted and concluded the following: <ul style="list-style-type: none"> ○ When identifying and assessing the risks of material misstatement at the disclosure level (for limited assurance engagements) or at the assertion level for the disclosures (for reasonable assurance engagements), the practitioner may determine that the risks of material misstatement for those disclosures are at an acceptable level for the engagement (for limited assurance) or an acceptably low level (for reasonable assurance. In other words, the disclosure (or group of disclosures, as applicable) is material, but the risk of material misstatement is acceptable in the circumstances considering the likelihood of a misstatement occurring and its potential magnitude if it were to occur. ○ Although the risk of material misstatement is acceptable in the circumstances, the disclosure (or group of disclosures) nonetheless may be, in the practitioner's judgment, material because certain information within the disclosure (or group of disclosures) is of particular importance to intended users (for example, based on the practitioner's understanding of the entity's process to identify sustainability information to be reported). The SATF therefore has revised the requirement to refer to disclosures that, in the practitioner's judgment, are material. ○ In these circumstances, the practitioner would be required to consider the need to design and perform substantive procedures on those disclosures because of the importance of that information to intended users. The need to perform substantive procedures, and the extent of such procedures, is a matter of professional judgment in the circumstances. • The SATF considered that this requirement may not be as relevant for sustainability assurance engagements as for audits of financial statements because proposed ISSA 5000 does not include the concept of <i>significant</i> classes of transactions, account balances and disclosures. However, the SATF was of the view that the concept was sufficiently similar for sustainability assurance engagements and therefore concluded that the requirement should

Reference	Significant Changes and the Rationale for Those Changes
	<p>be retained as a consideration for the practitioner and further explained in the application material. The SATF also noted that additional guidance or explanation may be needed in the implementation guidance.</p> <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A375A: The SATF deleted this paragraph as it was deemed unhelpful for the practitioner in applying the requirement in paragraph 138. Although derived from the application material to paragraph 18 in ISA 330,¹³ the SATF view was that the paragraph was confusing in the context of a sustainability assurance engagement. Paragraph A436: The SATF revised this application material paragraph to further explain the points described above, including that the need to perform substantive procedures, and the extent of such procedures, is a matter of professional judgment in the circumstances, and there is no expectation for the practitioner to design and perform substantive procedures for all disclosures.
<i>External Confirmation Procedures</i>	
Paragraph 139	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A438: Deleted the last part of the third bullet in response to offline comments and to be consistent with the deletion of references to “organizational boundary” in other places throughout the proposed standard.
<i>Sampling</i>	
Paragraph 143	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A444: Revisions for clarity and understandability, and for consistency with the wording of the requirement.

¹³ ISA 330, *The Auditor’s Responses to Assessed Risks*

Reference	Significant Changes and the Rationale for Those Changes
<i>Estimates and Forward-Looking Information</i>	
Paragraphs 145L/145R	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The Board supported keeping the requirements and application material for estimates and forward-looking information together, but noted that the construct of the requirements could be improved. In particular, the Board found paragraph 133AR in the June draft to be confusing and suggested that it be presented side-by-side with the corresponding requirement for limited assurance. The SATF agreed and has reorganized the requirements accordingly. However, no changes were made to any of the requirements. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A446: Revised to delete the reference to “underlying subject matter(s)” as it is not used in the standard other than in the context of the definition of sustainability matters. Deleted the last sentence in response to a Board comment that it was confusing because, when read with the penultimate sentence, it could suggest that more extensive procedures are expected simply because the forward-looking period is longer. Paragraph A447: Revised in response to a Board comment that the wording suggested that the practitioner is unable to obtain sufficient appropriate evidence, when the intent of the paragraph is to indicate that the practitioner is not required to obtain evidence about whether the strategy, target or intention will be achieved, or to come to a conclusion to that effect. Paragraph A456AR: Added this paragraph to indicate that the practitioner may also develop a point estimate or range for forward-looking information, depending on the nature of the forward-looking information and the practitioner’s judgment in the circumstances.
<p><i>Revising the Risk Assessment in a Reasonable Assurance Engagement</i></p> <p><i>Determining Whether Additional Procedures Are Necessary in a Limited Assurance Engagement</i></p>	
Paragraphs 146R-147L	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The Board agreed to delete the requirement related to revision of the risk assessment for limited assurance in paragraph 134BL of the June draft as it was deemed to be unnecessary given the “deep dive” requirement in paragraph 134CL. In addition, the Board asked the SATF to present the requirements for revising the risk

Reference	Significant Changes and the Rationale for Those Changes
	<p>assessment for reasonable assurance engagements and the “deep dive” requirement for limited assurance engagements separately under different subheadings. The SATF has restructured the requirements accordingly.</p> <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A396H: The SATF deleted this paragraph based on a Board comment that it was confusing. In particular, a Board member questioned the last sentence of the paragraph, which indicated that, depending on the circumstances, the nature and extent of evidence that may be required for the practitioner to conclude on the matter may be the same as for a reasonable assurance engagement. The SATF was of the view that this point is sufficiently clear in the requirement (i.e., the practitioner is required to design and perform additional procedures to obtain further evidence to be able to either conclude that the matter(s) is not likely to cause the sustainability information to be materially misstated, or determine that the matter(s) causes the sustainability information to be materially misstated).
Accumulation and Consideration of Identified Misstatements	
Paragraph 152	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A465: The SATF deleted the second sentence to remove duplication with the related requirement. Paragraph A468: The SATF clarified subpoint (f) by adding another example of when misstatements in sustainability information may arise from omission of sustainability information. This example links to the entity’s process to identify sustainability information to be reported.
Evaluating the Description of Applicable Criteria	
Paragraph 161	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A495: The SATF added a reference to the description of “other” framework criteria, so as not to imply that all framework criteria will be embodied in law or regulation or issued by an authorized or recognized organization.

Reference	Significant Changes and the Rationale for Those Changes
Other Information	
Paragraph 173	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Board supported the explicit requirement for the practitioner to communicate with the auditor of the entity's financial statements, but asked the SATF to revisit the placement of the requirement as it required the practitioner to have already concluded that a material misstatement of the financial statements exists before communicating the matter to the auditor. In response, the SATF moved the requirement and amended it to require the practitioner to communicate with the auditor if the practitioner identifies that a material inconsistency appears to exist or becomes aware that the financial statements appear to be materially misstated. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A504: To aid understandability, the SATF removed some duplication and broke up the paragraph into shorter sentences. Paragraph A507A: The SATF considered that application material was needed to explain that communication with the financial statement auditor may assist the practitioner in concluding whether or not the financial statements subject to audit, which are part of the other information, are materially misstated and whether the practitioner is required to respond in accordance with paragraphs 174-176.
Forming the Assurance Conclusion	
Paragraph 181A	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The SATF received input from a stakeholder that clarity was needed regarding why the requirement in paragraph 181(a) to consider the overall presentation, structure, and content of the sustainability information in respect of fair presentation criteria does not also apply to information reported under compliance criteria. In response, the SATF added a new conditional requirement, consistent with ISA 700 (Revised),¹⁴ for sustainability information reported in accordance with compliance criteria. This new requirement clarifies that the practitioner is not required to evaluate whether the sustainability information achieves fair presentation, and explains the required

¹⁴ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

Reference	Significant Changes and the Rationale for Those Changes
	actions if, in extremely rare circumstances, the practitioner concludes that the sustainability information is misleading.
Paragraph 184	<p><i>Requirement</i></p> <ul style="list-style-type: none"> For clarity and to align this documentation requirement with the related performance requirement, the SATF separated into sub-paragraphs the documentation required with respect to the work of a practitioner's external expert, another practitioner and the internal audit function.
Preparing the Assurance Report	
Paragraph 187(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A535: To address a Board offline comment about whether the report would normally be addressed to the intended users, the SATF expanded the application material to indicate that law or regulation or the terms of the engagement may specify the addressee of the assurance report.
Paragraph 187(c)(i) and (d)	<p><i>Requirement</i></p> <ul style="list-style-type: none"> For clarity and consistency, the SATF amended all references throughout the proposed standard to assurance engagements that include both reasonable and limited assurance as a "combined" reasonable and limited assurance engagement.
Paragraph 187(c)(iii)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A536: In order to minimize the need to reference combined limited and reasonable assurance reports throughout the report content requirements in paragraph 187, the SATF added application material to clarify that both sets of content requirements are required to be met in these circumstances.
Paragraph 187(c)(iv)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A538: In response to Board comments, to distinguish references to a practitioner's assurance report in the sustainability information from the practitioner using the work of "another practitioner," the SATF amended

Reference	Significant Changes and the Rationale for Those Changes
	this application material to be clear that it relates to the circumstances when the entity refers to an assurance engagement performed by a practitioner, rather than the practitioner referring to the work of another practitioner.
Paragraph 187(c)(vii)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A545: In response to Board comments, the SATF expanded this application material to clarify how to identify the applicable criteria when the sustainability information is reported in accordance with multiple reporting frameworks or reports under one framework and discloses the extent of compliance with another framework.
Paragraph 187(d)(iv), (v), (iv)A and (v)	<p>Matter for IESBA Coordination</p> <p><i>Requirement</i></p> <ul style="list-style-type: none"> To align with the removal of the option for a practitioner's determination of the requirements that are at least as demanding as the IESBA Code or ISQM 1, the SATF removed the related references to the practitioner's determination from the content of the assurance report. To clarify the practitioner's disclosures regarding compliance with ethical requirements, the SATF streamlined subparagraph 187(d)(iv) to require identification of the ethical requirements applied, and, if requirements other than the IESBA Code were applied, identification of the appropriate authority that determined those other requirements are at least as demanding as the IESBA Code. Similarly, the SATF amended paragraph 187(d)(v) regarding the quality management requirements applied, to reflect the same structure as para 187(d)(iv). For clarity, the SATF also separated the conditional requirement relating to public disclosure of independence requirements specific to certain entities. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A548: The SATF deleted the second sentence of the first bullet point, as IESBA staff advised that this is not required by ED-IESSA,¹⁵ even though it is required in Part 4A of the IESBA Code that applies to audits.

¹⁵ Exposure Draft of Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting

Reference	Significant Changes and the Rationale for Those Changes
	In addition, the SATF deleted the hanging sentence at the bottom of this paragraph as the requirement and related application material does not directly address disclosure in the assurance report.
Paragraph 187(g)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A553: The SATF added this paragraph in response to a Board comment that proposed ISSA 5000 should acknowledge that management may choose to explain in the sustainability information the inherent limitations related to obtaining information from value chain entities outside of the entity's operational control. If so, the practitioner may also choose to describe in the assurance report that such limitations on management's process for obtaining the information may affect the practitioner's evaluation of the relevance and reliability of value chain information to be used as evidence, or the practitioner's access to the work of another practitioner that may have issued an assurance report on such information.
Paragraph 187(h)(v)A	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The SATF added this new requirement to address Board comments on the need to include the limitations of forward-looking information in the assurance report, if applicable, including clarification that the practitioner is not issuing a conclusion on the outcome of the forward-looking information. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A553A: The SATF added new application material to support the new requirement. This application material draws on terms used for forward-looking information in the major reporting frameworks.
Paragraph 189	<p><i>Requirement</i></p> <ul style="list-style-type: none"> The Board queried whether the requirement regarding references to experts in the assurance report should align with ISA 620.¹⁶ The SATF noted that ISA 620 is more restrictive than the existing paragraph in ISSA 5000, allowing for references to expert's reports only for modified reports or when such reference is required by law or regulation. However, the SATF noted that the existing requirement aligns with ISAE 3000 (Revised) and allows for reference to an expert's work, as long as the assurance report does not imply that the practitioner's responsibility for the conclusion is reduced. The SATF considered that it would not be appropriate to be too restrictive as it would not allow for explanations in long-form reports of the work performed that may involve an

¹⁶ ISA 620, *Using the Work of an Auditor's Expert*

Reference	Significant Changes and the Rationale for Those Changes
	<p>expert. Instead, the SATF proposed revisions to clarify that the assurance report is not permitted to identify the expert, unless required by law or regulation, as the SATF considered that identifying the expert is more likely to imply that the practitioner's responsibility for the conclusion is reduced.</p> <p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraphs A566-A567: The SATF added additional application material to note that the practitioner may need the expert's permission to make reference to their work, as noted in ISA 620. In addition, the SATF added an example to illustrate when a practitioner may decide to refer to the work of an expert.
Paragraph 198	<p><i>Application Material</i></p> <ul style="list-style-type: none"> Paragraph A578A: The Board noted that it may be inaccurate to state that a conclusion is not provided on the other information if the practitioner or their firm has audited the financial statements that are part of the other information. To address this circumstance, the SATF added new application material clarifying the additional wording that may be added to the assurance report in these circumstances.
Appendix 2	
	<ul style="list-style-type: none"> The diagram of the practitioner's consideration of the entity's process to identify sustainability information to be reported was inserted as a new appendix and updated in response to the Board's request to add further detail. Some additional wording was added along with further relevant paragraph references.
Appendix 3	
	<ul style="list-style-type: none"> The Board suggested that the SATF consider including in the fact pattern for one of the illustrative reports that relevant ethical requirements that are at least as demanding as the IESBA Code had been applied by the practitioner. This would then necessitate the inclusion of the name of the appropriate authority and their jurisdiction in the assurance report. However, the SATF suggests this example would be more appropriate to include in the implementation guidance together with other examples to illustrate variations from the 'base' fact patterns.

Reference	Significant Changes and the Rationale for Those Changes
Conforming and Consequential Amendments (see Agenda Item 2-D)	
Preface	
Paragraphs 3, 15, 17 and 18	<ul style="list-style-type: none"> In ED-5000, changes were proposed to these paragraphs to replace the reference to “professional accountant” with “auditor or practitioner” to reflect that proposed ISSA 5000 is intended for use by all assurance practitioners. In hindsight, the SATF noted that the use of the term “professional accountant(s)” is consistent with the IAASB’s other standards, including ISQM 1 (paragraphs 16(i), 16(t), A2 and A22-A24), ISA 220 (Revised)¹⁷ (paragraphs 12(e) and 12(k)), and ISAE 3000 (Revised) (paragraphs 4 and A60). The term is also consistent with the IESBA Code. Therefore, the SATF is proposing to revert to the term “professional accountant” in these paragraphs and use the phrase “professional accountant or practitioner” throughout.
Paragraph 6A	<ul style="list-style-type: none"> The SATF changed the order of the paragraphs in this section of the Preface to match the sequence in the amended title of the Preface. The SATF deleted the footnote reference because all assurance engagements on sustainability information are now within the scope of proposed ISSA 5000 and there will be no other standards that apply to assurance on sustainability information following the planned withdrawal of ISAE 3410.¹⁸
Paragraph 9	<ul style="list-style-type: none"> The SATF changed the order to match the sequence in the amended title of the Preface.
ISQM 1	
Paragraph 16(i)	<ul style="list-style-type: none"> The definition of a firm was amended to include a reference to practitioners, consistent with the changes to the Preface as described above. The term “practitioners” is also used in the definition of a firm in proposed ISSA 5000 and ISAE 3000 (Revised).
Paragraph 16(p)	<ul style="list-style-type: none"> The SATF amended the definition of professional standards to align with the amended title of the Preface.

¹⁷ ISA 220 (Revised), Quality Management for an Audit of Financial Statements

¹⁸ ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

Proposed ISSA 5000 -- Explanation of Significant Changes
IAASB Main Agenda (September 2024)

Reference	Significant Changes and the Rationale for Those Changes
Paragraphs 16(t), A2, A22, A23 and A62	<ul style="list-style-type: none"> The SATF amended the definition of relevant ethical requirements and related application material for consistency with the changes to the Preface as described above.
ISQM 1, paragraph A9	<ul style="list-style-type: none"> The SATF amended the application material paragraph to be consistent with the amended title of the Handbook.¹⁹ The title of the Handbook will be updated to match the amended title of the Preface.
ISQM 1, paragraphs A83 and A85	<ul style="list-style-type: none"> The SATF revised these application material paragraphs related to engagement documentation as they are also applicable to engagements conducted under the ISSAs.
ISQM 2	
Paragraph A26 and related subheading	<ul style="list-style-type: none"> The SATF revised this application material paragraph and the related subheading as the term “engagement leader” in proposed ISSA 5000 is the equivalent of “engagement partner” in ISQM 1.
Paragraphs 13(c), A12, A13, A15	<ul style="list-style-type: none"> See the explanation above for the changes to paragraphs 16(t), A2, A22, A23 and A62 of ISQM 1.
ISAE 3000 (Revised)	
Paragraph 1	<ul style="list-style-type: none"> The SATF revised the wording for clarity.
ISAE 3410	
	<ul style="list-style-type: none"> The conforming amendments proposed to ISAE 3410 in ED-5000 have been deleted as explained in Agenda Item 2-D.

¹⁹ Handbook of International Quality Management, Auditing, Review, Sustainability Assurance, Other Assurance, and Related Services Pronouncements published by IFAC

Reference	Significant Changes and the Rationale for Those Changes
ISA 720 (Revised)²⁰	
Paragraphs A3 and A5	<ul style="list-style-type: none"> The SATF amended these paragraphs to clarify that, for audits of financial statements, sustainability reports or other sustainability-related information may form part of the annual report and is therefore other information within the scope of ISA 720 (Revised). The SATF was of the view that circumstances have changed since the issuance of ISA 720 (Revised) with respect to sustainability information and therefore should be part of the auditor's responsibilities for other information.
International Framework for Assurance Engagements	
Paragraphs 1-2	<ul style="list-style-type: none"> The SATF moved the reference to ISSAs in paragraph 1 to align with the order that the IAASB's standards are referred to in the proposed amendments to the Preface. The SATF added sustainability assurance engagements to the assurance engagements listed in paragraph 2.
Paragraph 11	<ul style="list-style-type: none"> Based on the Board's decision to withdraw ISAE 3410 when proposed ISSA 5000 becomes effective, the SATF deleted the bullet related to greenhouse gas statements.
Appendix 1	<ul style="list-style-type: none"> The SATF updated the diagram to align the international standards within the blocks under Sustainability and Other Assurance Engagements with the amended title of the Preface.

²⁰ (ISA) 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*