

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)	Deloitte
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Jennifer Haskell
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	jhaskell@deloitte.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.	Global
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on ED-5000). Select the most appropriate option.	Assurance practitioner or firm - accounting profession
	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):

Deloitte is supportive of ED-5000, *General Requirements for Sustainability Assurance Engagements* (“ED-5000”) as the overarching standard and global baseline for sustainability assurance engagements, and we agree in general that the standard can be applied to each of the items in paragraph 14 of the Explanatory Memorandum, subject to the comments and suggested solutions provided herein.

We believe consistent and comparable high-quality reporting underpins our ability to serve the public interest and should continue to be an area of focus for all stakeholders. With that in mind, we strongly encourage the IAASB to continue to collaborate with other stakeholders, including the European Commission, IESBA, and the PCAOB, with the objective of achieving one globally recognized sustainability assurance standard (or set of standards).

We are concerned that fragmentation of sustainability assurance standards (and therefore diversity in the performance of related engagements, which may lead to negative quality outcomes) will cause confusion to assurance practitioners, users of sustainability assurance reports and other stakeholders, as there may be a lack of comparability across similar entities and/or industries. Fragmentation will also create additional complexity for multinational entities that are subject to reporting requirements in multiple jurisdictions including that such entities may potentially have to adopt multiple sustainability frameworks which may require the entities to maintain multiple systems and varied processes, controls, and resources. If, in addition to multiple reporting frameworks (which we acknowledge the IAASB cannot control), there are also multiple sustainability assurance standards (which the IAASB does have influence over), additional complexity and cost will result for both preparers and assurance practitioners, and ultimately, investors.

All sustainability topics and aspects of topics

Within the IAASB’s sustainability assurance standards specifically, there is a need for further clarity on the relationship between ED-5000 and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, (“ISAE 3410”) to avoid inconsistencies in the nature and extent of procedures performed on greenhouse gas (“GHG”) information. As drafted, for example, two different work efforts on limited assurance engagements over the same GHG information could be applied, depending on whether the practitioner used ED-5000 or ISAE 3410. This may not be easily understood or transparent to all users of the related sustainability assurance reports. Our response to Question 3 provides a proposed solution.

Use by all assurance practitioners

As noted above, we believe one of the most significant areas of focus should be on developing sustainability assurance standards that enable consistent, high-quality engagement performance globally, so that users of related sustainability assurance reports understand the work that was performed as the basis for the conclusions reached and the conclusions themselves. In order to enable this outcome, and given that the standard is necessarily principles-based and not all encompassing, it will be particularly important to develop implementation guidance or applicational material, that (1) recognizes the differences in professional experience and familiarity with the IAASB and IESBA standards that may exist across assurance practitioners and (2) therefore provides a bridge from these different knowledge bases and experience to enable consistent performance and reporting.

To further mitigate the risk of inconsistent application, we suggest the IAASB develop non-authoritative educational material in parallel with finalization of ED-5000 in key areas, for example: determining materiality, performing a limited vs. reasonable assurance engagement, identifying risks of material misstatement vs. identifying where material misstatements are “likely to arise”, and procedures to be performed on estimates vs. other forward-looking information.

Other

We recommend the IAASB continue to consider the overall balance between requirements and application material both prior to finalization as well as in future revisions to the standard. We recognize that certain jurisdictions may adopt only the requirements, and not the application material, into law. Given the importance of sustainability information to stakeholders and its nascence broadly, we recommend a “stand back” before finalization to revisit whether the balance between requirements and application material enables as consistent execution of sustainability assurance engagements as possible. In our responses, we have noted certain paragraphs that we believe should be changed from application material to requirement paragraphs.

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):

We have concerns about whether ED-5000 meets the qualitative standard-setting characteristic of “implementability”, which focuses on the standard being able to be consistently applied and globally operable across entities of all sizes and regions (e.g., scalable to entities of different sizes that may be subject to multiple reporting frameworks), as well as being adaptable to the different conditions prevalent in different jurisdictions (e.g., diversity of competencies and skills of practitioners who are able to perform ISSA 5000 engagements in different jurisdictions). While we acknowledge that ED-5000 has been developed with ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE 3000”) as a foundation, the nascency and breadth of sustainability as a subject matter and the value of assurance over such information for a broad population of users and other stakeholders elevates the importance of consistent implementation and thus the need for further specificity in the requirements of ED-5000 as compared to existing IAASB assurance standards.

Our responses to the following questions, summarized below, highlight the areas of ED-5000 that we believe require additional specificity, clarity, or differentiation in order to enable consistent, high-quality performance of assurance engagements:

- Question 1 – additional non-authoritative educational material is needed to guide assurance practitioners in the implementation of ED-5000.
- Question 3 – further detail is needed to understand the applicability of ED-5000 vs. ISAE 3410 for assurance relating to GHG information.
- Question 4 – further clarity on the meaning of “at least as demanding” with respect to ethical requirements and ISQM.
- Question 7 – further differentiation is needed in the requirements and application material for limited assurance and reasonable assurance engagements to support consistent performance and in recognition of the diverse experience of assurance practitioners performing sustainability assurance engagements.
- Question 16 – differentiation is needed between the procedures required for estimates and those needed for forward-looking information, particularly where estimation uncertainty is significantly higher given the nature of the information.
- Question 17 – additional specificity is needed on the risk procedures expected to be performed for a limited assurance engagement in order to mitigate the risk of inconsistency in practice.
- Question 18 – additional specificity is needed on the requirements for performing assurance over groups and “consolidated” sustainability information.

Sustainability assurance reporting will continue to evolve over the short and medium term. We commend the significant outreach the IAASB has performed over the course of this consultation and recommend that it continues to undertake stakeholder outreach throughout the remainder of the project. Once finalized, we recommend a post-implementation review and further ad hoc outreach to enable the IAASB to respond timely to feedback, which may include the need for revisions to the standard. Such feedback may also drive the need for publication of additional implementation guidance. Given the nature and diversity of the subject matter, the due process to publish such guidance may need to differ from the past, such that in addition to IAASB staff, it may be appropriate for IAASB members and potentially other stakeholders to review any such guidance prior to issuance.

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):

There is a need for additional clarity on the applicability of ED-5000 and its relationship with ISAE 3410.

As drafted and proposed, ED-5000 applies to all assurance engagements on sustainability information except when the practitioner is specifically engaged to provide a separate conclusion on a GHG statement. It is unclear what constitutes a GHG "statement" and whether the intention is for GHG information included in a broader sustainability report to be subject to ED-5000 instead of ISAE 3410. If so, this would result in different procedures being performed on the same GHG information based on whether or not it is included in a broader suite of sustainability reporting. We are concerned this may not

be transparent or well understood by users of sustainability assurance reports and will lead to a lack of comparability.

To enhance clarity to users of sustainability assurance reporting related to GHG and align performance requirements, we recommend four actions:

- (1) The scope of ED-5000 be changed such that it covers reporting over all sustainability information, including GHG information.
- (2) A new ISSA standard be developed to reflect the supplemental requirements and application material for assurance over GHG information that are currently within ISAE 3410.
- (3) ISAE 3410 be rescinded, as the supplemental requirements and application material therein would be moved to a new standard under the ISSA umbrella (as suggested above). We also recommend the scope of ISAE 3000 be revised to clarify that it is not applicable for sustainability information. We suggest making the underlined edits below to the following ISAE 3000 paragraphs:

1. This International Standard on Assurance Engagements (ISAE) deals with assurance engagements other than 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. **Assurance engagements on sustainability information are dealt with in International Standards on Sustainability Assurance (ISSAs).**

5. This ISAE covers assurance engagements other than audits or reviews of historical financial information **or assurance engagements on sustainability information**, 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, 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**), 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.

- (4) Additional report examples be developed and included in ED-5000 to demonstrate reporting when GHG information is presented with non-GHG sustainability information and both sets of information are subject to assurance.

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):

Compliance with relevant ethical requirements, including independence, and maintenance of an effective system of quality management are critical for performance of consistent, high-quality sustainability assurance engagements that protect the public interest.

We recognize the IESBA has not yet issued their corresponding exposure drafts which makes commenting on certain concepts difficult. We believe that the IESBA Code is being revised such that it can be applied to all sustainability assurance practitioners, including non-accountant assurance providers. If so, we recommend that ED-5000 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 such bodies as “at least as demanding” as the IESBA Code. If the IAASB does not take this approach, we recommend the IAASB provide implementation guidance that would clarify how to evaluate whether local codes/requirements meet the “at least as demanding” threshold.

There does not appear to be a framework against which to evaluate the meaning of “at least as demanding [as the IESBA Code]” which could result in sustainability assurance engagements that are performed in similar form but not in substance. It may be difficult to adequately describe in application material the expectations and performance and reporting responsibilities for assurance practitioners who are not applying the IESBA Code. Also, there is no explanation as to who is responsible for determining that the assurance practitioner is meeting ethical requirements “at least as demanding” as the IESBA Code, and we do not believe this should be self-assessed by the assurance practitioner. It may be similarly difficult to develop application material or implementation guidance to sufficiently guide the evaluation of an assurance practitioner’s system of quality management in the absence of ISQM 1 and ISQM 2.

In addition to users of sustainability assurance reports, this topic is relevant for assurance practitioners who may be using the work of an other assurance practitioner (whether part of the engagement team or not) who is not subject to the IESBA Code or has not implemented a system of quality management in accordance with ISQM 1 or 2. In such circumstances, it will be difficult for the assurance provider to evaluate the work or conclusions of that other assurance practitioner without such a framework, particularly with respect to independence of the participating other assurance provider. It is also unclear what the assurance practitioner should do if they intend to use the work of another practitioner and they evaluate that the other practitioner is not independent.

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):

With regard to the definition of **sustainability matters**, we suggest the definition use the terms “environmental, social, and governance” and exclude “cultural” and “economic” as this better aligns with current practice and is well understood by users of sustainability reporting. Specifically, with respect to the term “economic”, we believe this term is expansive and might be misinterpreted as including the financial statements.

With regard to **sustainability information**, the term is not used consistently within ED-5000. For example, the term as defined in paragraph 17(uu) describes sustainability information as akin to “subject matter information” in other IAASB standards, whereas paragraph 4 acknowledges that sustainability information could encompass information that is reported by the entity but not included in the scope of the assurance engagement. An additional example is in the “Preconditions for an Assurance Engagement” section: paragraph 69(a-b) uses the term to refer to the totality of sustainability information reported by the entity while paragraphs 70-72 appear to use the term in the context of sustainability information subject to assurance.

We believe there is a need within the standard to differentiate between three populations of information: (a) the totality of sustainability information reported by the entity, (b) the sustainability information subject to assurance, which may be just a part of (a), and (c) other information as defined in paragraph 17(ee). As a result, we recommend the IAASB introduce a third term: “sustainability information subject to assurance”. This will require the following edits to ED-5000:

- **Paragraph 4** – delete the third sentence:

“The scope of the assurance engagement may extend to all of the sustainability information expected to be reported by the entity or only part of that information. For example, in certain jurisdictions, law or regulation may require that only climate-related disclosures in an entity’s sustainability information be subject to assurance. ~~When the assurance engagement does not cover the entirety of the sustainability information, the term “sustainability information” is to be read as the information that is subject to the assurance engagement.~~ Sustainability information not subject to the assurance engagement that is included in a document or documents containing the sustainability information subject to the assurance engagement and the assurance report thereon is “other information” as defined in paragraph 17(ee). (Ref: Para. A2)”

- **Paragraph 17(uu)** – revise the definition of “sustainability information” as proposed below and add another paragraph to define the new term “sustainability information subject to assurance”, which includes the addition of the proposed (underlined) sentence:

“Sustainability information – Information about sustainability matters.”

- **New paragraph 17(u*)**

“Sustainability information subject to assurance - **Sustainability information, reported in accordance with the applicable criteria, that is the subject of the assurance engagement.**”

Sustainability information subject to assurance results from measuring or evaluating sustainability matters against the applicable criteria. For purposes of the ISSAs, sustainability information subject to assurance is the equivalent of “subject matter information” in other IAASB assurance standards.

- **All subsequent requirements and application material** – use the new term “sustainability information subject to assurance” when referring to the information subject to the assurance engagement and use “sustainability information” when referring to the entity’s sustainability reporting as a whole. [for example, in paragraph A216, replace “subject matter” with “sustainability information subject to assurance”]

We also note the importance of aligning terminology and definitions between ED-5000 and the pending IESBA changes referenced in our response to Question 4 above to ensure consistent use and understanding.

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):

Use of the term “disclosures” in ED-5000 may be misunderstood as meaning “financial statement disclosures”, particularly when sustainability information is presented in the same document as the financial statements (as is required under certain sustainability reporting frameworks or regulations). While we acknowledge that this distinction is addressed in the application material (paragraph A16), we suggest the IAASB replace the term “disclosures” with “sustainability disclosures” throughout the standard, where appropriate, to avoid misinterpretation.

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):

There is a need to further differentiate the requirements and application material for limited assurance and reasonable assurance engagements to support consistent performance and in recognition of the diverse experience of assurance practitioners performing sustainability assurance engagements. The need to distinguish the work effort associated with the two levels of assurance is also particularly important in circumstances where an assurance provider is performing a combination engagement involving both limited and reasonable assurance. We believe further specificity in the requirements and application material, especially for limited assurance engagements, will facilitate more consistent performance and reporting across engagements.

Refer to Questions 13 on internal control, Question 16 on estimates and Question 17 on risk procedures for detailed discussion of areas in ED-5000 requiring further differentiation between limited and reasonable assurance.

Additionally, we recognize the nascent environment of sustainability reporting in many jurisdictions and a need to transparently educate users of assurance reports and other stakeholders on the differences between limited and reasonable assurance engagements, including the nature, timing and extent of procedures performed and evidence obtained. We do not believe that the assurance reports issued by assurance practitioners in and of themselves will achieve the level of education needed. We encourage the IAASB to publish a suite of educational materials that could be used in the marketplace to achieve this aim. Additionally, as noted in our response to Question 2, we recommend ongoing outreach to stakeholders to gather input and observations and evaluate the nature of further guidance that may be needed to educate users of sustainability assurance standards and reports.

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

8. Is ED-5000 sufficiently clear about the practitioner's responsibility to obtain a preliminary knowledge about the sustainability information expected to be reported and the scope of the proposed assurance engagement? If not, how could the requirements be made clearer?
(See *Explanatory Memorandum Section 1-F, para. 51*)

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

Detailed comments (if any):

9. Does ED-5000 appropriately address the practitioner's consideration of the entity's "materiality process" to identify topics and aspects of topics to be reported? If not, what approach do you suggest and why?
(See *Explanatory Memorandum Section 1-F, paras. 52-55*)

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

Detailed comments (if any):

We do not believe that ED-5000 sufficiently addresses the assurance practitioner's consideration of the entity's "materiality process" in identifying topics and aspects of topics to be reported, particularly in situations where the entity's process itself is subject to assurance. As noted in the materiality FAQ recently released by the IAASB: *Proposed ISSA 5000: The Application of Materiality by the Entity and the Assurance Practitioner* ("the materiality FAQ"), sustainability reporting frameworks ordinarily will include requirements for the entity to disclose information about sustainability matters when such information is material. The assurance practitioner evaluates those disclosures as part of overall sustainability reporting or may be required to perform and report on a separate evaluation of the entity's process. Within the proposed standard, discussion of the practitioner's consideration of the entity's materiality process is currently included in the application material (i.e., paragraph A157 in the context of obtaining preliminary knowledge of the sustainability information to be reported as part of determining preconditions for an assurance engagement and paragraph A273 in the context of considering materiality for the engagement).

However, certain frameworks or standards (e.g., the European Sustainability Reporting Standards) require additional reporting by the assurance practitioner on the entity's "materiality process" itself. Although we agree that ED-5000 needs to be framework neutral, given the different lenses applied in the

different frameworks with respect to materiality, we believe the IAASB should incorporate additional application material in the standard to clarify the practitioner’s responsibilities in relation to understanding the entity’s materiality process to identify topics and aspects of topics to be reported. For example, we suggest that the IAASB embed guidance from the materiality FAQ into ED-5000 related to the assurance practitioner’s consideration of the entity’s materiality process at different times throughout the assurance engagement and consider providing example procedures for the different approaches outlined above.

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):

It is the responsibility of the assurance practitioner to evaluate whether the criteria expected to be applied in the preparation of the sustainability information are suitable and available to intended users (paragraph 72). Paragraph A170 of the application material notes that “framework criteria embodied in law or regulation or issued by authorized or recognized bodies of experts that follow a transparent due process are presumed to be suitable in the absence of indications to the contrary.” As drafted, we are concerned that the wording of paragraph A170 may lead assurance practitioners to automatically default to the presumption that certain criteria are always suitable without first making an appropriate evaluation based on the facts and circumstances of the engagement. We believe the practitioner’s responsibility in this regard should be made clear in the requirements rather than the application material, and therefore we suggest the IAASB make the following underlined edits to paragraph 72b of ED-5000 and remove the corresponding language from paragraph A170. Note: paragraph 72a has been omitted from the excerpt below for purposes of this comment:

72. The practitioner shall evaluate whether the criteria that the practitioner expects to be applied in the preparation of the sustainability information are suitable for the engagement circumstances and will be available to the intended users. In doing so, the practitioner shall:

...

(b) Identify the sources of criteria, including whether they are framework criteria, entity-developed criteria or a combination of both. **While framework criteria embodied in law or regulation or issued by authorized or recognized bodies of experts that follow a transparent due process may be evaluated and concluded to be suitable in the absence of indications to the contrary, the practitioner shall make this evaluation based on the specific facts and circumstances of the engagement;** (Ref: Para. A167-A171)

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):

We encourage the IAASB to replace paragraph A180 and amend paragraph A274 with the suggested wording below to ensure that content aligns with, and is not inconsistent with, the definitions of financial materiality and impact materiality included in both the ISSB (IFRS S1) and the ESRS (ESRS 1) standards.

A180. **Information needs may relate to:**

(a) Sustainability matters that are material to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. This may be referred to as financial materiality;

(b) The entity’s material impacts on the economy, the environment or people that is useful to an entity’s stakeholders. This may be referred to as impact materiality; or

(c) Both financial materiality (a) and impact materiality (b). (see paragraph A157).

A274. When an entity uses applicable criteria that identify reporting topics that **are material to the primary users of general-purpose financial reports in making decisions related to providing resources to the entity** ~~that impact the entity’s financial performance~~, the materiality considerations may be referred to as “financial materiality.” In this case, financial materiality may be set in the context of financial terms and the **primary 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 **entity’s** ~~impacts of the entity~~ impacts on the environment, society, economy or culture, the materiality considerations may be referred to as “impact materiality.” In this case, materiality is considered according to the nature and magnitude of impacts and may be relevant to a broader group of intended users (see also paragraph A180). **The applicable criteria may refer to both “financial materiality” and “impact materiality”, which may be referred to as “double materiality”.** ~~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.”~~

We also suggest the IAASB incorporate guidance from the recently released materiality FAQ (“*Proposed ISSA 5000: The Application of Materiality by the Entity and the Assurance Practitioner*”) into ED-5000, specifically the guidance for how a practitioner applies materiality in a sustainability assurance engagement when the notion of double materiality is relevant to the engagement.

Materiality

12. Do you agree with the approach in ED-5000 for the practitioner to consider materiality for qualitative disclosures and determine materiality (including performance materiality) for quantitative disclosures? If not, what do you propose and why?
(See *Explanatory Memorandum Section 1-F, paras. 65-74*)

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

Detailed comments (if any):

We agree with the differentiated approach in ED-5000 for the practitioner to consider materiality for qualitative disclosures and determine materiality (including performance materiality) for quantitative disclosures, particularly given the complexities of non-quantitative sustainability information. To support the IAASB’s use of these terms in the materiality paragraphs of ED-5000 as well as more broadly in the proposed standard, we recommend the IAASB make reference within ED-5000 to Appendix 2 of the

IAASB's Complexity, Understandability, Scalability, and Proportionality ("CUSP") *Drafting Principles and Guidance* document where the terminology is described in detail. The IAASB may consider the need for additional promotion of the outcomes of the CUSP project to stakeholders. Alternatively, the IAASB could bring the descriptions of "consider" and "determine" as defined in the CUSP guidance into the requirements of ED-5000 without directly referencing the CUSP guidance.

With regard to performance materiality, we believe it may be helpful for the IAASB to develop further application material or non-authoritative educational material to support assurance practitioners in determining performance materiality as part of a sustainability assurance engagement.

Understanding the Entity's System of Internal Control

13. Do you agree with the differentiation in the approach in ED-5000 for obtaining an understanding of the entity's system of internal control for limited and reasonable assurance engagements? If not, what suggestions do you have for making the differentiation clearer and why?
(See *Explanatory Memorandum Section 1-F, paras. 75-81*)

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

Detailed comments (if any):

To support greater consistency and comparability across limited assurance engagements, we recommend greater distinction between the requirements in ED-5000 to understand the entity's internal control system for limited assurance vs. reasonable assurance engagements. We believe this is important given the diverse experience of assurance practitioners as well as the expected significant increase in the number of limited assurance engagements expected over the next few years. Greater specificity of requirements and expected procedures will improve consistency in the level of differentiated work effort. Specifically, we have the following suggestions:

- As drafted, the requirements in paragraphs 102L(a) and 102R(a) and 102L(c) and 102R(d) are the same which infers the same nature, timing and extent of procedures would be expected for a limited or a reasonable assurance engagement. While the application material provides some guidance to distinguish the difference in work effort for limited vs. reasonable assurance engagements, we believe that the requirements themselves should be clear as to whether or not the work effort is intended to be differentiated. We understand certain jurisdictions may adopt only the requirements of ED-5000 and not the application material, which makes this clarification even more important. If the work effort is intended to be different, we recommend making this clear in the requirements vs. application material. If the work effort is expected to be the same and paragraphs 102L(a) and 102R(a) remain unchanged, we recommend that paragraph A318L be re-referenced as applicable to both limited and reasonable assurance engagements.
- In 102L(b) and 102R(b) – There are subtle wording differences in these two paragraphs, and we believe it may be unclear how the wording differences translate into expected differentiated work effort. We recommend that the IAASB provide more specificity, including examples in the application material, as to how the procedures performed by the assurance practitioner would differ in applying these two paragraphs.
- While we understand that paragraph A326 is applicable for both limited and reasonable assurance, its current placement under the header "The Entity's Risk Assessment Process" and below paragraphs designated "R" creates a risk that it will be overlooked by assurance practitioners performing limited assurance only. We suggest revising the header to "The Entity's

Risk Assessment Process and Results Thereof” and/or moving the contents of current paragraph A326 to follow directly after current paragraph A322 to avoid confusion.

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):

We believe that the ED-5000 is clear that “another practitioner” is not a member of the engagement team. However, we recommend that the definition of “another practitioner” be included in paragraph 17. Content from paragraphs A22 and A91 can be used to help define the term. We also suggest including the diagram from paragraph 87 of the Explanatory Memorandum as an appendix to ED-5000.

15. Are the requirements in ED-5000 for using the work of a practitioner’s external expert or another practitioner clear and capable of consistent implementation? If not, how could the requirements be made clearer?
(See *Explanatory Memorandum Section 1-G, paras. 88-93*)

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

Detailed comments (if any):

We recommend further application material, including examples, be provided related to using the work of other practitioners, including:

- How the practitioner may fulfill the requirement in paragraph 51d to determine whether another practitioner’s work is adequate for the assurance practitioner’s purposes, particularly when that practitioner is performing work related to the entity’s value chain (i.e., on sustainability information that is “further away” from the entity subject to the assurance engagement).
- Considerations for when the assurance practitioner may or should use the work of another practitioner or expert vs. performing the work themselves.
- Outcomes if the assurance practitioner determines after the engagement has been accepted that the assurance practitioner will not be able to be sufficiently involved in the work of another practitioner (or cannot determine that their work is adequate), nor will the assurance practitioner be able to gather information or evidence on their own.

Given the complexity of the sustainability information subject to assurance and its origin, particularly related to information coming from the value chain, we believe the circumstances above may occur frequently and while “practice” will evolve over time as engagements scale and mature, application material on evaluating the direction, supervision, review model in such circumstances would be helpful.

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):

We are supportive of inclusion of the practitioner's consideration of estimates and forward-looking information in ED-5000. However, we believe that the two concepts should be dealt with differently within ED-5000.

In recognition of the evolving maturity of sustainability disclosures, certain sustainability reporting standards (e.g., IFRS S2) provide relief in the preparation of disclosures about anticipated or forward-looking information (e.g., the entity shall "use all reasonable and supportable information available...without undue cost or effort" or use approaches "commensurate with the skills, capabilities, and resources available to the entity..."). It would be helpful for ED-5000 to clarify the assurance practitioner's responsibilities in such circumstances and to provide examples of how the practitioner may evaluate whether cost or effort is "undue".

In addition, the Explanatory Memorandum notes, "A future event, occurrence or action relating to the sustainability matters may be subject to greater uncertainty, and therefore ordinarily able to be evaluated with less precision than historical underlying subject matter(s)." We recommend that the IAASB consider bifurcating requirements and application material to recognize what is acknowledged in the Explanatory Memorandum: that is, that certain future or forward-looking information related to sustainability subject matter has such high estimation uncertainty that it may not be practicable to apply the level of precision assumed in existing professional literature for historical financial information or other subject matters.

For certain estimates and forward-looking information, ISA 540 may be an appropriate guide for work effort. For others, it may not be practicable to do so. For both limited and reasonable assurance engagements, we suggest the IAASB (1) provide application material to evaluate the nature of the information and its estimation uncertainty and (2) provide application material on the appropriate nature, timing and extent of procedures that can be performed based on the nature of the information.

Guidance in ISAE 3400, *The Examination of Prospective Financial Information* or other concepts from existing professional literature may be relevant to include in ED-5000 with regard to forward-looking information for which applying ISA 540 concepts may be impracticable. For example, ISAE 3400 paragraph 2 requires the practitioner to obtain evidence as to whether assumptions are "not unreasonable" and "consistent with the purpose of the information", as opposed to evaluating whether assumptions are appropriate (as currently proposed in ED-5000 paragraphs 134R(a)(ii) and A394R).

Estimates

The requirements in paragraph 134L do not require an evaluation of management's assumptions. Given the potential significance of estimates to users of sustainability information, we recommend that the requirements for performing limited assurance include consideration of the appropriateness of the assumptions used by the entity. Additionally, we would consider the procedure in paragraph 134R(c) to also be applicable to limited assurance engagements and thus suggest revising paragraph 134L(b) as follows: "Consider whether other procedures are necessary in the circumstances, **including obtaining evidence from events occurring up to the date of the practitioner's report**".

Risk Procedures for a Limited Assurance Engagement

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

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

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

Detailed comments (if any):

We believe the scope of work expected to be performed by the assurance practitioner to achieve the objective of identifying material misstatements in an entity's sustainability information and disclosures in a limited assurance engagement remains unclear.

We note that per paragraph 100 of the Explanatory Memorandum:

“The IAASB concluded that the approach in ED-5000 should be consistent with ISAE 3000 (Revised), which does not require a risk assessment for limited assurance engagements. It was noted that ISAE 3410 requires the identification and assessment of risks of material misstatement at the GHG statement level and for material types of emissions and disclosures. However, the IAASB was of the view that the approach in ISAE 3000 (Revised) provides an appropriate framework for the practitioner's consideration of disclosures where material misstatements are likely to arise for a sustainability assurance engagement due to the wide range of sustainability disclosures.”

Without additional application material or a more detailed, scalable framework, there is likely to be a high degree of inconsistency in the nature, timing and extent of risks identified and related procedures performed in response to those risks. While recognizing the principles-based nature of the standards, in the absence of more scalable guidance or framework for identifying risks, it may be difficult to mitigate wide diversity in the nature, timing and extent of work performed around risks on similar entities applying the same sustainability frameworks. This differential in work performed would not be transparent to a user of the sustainability reporting, an outcome which we do not believe is in the public interest.

In finalizing the standard, we suggest that the IAASB consider the reasoning as stated in the Basis of Conclusion for ISAE 3410, which we believe may also be applicable to the wider range of sustainability information under ED-5000, specifically:

17. “The approach adopted in ED-3410 requires the practitioner to select procedures appropriate to the circumstances of the engagement based on an assessment of risks of material misstatement. The IAASB was of the view that, in order to obtain a meaningful level of assurance, an explicit risk assessment was necessary and that mandating certain types of procedures (such as inquiry and analytical procedures) as the primary means of obtaining evidence was not appropriate. The IAASB was aware that this approach was different to that for limited assurance engagements on historical financial information.”

20. “.... The IAASB was also persuaded by several factors, including the following:

“The nature of GHG information, which is quite different from historical financial information. For example, GHG information is not capable of being subject to the rigor of a double entry bookkeeping system, and is susceptible to different risks than historical financial information...”

As currently drafted, for additional clarity, we suggest the following changes to ED-5000:

- It may be helpful to restructure the materiality and risk assessment paragraph flow to separate scoping and materiality determinations as follows:
 - Separate the first part of paragraph 94L and place it before paragraphs 91-93:
 - 9X. The practitioner shall design and perform risk **assessment** procedures sufficient to identify disclosures where material misstatements, whether due to fraud or error, are likely to arise.
 - After paragraph 93 include revised paragraph 94L:
 - 94L. The practitioner shall design further procedures to focus on the disclosures identified in paragraph 9X. (Ref: Para. A286-A291)
- Paragraph A354L indicates that the practitioner may, but is not required to, identify and assess risks of material misstatement at the assertion level in a limited assurance engagement. We therefore believe it would be appropriate and helpful to reference paragraph A354L in paragraph 9X (if suggestion above is adopted. If not then the reference would remain 94L). Further we suggest additional application material with examples of circumstances in which an assurance practitioner may make such a judgment (i.e., to perform an assertion-level risk assessment in a limited assurance engagement). We also suggest the following change to:

A354L. In a limited assurance engagement, the practitioner is not required to identify and assess risks of material misstatement at the assertion level for each disclosure. However, the practitioner may ~~find it useful to~~ use assertions to identify disclosures where material misstatements are likely to arise.
- As engagement teams may determine assertion-level risk assessment is appropriate for a limited assurance engagement (as referenced in paragraph A354L) we would suggest the “R” be deleted from paragraph A353R such that it is applicable for both limited and reasonable assurance when the engagement team has made that determination.
- We believe it may be helpful to develop application material that includes example procedures the assurance practitioner may perform to assess the possibility that the misstatements detailed in paragraph A355 could occur and be material to the entity.

Separately, in terms of the practitioner’s responsibility to identify and assess risks of material misstatement in a reasonable assurance engagement, the language in paragraph A349R refers to a risk spectrum of low to high but does not make mention of “significant risk”. We would encourage the IAASB to include language similar to ISA 315R to include the concept of significant risk when assessing the likelihood and magnitude of potential misstatement so that there is consistency across reasonable assurance engagements within the IAASB’s standards.

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):

With regard to assurance engagements on the sustainability information of group entities, it is not clear how the requirements of ED-5000 would be practically applied. Consolidation may bring about specific risks necessitating additional principles-based requirements and therefore we would be supportive of a separate ISSA addressing group or “consolidated” sustainability information subject to assurance (akin to ISA 600 Revised). In the absence of a separate standard, additional application material is needed to clarify the requirements for performing assurance over group or “consolidated” sustainability information, including clarification around aggregation risk and scoping decisions in a multi-location engagement.

With regard to information pertaining to an entity’s value chain, additional application material is needed to help guide how a practitioner is expected to assure information that is prepared outside of the entity’s operational boundary (and not subject to the control or oversight of management), including what level of procedures the practitioner should undertake. Furthermore, the reporting boundary concepts in paragraphs A30 and A31 need further application material consideration (e.g., circumstances where different sustainability information has different boundaries).

As sustainability reporting matures, we expect the use of service organizations to be of increasing significance (particularly in relation to an entity’s value chain). We therefore suggest the IAASB provide application material and/or implementation guidance addressing the responsibilities of the practitioner with regard to evidence obtained from a service organization.

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 fraud risks are an important topic to address within ED-5000. In addition to “greenwashing”, there are other areas of potential fraud risk related to sustainability information that are not addressed in ED-5000 (e.g., social and other non-climate related sustainability matters) which we believe should be covered, including: i) additional examples of possible fraud schemes related to sustainability information broadly, ii) conditions and events where management might have incentives and pressure to commit fraud related to sustainability information or metrics and iii) insights into the fraud triangle (rationale, incentive, opportunity) as it could apply to a possible fraud scheme involving sustainability information.

With respect to identifying fraud risks that relate to an entity's value chain, we believe additional requirements and application material may be needed, given the complexity of the information sources, the relationship of the entity to the non-related entities that may be providing value chain information and the relative lack of maturity of sustainability information and reporting. For example, clarifying the assurance practitioner's responsibilities for assessing the accuracy and completeness of such information is critical, as is being transparent to users of sustainability reporting and other stakeholders about the limitations given the factors above. If further requirements or application material are not provided within ED-5000, we are concerned that an expectation gap may develop between what users believe the assurance practitioners may have performed with respect to value chain information and what the assurance practitioner is able to perform on this information.

Additionally, we are aware of other standard-setting activities related to fraud and encourage the IAASB to consider alignment as these projects progress especially as it relates to reasonable assurance engagements.

Communication with Those Charged with Governance

20. Do you support the high-level requirement in ED-5000 regarding communication with management, those charged with governance and others, with the related application material on matters that may be appropriate to communicate? If not, what do you propose and why?
(See Explanatory Memorandum Section 1-G, paras. 111-112)

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

Detailed comments (if any):

Reporting Requirements and the Assurance Report

21. Will the requirements in ED-5000 drive assurance reporting that meets the information needs of users? If not, please be specific about any matters that should not be required to be included in the assurance report, or any additional matters that should be included.
(See Explanatory Memorandum Section 1-G, paras. 116-120, 124-130)

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

Detailed comments (if any):

With respect to the Inherent Limitations section of the report, there is likely to be variability in practice as inherent limitations will differ depending on the subject matter and/or the applicable criteria (e.g., forward-looking information). As sustainability reporting evolves and matures, the IAASB may need to revisit their illustrative reports and consider supplementing ISSA 5000 with additional application material, including examples, of inherent limitations to drive greater consistency in assurance reporting.

In addition, we recommend the following four modifications to the reporting requirements and application material:

- Require the identification of the relevant ethical requirements applied (para 170(d)(iv))
We recommend that the assurance report identify the relevant ethical requirements applied by the assurance practitioner in addition to the identification of "the jurisdiction of origin of the relevant ethical requirements". Jurisdictions could have multiple relevant ethical requirements with varying degrees of rigor, and therefore the public interest would benefit from this transparency.

- Convert the requirement for an “Other Information” section to be optional (para 181-182)

We recommend that the “Other Information” section be considered optional rather than required in the assurance report. Given the evolving nature of sustainability information and reporting, and the vast array of other information that accompany these reports – which may include financial statements – the requirements for reporting on other information disclosures could be challenging to implement consistently.

- Revisit the options for ways in which findings and recommendations can be communicated (para A488(b) and A489)

We encourage the IAASB to consider alternative approaches to communicating findings and recommendations that may be more appropriate than placing within the sustainability assurance report for the following reasons:

- Users of the report may be confused whether a finding or recommendation is a mislabeled (intentionally or not) qualification of the practitioner’s conclusion – as noted in paragraph A489.
 - Lack of a definition of “finding” may lead to confusion and inconsistency across sustainability assurance reports.
 - There is a heightened risk that the description of findings or recommendations may inadvertently lead to the assurance practitioner disclosing “original information” about the entity, which may “muddy the water” as to management’s responsibility for the sustainability information subject to assurance vs. the assurance practitioner’s responsibility to report on such information.
 - As noted in paragraph 120 of the Explanatory Memorandum: “Given that ISA 700 (Revised) reflects the latest thinking about the form and content of the auditor’s report, including the ordering of the report elements, the IAASB decided that it should be used as a guide for the elements of the assurance report on sustainability information (see paragraph 170 of ED-5000 for the basic elements of an assurance report).”
- Provide flexibility in the placement of the independence statement (para 170(d)(iv))

We understand certain regulators may prescribe that independence be included in a different section of the assurance report than the Basis for Conclusion section as required in ED-5000 paragraph 170(d)(iv). We suggest revising paragraph 170(d)(iv) to read as follows with the underlined language added:

“Includes a statement that the practitioner is independent of the entity in accordance with the relevant ethical requirements related to the assurance engagement and has fulfilled the practitioner’s other ethical responsibilities in accordance with these requirements, **unless local regulation requires such a statement on independence to be included elsewhere in the assurance report.** The statement shall identify the jurisdiction or origin of the relevant ethical requirements or refer to the IESBA Code;”

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

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

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

Detailed comments (if any):

We agree with the approach in ED-5000 of not addressing the concept of “key audit matters” (KAMs) and instead having IAASB consider addressing KAMs in a future ISSA. When the IAASB does revisit KAMs, we encourage the IAASB to (1) align the definition of KAMs as being matters of most significance to the assurance engagement and (2) align requirements for KAMs with the types of entities and engagements that are subject to ISA 701 rather than having KAM requirements for all sustainability assurance engagements. For example, we would recommend including KAMs for reasonable assurance engagements of listed entities only, unless required by law or regulation.

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 following are additional suggestions for consideration by the IAASB, including areas where further clarification of the practitioner’s responsibilities may be helpful to drive consistency, comparability, and understandability:

- Throughout ED-5000, we believe conformity is needed with respect to references to International Standards on Quality Management (ISQM) such that both ISQM 1 and ISQM 2 are referenced.
- We suggest the IAASB revisit whether certain paragraphs that are labeled either L or R (for limited or reasonable assurance, respectively) may be applicable to both limited and reasonable assurance engagements and thus require relabeling (for example, paragraphs 116R(a)(i) and (ii) and paragraph 133L).
- We have noted in several responses the need for additional requirements and application material related to operationalizing ED-5000 with respect to sustainability information subject to assurance that relates to the value chain, which is a topic of significant complexity. In

addition to these points, we believe further clarity is needed related to independence considerations related to entities that form part of the value chain of the entity. Overall, we recommend that the IAASB “step back” and consider whether there is sufficient explanation of the roles and responsibilities of management, those charged with governance and assurance practitioners with respect to information coming from the value chain, including management’s responsibility for establishing and maintaining processes and internal controls related to such information as applicable.

- We suggest additional application material, including examples, to illustrate how the scalability described in paragraph 13 is expected to be applied in practice.
- To help clarify the understanding of “intended user”, we suggest:
 - a. The second sentence in paragraph A25 be revised to read “Other **potential** intended users who may be interested in the impact of the organization include...”.
 - b. Further application material to evaluate when stakeholders are “major stakeholders with significant and common interests” as described in paragraph A26.
- We believe ED-5000 does not include sufficient consideration of scoping as part of the requirements related to planning the assurance engagement. Refer to Question 17 for a proposed solution to restructure the materiality and risk assessment paragraphs.
- We recommend further clarity within the requirements or application material on the topic of accumulating and evaluating identified misstatements, including when sustainability topics or aspects of topics are measured using different measurement bases and/or when misstatements are identified in qualitative disclosures.
- In Question 12 we recommend the IAASB cross-reference to the descriptions in the CUSP guidance. As ED-5000 is finalized, we encourage the IAASB to make sure the principles within the CUSP guide have been applied throughout the standard.

Part C: Request for General Comments

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

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

Overall response: [No response](#)

Detailed comments (if any):

27. Effective Date—As explained in paragraph 138 of Section 1-I – Other Matters, the IAASB believes that an appropriate effective date for the standard would be for assurance engagements on sustainability information reported for periods beginning or as at a specific date approximately 18 months after approval of the final standard. Earlier application would be permitted and encouraged. Do you agree that this would provide a sufficient period to support effective implementation of the ISSA. If not, what do you propose and why?

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

Detailed comments (if any):

We agree with this effective date and recommend clarifying in paragraph 14 that early adoption is permitted.