

SUSTAINABILITY ASSURANCE

Frequently Asked Questions: Relevance of ISSA 5000 to Assurance on Sustainability Reports in the European Union

These Frequently Asked Questions (FAQs) are issued by the staff of the International Auditing and Assurance Standards Board (IAASB).

These FAQs are intended to assist in providing a high-level understanding of how International Standard on Sustainability Assurance (ISSA)TM 5000, *General Requirements for Sustainability Assurance Engagements* (ISSA 5000TM) can support the consistent performance of quality sustainability assurance engagements in the European Union (EU), thereby enhancing the confidence of users in sustainability information prepared in accordance with the European Sustainability Reporting Standards (ESRS).

The IAASB developed ISSA 5000, which was issued in November 2024. ISSA 5000 is effective for assurance engagements on sustainability information reported for periods beginning on or after December 15, 2026, or as at a specific date on or after December 15, 2026.

The FAQs are designed to highlight or explain aspects of ISSA 5000 and its development for stakeholders in the EU. They do not amend or override ISSA 5000, the text of which alone is authoritative. Reading the FAQs is not a substitute for reading ISSA 5000. The FAQs are not intended to be exhaustive, and reference to the IAASB's standards should always be made. This publication does not constitute an authoritative or official pronouncement of the IAASB.

Q1. Why is ISSA 5000 relevant to reporting under ESRS?

- A1. ISSA 5000 provides a global baseline for sustainability assurance engagements. It can be applied to all assurance engagements of sustainability information, including all types of sustainability information and regardless of how that information is presented. Like other IAASB standards, ISSA 5000 is 'framework neutral' and does not, for example, refer to a specific sustainability reporting framework(s). It can, however, be applied to sustainability information presented under any suitable criteria, including framework criteria. In this regard, the ESRS are a suitable framework to meet the sustainability reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) as those standards, and any future modifications, are developed by an authorized or recognized organization under a transparent due process (i.e., the European Financial Reporting Advisory Group (EFRAG) under the oversight of the European Commission (EC)).

ISSA 5000 is a comprehensive standard that sets out the requirements for both limited and reasonable assurance engagements, and, when applied across assurance engagements, provides the basis for assurance reports that are comparable between entities and jurisdictions (see also Q2-Q4). To help facilitate smooth adoption, it incorporates elements of well-established assurance

standards – ISAE 3000 (Revised)¹ and ISAE 3410² – as well as foundational concepts from the International Standards on Auditing.

The IAASB has facilitated the adoption of ISSA 5000 through the creation of extensive implementation materials. The IAASB is monitoring emerging implementation issues to provide guidance to support a consistent global approach (see also Q10). The methodologies of major international network firms, and, in some jurisdictions, national network firms, are being updated to incorporate sustainability assurance under ISSA 5000. The regulatory burden is reduced, market efficiency improved, and users' understanding of sustainability assurance reports is enhanced, thereby providing confidence in the sustainability information reported by entities, when the same assurance standard is consistently applied worldwide.

Q2. What was the due process involved in developing ISSA 5000?

- A2. The IAASB is an independent global-standard setting body that follows a rigorous and transparent due process in the development of its standards. The IAASB is subject to the oversight of the Madrid-based Public Interest Oversight Board (PIOB) that certifies whether each IAASB standard has been developed in a manner consistent with agreed due process and is responsive to the public interest, informed by the concepts and principles of the Public Interest Framework.³ The [Monitoring Group](#), a group of regulatory and international organizations committed to advancing the public interest, oversees the audit and assurance and ethics standard-setting system overall.

In the case of ISSA 5000, an exposure draft was developed and issued for a 120-day public consultation in August 2023, accompanied by an Explanatory Memorandum. Stakeholders were invited to provide general feedback or feedback on specific questions relating to the standard-setting proposals in the exposure draft through a variety of means, including using a response template or responding to a stakeholder survey. The survey was created to streamline the feedback process for those stakeholders who had general, non-technical feedback to share and who may not often participate in the public consultation process.

Following the release of the exposure draft, the IAASB also conducted an extensive global outreach campaign to obtain feedback and insights that would complement, as well as raise awareness about, the public consultation. This included a series of international roundtables across six continents organized in collaboration with jurisdictional and national standard setters and regulators and supported by the International Organization of Securities Commissions (IOSCO); a webinar series explaining the proposed standard; presentations at partner conferences and webinars; and bilateral and multilateral meetings with key stakeholder groups.

The IAASB analyzed and considered the feedback received and responded by deliberating on changes to the proposed standard post-exposure (the public consultation closed in December 2023). The final standard was approved in September 2024 and the PIOB certified ISSA 5000 in November 2024, after which time the standard was [published](#).

¹ International Standard on Assurance Engagements, 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*

² ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

³ See [Monitoring Group - Reforms to The Global Audit Standard-Setting Process](#), Update - 14 July 2020 MG Paper: *Strengthening the International Audit and Ethics Standard-Setting System*

Q3. What was the level of involvement of EU stakeholders in ISSA 5000?

- A3. The IAASB maintained ongoing engagement with key stakeholders across the EU throughout the development of ISSA 5000. This included the EC Unit for Corporate Reporting, Audit and Credit Rating Agencies, EFRAG, the Committee of European Auditing Oversight Bodies (CEAOB), EC Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA), audit regulators or oversight bodies of EU member states, Accountancy Europe, jurisdictional standard setters and professional bodies in the EU, and firm representatives, including the European Contact Group of audit and assurance firms.

The IAASB also held a dedicated roundtable in Brussels to engage directly with EU stakeholders. Additionally, three of the IAASB's 16 members were based in the EU throughout development of ISSA 5000 and further engaged with sustainability reporting and assurance stakeholders.

In total, the IAASB received 34 comment letters (23%) from stakeholders in the EU.

Q4. How many pages are the requirements in ISSA 5000?

- A4. The requirements for both limited and reasonable assurance in ISSA 5000 span 46 pages (i.e., this excludes the introduction, objectives, definitions, and application and other explanatory material sections of the standard). As an overarching standard, ISSA 5000 addresses the full scope of an assurance engagement, from engagement acceptance and continuance through to forming an assurance conclusion and reporting.

In Europe it is relevant to disaggregate limited assurance requirements, because the requirements in ISSA 5000 apply to both limited and reasonable assurance engagements; however, there also are requirements that apply to only limited or reasonable assurance engagements, which are differentiated by the letter "L" (limited assurance) or "R" (reasonable assurance), respectively, after the paragraph number.

Staff of the IAASB have prepared [two extracts of ISSA 5000](#) in response to requests from certain stakeholders to be able to separately view the material relevant to limited and reasonable assurance engagements. The requirements applicable to a limited assurance engagement cover 38 pages, and those applicable to a reasonable assurance engagement cover 39 pages.

Q5. How did the IAASB address EU specificities?

- A5. The IAASB carefully considered matters specific to EU stakeholders, particularly those arising from the CSRD, related sustainability reporting requirements, and broader regulatory and stakeholder concerns. As a result, ISSA 5000 includes more comprehensive requirements and application material addressing the entity's process to identify sustainability information to be reported (sometimes referred to as the materiality process or assessment), as well as the concept of double materiality and how practitioners should consider it in their work. ISSA 5000 also allows for framework criteria to be presumed to be suitable if it is embodied in law or regulation or is established by authorized or recognized organizations following a transparent due process – in direct response to EU concerns.

Q6. Does ISSA 5000 address fair presentation and compliance frameworks?

A6. ISSA 5000 applies to all assurance engagements of sustainability information, regardless of whether the entity prepares its sustainability information under a fair presentation framework or a compliance framework. ISSA 5000 provides guidance about fair presentation and compliance frameworks, and the reporting framework will indicate whether it follows a fair presentation or compliance approach. ISSA 5000 includes additional requirements if the framework being applied by the entity is a fair presentation framework. In particular, when forming the practitioner's assurance conclusion, the practitioner also considers the overall presentation, structure, and content of the sustainability information, and whether, given the requirements of the reporting framework or criteria, the sustainability information represents the sustainability matters in a manner that achieves fair presentation (ISSA 5000 paragraph 182).

Q7. Does ISSA 5000 support engagements for entities reporting under more than one framework?

A7. Yes. ISSA 5000 can be applied to assurance engagements on sustainability information prepared under any suitable reporting framework (see also Q1), including multiple frameworks. The standard also explains how the application of multiple frameworks by the entity in preparing the sustainability information can be addressed in the practitioner's assurance report. Further, the [ISSA 5000 Implementation Guide](#) explains how practitioners can address entities reporting under multiple frameworks. When those frameworks are interoperable, practitioners are expected to understand the nature of that interoperability and obtain sufficient appropriate evidence to conclude whether the sustainability information has been prepared in accordance with each applicable reporting framework.

Q8. How does ISSA 5000 address issues of scalability and proportionality for smaller and less complex entities?

A8. ISSA 5000 is designed to be scalable and is intended to be suitable for sustainability assurance engagements conducted for any entities, regardless of size or complexity – from single, less complex entities to large, complex groups. Scalability and proportionality are embedded in the standard, which is principles based. This means the requirements focus on principles or outcomes rather than prescriptive procedures, allowing practitioners to apply professional judgment in planning and performing the engagement. The requirements apply to all engagements, taking into account the nature and circumstances of the engagement and the level of assurance to be obtained, both of which influence the nature and extent of a practitioner's procedures.

ISSA 5000 highlights various matters relating to scalability and proportionality, such as:

- Planning the Engagement – When the engagement is conducted by a sole practitioner or a very small engagement team, coordination and communication between team members is easier. In such cases, planning does not need to be complex or time-consuming and will vary according to the size of the entity and the complexity of the engagement.
- Understanding the Entity's System of Internal Control – This includes considering the control environment, the process for monitoring the system of internal control, and the entity's information system and communication. Scalability is also recognized when controls may be informal or not fully documented.

- Risk Assessment Procedures and Responses to Assessed Risks – The nature, timing and extent of risk assessment procedures and further procedures in responding to assessed risks are likely to vary considerably from engagement to engagement. For smaller and less complex entities the preparation and nature of the sustainability information may be simpler and, therefore, the nature and extent of the practitioner's procedures may be more straightforward.

The scalability of ISSA 5000 is also explained in the [ISSA 5000 Implementation Guide](#) (see paragraphs 18-19).

Q9. What jurisdictions have committed to ISSA 5000 adoption?

A9. Note that the information below is accurate as of the date that this FAQ was published.

Australia, Hong Kong, Malaysia, Mexico, and Pakistan have adopted ISSA 5000.

Many jurisdictions are also in the process of adopting or converging with ISSA 5000, including: Brazil, Canada, China, Finland, Indonesia, India, Kenya, New Zealand, Nigeria, Norway, Rwanda, Saudi Arabia, Singapore, South Africa, Sweden, Thailand, Türkiye, Uganda, United Kingdom and the United States (by the American Institute of Certified Public Accountants (AICPA), whose attestation standards are applicable for non-issuer sustainability (and other) assurance engagements, and can also be used for issuer sustainability (and other) assurance engagements).

ISSA 5000 adoption is under consideration in Austria, Costa Rica, Denmark, France, Germany, Iceland, Japan, the Netherlands, Portugal, Spain and Sri Lanka. For EU members states adoption of ISSA 5000 is contingent on future regulatory decisions, including the outcome of the EC's Omnibus proposals.

Q10. What can the EU expect from the IAASB in terms of support and future changes for ISSA 5000?

A10. The IAASB is committed to supporting all jurisdictions in the adoption and implementation of ISSA 5000. To date, this support includes the [ISSA 5000 Implementation Guide](#), a technical webinar series, multiple fact sheets and FAQs, and extracts from ISSA 5000 of content relevant to limited assurance engagements and reasonable assurance engagements, respectively. ISSA 5000 implementation resources can be found on the IAASB's [Understanding the International Standard on Sustainability Assurance 5000 focus webpage](#).

To encourage continual feedback on implementation as regulators and standard setters consider adoption, firms develop their methodologies, and practitioners conduct sustainability assurance engagements, the IAASB has established an online feedback mechanism (accessible on the [ISSA 5000 focus webpage](#)). The IAASB has also established two advisory groups to identify implementation issues and advise on how those matters can be addressed in further implementation materials. One advisory group consists of IAASB members, and the other brings together assurance practitioners, both professional accountants and non-accountants.

Finally, the IAASB has committed to *not* developing additional standards within a potential suite under ISSA 5000 until jurisdictions worldwide have had sufficient time to adopt the standard and for practitioners to implement it and for practice to be established. Any possible future standards would be informed by clear needs identified by stakeholders.

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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