Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

39th SESSION 1 – 3 November 2022

Tuesday, 1 November 2022

High-level panel
Recent developments in financial and sustainability reporting requirements and related standard-setting developments and their implications for practical implementation

Presented by

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Board

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IAASB

Project to develop a sustainability assurance standard (« ISSA 5000 »)

Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

November 1st, 2022

Sustainability Assurance: IAASB's Existing Standards and Guidance

Final Pronouncement December 2013

International Standard on Assurance Engagements

ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information

International Framework for Assurance Engagements

and

Related Conforming Amendments



Final Pronouncement June 2012

International Standard on Assurance Engagements

ISAE 3410, Assurance Engagements on Greenhouse Gas Statements



Non-Authoritative Guidance April 2021 (reissued December 2021)

> Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements





Sustainability Assurance: Responding to Changes in the Environment

Increasing demand for reliable sustainability information

Mandatory assurance

Existing IAASB standards lack specificity

Existing IAASB guidance helpful, but not authoritative

Risk of fragmentation in assurance standards

Need for assurance standard on sustainability reporting

Initiate action immediately



Sustainability Assurance: Focused Timely Standard-Setting Action

Current project: Overarching standard for assurance on sustainability reporting

- Conduct of an assurance engagement in its entirety - will address all elements of the engagement
- More specificity than ISAE 3000 (Revised) and ISAE 3410 for certain priority areas

Possible future projects:
Provide more specificity than
overarching standard

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











Sustainability Assurance: Scope of Proposed Standard

Address all areas of sustainability reporting:

ALL **Sustainability Topics**

ALL Information disclosed about the topics

ALL Mechanisms for reporting

ALL Reporting standards

ALL Users / **Stakeholders**

Addresses limited and reasonable assurance

Stand-alone from ISAE 3000

(Revised)*
i.e., would not be required to apply ISAE 3000 (Revised) and the new standard

More specificity for the following priority areas:







engagement



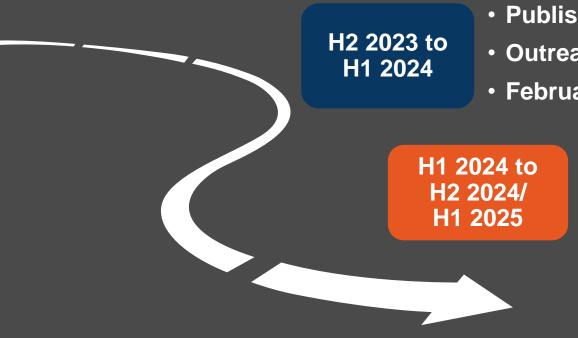




Sustainability Assurance: Expected Timeline

H2 2022 to H2 2023

- Develop exposure draft
- Outreach with key stakeholders
- September 2023: Approved of Exposure Draft (ED) by IAASB



- Publish ED
- Outreach with stakeholders
- February 2024: Comment period for ED closes
 - Consider and address responses to ED
 - December 2024 / March 2025: approve final pronouncement (next PIOB meeting approve due process)
 - Publish final pronouncement and basis for conclusions
 - Outreach to promote standard and educate key stakeholders