

IAASB Sustainability Assurance

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Good Governance Academy

Ninth Colloquium

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A Global Baseline for Both Reporting and Assurance as Essential

IAASB's Goal

Develop the globally accepted and leading audit, assurance, and related services standards enabling the performance of high-quality engagements that enhance trust in markets and evolve in a timely manner to meet rapidly changing public interest demands

IAASB's Sustainability Commitment

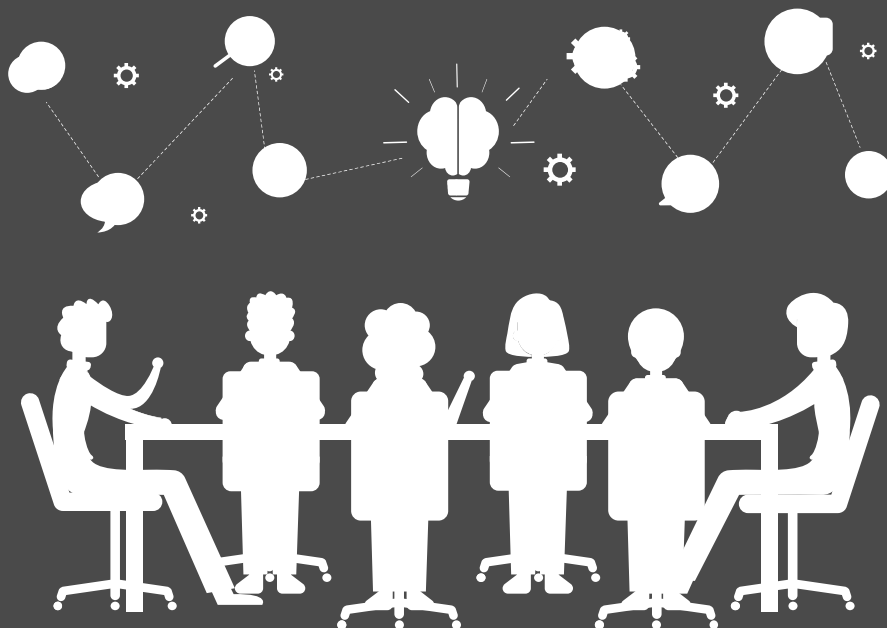
Establish a globally accepted overarching standard for assurance on sustainability reporting by the end of 2024

Active and Ongoing Engagement Informs IAASB Sustainability Strategy

Among others:

- IAASB Consultative Advisory Group (CAG)
- Monitoring Group members: the European Commission; the Financial Stability Board (FSB); the International Organization of Securities Commissions (IOSCO); the International Forum of Independent Audit Regulators (IFIAR)
- Reporting Standard Setters: the International Sustainability Standards Board (ISSB); the Global Reporting Initiative (GRI)
- Assurance Standard Setters: AccountAbility; International Organization for Standardization (ISO)
- Jurisdictional / Regional Engagements, including in: Europe; United States; United Kingdom; Japan; South Africa; Canada (and others planned)

Strong Coordination Between IAASB and IESBA



Chairs working closely, including outreach activities

Coordination at staff level, including an inventory of issues, fortnightly catch ups, and other meetings

Sustainability Task Force Coordination Members Appointed

Joint targeted key stakeholder engagement



Systematic approach to stay connected through to completion of both Boards' projects because of importance ethical foundation

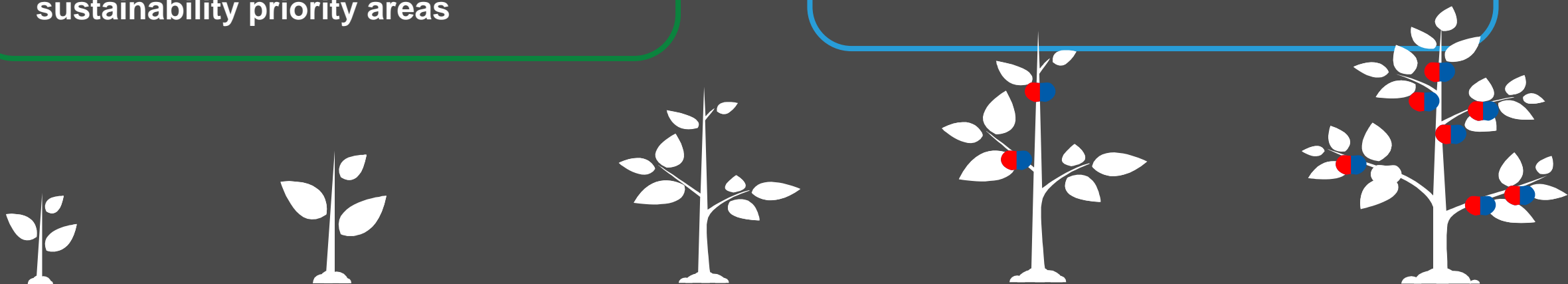
Global Baseline for Sustainability Assurance: Timely Standard-Setting Action

Current project: Overarching standard ISSA 5000 *General Requirements for Sustainability Assurance Engagements*

- Addresses all elements of the engagement
- More specificity than ISAE 3000 (Revised) and ISAE 3410 for sustainability priority areas

Possible future projects: Provide more specificity than overarching standard

- Respond to emerging issues
- Evolve with maturity of reporting and assurance



Scope of Overarching Standard: Proposed ISSA 5000

Suitable for engagements of all sustainability information; principles-based requirements that can be applied for

ALL Sustainability Topics

ALL Information disclosed about topics

ALL Mechanisms for reporting

ALL Reporting standards

ALL Users / Stakeholders

Addresses limited and reasonable assurance

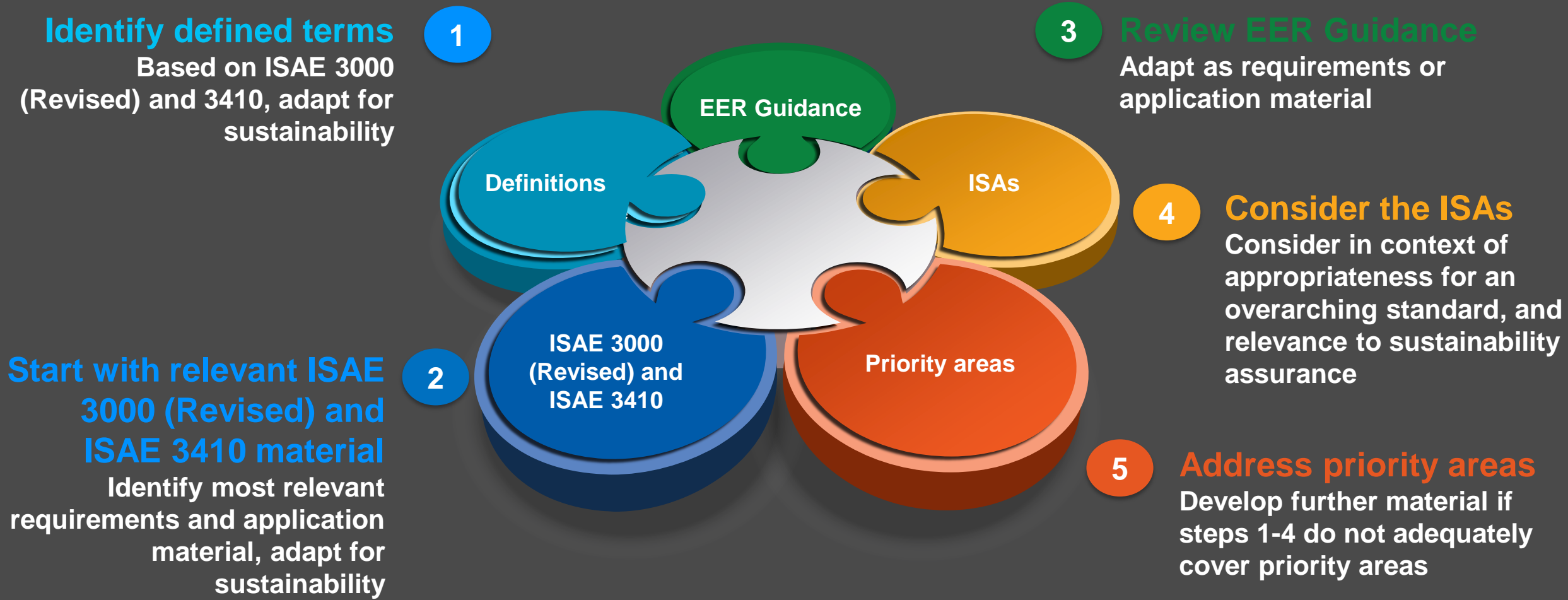
For use by all assurance practitioners

Stand-alone

Not required to apply ISAE 3000 (Revised)

Works with traditional and double materiality

Approach to Development – Leveraging Existing Material



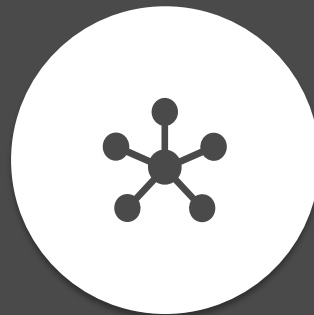
Addressing Identified Priority Areas in ISSA 5000

Overarching with more specificity and guidance for the following priority areas:



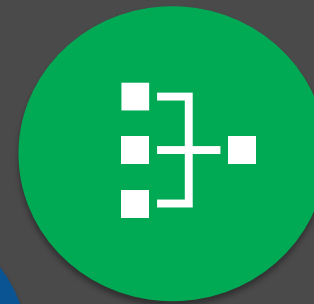
Work effort - limited versus reasonable assurance

Suitable reporting criteria



Scope of engagement

Evidence



System of Internal Controls

Practitioners' Materiality



Standard will also include specific guidance on double materiality and greenwashing, other topics identified by regulators and investors

Top 10 List for the IAASB to Address before Exposure Draft Approval

Definitions – clarify sustainability information; explain “at least as demanding”

Quality Management – clarify concepts and requirements for using the work of others

Preconditions for engagement – simplify the construct of requirements

Evidence – add evaluating accuracy and completeness of information intended to be used as evidence

Materiality – clarify for quantitative and qualitative; emphasize use of multiple materialities

Internal control – distinction of work effort between “L” and “R” assurance

Respond to risks – more guidance on: overall responses; work on forward looking information; sampling

Concluding – further clarity on other information: definition; examples; connection with financial statements

Reporting – illustrative reports needed (to be presented to Board on April 19)

Final check – double materiality; consolidated information; fraud; sustainability examples

IAASB Will Launch an Intensive Outreach Program in July

