

Meeting: IAASB

Meeting Location: New York, United States of America

Meeting Date: September 16–20, 2024

Agenda Item 10

Sustainability Assurance – Due Process – Proposed ISSA 5000¹

Objective of Agenda Item

1. To advise the IAASB of the status of due process for proposed ISSA 5000.

Background

2. The IAASB Program and Technical Director is responsible for advising the IAASB as to whether due process has been followed effectively and with proper regard for the public interest before a proposed Standard, or changes to a Standard, are approved for issue.
3. The following outlines the Technical Director's conclusion and basis thereof with respect to actions up to the September 2024 IAASB meeting for proposed ISSA 5000. Before approval of proposed ISSA 5000, the Technical Director will advise on whether due process has been followed during the course of the September 2024 meeting.

Due Process Up to the Date of the September 2024 IAASB Meeting

4. The Technical Director confirms to the IAASB that, up to the September 2024 IAASB meeting, proposed ISSA 5000 has been developed in accordance with the IAASB's due process.
5. In summary, for proposed ISSA 5000, the IAASB:

Project Commencement and Development

- In 2022, engaged with key stakeholders, who are a driving force behind promoting reliable sustainability information and assurance thereon. Engagement with these key stakeholders indicated a clear demand for international standards for assurance on sustainability reporting to reduce the risk of fragmentation in assurance standards globally and drive consistent, high-quality assurance engagements that enhance the degree of confidence of intended users about sustainability reporting.
- In June 2022, supported, as an immediate action, developing an overarching standard for assurance on sustainability reporting.
- In September 2022, approved a [project proposal](#) for the commencement of work on developing a new overarching standard for assurance on sustainability reporting.
- Consulted with the IAASB Consultative Advisory Group (CAG) on significant issues during the development of the proposed ISSA 5000. Significant comments received through the consultation with the IAASB CAG have been brought to the IAASB's attention, and the

¹ Proposed International Standard on Sustainability Assurance (ISSA) 5000,™ *General Requirements for Sustainability Assurance Engagements*

Sustainability Assurance Task Force (SATF) has reported back to the IAASB CAG the results of the IAASB's deliberations.

- Engaged with sustainability assurance practitioners and experts through two IAASB [Sustainability Reference Groups](#), Reference Group #1 comprising assurance practitioners other than professional accountants and Reference Group #2 comprising professional accountants, to seek technical advice on matters considered in the drafting of the Exposure Draft (ED-5000).
- Considered whether it is necessary to hold a public forum or roundtables, or to issue a consultation paper or conduct field testing, in order to solicit views on a matter under consideration.

Sustainability assurance was the subject of outreach throughout the development of ED-5000 as part of the Board's general outreach program and project-specific outreach. This included outreach with international, regional and jurisdictional regulators and assurance oversight authorities, jurisdictional and national assurance standard setters, international and regional sustainability reporting standard setters, and assurance practitioners (professional accountant and non-accountant assurance practitioners) and their representative bodies. No additional public forum or similar consultation, or further field testing were deemed necessary for ED-5000 (see below for outreach undertaken during the exposure period).

Exposure Draft

- In June 2023, unanimously approved proposed ISSA 5000 for public exposure. [ED-5000](#) was subsequently released on August 2, 2023, for a 120-day comment period. ED-5000 was accompanied by an [explanatory memorandum](#) highlighting, among other matters, the significant proposals of the IAASB and how those serve to achieve the project objectives that support the public interest and seeking responses to 27 questions relating to the design and content of ED-5000.
- Also released a stakeholder survey targeting stakeholders who may not ordinarily respond to IAASB consultations.
- Consulted with the IAASB CAG on the ED-5000 proposals through a mini-roundtable at the September 2023 IAASB CAG meeting. The SATF brought the feedback received to the IAASB's attention.
- In Q4 2023, undertook a comprehensive [global outreach campaign](#) to promote awareness and understanding of the IAASB's proposals, to encourage stakeholders to respond to ED-5000 and to obtain additional feedback from a wide range of stakeholder constituencies.
- Consulted with the IAASB Stakeholder Advisory Council (SAC), during its inaugural meeting in May 2024, on the IAASB's proposed approach to key public interest matters in amendments to proposed ISSA 5000 and reported back to the IAASB on the feedback received from the SAC.
- Continued with outreach as part of the Board's general outreach program and project-specific outreach throughout the process of updating proposed ISSA 5000 post ED (the same as highlighted above for the project phase before ED).
- Coordinated with the International Ethics Standard Board for Accountants (IESBA) throughout the development of proposed ISSA 5000 to align certain concepts, terminology, and specific

matters between proposed ISSA 5000 and IESBA's two exposure drafts [Using the Work of an External Expert](#) and [International Ethics Standards for Sustainability Assurance](#).

- Considered analyses of the significant comments and issues raised by respondents on ED-5000 and other feedback received through the stakeholder survey and outreach, including an outline of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in the comment letters, the IAASB members:
 - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the SATF, that they considered should be discussed; and
 - Decided on proposed amendments to proposed ISSA 5000 and provided direction to the SATF on additional matters to be considered in further amendments.