

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)	AICPA
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Ahava Goldman
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Sara Lord, Jennifer Burns
E-mail address(es) of contact(s)	Sara.Lord@rsmus.com ; Jennifer.Burns@aicpa-cima.com ; Ahava.Goldman@aicpa-cima.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.	North America
	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.	Jurisdictional/ National standard setter
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

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: [Agree, with comments below](#)

Detailed comments (if any):

We appreciate the opportunity to provide our views on this proposed standard to help inform the IAASB's standard-setting process and support the development of a high-quality sustainability assurance standard.

We agree with the following:

- The decision to base ED-5000 primarily on the core concepts and requirements in International Standards on Attestation Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, [ISAE 3000 (Revised)], which is an acknowledged and accepted baseline on which to build an assurance standard that specifically addresses sustainability information.
- That an assurance practitioner who is not a professional accountant ("non-accountant assurance practitioner") should be knowledgeable and competent in core assurance, quality management, and independence concepts.
- The premise that compliance with relevant ethical requirements and quality management principles is fundamental to high-quality assurance engagements.

While fully supportive of the IAASB's goals in developing ED-5000, we have identified several areas of the standard about which we have concerns and that require revision to enable a final standard that can be consistently interpreted and applied. Our key high-level concerns relating to this question are as follows (see question 2 for additional concerns relating to the public interest):

- How to evaluate whether relevant professional requirements are "at least as demanding" as International Standards on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements or Other Assurance or Related Services Engagements* (ISQM 1) and the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code). We believe the IAASB should map its quality management standards to the comparable standards most commonly used by non-accountant assurance practitioners that the IAASB has learned about through its global outreach, and should assess whether those standards are sufficiently aligned with ISQM 1 and contain requirements that are "at least as demanding". Such efforts would increase the IAASB's understanding of different sustainability

assurance quality management standards, increase confidence in the existence of standards that are “at least as demanding”, increase global acceptance and use of the proposed standard, and enable the IAASB to offer non-authoritative guidance regarding other professional requirements that are at least as demanding as ISQM 1.

Further, it is unclear how users of assurance reports issued under proposed ISSA 5000 can be confident that non-accountant assurance practitioners are adhering to these high standards without an external monitoring process in place. (See question 4 for our additional recommendations.)

- How ED-5000, once finalized, will be consistently and appropriately applied by all assurance practitioners. ED-5000 has inherited many, often complex, technical assurance terms used in the International Standards on Auditing (ISAs); for example, system of internal control, controls, deficiency, and assertions. Professional accounting practitioners are more likely to be familiar with these terms than non-accountant assurance practitioners. For ED-5000 to be consistently understood, interpreted, and applied in a manner that supports the performance of high-quality engagements by all assurance practitioners, it is critical that there be additional guidance in the standard that addresses more complex areas. Ensuring that the standard is clearly understandable will also serve to encourage adoption among a wide range of assurance practitioners.

Accordingly, to enable consistency and comparability in the engagements performed by professional accountants and non-accountant assurance practitioners, we believe that the IAASB should do the following:

- Add application guidance relating to fundamental areas of ED-5000, such as materiality, estimates and forward-looking information, reasonable vs. limited assurance, and risk identification and assessment. In addition to the ISAs, IFAC’s International Framework for Assurance Engagements and the IAASB’s *Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Extended External Reporting (EER) Assurance Engagements* (EER guidance) could serve as resources for this material.
- Develop non-authoritative educational material in parallel with the development of the standard so that upon finalization, this material could be available to assist with implementation. This could include illustrative material based on current required or voluntary reporting standards, such as, the European Sustainability Reporting Standards (ESRS) of the Corporate Sustainability Reporting Directive (CSRD) and those of the International Sustainability Standards Board (ISSB); and leveraging work already done in EER and other existing assurance guidance. We note that non-authoritative staff guidance issued by the IAASB is presumed by practitioners to be appropriate for use; accordingly, when such guidance is issued without offering stakeholders an opportunity to comment in advance, as the materiality Q&As were, it is important that IAASB be willing to revisit such guidance based on input from stakeholders.
- Raise the awareness of the IAASB’s existing resources among assurance providers and work with national standard setters to leverage existing practice aids and educational material to assist

in the implementation of the standard. For example, the IAASB might leverage the AICPA publication [Attestation Engagements on Sustainability Information \(Including Greenhouse Gas Emissions Information and Climate-Related Financial Disclosures\)](#) (AICPA Sustainability Guide), in particular the recently published chapter 6.

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: [Yes, with comments below](#)

Detailed comments (if any):

The proposed standard is timely and relevant. However, the following issues should be addressed to more fully meet the public interest objectives:

- The need for additional clarity in the differentiation between limited assurance engagements and reasonable assurance engagements (see questions 7, 13 and 17)
- The risk of misperception related to the credentialing, monitoring, and regulatory oversight of compliance with relevant ethical requirements and quality management standards of different types of assurance practitioners (see question 4)
- The use of ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*, as the basis for the relevant requirements in ED-5000. ISA 720 (Revised) addresses the auditor's responsibilities for information other than the financial statements and auditor's report thereon included in an entity's annual report. The IAASB's post-implementation review of ISA 720 (Revised) identified several challenges with practical implementation of that standard, including confusion about the definition of annual report and the scope of information that does and does not fall within that definition. We believe these issues are likely to be the same, potentially on an even larger scale, in the context of sustainability reporting, given the immaturity of sustainability reporting and the vast array of other information that may accompany these reports. We have serious concerns about both the performance and reporting requirements relating to other information. (See question 21 regarding the reporting requirements and question 25 regarding the performance requirements)
- The need for clarification about whether ED-5000 or ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, (ISAE 3410) applies when greenhouse gas (GHG) emissions information is subject to assurance (see question 3)
- The approach taken in ED-5000 for the requirements and application guidance regarding using the work of a practitioner's external expert or another practitioner, which is neither as clear as it needs to be nor consistent with the approach in ISAE 3000 (Revised) and the International Standards on Auditing (ISAs) (see question 15)

- The risk of misperception related to the credentialing, monitoring, and regulatory oversight of compliance with relevant ethical requirements and quality management standards of different types of assurance practitioners (see question 4)
- The misalignment of timing between IESBA and IAASB. IESBA's sustainability project lags behind that of the IAASB even though interoperability between these projects is a necessity. Given that the two Boards have pledged to approve their work by December 2024, alignment of the sustainability-related standards of each Board before finalization of either, as well as elimination of inconsistencies between the work of the two Boards in key areas, for example, definitions and key concepts (see questions 5, 18 and 25), is critical. We echo the comments of the Public Interest Entity Oversight Board (PIOB) that it is crucial that the IESBA and IAASB coordinate their Sustainability workstreams and assess the interoperability of their scopes, especially as the exposure of their respective work is not concurrent. The approach, terminology, definitions, and the activities undertaken by the two Boards ultimately need to be consistent and aligned, to ensure that the respective standards are responsive to the public interest (refer to page 4 of the [PIOB's Public Interest Issues: IESBA Projects](#) report as of November 7, 2023).
- The IAASB's intent to finalize ED-5000 by December 2024. We acknowledge that this is to align with regulatory timelines. However, this timing seems to create tremendous pressure to conclude that re-exposure is unnecessary, regardless of the feedback received on ED-5000. It is not in the public interest to rush due process. If the anticipated revisions based on feedback from outreach and exposure include any fundamental changes for which respondents have not had the opportunity to comment because they were not contemplated or discussed in the basis for conclusions accompanying the exposure draft, re-exposure would be necessary. Continued significant dialogue with national standard-setters and others in the profession to discuss the feedback received and how the IAASB intends to respond to it will enhance due process and the public interest. After finalization of ISSA 5000, continued dialogue about how to address potential challenges in adoption of the standard around the world would be helpful.
- Maintaining related standards. There are currently inconsistencies among ISAE 3000 (Revised), ISAE 3410, and ED-5000, which are also inconsistent with ISRE 2400, *Engagements to Review Historical Financial Information*. This makes convergence difficult for those jurisdictions that are unable, for regulatory and practical reasons, to promulgate a new set of standards and therefore would need to adopt the requirements of ED-5000 under the umbrella of their national equivalent to ISAE 3000 (Revised). In addition, such inconsistencies, particularly those requirements that are not sustainability-specific (for example, fraud) will create confusion among practitioners. There are public interest concerns when new standards are developed, but existing standards are not concurrently appropriately revised for consistency. For future projects, we recommend that the IAASB dedicate resources to ensure that sufficiently comprehensive changes to existing standards are proposed (for example, this project did not have sufficient resources to withdraw ISAE 3410 and re-issue it as an ISSA concurrently with issuing ISSA 5000).

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):

Withdraw, Revise, and Reissue ISAE 3410

We suggest prioritizing a project to withdraw ISAE 3410, update it, and reissue it as a subject-specific standard under the ISSA 5000 umbrella. We suggest that reissued ISAE 3410 apply to sustainability assurance engagements when GHG emissions are included in the scope of the engagement, regardless of whether such emissions are presented in the form of a GHG statement. As a result of these recommended updates, ISAE 3410 (to be renamed and renumbered under ISSA 5000) would retain only the requirements and application guidance for assurance engagements over GHG emissions that are incremental to the requirements in ISSA 5000, so that when GHG emissions are in scope of the assurance engagement, the engagement would be performed in accordance with both ISSA 5000 and revised, renumbered ISAE 3410. This would provide the IAASB with the opportunity to align ISAE 3410 with the enhancements made in ED-5000, thereby allowing all those performing GHG engagements to benefit from the additional requirements and guidance in ISSA 5000 and enhancing the public interest in terms of consistency of performance between GHG engagements and engagements that address other sustainability information.

Clarification of the circumstances in which the various standards apply

We understand that withdrawing, updating, and reissuing ISAE 3410 at the same time as issuing final ISSA 5000 is likely not practicable. Accordingly, we have a few specific recommendations for revisions to conforming amendments to ISAEs 3000 and 3410 that are within the scope of ED-5000.

Conforming changes to ISAE 3410

Paragraphs 2 of both ED-5000 and ISAE 3410, as proposed to be amended, state that ISAE 3410 applies when the assurance practitioner is providing a separate conclusion on a GHG statement. Paragraph A1 of ISAE 3410, as proposed to be amended, states that ISSA 5000 applies when a sustainability report includes GHG information and that GHG information *does not* comprise a GHG statement as defined in paragraph 14(m). It is not clear when information about GHG emissions qualifies as a GHG statement versus GHG information, as the term “GHG information” is not defined and the definition of a GHG statement does not explain this. We are also uncertain about the applicability of ISAE 3410 and ED-5000 when, for example,

- a GHG statement forms part of other subject matter information, but the practitioner is not providing a separate conclusion on the GHG statement.

- the practitioner’s conclusion in an assurance engagement on a GHG statement covers sustainability information in addition to the GHG statement. Neither the definition of a GHG statement nor paragraph 3A of ISAE 3410 seem to preclude this possibility.

These questions can be resolved by making the following revisions to the proposed amendments to ISAE 3410 (changes indicated in bold/strikethrough):

- Change paragraph A1 of ISAE 3410 to be consistent with paragraphs 2 of ISAE 3410 and ED-5000 by indicating that ISAE 3410 is not applicable when the practitioner is not providing a separate conclusion on the GHG information, as shown below (footnotes omitted for purposes of this comment):

A1. In some cases, the practitioner may perform an assurance engagement on a report that includes GHG information, but ~~that GHG information does not comprise a GHG statement as defined in paragraph 14(m)~~ **the practitioner is not providing a separate conclusion on the GHG information**. In such cases, ISSA 5000 applies. However, this ISAE may provide guidance for such an engagement.

- Revising proposed paragraph 3A of ISAE 3410 to make explicit that the practitioner’s conclusion in an assurance engagement on a GHG statement in accordance with ISAE 3410 may not cover other sustainability assurance:

3A. The practitioner’s conclusion in an assurance engagement on a GHG statement may also cover other information other than that is not sustainability information in addition to the GHG statement. In such cases, ISAE 3000 (Revised) (or another ISAE dealing with a specific underlying subject matter) applies to assurance procedures performed with respect to the other remainder of the information covered by the practitioner’s conclusion. **If sustainability information other than GHG information is included in an assurance engagement on a GHG statement, then ISSA 5000 applies to the other sustainability information.**

Conforming changes to ISAE 3000

Conforming amendments proposed to ISAE 3000 (Revised) refer to “other than assurance engagements on sustainability information”. Strictly speaking, GHG information is sustainability information; assurance engagements on *most* sustainability information are dealt with in the ISSAs, but assurance engagements in which an assurance conclusion is expressed on *specific* sustainability information — that is, GHG statements — are dealt with in ISAE 3410. As expressed in paragraphs 5 and A21 of ISAE 3000, when ISAE 3410 applies to an engagement, so does ISAE 3000. Accordingly, to be precise, revisions to the proposed conforming amendments would be necessary. We suggest making the edits below to the following ISAE 3000 paragraphs (footnotes omitted for purposes of this comment):

1. This International Standard on Assurance Engagements (ISAE) deals with assurance engagements other than **(1) audits or reviews of historical financial information, which are dealt with in International Standards on Auditing (ISAs) and International Standards on Review Engagements (ISREs) respectively, and (2) assurance**. Assurance engagements on

sustainability information are dealt with in International Standards on Sustainability Assurance (ISSAs). (Ref: Para. A21–A22)

...

Scope

5. This ISAE covers assurance engagements other than audits or reviews of historical financial information or assurance engagements on sustainability information that are dealt with in International Standards on Sustainability Assurance (ISSAs), as described in the International Framework for Assurance Engagements (Assurance Framework). Where a subject-matter specific ISAE is relevant to the subject matter of a particular engagement, **including ISAE 3410**, that ISAE applies in addition to this.

A21. This ISAE includes requirements that apply to assurance engagements (other than audits or reviews of historical financial information or assurance engagements on sustainability information for which ISAE 3410 is not applicable), including engagements in accordance with a subject matter specific ISAE. In some cases, a subject matter specific ISAE is also relevant to the engagement. A subject matter specific ISAE is relevant to the engagement when the ISAE is in effect, the subject matter of the ISAE is relevant to the engagement, and the circumstances addressed by the ISAE exist.

Status of EER Guidance

The EER guidance, which was developed using an extensive public consultation process, contains much information that is helpful to those performing sustainability assurance engagements. Because the EER guidance refers to ISAE 3000 (Revised), the applicability of the EER guidance to ED-5000 is unclear. We strongly encourage the IAASB to update the EER guidance as soon as practicable after the issuance of ISSA 5000. Until then, the IAASB should clarify that the EER guidance can be applied, adapted as necessary, to ED-5000 and promote its use through its website and other avenues available to it.

Additional examples

It would be extremely helpful if ED-5000 included an illustrative report on a sustainability assurance engagement in which

- a greenhouse gas statement forms a part of the reported sustainability information, and
- the practitioner provides a separate assurance conclusion on that statement alongside several other conclusions, including
 - limited assurance on some sustainability disclosures and
 - reasonable assurance on others.

The EER guidance or the AICPA Sustainability Guide may be a resource for these illustrations. The AICPA Sustainability Guide includes several illustrative reports on both sustainability information and GHG statements that could be adapted, including an illustrative practitioner's report on an examination of one or more specified indicators and a review of others (see appendix F of the AICPA Sustainability Guide).

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: [No, with comments below](#)

Detailed comments (if any):

A practitioner’s adherence to relevant ethical requirements and a system of quality management is fundamental to the public interest and assurance quality. Oversight and enforcement of compliance with relevant ethical requirements and quality management standards is a critical reason why users can have confidence in the reliability of assurance reports. While the IAASB does not have enforcement authority, it should consider what it can do to instruct and inform jurisdictions with respect to the importance of monitoring compliance with relevant ethical requirements and quality management standards. This topic could be an item of discussion at the IAASB’s 2024 meeting with national standard-setters.

In addition, given that the IESBA Code is being revised to be relevant to non-accountant assurance practitioners providing assurance on sustainability reporting, ED-5000 should require the use of the IESBA Code, unless the assurance practitioner is required to comply with ethical requirements prescribed by law, regulation or national standard setters that have been designated, by those with oversight authority, as “at least as demanding” as the IESBA Code. If the IAASB does not have the authority to require the use of the IESBA Code, application material should be added encouraging the use of the IESBA Code. While it’s conceptually clear from our perspective as a national standard-setter what “at least as demanding” means in relation to the IESBA Code, in practice we are not aware of any ethical requirements for non-accountant assurance practitioners that are at least as demanding.

With respect to ISQM 1, paragraph A8 states that other requirements are at least as demanding “when they address the requirements of ISQM 1”. Similar to the above, the IAASB should require use of ISQM 1, unless the assurance practitioner is required to comply with quality control requirements prescribed by law, regulation or national standard setters that have been designated, by those with oversight authority, as at least as demanding as ISQM 1.

We agree with the IAASB’s view that jurisdictional authorities have a key role to play in supporting practitioners by determining, in the context of the jurisdiction, what requirements are deemed at least as demanding. The IAASB will likely need to continue to engage with the International Organization of Securities Commissions, the United Kingdom’s Financial Stability Board, the European Commission, the United States Securities and Exchange Commission, and other jurisdictions as to what requirements should be followed when non-accountant assurance practitioners perform ISSA 5000 engagements, as well as what oversight regime would be in place for those circumstances.

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 comments below](#)

Detailed comments (if any):

We appreciate that the IAASB has sought to clearly indicate when ED-5000 is intended to refer to the broader population of all sustainability information reported by the entity by using the phrase “sustainability information expected to be reported”. However, additional clarity is needed.

Definition of sustainability information

We are concerned that IESBA and IAASB have different definitions of sustainability information. While the Explanatory Memo states that there will be further opportunities for the two Boards to align this definition, it does not serve the public interest to have IESBA exposing a different definition rather than using the definition the IAASB has already deliberated extensively. The path to alignment will be difficult if the respondents to each exposure draft do not offer any feedback on the definition in the other exposure draft (which is most likely). The IAASB should request that IESBA expose a definition that is consistent with the definition in ED-5000 or address the reasons for the differences in the Explanatory Memorandum to its Exposure Draft.

Definition of sustainability matters (Paragraph 17vv)

We propose that the definition of sustainability matters be modified as follows:

“Sustainability matters – Environmental, social, **economic and cultural and governance** matters, including:

- (i) The impacts of an entity's activities, products and services on the environment, society, ~~or economy or culture~~, or the impacts on the entity, and
- (ii) The entity's policies, performance, plans, goals and governance relating to such matters.”

We've proposed the above modifications given the following:

- The term “ESG” (which refers to environmental, social and governance matters) and the term “sustainability” are widely used interchangeably, on a global basis;
- “Cultural” is essentially a subset of “social”; and
- The use of the term “economic” is so broad that theoretically it could scope in the company's financial results, and unnecessary given current understanding of sustainability matters.

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: [Neither yes/no, but see comments below](#)

Detailed comments (if any):

Appendix 1 of ED-5000 is very helpful in clarifying the relationship between sustainability matters, sustainability information, sustainability topics, and aspects of sustainability topics.

However, there is a risk that the term “disclosures” will be misunderstood, as that term has both a common English meaning and a specific meaning in the context of an audit of financial statements. We do not believe that paragraph A16 is sufficient to resolve or avoid the confusion that will be created by using the same word (disclosure). Rather, we suggest replacing “disclosures” with “sustainability disclosures”.

Also, paragraph A10 states, “when the disclosures relate to a number of topics and aspects of topics, separate conclusions may be provided on each aspect.” However, the illustrative report in Illustration 3 states that the conclusions are on the disclosures. We suggest saying in this illustrative report that the conclusions are on the “selected sustainability information for each topic.” This is consistent with the other illustrative reports and the requirements in paragraphs 163, 168 and 170 to form a conclusion and report on “sustainability information.”

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):

Overall Response

ED-5000 does not appropriately differentiate between limited and reasonable assurance for relevant elements of the sustainability engagement. The words used to describe the work effort for limited assurance are too similar to the words used to describe the work effort for reasonable assurance.

Additionally, as discussed further in our responses to questions 13 and 17, the lack of consistency among the wording in ISAE 3000 (Revised), ISAE 3410 and ED-5000 contributes to the difficulty in determining the work effort that is expected in a limited assurance engagement.

Risk Procedures

The differentiation between the work effort for limited assurance and for reasonable assurance is obfuscated by using the term “risk procedures” to describe the work effort for both types of engagements while defining that term to have a different meaning for limited assurance engagements than it does for reasonable assurance engagements. To alleviate any potential confusion, we suggest that when referring only to limited assurance engagements, the term “risk identification procedures” be used, and when referring only to reasonable assurance engagements, the term “risk assessment procedures” be used. In paragraphs applicable to both limited and reasonable assurance engagements, the term “risk procedures” should be replaced with “risk identification or risk assessment procedures”. Paragraph 17(qq) would be replaced by definitions of “risk identification procedures” and “risk assessment procedures”.

Paragraph 116L

Paragraph 116L should be deleted in its entirety. If the practitioner has identified control deficiencies in the control environment that undermine the other components of the system of internal control (116La) or material misstatements that are likely to arise pervasively throughout the sustainability information (116Lc), then the practitioner has become aware of matters that cause the practitioner to believe that the sustainability information may be materially misstated. Paragraph 133L addresses this situation. Accordingly, paragraphs 116La and 116Lc are redundant. The specific circumstances mentioned in paragraph 116La and 116Lc may be brought into paragraph A386L. Further, it is not clear what the practitioner would do differently to apply the requirement in paragraph 116Lb than to apply the requirements in paragraphs 117-118. Accordingly, paragraph 116Lb is redundant. Therefore, as stated above, paragraph 116L should be deleted.

Paragraph 132

Sampling is not required for a limited assurance engagement. In a limited assurance engagement, a practitioner may decide to select one or two items to support substantive analytical procedures or tests of details. Paragraph 132 has been interpreted as precluding a practitioner from doing so by requiring the practitioner to determine a sample size sufficient to reduce sampling risk to an acceptably low level, in accordance with paragraph 132b. To clarify that this is not the intent, we recommend making the following changes to paragraph A385:

A385. Sampling is not the same as selecting items as part of risk identification or assessment procedures or to evaluate the reliability of information. Sampling involves the following:

Paragraph A289

Paragraph A289 was sourced from paragraph A15 of ISA 315. Because this paragraph is from a reasonable assurance standard, we believe it should be referenced only to paragraph A94R and not be applicable to paragraph A94L.

Paragraph A389L

Paragraph A389L states 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.” While not disagreeing with this concept, we believe that this sentence has the potential to further blur the lines between limited and reasonable assurance engagements. We also believe that this sentence is not necessary, because the last bullet in paragraph A388L states “Whether the practitioner judges it appropriate to perform procedures of similar nature or extent to that required in a reasonable assurance engagement.”

We recommend deleting the last sentence of paragraph A389L and moving the first sentence of that paragraph to be the first sentence in paragraph A388L.

Consideration of Timing of Audit Evidence Standard

The requirement in paragraph 84, and related application material, aligns with proposed ISA 500 (Revised), *Audit Evidence*. Proposed ISA 500 (Revised) is likely subject to change based on feedback received. Given the timing of the projects on ED-5000 and on audit evidence, it is unclear when the two proposed standards will be aligned. Comments from the exposure of proposed ISA 500 (Revised) on the material brought into proposed ISSA 5000 from ISA 500 (Revised) should be considered in finalizing proposed ISSA 5000, in consultation with the IAASB Audit Evidence Task Force. Alternatively, given the uncertainty regarding the timing of the audit evidence project, it may be necessary for the requirements in the final ISSA 5000 standard to be consistent with the articulation of these concepts in ISAE 3000 (Revised), with incremental guidance from extant ISA 500.

Resource for guidance on “meaningful assurance” and paragraph A195L

Appendix 3, “Limited and Reasonable Assurance”, of the EER guidance provides examples of the ways in which procedures performed to obtain reasonable and limited assurance may differ. While the factors in paragraph A195L are helpful in explaining what “meaningful assurance” means in terms of the extent of work and evidence needed, adding additional application material from this Appendix would be helpful.

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):

While paragraph 69 itself is clear as to the need for preliminary knowledge of the engagement circumstances, the extent of that knowledge is unclear. We have the following comments and recommendations in this regard.

- The extent to which the practitioner is expected to obtain a detailed understanding of the entity's reporting/materiality process is not clear. It may be unlikely, at pre-acceptance, for the practitioner to obtain detailed information about the entity's reporting process and reporting boundary. Paragraphs A156-A157 imply a level of understanding that may be more commonly associated with the detailed understanding of the entity and its environment that the practitioner obtains as part of risk identification or risk assessment procedures, after having accepted the engagement. Accordingly, paragraphs A156-A157 should be moved to be application material linked to paragraph 97.
- The Explanatory Memorandum further states: "*The extent of the preliminary knowledge needed in paragraph 69 of ED-5000 would be limited to what is sufficient for acceptance or continuance of the engagement.*" While the standard should not impose requirements on the practitioner that may be unnecessarily onerous prior to acceptance or continuance of the engagement, the standard should include examples of different ways to obtain this knowledge in the context of existing frameworks as compared to entity-developed criteria.
- Paragraph 70(a) requires the practitioner to determine whether management, or those charged with governance, as appropriate, have a reasonable basis for the sustainability information. We recommend rephrasing this requirement to state that the practitioner **should use professional judgment in determining** whether management, or those charged with governance, as appropriate, have a reasonable basis for the sustainability information. Paragraph A162 indicates that the practitioner may do so by considering whether management has a formal process with robust controls to enable the preparation of the sustainability information that is free from material misstatement. Given the level of immaturity in sustainability information reporting, this is a very high bar. We recommend deleting the words *formal* and *robust* (note that these adjectives are subjective and not consistent with the IAASB's *Complexity, Understandability, Scalability and Proportionality: Drafting Principles and Guidelines [Draft]* ("Draft CUSP Guidelines")¹).

Paragraph A163 states that if the practitioner becomes aware that there are deficiencies in management's process to prepare the sustainability information that is not within the proposed scope of the assurance engagement and is therefore other information, this may indicate that management or those charged with governance, as appropriate, does not have a reasonable basis for the sustainability information. Obtaining this information would require a detailed understanding of the entity's reporting and materiality processes and system of internal control that is not commensurate, in our view, with preliminary knowledge of the engagement circumstances. Paragraph A163 should be revised to clarify

¹ [IAASB CUSP-Drafting-Principles-and-Guidelines \(April 2022\)](#)

that this level of understanding of management's process happens during the engagement, not as part of the acceptance process.

Paragraph 71

Consistent with the Draft CUSP Guidelines, we suggest moving the second sentence of paragraph 71 to application material.

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: [Neither yes/no, but see comments below](#)

Detailed comments (if any):

We believe that ED-5000 has the appropriate requirements relating to the practitioner's consideration of the entity's materiality process in identifying topics and aspects of topics to be reported. However, that is a different question than whether ED-5000 appropriately addresses this issue. While we agree that the proposed standard needs to be framework neutral, there are likely several frameworks, including the CSRD, that will require assurance practitioners to express an assurance conclusion on the entity's process. We understand the standard likely can't go as far as addressing specific work effort necessary to form a conclusion when those conclusions are required. However, consideration of the entity's materiality process is a critical element to acceptance, planning and performance of the engagement, and we think further attention is needed on the topic of materiality in the proposed standard, both in the context of the entity's materiality process and in the context of how the practitioner considers and determines materiality (see question 11).

ED-5000 is unclear about when the practitioner's more detailed understanding of the entity's materiality process, beyond the initial preliminary understanding, is obtained. It may be implicit in the requirements in paragraphs 94-99, together with the required understanding of the components of the system of internal control, but it is not clear. We suggest that application material linked to paragraph 97 be added to create a more logical flow from the preliminary understanding requirement and address expectations for the level of the practitioner's further understanding of the entity's process to identify reporting topics.

The IAASB could also include guidance on how the practitioner might go about understanding the entity's materiality process, including the guidance on potential practitioner considerations and inquiries, as outlined below:

Considerations

- Whether the users or groups of users identified by the entity are consistent with those that the practitioner would consider to be intended users of the assurance report
- The significance of the potential reporting topics in the context of their impact on the entity and its performance in achieving its strategic objectives or their impact on external parties

Inquiries

- How has the entity identified its reporting purpose and the related intended users of the sustainability information?
- Has the entity documented its process and the decisions and judgments it made?
- How the entity identified reporting topics that are relevant to users' decision-making and what is the entity's basis for its judgments in doing so?

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):

Overall, ED-5000 appropriately addresses the practitioner's evaluation of the suitability and availability of the criteria used by the entity in preparing the sustainability information. However, the following changes should be made:

- We recommend that paragraph 72(d) use the word "Determine" rather than "Evaluate" because whether and how the criteria will be made available to the intended users is a matter of fact, not a matter of judgment.
- A176-A177, A179(e) & (g)(i), *Specific Considerations for Determining the Suitability of Criteria for Processes, Systems and Controls* – Consider referencing the COSO Integrated Framework (specifically, internal control over sustainability reporting) as an example of an internal control framework to use as criteria.
- A178, A179(e) & (g)(iii), *Specific Considerations for Determining the Suitability of Criteria for Forward-Looking Information* – An example of a known or generally accepted model available for forward-looking information should be added.
- A181 – Add a bullet to the list stating that the practitioner may consider whether the criteria "omit relevant factors that could reasonably be expected to affect decisions of the intended users made on the basis of that sustainability information."

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 comments below](#)

Detailed comments (if any):

In principle, yes, we agree that the exposure draft has approached the concept of “double materiality” in a framework-neutral manner. The application material is clear in explaining the distinction between “double materiality” and the practitioner’s materiality considerations. However, as noted in our response to question 9, we have concerns regarding the sufficiency and location of the guidance. Specifically, paragraph A273 mixes the practitioner’s materiality considerations with the entity’s materiality process. Removing the last sentence in paragraph A273, which is repetitive of paragraph A157, would alleviate potential confusion. Likewise, the placement of paragraph A274 is confusing because paragraph A274 discusses the entity’s materiality process but is application guidance to the requirements for the practitioner’s materiality considerations. We suggest moving paragraph A274 to follow paragraph A180, and revising both paragraphs as follows to avoid duplication:

A180. The information needs of the intended users may relate to:

- The impact **effect** of sustainability matters on the entity’s **financial performance**, which may be referred to as financial materiality;
- The ~~impacts~~ **effects** of the entity on sustainability matters, which may be referred to as impact materiality; or
- Both ~~impacts~~, **effects**, which may be described by the applicable criteria as “double materiality” in the context of identifying topics or aspects of topics to be included in the sustainability information (see paragraph A157).

~~A274~~**A180A.** ~~When an entity uses applicable criteria that identify reporting topics that impact the entity’s financial performance, the materiality considerations may be referred to as “financial materiality.” In this case, financial~~ **Materiality considerations that relate to what may be referred to as “financial materiality”** may be set in the context of financial terms and the intended users are likely current and future providers of debt and equity. ~~When an entity uses applicable criteria that identify reporting topics relevant to the impacts of the entity on the environment, society, economy or culture, the materiality considerations may be referred to as “impact materiality.” In this case,~~ **Materiality considerations that relate to what may be referred to as “impact materiality”** are considered according to the nature and magnitude of impacts, and may be relevant to a broader group of intended users (see also paragraph A180). ~~When the applicable criteria refer to both financial impacts on the entity and the entity’s impacts on the environment, society, economy or culture, this may be referred to as “double materiality.”~~

Also, as explained in our response to question 9, we believe further guidance is needed overall on how the practitioner considers the entity’s process to identify reporting topics, which will likely necessitate further discussion of the concept of double materiality. This is also an area where collaboration with other stakeholders, such as professional bodies in Europe, would be useful to enable the development of additional non-authoritative guidance on this topic potentially for both practitioners and preparers given the requirements of certain reporting frameworks, including the CSRD.

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: [Yes, with comments below](#)

Detailed comments (if any):

Use of terms in a standard used by all assurance providers

As professional accountants, we understand the distinction between ‘consider’ and ‘determine’ and why ‘consider’ would apply to qualitative matters and ‘determine’ to quantitative matters. However, non-accountant assurance practitioners may not be as familiar with the words used to express required actions. Appendix 2 of the Draft CUSP Guidelines explains the spectrum of work effort implied by verbs commonly used in IAASB standards. This appendix, adapted to be non-audit-specific, would be an excellent addition to the appendices of ED-5000, from which all assurance practitioners could benefit.

Resources for additional guidance on materiality

We believe additional guidance regarding materiality is needed or, at a minimum, available resources should be referenced so that all assurance practitioners are aware of them. Resources for additional guidance on materiality include the application paragraphs related to materiality in ISAE 3000 (Revised), the [AICPA Sustainability Guide Attestation Engagements on Sustainability Information \(Including Greenhouse Gas Emissions Information and Climate-Related Financial Disclosures\)](#), and the AICPA whitepaper [Materiality Considerations for Attestation Engagements](#). In addition, practical guidance using the ESRS and ISSB as examples would be helpful.

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):

The practitioner’s report states that “the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.” One significant difference between limited assurance and reasonable assurance relates to the area of obtaining an understanding of internal control.

ISAE 3000 (Revised) has obtaining an understanding of internal control as a differentiator between limited and reasonable assurance, as is clear from the difference in requirements between paragraphs 47L and 47R of ISAE 3000 (Revised). We believe that this baseline is appropriate. The IAASB's decision to require obtaining an understanding of the entity's system of internal control in a limited assurance engagement on sustainability information is materially consistent with ISAE 3410. However, we do not believe that this additional procedure, which is not required for limited assurance on any other subject matter, is necessary to achieve limited assurance. Therefore, we recommend changing paragraph 102L to state that the practitioner shall obtain an understanding of the process used to prepare the sustainability information, which would be consistent with paragraph 46L of ISAE 3000 (Revised). If that recommendation is not acceptable, we then suggest that paragraph 102L be consistent with paragraph 27L of ISAE 3410, and state that the practitioner shall obtain an understanding, **through inquiry**, of the following components of the entity's system of internal control...

We also recommend the following edits to paragraph 170(h)(iv) for (1) consistency with our recommendations above and with paragraph 39(b)(ii) of ISA 700 (Revised); and (2) conciseness and clarity (footnotes omitted for purposes of this comment):

- If our recommendation that paragraph 102L be revised to be consistent with paragraph 27L of ISAE 3410 is taken:
 - (iii) The practitioner performs ~~risk procedures, including obtaining~~
 - a. For a limited assurance engagement: **risk identification procedures, including obtaining** an understanding of ~~internal controls relevant to the engagement~~ **the process used to prepare the sustainability information** to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control; or
 - b. For a reasonable assurance engagement: **risk assessment procedures, including obtaining** an understanding of ~~internal controls~~ **control** relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- If that recommendation is not taken, then we suggest the following edit instead:
 - (iv) The practitioner performs ~~risk procedures, including obtaining~~
 - c. For a limited assurance engagement: **risk identification procedures, including obtaining** an understanding of ~~internal controls~~ **control** relevant to the engagement to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control; or
 - d. For a reasonable assurance engagement: **risk assessment procedures, including obtaining** an understanding of ~~internal controls~~ **control** relevant to the engagement, to identify and assess the risks of material misstatement, whether due

to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

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):

Paragraphs A22 and A91 are clear that "another practitioner" is not a member of the engagement team. To further clarify these paragraphs, they could be revised to consistently use the phrase 'individuals from other firms within or outside of the practitioner firm's network', as follows:

A22. The engagement team includes personnel, which includes any internal experts, and may include individuals from other firms within or outside of the practitioner firm's network when such individuals perform procedures on the engagement and the practitioner is able to direct and supervise them and review their work. As explained in paragraph A91, when ~~another firm performs~~ **individuals from other firms within or outside of the practitioner firm's network perform** assurance work and the practitioner is unable to direct, supervise and review that work, such firms and the individuals from those firms who performed that assurance work are not members of the engagement team and are referred to in this ISSA as "another practitioner."

.A91 In other circumstances, the work of ~~a firm other than the practitioner's firm~~ **individuals from other firms within or outside of the practitioner firm's network** may have already been completed, or the practitioner may be unable to direct, supervise and review the work to be performed by that other firm. This may be because the practitioner's access to the work of another practitioner is restricted by law or regulation, or the work that has been performed by that other firm relates to an entity that is part of the supply chain outside of the organizational boundary of the entity subject to the practitioner's engagement, and neither the entity's management nor the practitioner have any rights of access to that other firm's assurance work. In such circumstances, when the practitioner nevertheless considers that the work of that other firm is relevant to the practitioner's assurance engagement and intends to use that work, that firm is another practitioner as explained in paragraph A22, and the requirements in paragraphs 51-54 apply.

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: [No, with comments below](#)

Detailed comments (if any):

Using the Work of A Practitioner's External Expert or Another Practitioner

Clarity would be enhanced if ED-5000 addressed using the work of an external expert and using the work of another practitioner separately, as ISAE 3000 (Revised) does. ISA 620, *Using the Work of an Auditor's Expert*, addresses using the work of an external expert, but there are no ISAs that explicitly include the concept of using the work of another practitioner (auditor). As ED-5000 is currently written, it is quite challenging to parse which requirements apply when the practitioner

- can be involved in the work of an expert.
- cannot be involved in the work of an expert.
- can be involved in the work of another practitioner.
- cannot be involved in the work of another practitioner.

We address an external expert and another practitioner separately below.

Practitioner's External Expert

Paragraph 42 requires the engagement leader to determine whether the practitioner will be able to be sufficiently and appropriately involved in the work of a practitioner's external expert. It is unclear what sufficient and appropriate involvement in the work of an external expert would be, as an external expert is not a member of the engagement team. It is also unclear whether paragraph 49 applies *regardless of whether* the practitioner can be sufficiently and appropriately involved in the work of an external expert, or *only when* the practitioner can be sufficiently and appropriately involved in the work of an external expert. We suggest deleting reference to the practitioner's external expert from paragraph 42, and revising paragraphs 49-50 to clarify the confusion we have identified.

Using the Work of Another Practitioner

The Explanatory Memo states that “[w]hen the practitioner considers that the work of a firm other than the practitioner's firm is relevant to the practitioner's assurance engagement, and such work has not yet been performed, the practitioner ordinarily plans to be sufficiently involved in that work (see paragraph A90 of ED-5000). If the practitioner is able to direct, supervise and review such work, the requirements in ED-5000 for the engagement team apply...[When] the practitioner cannot be sufficiently involved in the work of another practitioner...and intends to use that work, the requirements in paragraphs 51-54 of ED-5000 apply (see paragraph A91 of ED-5000).” We suggest that paragraph 42 of ED-5000 be revised as follows to focus on direction, supervision and review, which would clarify this concept, remove an inconsistency with other standards, and reduce the need for paragraphs A90 and A91 of ED 5000.

42. If the practitioner intends to use the work of ~~a practitioner's external expert~~ or a firm other than the practitioner's firm, the engagement leader shall determine whether the practitioner will be able to **direct and supervise the individuals of that firm and review** ~~be sufficiently and appropriately involved in such work,~~ **and thereby determine whether the individuals (or as applicable, the other firm) performing that work are members of the engagement team or “another practitioner.”** (Ref: Para. ~~A87~~ **A89** – A91)

Regarding paragraphs 51-54 of ED-5000, there will be circumstances in which assurance work is performed outside the entity's reporting boundary. Other circumstances likely to arise include when, within the reporting boundary, work has been completed by another practitioner, or not yet performed but the engagement partner cannot be sufficiently involved in the work of the other practitioner, and when the company uses a service provider as part of its sustainability reporting process. In these circumstances, it would be extremely challenging to apply the requirements in paragraphs 51-54. Absent the evolution of a service auditor's report model up and down sustainability value chains, those assurance practitioners further up the value chain are likely to face an inability to obtain sufficient appropriate evidence, which will result in a scope limitation in many circumstances. Treating the work of these assurance practitioners as information intended to be used as audit evidence would be helpful in these situations. Clarifying that this is the intent of ED-5000 would also be helpful.

Paragraph 51

Paragraphs 51(c) and (d) appear to be duplicative. Please clarify the difference between

- 51(c). Evaluate whether the nature, scope and objectives of that [other] practitioner's work are appropriate for the practitioner's purposes; and (Ref: Para. A121)
- 51(d). Determine whether the other practitioner's work is adequate for the practitioner's purposes.

Paragraph 51(a) requires the practitioner to evaluate whether [another] practitioner is independent. We recommend revising as follows, using wording from ISA 600 (Revised):

- a. ~~Evaluate~~ **Determine** whether that practitioner **understands and will comply with relevant ethical requirements, including those related to independence, is independent** and has the necessary competence and capabilities for the practitioner's purposes

Paragraphs 52 and 53

The objective should be clear, two-way communication between the practitioner and another practitioner. If the concept of clear, two-way communication can be added to paragraph 52, paragraph 53 could be eliminated.

Using the work of internal audit for direct assistance

We suggest addressing *internal audit used for direct assistance*, using language from ISA 610 (Revised 2013), specifically in the definition of *engagement team* in ED-5000 and in paragraph 41, to be consistent with paragraph 26 of ISA 220.

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: [Disagree, with comments below](#)

Detailed comments (if any):

The current requirements and application guidance in ED- 5000 regarding estimates and forward-looking information, which are part of the reporting requirements of certain required sustainability frameworks, are vague and too high-level. Clarification that takes into account the characteristics largely unique to sustainability reporting, including a high degree of measurement uncertainty and a focus on the process of developing forward looking information, is needed to promote consistent application by all assurance providers and enhance quality in this area.

Making estimates may likely be subject to more established criteria or measurement methods while forward-looking disclosures may likely be more subject to entity-developed criteria or approaches. Assumptions for forward-looking disclosures may be best-estimate or hypothetical, as noted in the explanatory memorandum. Consequently, while we do not conceptually disagree with the proposed approach of combining the requirements for estimates and forward-looking information, we believe that further application guidance is needed to explain relevant considerations for the practitioner regarding the nature and extent of evidence that may exist for forward-looking disclosures. We also believe that the standard needs to address how the practitioner would determine the appropriate response to the risk identification or risk assessment procedures. For example, the evidence obtained may support a conclusion that the disclosure has been developed using a “reasonable” process in accordance with the applicable criteria. However, a practitioner is not able to assure that the outcome described in such hypothetical or aspirational disclosures will be achieved.

We suggest adding guidance from ISAE 3400, *The Examination of Prospective Financial Information*, or 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This guidance could clarify that, for forward-looking information, the practitioner is obtaining evidence that the process to compile the forward-looking information has been applied by management in accordance with the applicable criteria, and the practitioner is not expressing an opinion or conclusion on the outcome of the forward-looking information. We think that a separate standard addressing estimates and forward-looking information within a suite of standards under ISSA 5000 would best provide the needed specificity and would be in the public interest; however, the timing of additional standards in this suite seems rather far in the future. Accordingly, we suggest that application material be added to ED-5000 or non-authoritative guidance on this topic be issued.

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: [Yes, with comments below](#)

Detailed comments (if any):

As discussed in our response to question 7, the term “risk procedures” has different definitions in the context of limited assurance and reasonable assurance. Although the definition draws a distinction between the two, using the term “risk procedures” in regard to both limited and reasonable assurance runs the risk that practitioners will fail to make a distinction between the two. As stated in our response to question 7 above, we suggest that when referring only to limited assurance engagements, the term “risk identification procedures” be used, and when referring only to reasonable assurance engagements, the term “risk assessment procedures” be used. In paragraphs applicable to both limited and reasonable assurance engagements, the term “risk identification or risk assessment procedures” should be used.

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: [Disagree, with comments below](#)

Detailed comments (if any):

As discussed in our answer to question 15, ED-5000 is not clear when addressing situations in which the practitioner is using the work of another practitioner (whether that work has already been completed or that work has not yet been performed), but the practitioner will be unable to direct and supervise the other practitioner and review that work (whether the engagement leader has requested that another practitioner perform the work or not.) These circumstances often arise in relation to groups or in other circumstances when “consolidated” sustainability information is presented by the entity. We would support the development of a separate ISSA addressing groups or “consolidated” sustainability information, but in the interim, further guidance will be necessary for the consistent implementation of ED-5000. Suggestions for further guidance are as follows:

- Add application material on understanding the entity’s consolidation process (at least for reasonable assurance) as part of understanding control activities in paragraphs A305, A333, and A337, using ISA 600 (Revised) as a resource.
- Add application material leveraging paragraph A51 of ISA 600 (Revised) in developing considerations related to scoping judgements.
- Address qualitative and quantitative information in the context of materiality in a multilocation audit.

ISA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*, provides requirements on applying the other ISAs to group audit situations. Professional accountants may leverage the group audit model in ISA 600 (Revised), but non-accountant assurance practitioners likely will have limited or no experience applying that model. This is likely to result in inconsistency in how these engagements are performed, which is not in the public interest. Therefore, we recommend that the IAASB develop an ISSA addressing group sustainability information. We note that it is important that the standards of the IAASB and IESBA be consistent and are concerned that IESBA is moving towards exposing definitions of key terms relating to group sustainability information when ED-5000 does not include these concepts. These disparate efforts will cause further fragmentation and confusion among assurance providers.

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: [Agree, with comments below](#)

Detailed comments (if any):

- We agree that ED-5000 appropriately addresses the topic of fraud. We have no comment about whether “greenwashing” is appropriately addressed, because there is not a widely agreed-upon definition of greenwashing and (accordingly) the term has not been included in ED-5000.
- Paragraph 118 is consistent with paragraph 22 of ISA 250. We recommend that paragraph 21, and ideally also paragraph 20, of ISA 250 be included in ED-5000 to provide more context for the requirement in paragraph 22 to be consistently and appropriately applied.
- We also suggest adding, in paragraph A131 or paragraph A293, examples of fraud considerations or fraud triangle elements (that is, opportunity, incentive/pressure, and rationalization) in discussing how to identify fraud or what to consider in order to detect fraud. Paragraph A131 refers to paragraph A296; consider adding a reference to paragraph A406 as well (we also note that paragraph A296 and paragraph A406 are very similar).

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 comments below](#)

Detailed comments (if any):

It is not clear as to who “others” may be referring to in “management, those charged with governance and others.” Clarification or examples would be helpful.

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):

- The reporting requirements and application material related to the criteria and other elements of the report are too specific and prescriptive given the evolving nature of both the subject matter and the reporting environment. A more principles-based approach to the required elements of the report would (1) allow the report to be tailored to the subject matter, while retaining the form and content of the current illustrative reports, which are highly likely to be leveraged, and (2) provide guidance on desired specific wording. Examples of this specificity and prescription follow:
 - Paragraph 170(a) requires “A title that clearly indicates the report is an independent practitioner’s limited or reasonable assurance report.” ISAE 3000 (Revised) (Rev) par. 69(a) and ISAE 3410 par. 76(a) both require “A title that clearly indicates the report is an independent assurance report” and do not include the words *limited* or *reasonable*. This did not preclude the illustrative reports in Appendix 2 of ISAE 3410 from indicating the level of assurance in the title. Because a single report could have both a limited and reasonable assurance conclusion, and because the first paragraph of the report, in accordance with paragraph 170(c), includes a heading reflecting the type of conclusion provided—whether that be limited assurance, reasonable assurance, or both—the words “*limited or reasonable*” should be deleted from paragraph 170(a).
 - In addition, paragraph 170(a) specifies that the title use the word “practitioner”. This seems to preclude the use of descriptors such as accountant or assurance provider. The

wording in the corresponding requirement in paragraphs 69(a) of ISAE 3000 (Revised) is more flexible and should be incorporated.

- Examples of acceptable titles in paragraphs A468 of ED-5000 would be helpful.
- Paragraphs 170(f) and (g) specify that the section heading must include the words “Sustainability Information”. This seems to preclude the use of more specific descriptors, for example, if the sustainability information is only GHG emissions, is only human capital related information, or is generally referred to by the entity as ESG information. The language should be changed to require an “appropriate heading, such as...”.
- As noted in our response to question 2, we have serious concerns about both the performance and reporting requirements relating to other information. The requirements for reporting on other information in accordance with paragraph 182 could be challenging to implement in practice. Given the immaturity of sustainability reporting and the vast array of other information that may accompany these reports, we believe it is premature to require explicit disclosures in the assurance report about work performed on other information. Additionally, the report language is likely to be misunderstood because it places too great an emphasis on the procedures performed, which are limited in nature. Furthermore, the disclosures required by paragraphs 182(c) about the practitioner’s conclusion and paragraph 182(d) about the procedures performed will appear odd when other information includes financial statements that the practitioner’s firm audited, and are likely to confuse users. We recommend that the language in paragraphs 181-182 of ED-5000 be revised to make reporting on other information optional as an other-matter paragraph, based on the practitioner’s professional judgement, for example as required by paragraph 76 of ISAE 3000 (Revised).
- Paragraph 170(c)(ix) is a requirement that, at best, only experienced assurance providers will know how to apply. Paragraph A477 does not describe what “particular characteristics of the sustainability matter of which the intended users should be aware.” We suggest that paragraph 170(c)(ix) be deleted. If paragraph 170(c)(ix) is not deleted, add specific examples to paragraph A477 of particular characteristics of the sustainability matter of which intended users might need to be aware.
- We suggest that paragraph 170(c)(vii) refer to where the criteria can be accessed, or to where the criteria are available, rather than where the criteria are located (because, as noted in paragraph A473, the criteria need to be available to users, and not all locations might be accessible).
- We suggest the following edit to paragraph 170(d) for flexibility and consistency with other standards:

The basis for **the practitioner’s** conclusion, **directly following the first section of the assurance report with the practitioner’s conclusion, with the heading...**
- We suggest that the second sentence of paragraph 170 (d) (v) be replaced with the following:
 - **If other professional requirements or requirements in law or regulation that are at least as demanding as ISQM 1 are applied, the statement shall identify the professional requirements or requirements in law or regulation applied.**
- To be consistent with the headings required by paragraphs 170(c)(i)(a) and 170 (d), references throughout paragraph 170 to “conclusion” should say “**opinion or** conclusion.”

- 170(c)(iv) requires a statement in the report that “identifies and describes the sustainability information, including, if appropriate, the sustainability matters and how that information is reported.” Clarification is needed on what is meant by “how that information is reported” because it could be interpreted to mean where the information will be reported or in some other way. Clarification and an example in the application material would be helpful.
- We do not believe that reference should be made to a practitioner’s external expert in an assurance report. Accordingly, we recommend that paragraph 172 be deleted. We understand that this paragraph is consistent with paragraph 70 of ISAE 3000, and we believe that a conforming amendment to delete paragraph 70 of ISAE 3000 would be an appropriate means of maintaining consistency between the standards.
- We acknowledge that certain sustainability reporting frameworks may be considered fair presentation criteria due to an explicit acknowledgment that, to achieve fair presentation of the sustainability information, it may be necessary for management to provide information beyond that specifically required by the framework (for example, IFRS S1 *General Requirements for Disclosure of Sustainability Related Financial Information*—June 2023). Nonetheless, we believe that the new option to present a conclusion on “fair” presentation” seems unnecessary and could be confusing to users of the report. The concept of fair presentation is only briefly mentioned in ISAE 3000 (Revised) (in paragraph A182), and not included in an ISAE 3000 (Revised) report. The criterion for fair presentation is one among many; it is confusing to single this one out in ED-5000. Therefore, the practitioner’s conclusion should only refer to whether the information *is prepared*, in all material respects, in accordance with the applicable criteria. Reference to “fairly presented” should be deleted from paragraphs 170(c)(vi)a, 170(c)(vi)b, 178L(b), 178R(b), A470R, A470L, A471R, A512L and A513R.

If this suggestion is not taken, then we ask that the following concern be addressed. Paragraph 170c(vi) requires that the report express a conclusion that states, in part, that the sustainability information is either prepared or fairly presented. As indicated in paragraphs A470R and A470L, the use of “prepared” or “fairly presented” is dependent on the type of framework used to prepare the sustainability information (compliance or fair presentation). To clarify this dependency and that the wording is not at the option of the practitioner, we suggest the following edit to paragraph 170c(vi)a:

(vi) Expresses a conclusion, which: (Ref: Para. A470L-A472)

- In a reasonable assurance engagement, shall be expressed in a positive form, that the sustainability information is prepared (**if prepared in accordance with a compliance framework**) or fairly presented (**if prepared in accordance with a fair presentation framework**), in all material respects, in accordance with the applicable criteria; or
- In a limited assurance engagement, shall be expressed in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner’s attention to cause the practitioner to believe that the sustainability information is not prepared (**if prepared in accordance with a compliance framework**) or not fairly presented (**if prepared in accordance with**

a fair presentation framework), in all material respects, in accordance with the applicable criteria.

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

Detailed comments (if any):

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):

The comments in this section are primarily concerns about issues not addressed by other questions, and more straightforward drafting suggestions that we believe merit your attention.

Concerns

Other information (paragraphs 17(ee) and 154-159)

As noted in our response to question 2, we have serious concerns about the performance requirements and, as discussed in our response to question 21, the reporting requirements relating to other information. When an integrated form of annual report is presented, we believe two significant factors will give rise to inconsistencies in how practitioners are likely to satisfy the proposed other information work effort requirements of the standard. First, the firm appointed as the sustainability assurance provider may or may not have undertaken other engagements for the entity, for example the financial statement audit or other assurance engagement. Second, sustainability reporting is still evolving, and what may or may not be reported alongside the sustainability information subject to assurance is also likely to vary depending on the industry, jurisdictional established practice, the maturity of the entity's reporting process, and the entity's appetite for integrated reporting. Accordingly, we suggest that rather than use ISA 720 as a base, the requirements in ED-5000 start with the requirements and application guidance in ISAE 3000 (Revised) that require the practitioner to read and consider other information, and do not include a reporting element (as recommended in our response to question 21). Should local jurisdictions want to go beyond ISAE 3000 (Revised) requirements, they would be able to do so. Local jurisdictions would have greater insight into what constitutes "other information" based on how the sustainability information is required to be presented.

In addition, to be consistent with ISAE 3000 (Revised) and for clarity and conciseness, the definition of *other information* should be revised, to the following:

Other information – ~~All information not subject to the assurance engagement~~ included in a document or documents containing the sustainability information **other than the sustainability information** subject to the assurance engagement and the ~~assurance practitioner's~~ **assurance practitioner's** report thereon.

Paragraph A433 simply repeats information about sustainability information from paragraph 4 [note, the reference in paragraph A433 is incorrect] but omits the last sentence in paragraph 4, which describes what "other information" is in the context of this standard. While we believe that last sentence would be more germane in paragraph A433 (rather than what is currently there), we question the need for paragraph A433 at all.

Tagged sustainability information

Given the increased prevalence of regulatory requirements for sustainability information to be tagged (XBRL), XBRL taxonomies are under development. While we recognize that proposed ISSA 5000 would not apply to engagements related to assurance on the tagging of sustainability information, we recommend that the IAASB consider developing non-authoritative guidance on the type and extent of XBRL-related procedures, and how the practitioner could report on the practitioner's conclusions when the assurance engagement covers tagged-data.

Drafting suggestions

Scope of the ISSA (paragraph 7)

We suggest aligning the last sentence in paragraph 7 with paragraph 170(d)(ii)b as follows:

...Because the level of assurance obtained in a limited assurance engagement is **substantially** lower than **the assurance that would have been obtained had** in a reasonable assurance engagement **been performed**, the procedures the practitioner will perform in a limited assurance engagement will vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. (Ref: Para. A10)

Definitions (paragraph 17)

We propose the following revisions to the following definition, to align with ISAE 3000 (Revised), as we see no reason to diverge. We also note that paragraph A28 refers to “sustainability information” while the definition refers to “sustainability matters”; the below revision makes that inconsistency moot.

- (aa) Misstatement – A difference between the disclosure(s) **sustainability information** and the appropriate measurement or evaluation of the sustainability matters in accordance with the applicable criteria. Misstatements can arise from error or fraud **be intentional or unintentional**, may be qualitative or quantitative, and include **omissions** omitted information or information that **obscures the presentation of the disclosures**. (Ref: Para. A28)

In addition, to help ensure that there is appropriate focus on the importance of assurance skills and techniques, we recommend that the definition of ‘assurance skills and techniques in paragraph 17(e) be enhanced to include reference to training and experience of practitioners in the exercise of professional skepticism and professional judgement as an integral part of applying assurance skills and techniques.

Further, we note that the term “organizational boundary” is used in paragraphs A76, A77, A222, A238, A261, A359, and A453. While “reporting boundary” is a defined term, “organizational boundary” is not. We recommend determining whether reporting boundary should be used in those paragraphs, and if not, defining the term “organizational boundary”.

Differences in Definitions Between the IESBA Code, the ISAs, the ISAEs, and ED-5000 (ED-5000, par. 17)

There are differences in definitions of the same terms in the IESBA Code, the ISAs, the ISAEs and ED-5000, which we believe is confusing and not in the public interest. For example, as shown in the table below, the definition of *engagement partner* is exactly the same in the IESBA Code and in the ISAs but differs by one word in ISAE 3000 (Revised) (the modifier “assurance” before report), which could have been omitted without any loss of clarity.

Similarly, the proposed IESBA definition and the ED-5000 definition of *engagement leader* differ slightly: one refers to “an individual” while the other refers to “the partner or other individual”; one refers to “sustainability assurance engagement” and “sustainability assurance report” while the other refers to “engagement” and “assurance report”. In addition, the definitions for *engagement partner* refer to a ‘person in the firm’ while the definition for *engagement leader* refers to an ‘individual appointed by the firm’. Although some of the differences are minor, if the intent is the same, the words should be the same. We urge the IAASB to be internally consistent and to work with IESBA for consistency between the two

Boards. A joint operational plan on how the two Boards will bridge their sustainability projects together for final approval would assist with consistency between the two Boards.

Definition of “Engagement Partner” (yellow highlighting indicates differences)

IESBA	ISAs	ISAE 3000 (Revised)
<p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement partner” should be read as referring to its public sector equivalents where relevant.</p>	<p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement partner” should be read as referring to its public sector equivalents where relevant.</p>	<p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement partner” should be read as referring to its public sector equivalents where relevant.</p>

Definition of “Engagement Leader” (yellow highlighting indicates differences)

IESBA	ED-5000
<p>An individual, appointed by the firm, who is responsible for the sustainability assurance engagement and its performance, and for the sustainability assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement leader” should be read as referring to its public sector equivalent where relevant.</p>	<p>The partner or other individual, appointed by the firm, who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement leader” should be read as referring to its public sector equivalents where relevant.</p>

Tests of controls (paragraph 121)

It is unclear why paragraph 121 of ED-5000 differs from paragraph 12 of ISA 330, and we suggest aligning paragraph 121 with paragraph 12 of ISA 330.

Forming the assurance conclusion (paragraph 161)

We believe that the requirement in paragraph 161 regarding indicators of possible management bias is an important one and recommend that it be placed earlier in ED-5000, perhaps following paragraph 134.

To enhance clarity,

- in paragraph A157, add the phrase “for the assurance engagement” at the end of the third sentence.
- in paragraph A413, insert the word “qualitatively” between “considered” and “material” in the last sentence.

Terms of the Assurance Engagement (ED-5000 par. 78)

Consider requiring that the terms of the engagement include the following:

- A statement about the inherent limitations of an examination engagement
- For a limited assurance engagement, consider requiring that the terms of the engagement include a statement, consistent with the statement in the practitioner’s assurance report, that the procedures performed in a limited assurance engagement vary in nature and timing from, and are substantially less in extent than, a reasonable assurance engagement and, consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Paragraph 78(d) states that the engagement letter should include reference to the expected form and content of the report(s) to be issued. We would appreciate the IAASB clarifying what is meant by “form and content”.

Interim testing (paragraphs A380-A381)

The section title, *Extending the Conclusions of Substantive Procedures Performed at an Interim Date*, above paragraph A380-A381 appears to be a little misleading. Paragraphs A380-A381 address performing substantive procedures at an interim date rather than “Extending the Conclusions...” Consider changing the title of the section to “*Substantive Procedures Performed at an Interim Date*”.

Sampling

Paragraph A385: To add clarity and promote consistent application of sampling, we suggest adding the guidance from ISA 530; specifically, paragraph A11, *Appendix 2: Examples of Factors Influencing Sample Size for Tests of Controls* and *Appendix 3: Examples of Factors Influencing Sample Size for Tests of Details*.

Accumulation and Consideration of Identified Misstatements

- The guidance in paragraph A401 would be more helpful during the earlier phases of the engagement. We suggest moving paragraph A401 to the *Risk Procedures* section.

- The content of paragraph 153 (re: disclaiming or withdrawing when management representations are not reliable or not provided) would be better as application material for paragraph 152(c) regarding taking appropriate actions, including the effect on the practitioner’s report. Please move the related language to application material for paragraph 152(c).

Editorial suggestions

- For clarity, we suggest the following edit to the definition of “further procedures”:
Procedures, including tests of controls and substantive procedures, performed in response to **(i)** disclosures where material misstatements are likely to arise (limited assurance) and **(ii)** assessed risks of material misstatement (reasonable assurance).
- For clarity and ease of translation and to move modifying phrases next to the words they modify, we recommend the following revisions (note that footnotes have been omitted for purposes of this comment):

A65. ISQM 1 requires the firm to establish quality objectives that engagement team members, ~~are assigned to each engagement~~, including an engagement leader, who have appropriate competence and capabilities to consistently perform quality engagements, **are assigned to each engagement**.

Conforming amendment to ISQM 1:

A1. Other pronouncements of the IAASB, **including ISRE 2400 (Revised) and ISAE 3000 (Revised)**, also establish requirements for the engagement partner or engagement leader, as applicable, for the management of quality at the engagement level, including ISRE 2400 (Revised) and ISAE 3000 (Revised).

- The first sentence in paragraph A81 states “In determining whether sufficient and appropriate resources to perform the engagement have been assigned or made available to the engagement team, the engagement leader ordinarily may depend on the firm’s related policies or procedures (including resources)”. We don’t understand what is meant by the parenthetical phrase “(including resources)” and suggest that it be deleted.
- Because the practitioner’s knowledge of and experience with the work of experts and the availability of alternative sources of evidence are neither procedures nor risks, we suggest that the word “including” be deleted from the last bullet of paragraph A84.
- In paragraph A186, the word “including”, in the phrase “whether they will be...including identification” should be “include”.

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: [See comments on translation below](#)

Detailed comments (if any):

See our response to question 25, which includes suggested editorial revisions that may make translations easier.

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):