

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)	Academy for Practical Training on Sustainability Assurance (APTISA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Jennifer Iansen-Rogers
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	j.jansenrogers@gmail.com
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.	Europe
	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.	Assurance practitioner or firm - other profession
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Based on 25 years’ experience in sustainability assurance at KPMG and ERM CVS I now have my own company educating and training the next generation of sustainability assurance providers. I am a member of the IAASB Technical Reference Group #1 for ISSA 5000 and was a member of the expert panel for the ISSAB Guidance for assurance on sustainability reporting and EER.

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

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

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

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

Overall Questions

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

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

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

Detailed comments (if any):

In relation to **'All sustainability topics and aspects of topics'** the title of the ED is misleading for reporters, assurance providers and users. The ED is not designed to provide assurance on the 'sustainability' of an organization, but only assure its disclosures. Assurance under this ED will not demonstrate that an organization is 'sustainable', causing confusion among stakeholders. To avoid this, I recommend the title of ED 5000 (and Standard) should be changed to 'General Requirements for Assurance on Sustainability Reporting'.

In addition it states the ED covers 'all assurance engagements on sustainability information' which is extremely broad, and may unintentionally give the impression that the ED can be used to assure topics which are already covered by other standards, such as supply chain certification, LCAs, environmental and social impact assessments, GHG management systems, etc.

In relation to **'All mechanisms for reporting'** I do not believe the ED includes sufficient information about how to assure online (non-pdf) reporting and ensuring that the assurance report is linked to the assured information.

In relation to **'Limited and Reasonable assurance engagements'** I do not agree with the differentiation in Par. 17qq (highlighted below) and do not believe that this will be interpreted consistently by assurance providers. I also believe, based on my experience, that the use of assertions in planning an assurance engagement should be restricted to reasonable assurance.

I recommend that the ED keeps to the basic principle that the difference between limited and reasonable assurance is the extent and depth of evidence-gathering procedures. In addition, I recommend the ED references the IAASB Non-authoritative guidance on assurance on EER, as it provide far more detailed information on reasonable and limited assurance procedures in Appendix 3.

'Risk procedures – The procedures designed and performed to:

(i) In a limited assurance engagement, identify disclosures where material misstatements are likely to arise, whether due to fraud or error; and

(ii) In a reasonable assurance engagement, identify and assess the risks of material misstatement, whether due to fraud or error, of the disclosures at the assertion level.'

My **MAIN CONCERN** in relation to section 14 of the EM is in relation to **'Use by all assurance practitioners'**. I appreciate that the IAASB has engaged with non-accounting sustainability assurance professionals during the development of the ED, and that the ED can be used not only by accounting firms but also other qualified sustainability assurance practitioners (as was ISAE3000). However, I have grave

concerns (already expressed in the ISSA 5000 reference Group) regarding the requirements for sustainability competence in the current ED, which I believe is insufficiently strong despite it being absolutely critical to the quality of future assurance on sustainability reporting. It is also a lot weaker than the assurance competencies described in the standard.

For example, Par 32 requires that the engagement leader have (a) Competence and capabilities in assurance skills and techniques developed through **extensive training and practical application**. However, for subject matter competence, they are required only to have '**sufficient competence to accept responsibility for the conclusions reached**'. Also 'sufficient competence' is a matter of professional judgement (A67).

As sustainability reporting covers a wide range of complex matters, I believe the engagement leader, and the engagement team, should have, in Par 32(c) 'competence and capabilities in sustainability developed through extensive training and practical application' in line with Par 32(a).

Sustainability professionals have subject matter qualifications and often many years' experience in sustainability assurance, but would not attempt to undertake a financial audit with only 'sufficient competence to accept responsibility for the conclusions reached'. Competence in the subject matter is also essential if the engagement leader is to be able to exercise appropriate professional judgement and scepticism during the engagement. Challenging the reporting organization (including if necessary the Board, Audit Committee and senior sustainability staff) regarding the reliability of its disclosures during an assurance engagement can only be undertaken with confidence if the engagement leader knows what he/she is talking about!

As assurance on sustainability reporting and disclosures is moving from voluntary to mandatory (e.g. under the CSRD in Europe) it is essential to ensure that assurance teams have sufficient depth of knowledge and experience in the relevant subject matters, which is also needed to meet the expectations of intended users.

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):

See comments under Q1 regarding the title of the ED which is confusing. ED 5000 is specific to attestation engagements and I believe this should be clear in the title of the standard i.e. it is assurance on reporting, not on sustainability performance.

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):

I strongly support the ethical and quality requirements set out in the ED, as in ISAE3000, and which enable suitably qualified assurance practitioners outside the accounting profession to undertake sustainability report assurance. However, I feel in order to maintain a global level playing field, the IAASB needs to ensure that this option (using relevant ethical and quality requirements that are at least as demanding’) is not removed from national versions/translations of ED 5000, as I understand has happened in the case of ISAE3000. It is also important to ensure that all future engagements under the new standard may only mention the number and name of standard if the engagement has been performed ‘in accordance’ with the standard. Every effort should be made to prevent misuse of the standard using phrases such as ‘based on’ or ‘with reference to’. Perhaps a system such as GRI uses, which is that in order to be ‘in accordance’ with the GRI standards, reporting organisations must also notify GRI when the report is published.

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: [No \(with no further comments\)](#)

Detailed comments (if any):

See comment under Q1 regarding the title of the standard, but additional clarity could be achieved by including in the definitions (17uu and 17vv) reference to sustainability matters/information pertaining to the assurance engagement’.

I am also not convinced that the diagram in Par. 36 and Appendix 1 of the ED adds to clarity. It should at least indicate that the 3 topics are only examples! In addition the aspects of topics that might be assured is incomplete. I suggest increasing the aspects with ‘strategy and policies’ and ‘management’ between ‘risks and opportunities’ and ‘metrics’. It is the description of how the organization manages the risks that is a fundamental part of sustainability reporting and which is of concern to users.

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: [No, with comments below](#)

Detailed comments (if any):

See answer to Q 5 above

Differentiation of Limited Assurance and Reasonable Assurance

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

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

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

Detailed comments (if any):

I do not agree with the current proposed differentiation between limited and reasonable assurance activities in the ED. The proposed activities for limited assurance fall way below the expectations of users and such an engagement could be interpreted as having no reasonable or rational purpose. This will encourage the '3 days at head office' approach looking at consolidation rather than finding the errors and omissions in the source data. There is insufficient description of the activities under limited assurance to avoid this happening. I strongly believe that the only differentiation should be in the extent and depth of evidence-gathering procedures and that the activities in the planning and risk assessment phase should be the same for both levels. Suggesting that assertions should not be considered for limited assurance undermines the principles of a good assurance engagement.

I suggest the IAASB looks at its own guidance for the differences between limited and reasonable assurance (Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements, published in April 2021) and uses sections from that document (e.g. from Appendix 3) in the A paragraphs in ED-5000.

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 \(with no further comments\)](#)

Detailed comments (if any):

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: [No, with comments below](#)

Detailed comments (if any):

In general ED 5000 addresses the issue of evaluating the suitability and availability of reporting criteria. However Par. 72(b) refers to ‘framework’ criteria, entity–developed criteria or a combination of both’

I believe that the use of ‘Framework’ in relation to suitable criteria is incorrect. There are many reporting ‘frameworks’ (for example the Integrated Reporting Framework) which do not have a sufficient level of detail to function as suitable criteria for a report assurance engagement. For example a framework that requires disclosure of a material topic (such as climate) but does not define exactly what information needs to be reported on this topic cannot be termed ‘suitable criteria’. I suggest that ED5000 should use ‘reporting standard’ instead of ‘reporting framework’ as the currently used standards (GRI, ESRS, GHG protocol, ISO 14064-2, etc.) provide suitable criteria for sustainability reporting assurance engagements.

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

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

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

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: [Disagree, with comments below](#)

Detailed comments (if any):

In line with my comments regarding limited vs reasonable assurance, I believe for this activity there should be no distinction between the approach for limited and reasonable assurance. In fact I am not sure I understand how Par. A283 – applying performance materiality at the ‘assertion level’ would work in practice.

Understanding the Entity’s System of Internal Control

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

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

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

Detailed comments (if any):

Once again the ED5000 makes such a distinction between limited and reasonable assurance that I believe it undermines the value of limited assurance. It is important for both limited and reasonable assurance to understand the entity’s system of internal control, including its design and implementation if planning to test controls in a limited assurance engagement on data, for example for safety and environmental incident metrics. I strongly urge the IAASB not to make a distinction between the activities in planning and risk assessment based on the level of assurance.

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 comments below](#)

Detailed comments (if any):

I suggest that the text mentioned in Par. 85 of the EM be modified as the need for experts is vital for technical areas as well as the situations suggested, as shown by the addition of red text below.

85. As explained in paragraph A86 of ED-5000, the more complex the engagement, including its geographical spread, **the level of technical understanding required** and the extent to which information is derived from the entity's value chain, the more necessary it may be to consider how the work of practitioner's experts or other practitioner(s) is to be integrated across the engagement.

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):

As the range of expertise is so fundamental to sustainability report assurance, I strongly urge the IAASB to consider a separate standard for this matter under 5000

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 \(with no further comments\)](#)

Detailed comments (if any):

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):

As already stated, I do not agree with the differentiation between the risk (and planning) procedures for limited and reasonable assurance. ISAE3000 is a generic standard and not specifically focused on sustainability information. If I consider the methodologies and current practice of assurance providers (both Big 4 accounting firms and certification bodies) the risk assessment for limited assurance was upgraded to be closer to reasonable assurance and not as in ISAE3000. In other words assertions were considered

for material statements that were more likely to be misstated. I therefore believe that ISAE3410 provides a better benchmark for ED-5000 to follow.

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 \(with no further comments\)](#)

Detailed comments (if any):

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):

In line with my previous comments, I would consider risk of fraud at the assertion level for limited as well as reasonable assurance, based on, for example the details of the goals and targets of the organization.

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: [No, with comments below](#)

Detailed comments (if any):

I believe that Par. 170 (i) below should not be restricted to limited assurance. For many users of sustainability reporting and assurance, their understanding of the extent of procedures undertaken may be limited and not providing at least a summary of these for reasonable assurance may lead them to believe that less work was done than for limited assurance. Many stakeholders want to understand whether the practitioner has actually reviewed sources data on the ground (at sites).

170(i) For a limited assurance engagement, a section, with the heading "Summary of Work Performed," that contains an informative summary of the work performed as a basis for the practitioner's conclusion. This section shall describe the nature, timing and extent of procedures performed sufficiently to enable users to understand the limited assurance the practitioner has obtained. (Ref: Para. A482-A486L)

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):

I think more emphasis could be given to the 'Other matters' paragraph in the assurance report with examples. And still develop a new standard for Key Audit Matters.

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 \(with no further comments\)](#)

Detailed comments (if any):

Other Matters

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

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

Detailed comments (if any):

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

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

Detailed comments (if any):

As mentioned already I urge the IAASB to refer to reporting standards rather than reporting frameworks as the latter do not provide sufficient detail to be used as suitable criteria in an assurance engagement and may lead to the situation where the practitioner confirms a topic or aspect is included in the reporting, without undertaking work to confirm the reliability of the reported information on that topic or aspect. This is not assurance in my view.

Para 55 Using the work of the internal audit function does not include the requirement to evaluate the internal audit on their competence in sustainability. As for the engagement team, the internal audit function needs auditing AND sustainability competence if the practitioner is to place reliance on the work they have done.

Finally, for clarity, I would also suggest that the introduction to the new standard should explain its relationship with, and differences from, both ISAE3000 and ISAE3410.

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: [Click to select from dropdown menu](#)

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

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

Detailed comments (if any):