

**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)	South African Institute of Chartered Accountants (SAICA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Yvette Lange: Chair – SAICA Sustainability Technical Committee Bongeka Nodada: SAICA Executive – Corporate Reporting Nomsa Nkomo: SAICA Project Director - Sustainability Reporting, Integrated Reporting and Thinking
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Tsabo Makoloane: Project Manager - Sustainability Reporting, Integrated Reporting and Thinking
E-mail address(es) of contact(s)	NomsaN@saica.co.za and Tsabom@saica.co.za
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).	The South African Institute of Chartered Accountants (SAICA) , South Africa’s pre-eminent accountancy body, is widely recognised as one of the world’s leading accounting institutes. The Institute provides a wide range of support services to more than 55,000 members and associates who are chartered accountants (CAs (SA)), as well as associate general accountants (AGAs (SA)) and accounting technicians (ATs (SA)). This submission results from deliberations of SAICA’s Sustainability Technical Committee (STC). The STC comprises experts on the subjects of accounting, sustainability, assurance, ESG (environmental, social, governance), ethics, et al. The STC consulted members

of SAICA with varied backgrounds to provide input to this process. The members who participated included academics, members in public practice and members in business who have knowledge and experience in Sustainability assurance and reporting.

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):

SAICA agrees that ED-5000, as an overarching standard, may be applied for each of the items described in paragraph 14 of the EM to provide a global baseline for sustainability assurance engagements. However, we would like to highlight some concerns and improvements required in the standard with respect to the following matters:

All intended users:

- Interplay with specific reporting frameworks – for example, the International Sustainability Standards Board's (ISSB) IFRS S1 - *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 – *Climate-related Disclosures*, and European Financial Reporting Advisory Group's (EFRAGs) European Sustainability Reporting Standards (ESRS). Certain references in the proposed standard, such as reference to the term “double materiality”, may create the impression that the standard has been unduly influenced by specific standards. Our understanding is that ED-5000 is developed to be framework-neutral and is not supposed to lean towards a particular framework.

Use by all assurance practitioners:

- Consider the issuance of supplementary guidance for non-accountant assurance practitioners to assist in applying the ED-5000 standard considering the language used in the standard which tends to favor professional accountants being written in a language akin to the International Standards on Auditing (ISAs).
- Stakeholders engaged in developing our response raised concerns about how the assessment of ‘at least as demanding’ will be made, monitored and enforced. It may be necessary for non-accountants to have transitional periods on first-time adoption to allow this group of practitioners to establish a system of quality management and other necessary policies and processes for managing ethics and independence issues. In line with our previous comment, supplementary guidance may be needed to assist non-accountant assurance practitioners in establishing a system of quality management and manage their ethics and independence issues.

Limited and reasonable assurance engagements:

- A risk-based approach is followed for a limited assurance engagement level in ISAE 3410 but not in ED-5000. It appears that these two standards are therefore not currently aligned with respect to the limited assurance approach, which may create the impression of a differing level of limited assurance under these respective standards.

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):

N/A.

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):

In the South African context, there are limited examples whereby assurance is provided over standalone greenhouse gas (GHG) statements. Notwithstanding this context, the interaction between ED-5000 and ISAE 3410 is not sufficiently clear and requires further clarification. For example, where GHG information is part of the “subject matter” for sustainability assurance under ED-5000, is the intention to refer to both ED-5000 and ISAE 3410 when referencing standards used in the assurance report.

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):

While we agree with the draft standard being available for use by other professions in principle, we are concerned about the practicality of this. The draft standard places the onus on the practitioner to ensure that their professional code of ethics and quality management standards are at least as robust as those of the accountancy profession.

At a jurisdictional level, regulators may need to consider enforcing this in some way. However, in the absence of a regulatory body that has the authority / mandate to regulate across multiple professions (which currently does not exist in South Africa and may be rare in other jurisdictions as well), this assessment will inevitably be left up to the practitioner. If that practitioner is not already familiar with the benchmark ethics and standards set by the accountancy profession, it is unlikely that an appropriate assessment will be made.

This can/may lead to inconsistent quality and ethics management among sustainability assurance practitioners. While this problem already exists with ISAE 3000 being used by non-auditors and competing standards such as AA 1000 AS being applied in addition to ISAE 3000, this is an opportunity to create a new global baseline for sustainability assurance that should not be missed. It is therefore suggested that the standard incorporates more detailed standardised requirements on quality control and ethics rather than leaving this open to interpretation.

IAASB should also consider issuing detailed guidance on ISQM1 for non-accountant assurance practitioners.

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

Detailed comments (if any):

We are of the view that the definition of sustainability information could be further elaborated on to avoid different interpretations in practice, given its broadness. This clarity could be provided through examples covering different scenarios to enhance the clarity thereof.

- An example of a potential gap in this regard, is where an entity reports in accordance with a compliance framework (e.g., a tax incentive programme that forms part of a broader sustainability mandate / programme such as job creation / economic development). The subject matter that is reported might not have the features of sustainability information as described in the definition, and may focus more on operational / business performance, because this is the information that is required as a contribution to the overall sustainability goals. The question might then arise as to whether in such a case, the engagement is still considered a sustainability assurance engagement falling within the scope of ED-5000. Another example would be engagements that focus solely on specific compliance requirements such as data privacy reporting, or financial sector codes requiring reporting on certain matters relating to ethics, and anti-money-laundering compliance. While one could argue these fall within the ambit of sustainability issues under the umbrella term “governance”, they are a narrow subset thereof and the relevance of applying ED ISSA 5000 in such cases might not be sufficiently clear.

SAICA also recommends further elaboration on the inclusion of cultural matters as part of the definition of sustainability matters, as it is currently not clear what cultural matters refers to within the context of the sustainability matters definition.

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

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

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

Detailed comments (if any):

SAICA recommends that the IAASB consider providing further practical examples to demonstrate the relationship between sustainability matters, sustainability information and disclosures across a range of possible sustainability engagements.

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):

In general, we agree with the differentiation in approach and recognise that this is in line with the general expectation that the procedures the practitioner will perform in a limited assurance engagement will vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

SAICA however questions whether sufficient guidance is given for limited assurance engagements compared to the guidance provided for reasonable assurance engagements.

For example, the ED elaborates on the Control environment (para 103R) and the Entity's Risk assessment (paragraph 104R) in the requirement paragraphs, but these are specifically marked "R". Can these principles be used for Limited Assurance as well? We recognise guidance provided in the A-paragraphs, but the guidance in the A-paragraphs for both 102L and 102R is the same [102L Ref: Paragraphs A312-A317 and 102R Ref: Paragraphs A312-A314, A316-A317; 102L(a) Ref: Paragraphs A318L, A320-A321 and 102R(a) Ref: Paragraphs A319R-A321]. Can practitioners doing Limited Assurance engagements use 103R and 104R as guidance?

[See also our response to Question 1 on the risk-based approach followed in ISAE 3410.](#)

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):

N/A.

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

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

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

Detailed comments (if any):

SAICA heard conflicting views from the stakeholders on whether it is the assurance practitioner's role to provide assurance on whether the material topics covered by the sustainability report are complete, in engagements where assurance is being provided over the whole report as opposed to selected sustainability information / KPIs. Our concern is that a user of the assurance report will reasonably assume that the assurance extends to the completeness of the issues covered. Where the opinion being provided is a "fairly present" opinion, this will almost certainly be assumed. If this is the intention, further guidance could be included in the standard to clarify that appropriate assurance procedures need to be conducted to assess whether any material sustainability matters have been omitted.

The counterargument that we heard suggests that this confuses the materiality concepts and responsibilities of the preparer and the assurance practitioner and that it is the responsibility of the preparer to identify and include all relevant material matters, whereas the responsibility of the assurance practitioner is merely to obtain an understanding of the entity's materiality assessment process as part of the engagement acceptance considerations (i.e. assessing the preconditions - rational purpose and suitability of criteria). If this is indeed the intention of the IAASB, then the assurance report will need to clearly scope out assurance over the materiality assessment process to ensure users are aware of this limitation, and consideration should be given to the issue of whether it will still be appropriate to refer to fair presentation in such cases. (Either way – para 1, or para 2, the standards would need to provide clarity or examples.

Currently the ED is not clear on the intended approach. It is recommended that the IAASB investigate the experience from certain jurisdictions such as the Netherlands, which already has a local sustainability assurance standard and where assurance over the entire sustainability report is provided. The practice there seems to be aligned to the first argument above, namely they perform procedures to obtain assurance over the materiality assessment process of the entity so that they can provide a "true and fair" conclusion on the overall report including completeness of the topics covered.

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 no further comments)

Detailed comments (if any):

N/A.

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: No, with comments below

Detailed comments (if any):

SAICA is of the opinion that the IAASB’s standards are intended to be framework-neutral, therefore should not reference the “double materiality” concept. The mere nature of including the concept of double materiality already points to a specific framework.

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: [Disagree, with comments below](#)

Detailed comments (if any):

One of the key topics to be addressed more comprehensively in ED-5000 is the application of materiality. It is unclear in paragraph 91, for example, what the distinction is between “determining” quantitative materiality and “considering” qualitative materiality. Further, the IAASB’s use of the word “consider” in paragraph 91 (a) of ED-5000 creates the notion or impression that this is not a requirement. It is SAICA’s considered view that materiality is always “determined” irrespective of qualitative or quantitative subject matter, as this is needed for the conclusion/ opinion to reference “in all material respects.”

Given the varying nature of sustainability matters included within sustainability assurance engagements, it is suggested that the IAASB provide further guidance in respect of assessing misstatements identified in the sustainability information further to what is included in A398-403.

There are several concerns around the application of materiality including the need for clarity around the entity’s materiality process and the assurance practitioner’s materiality applied, the potential need for multiple materiality figures/measures for different types of sustainability information reported, how individual sustainability reporting frameworks deal with the concept of materiality, applying materiality to qualitative disclosures and how the auditor assesses the individual misstatements to form their overall assurance opinion/conclusion including any modifications. It is therefore suggested that the IAASB flag materiality as an area where further guidance and/or additional standards may be required to supplement this overarching standard.

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):

In general, we agree with the differentiation in approach and recognise that this is in line with the general expectation that the procedures the practitioner will perform in a limited assurance engagement will vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. We do question whether sufficient guidance is given for Limited Assurance engagements in comparison with the guidance provided for Reasonable Assurance engagements. For example, the ED elaborates on the control environment (para 103R) and the entity’s risk assessment (para 104R) in the requirement paragraphs, but these are specifically marked “R”. Would it be appropriate for these principles to be applied for a limited assurance engagement as well? We recognize guidance provided in A-paragraphs, but the guidance in the A-paragraphs for both 102L and 102R is the same [102L Ref: Paragraphs A312-

A317 and 102R Ref: Paragraphs A312-A314, A316-A317; 102L(a) Ref: Paragraphs A318L, A320-A321 and 102R(a) Ref: Paragraphs A319R-A321]. Can a practitioner perform a limited assurance engagement use 103R and 104R as guidance where relevant?

It is unclear what the distinction is in requirement between para 102L(b) referring to “The results of the entity’s risk assessment process” vs, para 102R(b) only stating “The entity’s risk assessment process”. We recommend that this difference be more clearly explained.

Should a practitioner performing a limited assurance engagement disregard information in “R” paragraphs, or may such information still be considered as guidance? “R” paragraphs may still have useful information and give additional guidance.

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):

SAICA generally supports the requirements in relation to using the work of experts and other assurance practitioners. Given the nature of the information being assured, it is likely that several experts may be involved and more clarity around the work effort would be useful.

We agree that the ED is clear about who forms part of the engagement team. The definition in para 17(p) is clear on this and expressly excludes a practitioner’s external expert from the engagement team. How para 41 is written also aids with this distinction.

However, considering the requirement in paragraph 17(p) in isolation, it is not clear that “Another practitioner” does not form part of the engagement team. We acknowledge that para 17(p) refers to paragraph A22, which explains who is referred to as “another practitioner”.

We recommend revising the last part of para A22 to include the definition of another practitioner for more clarity as noted under paragraph A17 (p).

We furthermore suggest that the standard should clarify the circumstances when reference to a practitioner’s expert in the assurance report would be appropriate. Drawing on the principles contained in the ISAs: ISA 620.14 prohibits reference to using the work of an auditor’s expert in an auditor’s report containing an unmodified opinion unless required by law or regulation. ISA 620.A42 indicates that it may be appropriate in some circumstances to refer to the auditor’s expert in an auditor’s report containing a modified opinion, to explain the nature of the modification. ED-5000.172, read with paragraphs A494-A495, appear to indicate that reference to a practitioner’s expert would be appropriate in an assurance

report containing an unmodified conclusion, provided that the practitioner considered the matters set out in paragraph A495. It is however not clear if paragraph A494 is intended to be indicative of *all* circumstances when reference to a practitioner's expert would be appropriate. To facilitate application of the standard and to ensure consistent application thereof, the IAASB may consider clarifying reference to a practitioner's expert in the assurance report in the text of the standard.

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 no further comments)

Detailed comments (if any):

N/A.

Estimates and Forward-Looking Information

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

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

Overall response: Agree, with comments below

Detailed comments (if any):

SAICA recommends that specific guidance is provided in the standard on generally acceptable methods, assumptions, data, and the evaluation of any significant deviations/misstatements on 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: [Yes, with comments below](#)

Detailed comments (if any):

As the requirements currently stand, SAICA recommends that more clarity or examples be provided to distinguish the risk procedures adequately. It is unclear what is meant by “identify disclosures where material misstatements are likely to arise” or how a practitioner would practically go about doing this.

However, more fundamentally, the SAICA is of the view that risks should be identified and considered regardless of the level of assurance being provided.

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):

There is limited guidance on “consolidated” sustainability information presented by an entity especially where the group is diverse and has exposure to various industries. What would be considered material at group level? We suggest that more guidance is provided on the materiality process performed by management at group level and the determination of materiality by the practitioner, including benchmarks and thresholds.

For example, for a holding company with operations in different regions, how would a practitioner consider the overall impact on the audit report where misstatements identified in one region are offset by “good results” in another region on similar or different disclosures?

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):

SAICA supports material that is already included in ED-5000, for example, application material A296, A131 and A406, however, we are of the opinion that the following suggestions will improve the standard:

- The ED appropriately addresses the topic of fraud; however, the guidance appears in various sections. Whilst we acknowledge that fraud is considered throughout the engagement, we recommend that an additional single section and related application guidance on fraud be included to give the fraud topic more prominence.
- The IAASB should consider including further guidance in ED-5000 for non-accountants with the consideration and execution procedures related to fraud.
- The IAASB should clearly define Greenwashing and provide examples and guidance on intentional and non-intentional aspects as this will be difficult to distinguish in practice. Complexity is created around assessing fraud and errors, including greenwashing, while reporting frameworks and systems are still evolving, particularly regarding qualitative disclosures – supporting the need for further guidance in this area.

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):

N/A.

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):

SAICA agrees that the requirements in ED-5000 will drive assurance reporting that meets users' information needs. However, we would like to suggest the following amendments to the assurance reporting requirements:

- In a group engagement – the entities included in the scope of the engagement and any significant judgements applied in this determination.

The general feedback received was that assurance practitioners would appreciate more examples of sustainability assurance reports, including examples of inherent limitation paragraphs or wording for engagements assuring sustainability reporting information against common frameworks.

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):

SAICA agrees that the IAASB should consider addressing the concept of “Key audit matters” for sustainability assurance in future as practice evolves:

- Key audit matters (KAMs) in sustainability assurance engagements will enhance practitioners' communication in the assurance report.
- KAMs will add value to sustainability clients and other stakeholders interested in the sustainability report.

The IAASB's post-implementation review (PIR) process in relation to this standard will be particularly important in this regard.

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: [No \(with no further comments\)](#)

Detailed comments (if any):

SAICA recommends that more clarity be provided on the meaning of "substantial" within this context. Some of the procedures seem similar hence it may not be sufficiently clear as to the differences between procedures noted between limited and reasonable assurance engagement and how materially different these are to each other.

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):

N/A.

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):

SAICA would like to suggest the following:

- ED-5000 was drafted using some principles of the International Standards on Auditing (ISAs). Considering that non-accountants do not necessarily have a background on the ISAs, the IAASB should consider issuing separate 'supplementary guidance material' highlighting important terminologies and principles adopted in the ED-5000. This will enhance the quality of assurance engagements performed by non-accountants' practitioners.
- There will be a need to educate users and broader stakeholders to understand the assurance being provided over the sustainability reporting and key concepts being used.
- The IAASB will need to consider how best to produce guidance and how it can communicate with regulators, and professional bodies on its plans for guidance so that these bodies can work to provide additional guidance either internationally or at the local level where gaps are identified.
- There is also a need to consider that many entities may not initially have systems in place to allow them to produce the sustainability information required for reporting to a standard that can be assured. While this may be more an issue for local regulators to consider in establishing timeframes and transitional considerations in their timeframes, it is important that those charged with governance, preparers and users understand that there may be time necessary for an entity to evolve its sustainability reporting prior to it being assured.
- More examples and guidance in relation to qualitative disclosures are required. Assurance over narrative/qualitative disclosures is challenging and most of the examples in the ED-5000 are in relation to quantitative disclosures.

Part C: Request for General Comments

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

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

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

Detailed comments (if any):

Translation is not relevant within the South African context.

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 ISA. If not, what do you propose and why?

Overall response: Agree (with no further comments)

Detailed comments (if any):