

## 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)	Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	international@commercialisti.it
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on ED-5000). Select the most appropriate option.	<a href="#">Europe</a>
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on ED-5000). Select the most appropriate option.	<a href="#">Member body and other professional organization</a>
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC) is the national body representing the Italian accountancy profession

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 strongly support the idea that ISSA 5000 has the potential to become a worldwide standard for sustainability assurance engagements. In order to accomplish this, it is crucial that the final standard remains neutral towards frameworks, does not favour any particular profession, and can function independently.

However, we must consider the operational implications when the standard is used in a profession-agnostic manner (“use by all assurance practitioners”). Practitioners from accounting backgrounds (“professional accountant”) adhere to specific ethics and quality standards which may not uniformly apply to other professionals (“non-accountant assurance practitioner”) in the ESG assurance field. This discrepancy could pose challenges in maintaining a consistent standard of work across different professional practices. Furthermore, reference to some aspect referred to in some other principle could be carefully evaluated, rather than subsequently issuing further specific ISSAs.

### Public Interest Responsiveness

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

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

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

### Detailed comments (if any):

Yes, we concur that the development of ED ISSA 5000 is a crucial step in meeting the increasing demand for enhanced reliability in sustainability reporting. As a robust professional standard, ISSA 5000 is poised to elevate the quality of sustainability assurance engagements across different providers, ensuring consistency in practices worldwide.

Furthermore, the assurance of sustainability reporting requires users to have confidence that engagements are performed to a high standard, reflecting professionalism and ethical conduct, including independence. It is also critical to recognize that while ISSA 5000 sets a global baseline, it is designed to be supplemented by local policymakers and standard setters with additional guidance. This approach will address local and regional needs, ensuring the standard's broad applicability and effectiveness in diverse jurisdictions.

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

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

The distinction between the scope of ISSA 5000 as an “overarching standard for ESG” and the more focused application of ISAE 3410 (“GHG greenhouse gas statement”) is understood. Yet, when both standards are applied to a single assurance process, potential complexities may arise, particularly in the consolidation of findings into a “final assurance report”.

To mitigate these complexities, the development of a specific ISSA that encapsulates the environmental aspects governed by ISAE 3410 could be considered. This would not only streamline the assurance process but also ensure a more cohesive integration of environmental aspects within the broader ESG assurance framework provided by ISSA 5000.

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

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

*(See Explanatory Memorandum Section 1-D)*

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

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

The emphasis on strong ethical principles, including independence, and the provision of sustainability assurance within a dedicated quality management system is essential and serves the public interest by ensuring high-quality assurance engagements. European auditors and firms are generally compliant with the IESBA Code of Ethics and ISQM 1, or their local equivalents, which align with the requirements proposed in ED ISSA 5000.

It is also important to recognize the role of local authorities in ensuring that their frameworks fulfill the “*at least as demanding*” requirement. Local audit oversight bodies and standard setters should verify that their regulations are congruent with the high standards set by the IESBA Code and the IAASB’s quality management suite.

By including these elements directly in ISSA 5000, the standard would provide clear and accessible guidance for all practitioners, enhancing the consistency and quality of sustainability assurance engagements across the board.

*Definitions of Sustainability Information and Sustainability Matters*

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

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

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

**Detailed comments (if any):**

We generally endorse the definitions of sustainability information and matters outlined in paragraphs 3 and 17 of the exposure draft. Additionally, we find the examples of topics and aspects of topics described in paragraph A32 to be particularly beneficial.

We suggest refining the definition of sustainability matters to specifically focus on environmental, social, and governance (ESG) matters. This would streamline the definition, making it clearer and more aligned with generally accepted reporting frameworks. To uphold the “stand-alone” nature of ISSA 5000, it would be prudent to remove references to other IAASB standards within definitions 17 (uu) and 17 (vv). This would ensure the standard's independence and clarity.

Certain terms, such as historical financial information, assurance engagement, partner, personnel, staff, professional standards, and uncorrected misstatements, are either not used in the requirements section or are not strictly technical. We recommend reassessing the necessity of these terms in the definitions section to avoid potential confusion and to ensure the relevance and technical accuracy of the standard.

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

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

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

**Detailed comments (if any):**

The relationship between sustainability matters, sustainability information, and disclosures as presented in ED-5000 is clear. This clarity is reinforced by the fact that these terms are commonly defined and elaborated upon in established sustainability reporting frameworks, such as the European Sustainability Reporting Standards (ESRS) and the International Sustainability Standards Board (ISSB).

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

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

The existing variability in "*limited assurance*" practices under ISAE 3000 is perceived as a potential issue, especially in the context of sustainability reporting. This inconsistency might lead to confusion among users who expect a uniform level of assurance. We recommend defining the work effort for "*limited assurance*" more precisely. The baseline should include "inquiry, analytical procedures, and limited inspection and recalculation," with an expansion to more comprehensive procedures if potential misstatements are identified. Such specificity would greatly enhance the consistency and clarity of limited assurance engagements. Probably it's crucial to establish what constitutes a "*meaningful level of assurance*" in the context of sustainability assurance.

#### *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):**

We concur with the requirement in ED-5000 that the practitioner should obtain a preliminary knowledge of the engagement circumstances to establish whether the preconditions for an assurance engagement are met. However, it is crucial to recognize that in certain jurisdictions (e.g., the European Union), the need for detailed procedures to evaluate certain aspects is significantly reduced. This is especially true in jurisdictions where guidance to reporting firms are provided. This guidance may include laws and regulations that specify the sustainability information to be reported, the set of publicly available criteria, the scope of the assurance engagement, and the roles and responsibilities of management and those charged with governance. In such cases, where legal frameworks provide comprehensive guidelines for sustainability reporting, practitioners should not be required to profoundly assess preliminary knowledge of the engagement circumstances. Recognizing and acknowledging these cases within ISSA 5000 is vital to streamline the assurance process and allows practitioners to focus their preliminary knowledge efforts on other engagement circumstances that demand more judgment and attention.

Furthermore, we propose the inclusion of an explicit requirement in ED-5000 for practitioners to obtain information on the team and individuals in charge of sustainability reporting and data gathering within the firm. This should encompass background checks on team members, the resources allocated by the firm in terms of financial investment and time, and an assessment of their competence and experience in

sustainability reporting. The level of investment by firms in terms of financial and human resources is fundamental for the practitioner's ability to provide reasonable sustainability assurance. Without access to the necessary resources and qualified personnel, firms may struggle to provide the practitioner with the required information and evidence to support a comprehensive sustainability assurance engagement. By emphasizing the importance of understanding the firm's commitment to sustainability reporting and the resources allocated, the assurance standard can better ensure the quality and effectiveness of sustainability assurance engagements.

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

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

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

**Detailed comments (if any):**

We concur that the understanding of materiality for the entity in identifying topics to be reported is fundamental for practitioners providing sustainability assurance. However, it's important to recognize that the entity's materiality process represents the crucial step in determining what information is material for disclosure. Reviewing this process and associated documentation is a valuable component of the practitioner's risk assessment. By doing so, the practitioner can gain insights into the entity's engagement with its stakeholders and its broader due diligence practices, providing a deeper understanding of the entity's approach to sustainability reporting. This understanding, in turn, enhances the practitioner's ability to identify potential disclosures where material misstatements are likely to occur or to assess the risks of material misstatement at the assertion level for these disclosures. In other words, the practitioner's assessment of the entity's materiality process can help focus assurance efforts on areas that are more likely to present material misstatements. Consequently, we recommend that the practitioner should be mandated to obtain a thorough understanding of the entity's materiality assessment process during the planning stage of sustainability assurance. Some guidance on this subject matter would be very useful to practitioners.

To illustrate the difference in materiality between a firm and the practitioner, consider the following example: A company may consider its greenhouse gas emissions as immaterial for disclosure because they represent a small fraction of the overall environmental impact. However, from a broader societal perspective and in the context of climate change concerns, these emissions might be highly material to stakeholders and investors. In this case, the practitioner's materiality assessment would likely prioritize the greenhouse gas emissions as a topic for assurance due to the potential impact on the sustainability report's users, despite the entity's different perspective. This example underscores the need for practitioners to consider the broader context and stakeholder expectations when determining materiality for assurance engagements on sustainability reports.

*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):**

In cases where framework criteria have been established and made publicly available by regulations or authorities, the practitioner's primary focus should be on assessing the entity-developed criteria, where applicable, as detailed in our response to Question 8.

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):**

While ED-5000 appropriately presents the concept of 'double materiality' in a framework-neutral manner, it's important to acknowledge the inherent complexity of this notion. Double materiality involves considering materiality from both the perspective of the reporting entity and the perspective of the stakeholders, which can vary widely across different entities and industries.

Given this complexity, a general definition in the standard is essential to maintain flexibility. However, it's crucial to recognize that such a general approach may lead to a diversity of interpretations and implementations among practitioners and entities, potentially hindering comparability.

To address this challenge, the IAASB could consider complementing the ED-5000 with an appendix, akin to the illustrative examples found in some IFRS accounting standards. These illustrative cases would provide practical guidance and real-world scenarios to assist practitioners in navigating the intricate landscape of 'double materiality' and help promote consistency in its application across various firms. This addition could serve as a valuable tool for practitioners seeking clarity on this concept.

*Materiality*

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

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

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

**Detailed comments (if any):**

Similar to the prior point, while the ED-5000's approach is generally reasonable, additional guidance would enhance clarity. An appendix with real cases or examples could provide valuable insights and promote consistent application of materiality concepts in sustainability reporting.

*Understanding the Entity's System of Internal Control*

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

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

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

**Detailed comments (if any):**

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

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

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

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

**Detailed comments (if any):**

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

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

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

**Detailed comments (if any):**

The requirements that could be made clearer are, for example, the nature of the agreement between the practitioner/auditor and the external expert or another practitioner or some considerations relating to the communications between the abovementioned parties.

*Estimates and Forward-Looking Information*

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

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

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

**Detailed comments (if any):**

ED 5000 describes the nature of forward-looking information, however when illustrating the process that the firm must put in place to analyze both estimates and forward-looking information, it does not provide differentiated procedures for either estimates or forward-looking information. The standard states it has referred to ISA 540, which, by the way, is mainly focused on the estimates. In this standard, it would then be necessary to expand on the issue of forward-looking information.

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

**Detailed comments (if any):**

*Groups and “Consolidated” Sustainability Information*

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

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

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

**Detailed comments (if any):**

The content of ED 5000 may be used also for assurance engagements on group sustainability information, as it is presented as a general principle. However, not investigating thoroughly the topic of groups, its application in this context could result difficult, since the circumstances that may occur when analyzing consolidated sustainability information are not dealt with. It would then be necessary to provide solutions tailored for the groups.

*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:** [Neither agree/disagree, but see comments below](#)

**Detailed comments (if any):**

ED 5000 addresses in various paragraphs the central issue of fraud; furthermore, it provides examples of “where or how misstatements in sustainability information may arise” (paragraph A401) and of “misstatements due to fraud in sustainability information” (paragraph A406), but it does not provide a definition of “greenwashing” and does not directly address this event.

*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):**

Communication between assurance providers and management is key to the success of the assurance process. The high-level requirement in ED-5000 rightly emphasizes the importance of this communication, particularly with regards to matters that it may be appropriate to communicate. However, we propose a nuanced perspective on this requirement.

While recognizing the significance of driving the selection of matters through communication with management, we contend that it is equally crucial for the assurance provider to exercise independent judgment and assessment. This autonomy allows the assurance provider to bring a fresh and unbiased perspective to the identification of matters that merit communication. It adds an additional layer of objectivity to the assurance process, ensuring that all relevant aspects are considered comprehensively.

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

**Detailed comments (if any):**

The efficacy of assurance reporting, as influenced by the requirements in ED-5000, hinges on a nuanced consideration of several pivotal factors. Firstly, it is imperative to explicitly reference the underlying sustainability reporting standard adopted. This acknowledgment serves as a crucial contextual backdrop, offering users a clear understanding of the criteria against which the assurance engagement is conducted.

Furthermore, the orientation of the information towards a primary stakeholder, inherent in the choice of reporting standards, requires explicit recognition. By acknowledging the primary audience, the assurance report can be meticulously aligned with the unique needs and expectations of this stakeholder group. This ensures that the information provided is not only comprehensive but also directly relevant to those with a substantial influence or reliance on the disclosed sustainability data.

In tandem with this, it becomes vital to consider the broader stakeholder landscape beyond the primary audience. A comprehensive assurance report should scrutinize and highlight areas where the information may be less focused on certain categories of stakeholders not explicitly targeted by the chosen reporting standards. This inclusive approach is particularly pertinent when assessing the materiality or salience of information for a holistic understanding of the firm's sustainability performance.

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

**Detailed comments (if any):**

We appreciate the International Auditing and Assurance Standards Board's (IAASB) effort in developing ED-5000, recognizing the importance of establishing comprehensive auditing principles. Key Audit Matters (KAMs) stand out as pivotal elements in shaping various auditing characteristics, such as enhancing audit quality and addressing the needs of information users.

In the context of sustainability assurance engagements, the unique nature of these engagements calls for a tailored approach to KAMs. Recognizing the impact of sustainability-related issues on the overall assurance process, we propose the inclusion of specific guidance on sustainability assurance-related KAMs within ED-5000. This inclusion would contribute to the relevance and effectiveness of the auditing principles in the rapidly evolving landscape of sustainability reporting.

We understand the challenges associated with the complexity of ED-5000 and the need to strike a balance in presenting a manageable set of principles. Nevertheless, considering the significance of sustainability-related KAMs, even a minimal guidance within the exposure draft would be valuable. This guidance could outline the desired properties of sustainability assurance-related KAMs, providing practitioners with a foundation for addressing the unique aspects of sustainability in their engagements.

Our suggestion aligns with the goal of fostering professional consistency and preventing divergent practices among practitioners. By offering at least minimal guidance on sustainability assurance-related KAMs within ED-5000, the IAASB can contribute to a standardized understanding within the profession, ensuring a more cohesive and effective approach to sustainability assurance engagements.

23. For limited assurance engagements, is the explanation in the Basis for Conclusion section of the assurance report that the scope and nature of work performed is substantially less than for a reasonable assurance engagement sufficiently prominent? If not, what do you propose and why?

*(See Explanatory Memorandum Section 1-G, para. 131)*

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

**Detailed comments (if any):**

It's true that we can consider ISSA 5000 an evolution of ISAE 3000 (Revised) and ISAE 3410. In ISAE 3410 the information about a lower level of assurance obtained in a limited assurance engagement is located at the end of the limited assurance report. In ISSA 5000 the same statement could be found in the Basis for Conclusion section in a limited assurance report. Perhaps it would be appropriate to shed light on the difference in terms of reliability of limited assurance compared to reasonable assurance. In fact, for reasonable assurance, the practitioner must carry out a more demanding and complex task and, at the same time, the organization has to face higher costs.

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

**Detailed comments (if any):**

ISSA 5000 will be probably used for assurance engagements for any entity that reports sustainability information and voluntarily seeks assurance. This includes public entities, too. Public sector is very complex. So, an additional guidance for public sector sustainability engagements could be necessary.

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

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

**Detailed comments (if any):**

### Part C: Request for General Comments

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

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

**Overall response:** [See comments on translation below](#)

**Detailed comments (if any):**

Translation of the standard is of paramount importance as it facilitates its widespread adoption among practitioners globally. However, it is essential to recognize that technical nuances in the content may pose unique challenges in translation across various languages.

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 comments below](#)

**Detailed comments (if any):**

We agree that an approximate 18-month period is generally sufficient to support the effective implementation of the ISSA for assurance engagements on sustainability information. However, it's crucial to emphasize the importance of not only permitting but strongly encouraging early adoption during this transition period. In certain jurisdictions like the European Union, the CSR Directive may necessitate assurance before the standard's effective date. Consequently, we must be mindful of the potential situation where one year, such as 2024, may be subject to different assurance requirements than those imposed from 2025 onwards. Clarity and guidance on managing this transition period would be invaluable to ensure a smooth and consistent adoption of the standard across jurisdictions.