

Sustainability Assurance ED-5000 Outreach Feedback

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IAASB Meeting
December 12, 2023
Agenda Item 6

Unprecedented Global Outreach to Gather Broad Range of Perspectives

PROPOSED ISSA 5000: IAASB's Global Outreach Campaign

On August 2, the IAASB launched a public consultation on its landmark proposed global sustainability assurance standard, International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements. It also committed to an extensive, high-level outreach plan to ensure broad stakeholder input to improve both the quality of and trust in the final standard. This plan included in-person roundtables around the world, virtual webinars for global audiences, and regional and national meetings with regulators and oversight bodies.

These are the results of this unprecedented outreach campaign.



500+ TOTAL

participants including assurance practitioners (both accountants and other professionals), investors, corporate preparers, policy makers, regulators, NGOs and professional bodies



22 additional hours

of discussion & feedback

AT
16+ high-level meetings
around the world

46+ HOURS

of intense discussions



8 ROUNDTABLES

held on 6 continents

Brussels | Johannesburg | Kuala Lumpur
New York | São Paulo | Sydney
Tokyo | Toronto

In partnership with IOSCO, national
standard setters, and other regulators



15+

presentations
at conferences
and webinars



50+ media articles in

3 languages including

FT FINANCIAL
TIMES
Bloomberg
REUTERS
responsible
investor

Key Themes from Roundtables and Other Outreach



Key Themes from Global Outreach



Entity's "materiality process"

- Evaluating or assessing the entity's "materiality process" -- conditional requirement
- Educational guidance to clarify concept of materiality



Practitioner's materiality

- Questions about the "bifurcated" approach: consider vs determine
- Additional guidance on multiple materialities, performance materiality, qualitative disclosures and aggregation of misstatements



"At least as demanding"

- Support for fundamental principles
- More guidance on "least as demanding"

Key Themes from Global Outreach (cont'd)



Group engagements

- Requirements for timely and ongoing communication
- Leverage more from ISA 600 (Revised)



Relationship with ISAE 3410

- Clarity on the applicability of ISAE 3410
- Reference to multiple standards in the report may cause confusion
- Preference for risk-based approach for limited assurance engagements
- Specify IAASB's plans for ISAE 3410

Key Themes from Global Outreach (cont'd)



**Evidence on
estimates,
forward looking
info & value chain**

- More clarity on the required work effort
- Separate the requirements between estimates and forward-looking information
- Practitioner's response if unable to obtain reliable evidence



**Limited assurance
work effort**

- Support for risk assessment for limited assurance
- Greater differentiation in work effort between limited and reasonable assurance
- Extent of understanding of the system of internal control for limited assurance



**Communication
with the FS
auditor**

- Communication between the practitioner and the financial statement auditor

Key Themes from Global Outreach (cont'd)



**Range of views
on various other
matters**

- “Greenwashing” and its relationship to fraud or error
- Calls for a clearer framework on use of experts
- Key Audit Matters - wide acknowledgement of the need to defer this



**First time
implementation
guidance
“Get Started
Guide”**

- Explaining equivalent terms used by other professions
- Navigation aid for the standard
- Further examples to illustrate more challenging matters

Way Forward to Finalization of ISSA 5000

Co-ordination with IESBA

Q1 2024

Analysis of responses to ED-5000 (started in December 2023)

March 2024 meeting

- ED-5000 comment analysis for top themes based on heat map
- SATF initial views, including selected indicative drafting

Q2 2024

Revisions to ED and commence drafting of first-time implementation guidance

June 2024 meeting

- ED-5000 analysis of remaining themes
- First full read of revised ED-5000

Q3 2024

Development of final pronouncement and continue drafting implementation guidance

September 2024 meeting

- Second full read and approval of ISSA 5000

Q4 2024

PIOB approval of due process for ISSA 5000
Finalization of first-time implementation guidance

IESBA Update on Sustainability-Related Projects

Presentation: Ken Siong, Program and Senior Director, IESBA

Related IESBA Projects

- Sustainability:
 - Ethics for reporting
 - Ethics and independence for sustainability assurance practitioners
- Use of external experts



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