

IAASB Launches Consultation on ISSA 5000, the Proposed Global Sustainability Assurance Standard

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In August 2023, the International Auditing and Assurance Standards Board (IAASB) issued its **proposed International Standard on Sustainability Assurance (ISSA) 5000**, “General Requirements for Sustainability Assurance Engagements.” ISSA 5000 is described as a comprehensive sustainability assurance framework designed to enhance the trust that investors, regulators and other stakeholders can place in corporate sustainability information.

ISSA 5000 is intended to be adaptable to sustainability information shared by any entity across industry and sector, regardless of the sustainability topic or applicable international reporting framework. This is particularly relevant as sustainability regulatory frameworks change, disclosure requirements grow more complicated, and investors, consumers and regulators have increased concerns over greenwashing. In a **press release** accompanying the issuance of ISSA 5000, IAASB stated that the framework serves as a standalone standard adaptable to both limited and reasonable assurance engagements (respectively, review and examination, using U.S. terminology). As Vice Chair of the IAASB Josephine Jackson clarified in a **video** introducing the draft standard, the proposed ISSA 5000 was developed to be profession-agnostic, so that it can be used by both accountants and non-accountant assurance practitioners.

The ISSA 5000 is a principles-based standard, with a greater focus on establishing principles or facilitating beneficial outcomes rather than on the mechanics of particular procedures. This scalability may make the ISSA 5000 in its final form broad enough to remain useful to diverse stakeholders, while leaving flexibility for assurance practitioners to rely on their own professional judgment in planning and executing assurance engagements.

The ISSA 5000 builds on existing standards, including the [International Standard on Assurance Engagements \(ISAE\) 3000 \(Revised\)](#) and [ISAE 3410](#), by extension also building on the [Non-Authoritative Guidance on Applying ISAE 3000](#). Therefore, in addition to the ISSA 5000, IAASB also published Proposed Conforming Amendments and Consequential Amendments to Other IAASB Standards, and an [Explanatory Memorandum](#). The project proposal was approved September 2022, and the draft ISSA 5000, Amendments and Explanatory Memorandum will remain open to public comments for four months.

Stakeholders can provide commentary on the proposed revisions until December 1, 2023, [through the IAASB website](#), using either the Response Template designed for more technical feedback, or a stakeholder survey designed to allow “sustainability reporting users and preparers, [who] may wish to share views or provide input at a more overall or less technical level,” to provide feedback. After reviewing stakeholder commentary, the finalized standard will be issued in 2024.

Taking the Temperature: We have commented on trust in sustainability reporting as a broader theme a number of times, including [here](#) and [here](#). External assurance can help increase confidence in financial and other reporting for investors, regulators, and other stakeholders. ISSA 5000 supports greater use of external assurance by offering more sustainability assurance standardization than had previously been proposed.

[As we have reported](#), IAASB moved up the projected release date of the draft ISSA 5000 in order to facilitate a longer public consultation period while maintaining its promised 2024 deadline for publication of the final standard. Although the release date is on the latter end of the

expected timeline, the August 2 draft is nonetheless two months ahead of the initial projection of October, allowing more time for input from stakeholders. IAASB has stressed that stakeholder participation is vital for better quality (and better trusted) sustainability standards.

As we discussed, developing global standards for assurance on sustainability is a key component of IAASB's medium-term progress, and is listed as a key strategic objective in its 2024-2027 work plan. The finalized ISSA 5000 will accommodate the reporting frameworks issued by jurisdictions like the EU and the U.S., and those of other sustainability standard setters, including (among others) the International Sustainability Standards Board, the Global Reporting Initiative and the International Organization for Standardization. As a result, numerous regulatory and standard-setting actors may provide feedback before the ISSA 5000 is finalized.

This standard is notable for its broad scope. One element that likely increases ISSA 5000's appeal is that, as an overarching standard, it works in both limited and reasonable assurance engagements. The decision about which level of assurance is optimal for a company's ESG reporting is a meaningful one, and must take into account budget, confidence and reputational factors. ESG assurance is likely to become an important differentiator, and ISSA 5000 (in its final form) may become a useful tool as companies seek to distinguish themselves through the quality of their reporting.

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