

## FREQUENTLY ASKED QUESTIONS

### *International Standard on Sustainability Assurance 5000*

#### **Why is assurance for sustainability reporting important?**

Much like for financial reporting, external assurance has a key role in contributing to the reliability of sustainability information reported, thereby enhancing the trust and confidence of decision makers about that information. Reporting, whether financial or sustainability information, is more trusted when it has been subject to assurance in accordance with a globally accepted standard developed by an independent body applying a robust, transparent due process in the public interest.

#### **What is the purpose of an assurance engagement on sustainability information?**

When assurance practitioners review sustainability information, they aim to make sure that the information is accurate and trustworthy. They do this by obtaining either reasonable assurance or limited assurance, depending on what they've been asked to do.

The assurance practitioner designs and performs procedures to obtain evidence about whether the sustainability information is free from material misstatement. Misstatements may be qualitative or quantitative and include omitted information or information that obscures or is misleading. Misstatements can be 'big or small' and may happen by accident or on purpose. It could be about the numbers presented or information that's been left out, making it hard to understand the full picture. Assurance practitioners' goal is to ensure that the sustainability information is reliable, which helps everyone understand the impacts environmental, social, cultural or governance matters have on the entity or the entity's impact on those matters.

#### **Is an assurance engagement different from an audit?**

The proposed ISSA 5000 was developed for both reasonable and limited assurance engagements on sustainability information. The level of assurance obtained in an *audit* of financial statements is reasonable assurance, and therefore equivalent to a reasonable assurance engagement for sustainability information. The level of assurance obtained in a *review* of financial statements is limited assurance and equivalent to a limited assurance engagement on sustainability information. A limited assurance engagement provides less confidence than a reasonable assurance engagement. However, a limited assurance engagement will still enhance stakeholders' confidence in the information reported.

#### **Can the proposed ISSA 5000 be used for assurance on reports prepared using the recently issued IFRS Sustainability Disclosure Standards S1 and S2?**

Yes, S1 and S2 are among the sustainability reporting standards and frameworks that provide suitable criteria for sustainability reporting that can be assured under ISSA 5000. The International Sustainability Standards Board was one of the standard setters that the IAASB consulted with in developing ISSA 5000 to ensure compatibility.

ISSA 5000 is designed to be framework neutral so that it can be used for assurance on information reported under any sustainability framework or criteria that are suitable. Suitable reporting criteria are criteria that result in sustainability information that is relevant, complete, reliable, neutral, and understandable.

### **Does proposed ISSA 5000 have to be applied with other IAASB standards?**

ISSA 5000 is a stand-alone standard, and does not require any other existing IAASB auditing or assurance standards to be applied. This allows practitioners who aren't familiar with the International Standards on Auditing (ISAs) or International Standards on Assurance Engagements (ISAE) to use it effectively. However, ISSA 5000 does require assurance practitioners to comply with relevant ethical requirements and apply a system of quality management that are at least as demanding as the *International Code of Ethics for Professional Accountants (including International Independence Standards)*, published by the International Ethics Standards Board for Accountants, and the IAASB's suite of quality management standards. These are essential elements of robust and reliable assurance engagements.

### **Who will use proposed ISSA 5000?**

The standard is designed to be practitioner agnostic—any assurance practitioner can use it, with two important caveats: practitioners must adhere to relevant ethical requirements that are at least as demanding as the IESBA Code and is a member of a firm that applies a system of quality management system at least as demanding as the IAASB's suite of quality management standards. The IAASB's suite of quality management standards include requirements for the practitioner and engagement team to be independent and that there is a system in place to drive quality assurance engagements. Laws, regulations, or local professional requirements may have other or additional provisions that affect who may perform sustainability assurance engagements.

### **How will the proposed standard be used in different jurisdictions and regions?**

Policymakers, standard setters, and regulators in each jurisdiction will make decisions about when ISSA 5000 is required, whether additional requirements are needed, and who is allowed to conduct assurance engagements on sustainability information, based on their local needs.

### **Will the final ISSA 5000 standard be mandatory?**

The IAASB's international standards, including ISSA 5000, are adopted and implemented at the jurisdictional level. Each jurisdiction and regulatory body will make its own decision on whether sustainability reporting and assurance are mandatory and, if so, for what size or type of entity. It is not up to the IAASB to decide when assurance is required. Even when not mandated by regulators, many entities may also need to obtain assurance over their sustainability disclosures to meet the needs of their stakeholders, including investors and capital providers.

## **Does the proposed ISSA 5000 require reporting or disclosure of information about specific sustainability matters or aspects?**

No. Preparing and reporting sustainability information is the responsibility of an entity's management in accordance with a sustainability framework or standards or other suitable criteria (whether reporting is mandatory or voluntary). ISSA 5000 is applied by an assurance practitioner in undertaking an assurance engagement on sustainability information. It was developed to allow an entity to continue to determine what information is decision-relevant for its stakeholders. ISSA 5000 can be applied regardless of what sustainability information is disclosed—that is, across sustainability topics such as climate, biodiversity, human rights, and labor practices—and aspects of those topics, such as risks and opportunities, governance, metrics, and key performance indicators.

## **What types of entities can proposed ISSA 5000 apply to?**

ISSA 5000 can be used for assurance engagements for any entity that reports sustainability information and seeks assurance. This includes entities of any type, industry, or sector, including groups or listed entities, as well as all sizes and levels of complexity.

## **Are International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410 on greenhouse gas statements still relevant?**

Yes. Even after the final ISSA 5000 is issued in 2024, ISAE 3000 (Revised) will continue to be used for assurance engagements, other than audits or reviews of historical financial information or assurance engagements on sustainability information. ISAE 3410 will also still be relevant when a practitioner provides a separate conclusion on a greenhouse gas statement. The ISSA 5000 Exposure Draft includes conforming amendments to ISAE 3000 (Revised) and ISAE 3410 to address their relationship to ISSA 5000.

## **What are the key issues that the IAASB is seeking comment on?**

Among the questions the IAASB asks for feedback on proposed ISSA 5000 are:

- Is it responsive to the public interest?
- Is its scope and applicability clear?
- Does it provide an appropriate basis for performing both limited assurance and reasonable assurance engagements?
- Does it appropriately address the practitioner's evaluation of the suitability and availability of the criteria used by the entity in preparing the sustainability information?
- Can it be applied for assurance engagements on the sustainability information of groups or in other circumstances when "consolidated" sustainability information is presented by the entity?
- Does it appropriately address the topic of fraud (including "greenwashing")?
- Will the requirements drive assurance reporting that meets the information needs of users?

A full listing of the questions the IAASB asks for feedback on are available in the [Explanatory Memorandum](#).

---

This document was prepared by the Staff of the International Auditing and Assurance Standards Board (IAASB).

This IAASB develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Consultative Advisory Group, which provides public interest input into the development of the standards and guidance.

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

-----

The [IAASB](#) develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the [Public Interest Oversight Board](#), which oversees the activities of the IAASB, and the IAASB Consultative Advisory Group, which provides public interest input into the development of the standards and guidance. The structures and processes that support the operations of the IAASB are facilitated by the International Foundation for Ethics and Audit (IFEA). For copyright, trademark, and permissions information, please go to [permissions](#) or contact [permissions@ifac.org](mailto:permissions@ifac.org).



**International Auditing  
and Assurance  
Standards Board**

529 Fifth Avenue, New York, NY 10017  
T + 1 (212) 286-9344 F +1 (212) 286-9570  
[www.iaasb.org](http://www.iaasb.org)