

## **FREQUENTLY ASKED QUESTIONS**

### ***International Standard on Sustainability Assurance 5000***

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

Much like for financial reporting where audits enhance the confidence and trust of intended users in financial statements, external assurance has a key role in contributing to the reliability of sustainability information reported. Sustainability assurance engagements enhance the confidence of intended users about such 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 an assurance practitioner undertakes an assurance engagement of sustainability information, they aim to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of intended users about that information (i.e., that the information is relevant and reliable). 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. Misstatements could be in the information presented or information that's been omitted, 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 or governance matters have on the entity or the entity's impact on the environment, society or economy.

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

The term audit ordinarily is used in the context of an audit of financial statements, for example, an audit conducted in accordance with International Standards on Auditing (ISAs). It also may be used for audits of other historical financial information. An audit is a subset of assurance; specifically, an external assurance engagement on financial statements or other historical financial information, as applicable.

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 on 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.

## What is the difference between limited and reasonable assurance?

ISSA 5000 can be used by assurance practitioners in undertaking limited or reasonable assurance engagements, provided that the preconditions for an assurance engagement are present. For example, the entity must use suitable criteria in preparing the sustainability information (e.g., a reporting framework established by an authorized or recognized organization), and the practitioner must expect to be able to obtain the evidence needed to support the practitioner's conclusion.

The difference between limited and reasonable assurance is primarily in the degree to which it enhances the confidence of the intended users about the sustainability information. The engagement objective, limited or reasonable assurance, affects the nature and extent of procedures performed and evidence obtained, such that the procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Reasonable assurance is high but not an absolute level of assurance that the practitioner obtains about whether the sustainability information reported is free from material misstatement. In the assurance report for a reasonable assurance engagement, the assurance conclusion is expressed in the form of an opinion about whether the entity's sustainability information is prepared, in all material respects, in accordance with the applicable criteria. Limited assurance is substantially lower than reasonable assurance, but it still enhances the confidence of intended users about the sustainability information to a level that is meaningful for those users. In the assurance report for a limited assurance engagement, the assurance conclusion is expressed in a form that conveys whether, based on the procedures performed and evidence obtained, any matter(s) have come to the practitioner's attention to cause the practitioner to believe that the sustainability information is not prepared, in all material respects, in accordance with the applicable criteria.

A majority of jurisdictions that have or are moving to mandatory assurance of sustainability information is starting with limited assurance and plan to transition to reasonable assurance over time. However, some investors and other stakeholders may seek reasonable assurance since most are accustomed to audited financial statements and so may expect the same level of confidence and trust in sustainability information as they do for financial information.

*Additional information on limited and reasonable assurance is available in the [ISSA 5000 Implementation Guide](#).*

## Can ISSA 5000 be used for assurance on reports prepared using the 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 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 ISAs or International Standards on Assurance Engagements (ISAEs) to use it effectively.

However, ISSA 5000 does require assurance practitioners to comply with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* related to sustainability assurance engagements of the International Ethics Standards Board for Accountants (the IESBA Code), and be a member of a firm that applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, or follow professional requirements, or requirements in law or regulation, that an appropriate authority has determined to be at least as demanding as the IESBA Code and ISQM 1. These are essential elements of robust and reliable assurance engagements.

*Additional information on relevant ethical requirements and requirements for quality management is available in the [ISSA 5000 Implementation Guide](#).*

## Who will use ISSA 5000?

The standard is designed to be profession agnostic. Any assurance practitioner can use ISSA 5000, with two important caveats: practitioners must comply with the IESBA Code, which provides relevant ethical requirements, including independence, and be a member of a firm that applies ISQM 1, or follow professional requirements, or requirements in law or regulation, that an appropriate authority has determined to be at least as demanding as the IESBA Code and ISQM 1. The IESBA Code provides a robust ethics and independence framework, and specific requirements that support the proper conduct and independence of sustainability assurance practitioners. ISQM 1 addresses a firm's responsibilities to design, implement and operate a system of quality management, including for sustainability assurance engagements.

Laws, regulations, or local professional requirements may have other or additional provisions that affect who may perform sustainability assurance engagements in a specific jurisdiction.

## How will the 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.

## Is ISSA 5000 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 need to obtain assurance over their sustainability disclosures to meet the needs of their stakeholders, including investors and capital providers.

## Does 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 (whether assurance is mandatory or voluntary). 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 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?

ISSA 5000 applies to all assurance engagements on sustainability information. Therefore, the IAASB has agreed that ISAE 3410, *Assurance Engagements on Greenhouse-Gas Statements*, could be withdrawn in accordance with due process when ISSA 5000 becomes effective (i.e., December 15, 2026).

ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, will continue to be used for assurance engagements other than audits or reviews of historical financial information or assurance engagements on sustainability information.

## Where can I find more guidance about ISSA 5000?

Please visit the IAASB [focus web page for ISSA 5000](#) for more information about ISSA 5000. The web page provides access to various resources to support stakeholders as they familiarize themselves with ISSA 5000 in accordance with their needs. For example, whether it is to obtain a general high-level understanding of the newly released standard and the IAASB's work relating to sustainability assurance, or to obtain an overview and general context for their detailed reading and analysis of the standard, or for more technical guidance on undertaking a sustainability assurance engagement in accordance with ISSA 5000. Resources currently available include introductory videos, a fact sheet, the *ISSA 5000 Implementation Guide*, FAQs and FAQ videos. The IAASB team will continue to develop further resources that will be highlighted to stakeholders when they become available.

Specifically, the *ISSA 5000 Implementation Guide* provides practical non-authoritative guidance intended to assist practitioners in conducting assurance engagements in accordance with ISSA 5000. It addresses the fundamental concepts in ISSA 5000 and the conduct of the assurance engagement, from acceptance and continuance to reporting, in eight parts that deal with the topics set out below. Much of the guidance is presented in a question-and-answer format and was informed by specific challenges identified through

outreach, direct stakeholder engagement, exposure draft responses and IAASB deliberations during the development of ISSA 5000.

Among the information included in the *ISSA 5000 Implementation Guide* are:

- Introduction (to ISSA 5000 and to the Guide)
- Fundamental principles and concepts (including, among other, limited and reasonable assurance, quality management, evidence, materiality)
- Acceptance and continuance of the engagement, including preconditions for assurance
- Group sustainability assurance engagements, value chain and using the work of others
- Planning (overall strategy and engagement plan, and materiality)
- Risk identification and assessment
- Responding to the risks of material misstatement (including, among other, overall responses and designing and performing further procedures at the disclosure and assertion level)
- Concluding and reporting (including, among other, evaluating the sufficiency and appropriateness of evidence obtained, evaluating the effect of uncorrected misstatements, forming a conclusion on the sustainability information, form and content of the assurance report)



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

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services 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 under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

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