

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)	Institute of Chartered Accountants, Ghana
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)	osei.agyamfi@icagh.com ofori.henneh@icagh.com frederick.agropah@icagh.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.	Africa and Middle East
	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.	Member body and other professional organization
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	Institute of Chartered Accountants, Ghana is the body mandated by an Act of Parliament (ICAG Act 2020, Act 1058 as amended) to regulate accountancy practice in Ghana.

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 no further comments)

Detailed comments (if any):

Public Interest Responsiveness

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

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

Overall response: Agree (with no further comments)

Detailed comments (if any):

Specific Questions

Applicability of ED-5000 and the Relationship with ISAE 3410

3. Is the scope and applicability of ED-5000 clear, including when ISAE 3410 should be applied rather than ED-5000? If not, how could the scope be made clearer?

(See Explanatory Memorandum Section 1-C)

Overall response: Yes, with comments below

Detailed comments (if any): There is no ambiguity that the proposed standard (ISSA 5000) is applicable to assurance engagements concerning sustainability reporting, and the application of ISAE 3410 to greenhouse gas statements is explicitly stated. However, given that an entity's reporting is likely to encompass more than just sustainability or greenhouse gas information and in some instances the document may contain a mix of historical financial data, sustainability information (both historical and forward-looking), and other relevant data. Practitioners might be tasked with assuring various elements of an entity's reporting, requiring the application of multiple

assurance standards. For instance, if an entity produces a comprehensive sustainability report that includes a greenhouse gas statement as one component, and the practitioner is engaged to provide conclusions on various aspects, including the greenhouse gas statement, it may appear necessary for the practitioner to apply ISAE 3410 for the assurance conclusion on the greenhouse gas statement section and ISSA 5000 for all other assurance conclusions on the remaining sustainability information. Further clarification and guidance may be required in this regard to deal with such instances.

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 principle is clear and aligns with ISAE 3000 (Revised). Although the application material to the requirements provides a reasonable level of detail areas addressed by IESBA Code and, at a broader level, for ISQM 1, the standard cannot determine how practitioners assess equivalence. However, IAASB needs to clarify how regulators and national standard setters will share the responsibility for determining what may be considered “at least as demanding” in their respective jurisdictions to avoid patchy implementation of this essential standard. This is particularly important for standard setters and regulators in emerging and developing economies. Clarifications can be in the form of additional guidance to national standard setters on the criteria to be used to determine what is “at least as demanding” as the IESBA Code

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 no further comments)

Detailed comments (if any):

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): Using the term “disclosure” come with some risk due to its common English meaning and the specific context in which it is used in an audit of financial statements. There could be potential confusion about the meaning and scope of the term when applied between audit and sustainability assurance engagements carried out by professional accounting practitioners who are also auditors of the entity.

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: [Yes, with comments below](#)

Detailed comments (if any): Yes, however the devil is in the detail in regards to the term “sustainability information” referring to information subject to the assurance engagement. Continuing guidance will be needed to assist practitioners to determine the difference between sustainability information subject to the assurance engagement and other information not subject to the assurance engagement that is included in a document or documents containing the sustainability information (Explanatory Memorandum Section 1-F, paras. 45-48 paragraph 17(ee) of ED-5000.)

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

8. Is ED-5000 sufficiently clear about the practitioner's responsibility to obtain a preliminary knowledge about the sustainability information expected to be reported and the scope of the proposed assurance engagement? If not, how could the requirements be made clearer?

(See Explanatory Memorandum Section 1-F, para. 51)

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

Detailed comments (if any): The proposal in ED-5000 seem to be clear with regards to the nature of matters to be evaluated.

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): Yes. The guidance considers both qualitative and quantitative. ED paras. A278 – A285 are most informative. However, the suggestion is for the IAASB to provide continuing guidance in the form of regularly updated application material to assist PAOs and practitioners, especially in developing and emerging jurisdictions to address this area due to the evolution and dynamism of sustainability reporting frameworks and criteria (paragraphs A156-A157 of ED-5000, Explanatory Memorandum Section 1-F, paras. 55).

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

Detailed comments (if any): The guidance appears to just require the practitioner to evaluate whether suitable and available criteria exist. It does not seem to provide guidance or suggestions on evaluating suitability or availability.

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

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

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

Detailed comments (if any):

Materiality

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

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

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

Detailed comments (if any): The proposal in ED-5000 seems reasonable and aligns with the requirements of ISAE 3410 and ISAE 3000 (Revised).

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 comments below](#)

Detailed comments (if any): This represents a crucial aspect of the proposed standard. Given the nature of sustainability assurance engagements, especially when it comes to group or consolidated information, practitioners may often find it necessary to rely on evidence from work performed by other practitioners. The proposed standard specifies that when practitioners can sufficiently rely on and oversee the work of another practitioner, those individuals are to be considered as part of the engagement team. However, in situations where such direct involvement is not feasible, the procedures adopted for evaluating the work of the other practitioner (i.e., "another practitioner") can become a potential source of inconsistency.

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): proposed standard specifies that when practitioners can sufficiently rely on and oversee the work of another practitioner, those individuals are to be considered as part of the engagement team. However, in situations where the engagement team cannot be sufficiently involved in the work of the other practitioner (i.e., "another practitioner"), the nature, timing, and extent of the procedures to be performed by the engagement team to evaluate the work of the other practitioner may be an area of potential source of inconsistency. This could also be an area for close regulatory scrutiny.

Further, more guidance and a granular approach to training is needed especially as other practitioners who have not been subjected to the rigour of the accounting profession and International financial reporting and assurance standards.

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

Detailed comments (if any): This is a fundamental change to the ethos, mindset and approach accountants have hitherto been applying and therefore requires an investment in 're-wiring' the mindset and outlook of practitioners, and therefore welcome the IAASB's intention to address estimates and forward-looking information further in a separate topic-specific ISSA in the future.

Risk Procedures for a Limited Assurance Engagement

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

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

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

Detailed comments (if any): Many firms generally follow a consistent approach to both limited and reasonable assurance engagements when it comes to identification and assessment of risk of material misstatement. Hence it is likely the approach seen in practice may go beyond what is specified in ED-5000.

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):

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): Yes, however PAOs will have to carry out extensive awareness actions to embed this into training at all levels within the profession and also in the public domain.

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 no further comments)

Detailed comments (if any):

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: Neither agree/disagree, but see comments below

Detailed comments (if any): The concept of “key audit matters” is fundamental for assurance engagements from the perceptions of the public and is likely to be imputed for sustainability reporting. As such a clear statement may be required in all assurance reports to highlight the IAASB’s approach of not including it in the current ED.

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): The IAASB has rightly recognised that conditional requirements may be needed for applicability to the public sector. Separate guidance for the public sector is certainly needed for public sector sustainability assurance engagements

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

Overall response: Yes, as further explained below

Detailed comments (if any): As aforementioned, this ED drives a fundamental change to the ethos, mindset and approach accountants have hitherto been applying and therefore requires an investment in ‘re-wiring’ the mindset and outlook of practitioners, especially as regards estimates and forward-looking information and the professional agnostic approach adopted by the IAASB.

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): The speed and extent of demand for sustainability assurance should not make the IAASB overlook the fact that this is a seismic change to assurance and needs a more granular approach to ensure applicability and acceptance for effective implementation, especially as other practitioners who have not been subjected to the rigour of the accounting profession and International financial reporting and assurance standards.