

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

### Guide for Respondents

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

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

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

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

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

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

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

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

Your organization’s name (or your name if you are making a submission in your personal capacity)	Institute of Singapore Chartered Accountants (ISCA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Kang Wai Geat Terence Lam Wang Zhumei
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	<a href="mailto:waigeat.kang@isca.org.sg">waigeat.kang@isca.org.sg</a> <a href="mailto:terence.lam@isca.org.sg">terence.lam@isca.org.sg</a> <a href="mailto:zhumei.wang@isca.org.sg">zhumei.wang@isca.org.sg</a>
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on ED-5000). Select the most appropriate option.	<a href="#">Asia Pacific</a>
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on ED-5000). Select the most appropriate option.	<a href="#">Member body and other professional organization</a>
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	ISCA is also the standard-setter of Singapore’s auditing and assurance standards.

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

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

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

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

### Overall Questions

1. Do you agree that ED-5000, as an overarching standard, can be applied for each of the items described in paragraph 14 of this EM to provide a global baseline for sustainability assurance engagements? If not, please specify the item(s) from paragraph 14 to which your detailed comments, if any, relate (use a heading for each relevant item).

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

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

### Detailed comments (if any):

1. ED-5000 as a foundational standard has been developed as an overarching standard with certain concepts derived from existing ISAs. This may lead to differing interpretation and inconsistency in application depending on whether practitioners refer to existing ISAs when applying similar ISA concepts. Therefore, we recommend that IAASB explore the development of additional standards under the ED-5000 series with more detailed requirements for those concepts derived from ISAs such as fraud, consideration of laws and regulations and materiality.

2. While we generally agree that ED-5000 can be applied to the items in paragraph 14 of the Explanatory Memorandum, we believe that more needs to be done to accommodate “use by all assurance practitioners”.

Based on our observation and engagement with some non-accountant assurance practitioners, we noted that there is a gap in their understanding and interpretation of ED-5000. This is probably due to fundamental differences between the principles and wording of ED-5000 and other standards which non-accountant assurance practitioners are more familiar with. Also, in connection with point 1, non-accounting assurance practitioners who do not have the benefit of applying ISAs may find it challenging to understand the content and context of ED-5000. This can either deter application of ED-5000 by such practitioners or give rise to inconsistent assurance quality.

It would be helpful for IAASB to develop educational materials targeted to help this group of practitioners better understand core assurance concepts to support consistent application of the standard across the board.

3. We also observed that there are cases where non-accountant assurance practitioners referred to the use of ISAE 3000 in their assurance reports, without adhering strictly to the standard (for instance, omission of certain statements required by ISAE 3000). To avoid confusion amongst users and prevent the misuse of the IAASB’s assurance standards, it should be highlighted in the proposed standard that the requirements must be followed in their entirety without any cherry-picking.

### *Public Interest Responsiveness*

2. Do you agree that the proposals in ED-5000 are responsive to the public interest, considering the qualitative standard-setting characteristics and standard-setting action in the project proposal? If not, why not?

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

**Overall response:** [Agree \(with no further comments\)](#)

**Detailed comments (if any):**

### **Specific Questions**

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

3. Is the scope and applicability of ED-5000 clear, including when ISAE 3410 should be applied rather than ED-5000? If not, how could the scope be made clearer?

*(See Explanatory Memorandum Section 1-C)*

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

**Detailed comments (if any):**

1. While ISAE 3410 makes reference to the concept of “at least as demanding” as the IESBA Code and ISQM 1, it is not clear whether the standard itself is meant to be profession agnostic. Since the usage of ED-5000 directs the practitioner to ISAE 3410, this should be made clear in ISAE 3410.
2. The ISO 14064 series of standards are quite commonly used by companies and non-accountant assurance practitioners. To encourage the adoption of ED-5000 or ISAE 3410, the IAASB may consider a coordinated effort with the ISO to compare and align ISAE 3410 and ISO 14064-3, as far as possible. If there are fundamental differences where both standards need to be differentiated, guidance material to explain such differences would be useful for both assurance practitioners as well as companies.
3. Based on ED-5000, in multi-scope engagements, where assurance is provided over a range of sustainability information containing both GHG and non-GHG information, the practitioner should apply ED-5000. However, as requirements in ED-5000 are not detailed enough to cover incremental requirements relevant to assuring GHG information, ED-5000 should clarify if reference to ISAE 3410 should be made or provide guidance on how to assure GHG information. Alternatively, the IAASB can subsume ISAE 3410 as a separate standard within the ED-5000 series. This separate standard can then help practitioners in interpreting and applying ED-5000, and any incremental requirements or guidance, to GHG information being assured (such as scope 1, 2 and 3 GHG emissions).
4. Generally, we find ED-5000 to be more comprehensive and robust as compared to ISAE 3000. IAASB can consider updating ISAE 3000 in due course to avoid confusion and inconsistency in performance of assurance engagements in general, as some practitioners may look to ED-5000 for areas not addressed by ISAE 3000 and apply them as best practice.

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

4. Is ED-5000 sufficiently clear about the concept of “at least as demanding” as the IESBA Code regarding relevant ethical requirements for assurance engagements, and ISQM 1 regarding a firm’s responsibility for its system of quality management? If not, what suggestions do you have for additional application material to make it clearer?

*(See Explanatory Memorandum Section 1-D)*

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

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

1. We understand that it is IAASB’s intention for local regulators and standard setters to determine the equivalent ethical and quality management frameworks in their respective jurisdictions. There are two scenarios which could give rise to interpretation challenges and inconsistent application.

- (a) There may be situations where practitioners issue reports under the international standards (i.e. ED-5000). Such engagements may not be subject to local regulations. In this case, it may be unclear which ethical requirements would then be deemed to be “at least as demanding as” the IESBA Code.
- (b) In group assurance engagements involving practitioners from different jurisdictions, it would be challenging to achieve consistency in the interpretation of “at least as demanding as”, particularly since each jurisdiction may have their own interpretation or list of recognised ethical requirements.

To drive consistent global application, IAASB should require compliance with the IESBA Code and ISQM as a pre-requisite to using ED-5000. Local regulators may then impose additional requirements. This would also be in line with IESBA’s objective of developing profession agnostic ethics and independence standards.

2. The term “at least as demanding as” may lead to varying interpretations, particularly amongst practitioners who are not familiar with the IESBA Code or ISQM. Without clarity or a baseline as suggested above, there may be a divergence in practice.

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

5. Do you support the definitions of sustainability information and sustainability matters in ED-5000? If not, what suggestions do you have to make the definitions clearer?

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

**Overall response:** [Yes \(with no further comments\)](#)

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

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

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

**Overall response:** [Yes \(with no further comments\)](#)

**Detailed comments (if any):**

*Differentiation of Limited Assurance and Reasonable Assurance*

7. Does ED-5000 provide an appropriate basis for performing both limited assurance and reasonable assurance engagements by appropriately addressing and differentiating the work effort between limited and reasonable assurance for relevant elements of the assurance engagement? If not, what do you propose and why?

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

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

**Detailed comments (if any):**

Given the nascent state of sustainability assurance at this moment, it would be helpful to include illustrative examples on the extent of work required under both types of assurance engagements (for e.g. comparison of procedures between limited and reasonable assurance) to provide clarity and promote consistency in practice. Extended discussions on use of specialists, testing of estimates, group reporting and use of IT can be incorporated to aid the understanding of users.

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

8. Is ED-5000 sufficiently clear about the practitioner's responsibility to obtain a preliminary knowledge about the sustainability information expected to be reported and the scope of the proposed assurance engagement? If not, how could the requirements be made clearer?

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

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

**Detailed comments (if any):**

1. While ED-5000 provides examples of areas that such preliminary knowledge can cover, it is not clear how to apply the requirements commensurate to risk and scope of assurance. Further guidance would be helpful to illustrate how the extent of preliminary knowledge may be scaled according to risk and scope of engagement.
2. More practical guidance on the assessment of "reasonable basis" for the sustainability information (paragraph 70) and whether the engagement exhibits a "rational purpose" would be helpful. In assessing "reasonable basis" for the sustainability information (under paragraph 70), paragraph A162 only mentions that the practitioner may consider whether management or those charged with governance have a formal process with robust control to enable the preparation of sustainability information. It would be helpful to include more practical guidance and illustrative examples to aid practitioners in the assessment.
3. In assessing whether the engagement exhibits a "rational purpose", the examples provided under paragraph A192 are quite general. Similarly, it would be helpful to include more practical examples to aid practitioners in the assessment.

9. Does ED-5000 appropriately address the practitioner’s consideration of the entity’s “materiality process” to identify topics and aspects of topics to be reported? If not, what approach do you suggest and why?

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

**Overall response:** [Yes \(with no further comments\)](#)

**Detailed comments (if any):**

*Suitability and Availability of Criteria*

10. Does ED-5000 appropriately address the practitioner’s evaluation of the suitability and availability of the criteria used by the entity in preparing the sustainability information? If not, what do you propose and why?

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

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

**Detailed comments (if any):**

1. Illustrative examples on evaluating the principles-based characteristics under paragraph 72(c) would be helpful.
2. We appreciate that ED-5000 recognises the current landscape of sustainability reporting where there may be information with no well-established frameworks or criteria for measurement or evaluation and hence, entity-developed criteria may be used. This includes criteria to measure estimates and forward-looking information.

However, to aid practical application amongst practitioners, more practical guidance and illustrative examples would be helpful in determining the suitability and availability of such criteria.

11. Does ED-5000 appropriately address the notion of “double materiality” in a framework-neutral way, including how this differs from the practitioner’s consideration or determination of materiality? If not, what do you propose and why?

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

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

**Detailed comments (if any):**

## Materiality

12. Do you agree with the approach in ED-5000 for the practitioner to consider materiality for qualitative disclosures and determine materiality (including performance materiality) for quantitative disclosures? If not, what do you propose and why?

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

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

### Detailed comments (if any):

We agree with the bifurcated approach taken but have further comments.

Below are some challenges in applying materiality to sustainability information:

1. Materiality is driven by the information needs of primary users. As sustainability information is wide-ranging, user groups are diverse with separate groups having different needs and expectations. Identification of primary users could be driven by the sustainability reporting framework and management's materiality process, which correspondingly affects how the practitioner determines materiality. It can be further specified in the ED-5000 that materiality considerations should take into account the information needs of primary users. For example, sustainability information prepared under IFRS Sustainability Disclosure Standards is investor-focused and the practitioner's materiality would correspondingly be applied from a financial perspective.

In addition, there may be situations where the reporting frameworks do not specify who the primary users are. ED-5000 also potentially addresses a broader intended use base, with a wide range of interests in sustainability information, which may lead to different areas of focus / granularity for different users. We recommend that the standard include guidance on identification of intended users when this may be a broad group, and legal precedents regarding the duty of care owed to such users and reliance they may place on the assurance report.

2. When determining materiality for quantitative information, the appropriate benchmark to apply should be linked to what users are most concerned about in the sustainability information. As an extension to point 1 above, due to the varying nature of sustainability information, the identification of an appropriate benchmark may not be straightforward. Practical guidance on selecting the appropriate benchmarks for different sustainability subject matters would be helpful.
3. More guidance would be needed to address:
  - Materiality in the context of "consolidated" sustainability information;
  - Concepts such as establishing a lower level of materiality (similar to performance materiality on an audit) to address aggregation risk; and
  - Other considerations unique to sustainability information such as how to address materiality when such information is "consolidated" from different sources, using different processes to develop, and in some cases, different criteria.
4. The concept of aggregation risk is challenging to apply in sustainability assurance given that the scope of assurance may cover various sustainability topics or subject matters and accordingly, may have varying implications for different groups of users. Further clarity in the standard would be useful on how materiality and misstatements can be assessed on an aggregate level to address aggregation risk,



assessing whether misstatements are individually or in aggregate material, and evaluating and concluding on reporting implications.

5. When considering materiality for qualitative information, practical guidance would be helpful to guide practitioners in determining the effects of non-disclosure on the practitioner's conclusion and applying the factors under A278, which are quite subjective.

#### *Understanding the Entity's System of Internal Control*

13. Do you agree with the differentiation in the approach in ED-5000 for obtaining an understanding of the entity's system of internal control for limited and reasonable assurance engagements? If not, what suggestions do you have for making the differentiation clearer and why?

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

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

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

We agree with the differentiation in the approach but have further comments.

1. The standard can make it clearer that when the practitioner adopts a controls reliance strategy, there is no difference in the approach on obtaining an understanding of the entity's system of internal control between limited and reasonable assurance.
2. More guidance would be helpful to explain the difference in the extent of work to be performed in accordance with paragraph 109 in respect of understanding (for limited assurance) or evaluation (for reasonable assurance) of the entity's control environment.

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

14. When the practitioner decides that it is necessary to use the work of a firm other than the practitioner's firm, is ED-5000 clear about when such firm(s) and the individuals from that firm(s) are members of the engagement team, or are "another practitioner" and not members of the engagement team? If not, what suggestions do you have for making this clearer?

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

**Overall response:** [Yes \(with no further comments\)](#)

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

15. Are the requirements in ED-5000 for using the work of a practitioner's external expert or another practitioner clear and capable of consistent implementation? If not, how could the requirements be made clearer?

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

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

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

1. We expect the scenario of using the work of another practitioner who is not a member of the engagement team to occur more frequently in sustainability assurance engagements, in particular, for consolidated sustainability information. Such information can be from the legal group or from the entity's wider value chain. The preparation and presentation of such information may not be within the entity's internal control. For such cases, there can be varying degrees of ability or limitation in accessing the work of these other practitioners. We recommend that the standard considers providing further guidance on how practitioners can overcome access challenges, impact when other practitioner uses different assurance or validation standards, or when the information subject to the assurance by other practitioners are for other purposes e.g. reporting to authority as well as the reporting implications such as arising from any inherent limitations relating to reliability of certain information. Overall, where practitioners can only rely on publicly available information for e.g. published validation report, they are likely to have limited insights into the quality of the assurance engagement by the other practitioner. An increased use of limitation of scope qualifications may not be useful to users.
2. Requiring compliance with the IESBA Code and ISQM 1 (see Question 4), would facilitate consistent application of ethical and quality management requirements when practitioners from other jurisdictions are involved.

#### *Estimates and Forward-Looking Information*

16. Do you agree with the approach to the requirements in ED-5000 related to estimates and forward-looking information? If not, what do you propose and why?

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

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

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

We agree with the approach to the requirements but have further comments.

1. The following would be helpful to support implementation:
  - (a) Providing examples of types of forward-looking sustainability information and estimates that would or would not meet the requirements under paragraph 134L/R, to drive consistency in establishing the types of information that can fall within the scope of assurance.
  - (b) There are concerns raised by practitioners that "subject matter information" in the context of forward-looking information can be misinterpreted to include forward-looking outcomes (i.e. practitioners are providing assurance that outcomes will be achieved as disclosed). ED-5000 should clarify that forward-looking outcomes cannot be assured because of their nature.
2. Practical guidance on the assessment of appropriate method under paragraph 134L(a)(ii)/134R(a)(i) would be helpful.

*Risk Procedures for a Limited Assurance Engagement*

17. Do you support the approach in ED-5000 to require the practitioner to design and perform risk procedures in a limited assurance engagement sufficient to identify disclosures where material misstatements are likely to arise, rather than to identify and assess the risks of material misstatement as is done for a reasonable assurance engagement? If not, what approach would you suggest and why?

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

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

**Detailed comments (if any):**

Given the relatively nascent state of sustainability reporting and the inherent risks associated with sustainability information due to its lack of standardised reporting and wide-ranging nature, risk assessment should be made mandatory for limited assurance engagements.

*Groups and “Consolidated” Sustainability Information*

18. Recognizing that ED-5000 is an overarching standard, do you agree that the principles-based requirements in ED-5000 can be applied for assurance engagements on the sustainability information of groups or in other circumstances when “consolidated” sustainability information is presented by the entity? If not, what do you propose and why?

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

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

**Detailed comments (if any):**

While the requirements can be applied to “consolidated” sustainability information, the application material is not sufficient to support execution of a group assurance engagement.

We support the development of a separate standard on assurance of “consolidated” sustainability information that draws reference from ISA 600 (Revised), covering areas such as:

- Identifying significant components from a sustainability perspective
- Applying materiality to “consolidated” sustainability information and addressing aggregation risk from group perspective
- Extent of review and documentation when relying on the work of component engagements teams

### *Fraud*

19. Do you agree that ED-5000 appropriately addresses the topic of fraud (including “greenwashing”) by focusing on the susceptibility of the sustainability information to material misstatement, whether due to fraud or error? If not, what suggestions do you have for increasing the focus on fraud and why?

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

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

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

Our view is that ‘greenwashing’ should be considered separately from fraud as both are distinct in nature and perpetuated in different ways. The requirements, while addressing fraud to a certain extent, may not address greenwashing. Also, there is currently no globally recognised definition of greenwashing, making it difficult to identify the specific elements that need to be addressed in combating greenwashing practices.

The requirements over fraud may be too high-level, and the following areas can be enhanced:

1. It would be helpful for the standard to define fraud and describe its characteristics in the context of sustainability reporting and information to facilitate consistent understanding. Relevant aspects of the fraud triangle can be utilised, for example, linking management compensation to sustainability targets. It would also be useful for the proposed standard to incorporate examples of common areas where sustainability reporting fraud can occur.
2. Similar to audits of financials statements, management override of controls is an area that is relevant to sustainability reporting. More guidance can be included to address this from a sustainability reporting perspective, with consideration given to the multiple potential sources in the reporting process that can lead to fraud in sustainability reporting.
3. More guidance can be provided on considerations when assessing the implications of fraud or suspected fraud on the assurance engagement and addressing fraud in qualitative information which is a subjective area.
4. Given that there is likely to be a broader range of stakeholders / intended users in respect of sustainability assurance engagements performed in accordance with ED-5000 as compared to audits of financial statements in accordance with the ISAs, matters such as “expectation gap” in respect of the respective responsibilities of management and the practitioner in relation to fraud may be greater. To manage this expectation gap, IAASB should consider fraud as an area of priority for the development of a separate ISSA, building on the experience in managing such expectation gap in financial statement audits.

### *Communication with Those Charged with Governance*

20. Do you support the high-level requirement in ED-5000 regarding communication with management, those charged with governance and others, with the related application material on matters that may be appropriate to communicate? If not, what do you propose and why?

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

**Overall response:** [Yes \(with no further comments\)](#)

### Detailed comments (if any):

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

21. Will the requirements in ED-5000 drive assurance reporting that meets the information needs of users? If not, please be specific about any matters that should not be required to be included in the assurance report, or any additional matters that should be included.

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

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

### Detailed comments (if any):

We agree that the requirements drive assurance reporting that meets the information needs of users, but some areas can be further enhanced / clarified.

1. It would be critical to communicate inherent uncertainties and limitations of work performed over estimates and forward-looking information, where applicable, to avoid unintended reliance by users of assurance reports. One way could be for reports to disclose significant management judgement and estimates under the section on “Inherent Limitations in Preparing the Sustainability Information”.
2. On other information, it would be helpful for the proposed standard to clarify:
  - (a) Scope of other information in the context of sustainability reporting. For example, it is not clear whether information cross-referenced to the financial statements as required by IFRS Sustainability Disclosure Standard constitute other information under the proposed standard.
  - (b) Practitioner’s responsibility over other information, especially for situations where the practitioner only provides assurance over a specific area. For example, if a practitioner only provides assurance over GHG, what is the practitioner’s responsibility over other information that are not related to the scope of assurance, such as social or governance information? Meeting the requirements can pose challenges as the practitioner may not have sufficient understanding of other components that are not within the scope of assurance.

22. Do you agree with the approach in ED-5000 of not addressing the concept of “key audit matters” for a sustainability assurance engagement, and instead having the IAASB consider addressing this in a future ISSA? If not, what do you propose and why?

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

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

### Detailed comments (if any):

We agree with the approach of not addressing “key audit matters” in the proposed standard. While requirements over key audit matters are not included in the proposed standard, we do not note any restrictions for practitioners to voluntarily communicate them if they intend to do so.

From our observation, the market has not reached the maturity for reporting on key audit matters. For such reporting to take place, proper protocol over communication to audit committees and those charged with governance need to be established. As such reporting would be useful to users of sustainability reports, we

support addressing this in a future standard for reasonable assurance engagements, drawing reference to such reporting in integrated reports.

23. For limited assurance engagements, is the explanation in the Basis for Conclusion section of the assurance report that the scope and nature of work performed is substantially less than for a reasonable assurance engagement sufficiently prominent? If not, what do you propose and why?  
(See *Explanatory Memorandum Section 1-G, para. 131*)

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

**Detailed comments (if any):**

Any changes to the format of the assurance report under ED-5000 should be consistently applied to other ISAE 3000 (Revised) reports as well.

*Other Matters*

24. Are there any public sector considerations that need to be addressed in ED-5000?  
(See *Explanatory Memorandum Section 1-I, para. 135*)

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

**Detailed comments (if any):**

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

**Overall response:** [No other matters to raise](#)

**Detailed comments (if any):**

### Part C: Request for General Comments

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

26. Translations—Recognizing that many respondents may intend to translate the final ISSA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing ED-5000.

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

**Detailed comments (if any):**

27. Effective Date—As explained in paragraph 138 of Section 1-I – Other Matters, the IAASB believes that an appropriate effective date for the standard would be for assurance engagements on

sustainability information reported for periods beginning or as at a specific date approximately 18 months after approval of the final standard. Earlier application would be permitted and encouraged. Do you agree that this would provide a sufficient period to support effective implementation of the ISA. If not, what do you propose and why?

**Overall response:** [Agree \(with no further comments\)](#)

**Detailed comments (if any):**