

May 31, 2024

To the Members of the IESBA:

In the spring semester Accounting Professional Ethics class at Nova Southeastern University, I asked my students to write responses to the Exposure Draft concerning sustainability. Each student was required to answer any six questions of their choosing. In this document, I have consolidated selections from their responses by question for your consideration. My students are pursuing Master of Accountancy degrees at our AACSB-accredited institution. Because we are located in south Florida, many of my students are recent immigrants. Those who gave permission to have their responses included in this comment letter originally come from several countries, including Angola, Cayman Islands, Cuba, Ecuador, Haiti, Honduras, Jamaica, Portugal, Venezuela, and of course the United States. Their names are included with my signature below. Because of the timing of the semester, I could not submit this letter by the May 10th deadline, but I hope you will still find the feedback informative. These responses are the opinions of my students and do not necessarily reflect my own.

Question 1: All students provided positive feedback, with examples below.

- I agree with the conclusion that the proposals in Chapter 1 of the ED are equivalent to the ethics and independence standards for audit engagements in the extant code. Paragraph 19 of the Explanatory Memorandum highlights consistency with regulator opinions in the United States (US) and the European Union (EU). In further analysis of the Exposure Draft, paragraph 5100.1a is vital in showing the equivalence to ethics and independence standards for audit engagements. The expectation of practitioners of sustainability assurance “to have relevant knowledge, skills and experience to perform sustainability assurance engagements and have appropriate training to ensure their assurance skills are continually up to date with relevant developments” (IESBA, 2024) is approximately equal to ethics and independence requirements of audit engagement staff. The requirements that stood out to me the most are “relevant knowledge, skills, and experience” as well as “appropriate training.” I agree that the proposals in Chapter 1 of the ED are profession-agnostic and framework-neutral. However, the Exposure Draft explicitly states that the proposals in the ED are meant to support or serve as a foundation, with the idea that practitioners build upon the standards.
- I agree with the proposals in Chapter 1 of the ED explaining that the IESBA sustainability assurance engagements should hold the equivalent to the ethics and independence standards for audit engagements. I agree with this because ESG is very important to many shareholders, but there should be no questions whether an assurance engagement is unethically done due to conflicts of interest. Additionally, an example that comes to mind is gas emissions. For example, if a scientist has stocks in a company with very high gas emissions, there could be a conflict of interest if the scientist were to perform their ESG evaluations of the

company. This is why it is important for these engagements and standards to maintain independence and ethics. Additionally, I also agree with the profession-agnostic and framework-neutral standards. I agree with these standards because not all public accountants have the knowledge needed to perform an environment or social assurance engagement with a client. These engagements will need professionals from all types of backgrounds, so it is important that the IESSA be understood by all types of people with different professions and backgrounds.

- I do agree that the proposals in Chapter 1 of the ED are equivalent to the ethics and independence standards for audit engagements in the extant code. I believe this because it is pointed out the importance of having high standards and ethical behavior like those found throughout audit engagements. It is also important to note that the same language was used which would promote consistency with the ethical and independent behaviors that auditors are held to. I think that if there is identical language, then the standards should be equivalent throughout. It will be important to update and amend these ethical standards while maintaining verbiage as the reporting standards are amended. I think that once that standards are mandated, there will be changes made based on what qualifies towards sustainability reporting, and this will require judgement and updated ethics standards. I do agree that the proposals in Chapter 1 of the ED are equivalent to profession-agnostic standards. Since it was recognized that there were various professions working together on sustainability assurance, it was important to consider a way to include everyone and make sure all parties can understand. I think that the first step was to understand that this is necessary, and the next will be to ensure that all parties can utilize and understand the IESSA. In the future it will be imperative to continue to test the different groups using this to ensure this is easily understood. I do agree that the framework-neutral standards are equivalent as they are interoperable with other standards as mentioned in the text. These standards combined will allow for a strong framework and set of standards from the beginning. For both standards, it is important to remember that it will not be equivalent to the proposal as the standards it is being compared to are already tested. This will take time and sampling to ensure that all parties involved understand terminology.
- The IESBA drafted the proposed guidance in the same manner and to the same standards that apply to audits of financial information. The extant Code was used as a foundation for drafting the proposed IESSA guidance. So much work has already been done with respect to the high quality standards and expectations surrounding financial audits, it would be prudent to leverage that effort when drafting further guidance that is expecting to complement the financial audit.
- The IESSA Builds on and extends the ethical already in place in parts 1 to 4A (with some exceptions) of the existing international code of ethics for professional accountants. This alignment ensures that the ethical standards are applied to sustainability assurance. This approach ensures that practitioners engaged in sustainability assurance adhere to consistent ethical principles to

maintain public trust and confidence. The IESSA is developed to be profession-agonistic, meaning it should be understandable and applicable by all practitioners of sustainability assurance engagements, including those who not professional accountants.

- I agree with the proposals listed in Chapter 1 of the Exposure Draft as they are cognizant of the public interest. There is high emphasis on ethics as it is instrumental in maintaining the public's trust. By taking into account, the Public Interest Framework characteristics of Coherence, Clarity and Conciseness, and Implementability and enforceability, the proposal put forth covered all areas in detail providing guidelines and consequences. The main theme is "High-quality ethics and independence standards alongside other reporting and assurance standards will help investors, customers, employees and other users of sustainability information to confidently rely on such information in their decision making". The standards are created for the Public interest ensuring full accountability and standards for professional accountants and sustainability assurance practitioners. Additionally, it emphasizes the importance of the professions to have the skills and knowledge but also to continually learn to stay abreast of new developments in the area.

Question 2: All but one student provided positive feedback, with examples below. The student who opposed provided no meaningful support for his opinion.

- I agree that the proposals in Chapter 1 of the ED are responsive to the public interest, considering the Public Interest Framework's qualitative characteristics. The extant (existing) code serves as a baseline. Particular emphasis is placed on (1) coherence, where it is recognized that there is already a strong set of standards and expectations; (2) clarity and conciseness, with the intent to highlight understandability and usability as essential aspects of the success of sustainability assurance; and (3) implementability and enforceability, knowing the importance of structure uniformity by creating clear lines between requirements and recommendations.
- I agree that the proposals in Chapter 1 of the Exposure Draft are responsive to the public interest, considering the Public Interest Framework's qualitative characteristics, specifically addressing coherence, clarity and conciseness, and enforceability of the standards. In order to be responsive to the public interest, it is important for the standards to encapsulate a level of coherence so expectations can be understood and perused, thus by using the extant Code as a baseline for developing the included ethics requirements, a level of coherence is achieved for the interest of the public. Additionally, following the building blocks set up by the extant Code, similar language and terminologies in the IESBA's standards provide for the clarity and conciseness already set forth in the extant Code. Furthermore, in regard to following the structure of the extant Code, the implementation and enforcement of the standards are more easily addressed. Ultimately, the proposals are responsive to the public interest in consideration of certain qualitative characteristics that are addressed using the extant Code as a guide to the IESBA standards.

- I think the proposals are responsive based on the public interest framework characteristics. I think that what stood out to me most was the implementability and enforceability. Stakeholders are always looking at efficiency and monetary concerns. Identical structure and avoiding a standalone code encourage everyone involved that the proposals will be a streamlined process only creating positive impacts. Combining this with conciseness using proper language and examples it will peak public interest by adding quality to reporting without slowing down or adding costs to the already existing process. These proposals simply add important reporting information, but with the proper characteristics described it will not impair the baseline already used for standards and reporting.
- It is my opinion that the proposals in Chapter 1 of the Exposure Draft are fundamentally aligned and responsive to the public interest, grounded in robust ethical practices that strengthen the sustainability assurance process. In examining the proposals, it is evident that their foundation on high-quality ethical practices and emphasis on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behavior, are crucial for sustainability assurance practitioners. This commitment is not only theoretical; Section 5000.1 explicitly states the public interest imperative for practitioners to act ethically in order to maintain public trust and confidence in sustainability information that is subject to assurance. By mandating compliance with these principles, the proposals directly respond to the public interest by ensuring that sustainability assurance is conducted with integrity and professionalism. Furthermore, the conceptual framework in Section 5120 provides a mechanism for practitioners to identify, evaluate, and mitigate any threats to these ethical standards. This framework is not only about adherence to principles but also about fostering a proactive approach to maintaining ethical standards and acting in the public interest. Last but not least, the structured approach to overcoming compliance threats underscores the proposals alignment with the public interest framework's qualitative characteristics, particularly consistency, coherence, scope appropriateness, scalability, implementability, and timeliness.

Question 3 opinions in favor:

- Yes, I support the definition of “sustainability information”. I believe it is important to include a standard definition for sustainability reporting purposes that includes what type of information is truly relevant. Based on my research of the Internal Revenue code, when stating a definition or stating what a rule contains, it is also important to always add the terminology that the definition could include other items. Additionally, some codes in the Internal Revenue Code list out what the code is not or does not include. This could also be a suggestion for the sustainability information definition to include examples of what would not be included under this term. Additionally, it is helpful to add examples to be clearer, but it is not fully necessary.
 - I support the definition of “sustainability information” in Chapter 2 of the Exposure Draft in the context of addressing sustainability assurance and
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sustainability reporting as it determines the relevant information needed to apply the IESSA and the standards located within the extant Code to sustainability reporting. In addition, by maintaining a broad and generic definition of the term, application of the term is kept flexible so that the definition may be interoperable with various reporting and assurance standards.

- I do support the definition of “sustainability information” for many reasons listed within the text. I think the first idea that stood out to me was the parallel with “historical financial information” which ties into the question answered above. I believe that consistency is imperative to gain the stakeholders support and allow for a streamline process when implementing the proposals. I also think the multi-part definition is key in providing an all-encompassing definition for future amendments to become more specific. ESG is a hot topic within the accounting world, but I think it is important to allow for various changes in the future. Environment, social, and governance will continue to change and encompass more items as it becomes more apparent to organizations and stakeholders. There may be updates or additional topics that begin to fall under sustainability, so the umbrella definition was important to ensure there will be little difficulty updating the proposals in the future. From an accounting perspective it is important to have flexibility in different situations as there may be different methods used to account for additions that will fall under this definition.
- Yes, I do support the definition of “sustainability information” as described in Chapter 2 of the Exposure Draft. It is thorough and includes a detailed description of what types of information would be considered “sustainability information.” Although it is quite comprehensive, I would suggest including examples of “an entity’s activities, services or products on the economy, the environment, or the public” i.e., examples of what falls under each category to provide clarity for individuals who have limited knowledge in sustainability reporting. Examples might include under economic: defined benefit plan obligations, value generated, government-provided financial assistance, and procurement practices. Environmental examples, which are basically straight forward, might include: waste, biodiversity, greenhouse gas emissions, and energy and water consumption. An example of social, that might often be overlooked by someone with limited knowledge of sustainability would be occupational health and safety. This would also ensure a better understanding of sustainability information as the reporting of sustainability information can be highly subjective.
- I support the definition of sustainability information mostly because of how it aligned with ISSA 5000. The IESSA is responsive to the public interest considering the public interest framework characteristics, particularly coherence with the overall body of the IESBA’s standards and implementability and enforceability.

Question 3 opinions opposed:

- With the definition so broad and generic, the sustainability auditor must have
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special training on how to identify correctly information that must be considered sustainability information in the context of the IESSA definition. Companies may deem certain internal information not part of sustainability that should have been part of the sustainability information. Vagueness opens up arbitrariness and numerous unnecessary interpretations, especially for companies that want to play around with rules. The organization can unstretched the definition by being more specific—industry-specific, sector-specific, etc.

- The first item that I must disagree with is your definition of “sustainability information”. I agree that it needs to be kept to a broad sense, but I feel that you fail to truly define the term which may leave room for misunderstanding. In the practice of assurance, I feel that everything must be defined clearly and concise to avoid confusion.
- Does the “Social” factors sufficiently suggest the inclusion of Wars and other broader Political instability factors or is it recommendable to mention also Political instability as a factor? I would advocate for the second one. Political instability is a long time known to lower economic growth and the productivity rates, raise investments risks and lead to higher inflation. Political instability also affects in both ways, moving industries with high pollution potential to another country to avoid its effects in the country of origin might generate a political conflict, not to mention the ethical implications. Regarding item (b) of the definition although “Obtained from an entity or its value chain” might include the subjects to obtain information, like auditors, the company itself or third parties, including the expert consultation, I would like to suggest to go deeper and explicitly mention that most of ESG reporting needs to be based on expert opinions that might be requested to third party entities, especially in new investments projects or capital growth in foreign countries or domestic specific industries like exploration; for example, we will need an expert report about the historic weather for the zone since it may affect the days of operation, the amount to invest in human resource’s health insurance and protection expenses. Surely all these details have been traditionally considered in an investment, what is new here is the urge to explicitly mention them in an ESG report that would imply to adhere to the established standards hence expert consultation in these aspects is expected to be preferred, highly valued and demanded.
- The IESBA proposal breaks down the definition of sustainability information in two components: a) Information about the opportunities, risks or impacts of: i) Economic, environmental, social, governance or other sustainability factors on an entity’s activities, services, or products; or ii) An entity’s activities, services or products on the economy, the environment or the public; or b) Information defined by law, regulation or the relevant reporting or assurance framework as “sustainability information” or equivalent terms or descriptions. In my opinion, the first component in Subparagraph (a) should end in (i); I find the statement included in (ii) as repetitive, redundant, and lacking added value. Instead, subparagraph (a) should be supplemented with the purpose of “sustainability” itself to reinforce the fact that sustainability information must meet the needs of the present without compromising the needs of the future generations to come.

Subparagraph (b) is meant to include additional definitions set by law and other standard setters. I find this component too generic. While the memorandum explicitly clarifies this proposed definition is intentionally broad and generic, this broadness may turn into a disadvantage when it comes to its functionality and applicability. Subparagraph (b) should be more specific as to which regulatory bodies, boards, or standard setter can deemed information as sustainable, including equivalent terms and descriptions.

- No, the definition of sustainability information doesn't seem to coincide with the true meaning of sustainability. The definition created is more to help the IESSA with its standards and rules, but it does not fully meet the terms of sustainability. The definition seems to be interpreted differently in every manner. When it comes to specific terms in a particular area, the definition should always be cut and to the point so no one will misconstrue its true meaning.

Question 4 opinions in favor:

- Yes, I support the proposed scope for the ethics standards in Part 5. It is reasonable and necessary for the ethics standards to cover all sustainability assurance engagements and related services provided to sustainability assurance clients. This comprehensive approach ensures consistency and upholds ethical principles across all relevant activities.
- Yes. Expanding the scope can be seen as proactive in upholding ethical principles and maintaining public trust. Ensuring ethical standards are applied equivalently across all services provided to sustainability assurance clients promotes consistency and integrity in professional conduct. The expansion can also provide oversight of professional behavior in sustainability engagement. It can also help safeguard the public interest by promoting transparency, objectivity, and independence.
- Yes. Expanding the scope can be seen as proactive in upholding ethical principles and maintaining public trust. Ensuring ethical standards are applied equivalently across all services provided to sustainability assurance clients promotes consistency and integrity in professional conduct. The expansion can also provide oversight of professional behavior in sustainability engagement. It can also help safeguard the public interest by promoting transparency, objectivity, and independence.
- In my humble opinion, I agree with the proposal of the IESBA to apply the ethics standards in the new Part 5 to all sustainability assurance clients and services, finding a middle ground for ethics standards that can be applied to assurance engagements and other services provided to the same client will help to boost the reliability of the practitioner and enhance the public trust on the veracity of the information provided on the sustainability reports issued by the practitioner. Having the assurance that the information provided by the practitioner was prepared following similar ethical standards as of the audits and other services will contribute to supporting more effectively the decision-making process of employees, stockholders, and investors.

- As stated in paragraph 30 of the Explanatory Memorandum, “the objective of the sustainability project is to develop ethics standards for sustainability assurance engagements that are equivalent to those that apply to audits of financial statements”. In this context, I agree with the issuance and implementation of profession-agnostic ethical standards meant to cover all services provided to sustainability assurance clients, whether such services are related to sustainability assurance engagements or not; and regardless of the different group of practitioners providing the services. Therefore, out of the three options for the scope of ethics standards in the proposed IESSA, I am inclined to the middle ground option and therefore correspond with the IESBA’s consideration, not only for being a more balanced approach, but most importantly, for being receptive to the public interest by requiring all practitioners and engagements to adhere to the highest standards of ethical behavior.

Question 4 opinions opposed:

- This speaks to the scope of the sustainability framework. The IESBA proposes that the ethics standards cover not only sustainability assurance engagements provided to sustainability assurance clients, but also all other services provided to the same customers. I contest this proposed scope. Under this agreement, the IESBA will develop sustainability standards for all sustainability-related activities, even when other parties extend the same services. This approach raises concerns about independence and overall accountability. Ideally, the board should develop standards for elements that relate directly to its mandate. In this case, the board should focus solely on sustainability assurance engagements subject to independence requirements. This approach has been presented as the narrowest option. Admittedly, this approach provides for a narrow scope and is seen as isolationist because the board does not seek to extend its mandate beyond the immediate scope. However, the narrow scope would allow for effective formulation, implementation, and enforcement of standards (Versus, 2023). This outcome contrasts with the expansive scope of assurance engagement and other services provided. Thus, the board should adopt a narrow scope instead of a wide one.
- The purpose of these standards is to ensure that sustainability assurance practitioners act with the same ethics and independence as Auditors do. But instead, let’s remember that the standards and legislation were developed, improved, and implemented over the years. I would say that in this case it would also require us to start at a middle point and adjust the requirements on the go. The Corporate Sustainability Reporting Directive (CSRD), in place from January 2023 in the EU had enforcement nature, however, allows certain flexibility to incorporate forms and methods while working in bringing it on their own laws which is required by June 16, 2024. This could be a suggestion to consider by the IESAA also. With different countries and regions applying different standards and laws and, why not to say it, different approaches to what is Ethic or not, the ESG reporting practitioners need to be highly trained and

skilled to adapt the specifications of each case to the required reporting standards.

Questions 5: All students who answered this question provided positive feedback.

- The IESBA proposes that International Independence Standards be applied to sustainability engagements with the same level of public interest as financial statement audits. I support this proposal as it reflects the acute understanding that sustainability audits have an expansive scope, nature, and purpose. By focusing on sustainability assurance with a significant public interest, the board provides guidance on independence, which enables practitioners to balance their professional obligations with public interest. Notably, the public interest is qualified based on a double-point criterion: the disclosure is required by law or regulation as such information supports decision-making by investors or other stakeholders, and the sustainability information must be reported in accordance with a general-purpose framework. Under this provision, direct engagements where the practitioner audits other business components would not be covered. This additional element ensures consistency in the quest to promote independence and credibility of sustainability assurance processes.
- I agree with the fact that the standards in the proposed IESSA should focus on applying international independence standards. This new standard will have a lot of trial and error, and something consistently gathered in all accounting processes is the importance of independence. This not only applies to external auditors, but it also applies to internal organizations. For example, the system of segregation of duties has a foundation of independence and ensuring there is no conflict of interest and no one in the company can be a preparer and reviewer of their own work. In the ESG space, there are a lot of different experts entering the market to assist with assurance engagements that are not public accountants. Public accountants understand the importance of independence, but it is important for the rest of the professionals to understand independence from the beginning. In my opinion, it is better to create this independence standard at the beginning than wait for fraud to occur. ESG is a hot topic with many stakeholders involved, so it is important that the environment assurance engagements are being performed ethically once the standards is put into practice.
- Paragraph 5400.3a refers to engagements where the practitioner must express an opinion regarding sustainability assurance per, general-purpose framework, law, or regulation or to support the decision-making process of shareholders and potential investors. In such instances, I agree with the view that the opinion expressed by the practitioner should be upheld to the full scope of the International Independence Standards being drafted in part 5. This practice will help to align the importance of these engagements with the current worldwide sustainability efforts and preserve the objectivity and independence of the engagements. In the current economic environment, the sustainability of our production processes will ensure the continuity of the world the way we know it and we need to be able to rely on the information that is being provided about a

company's sustainable efforts.

Question 6: All students provided positive feedback, with examples below.

- I support the definition of sustainability information provided in Chapter 2 of the exposure draft (ED). The definition is broad and technical enough and provides sufficient operational room for sustainability assurance practitioners. Furthermore, the inclusion of environmental social and governance (ESG) elements provides a holistic and comprehensive approach to perform the sustainability assurance process. Sakalasoorya (2021) notes the linkage between ecological concepts and social aspects in the definition of sustainability. Markedly, sustainability is presented as the deliberate attempt to use ecological systems to guarantee the continuity of social systems (Sakalasoorya, 2021). The definition presented by IESBA is consistent with this understanding. Notably, this understanding is crucial as it highlights the endpoint of the wider sustainability efforts. Ultimately, sustainability seeks to ensure that future generations can enjoy the same resource endowments utilized by existing generations. The definition provided captures this element while providing operational freedom for practitioners. Therefore, I find the definition presented agreeable.
- I do support including section 5270. It is imperative to maintain transparency and trust with the public when producing reports. Stakeholders will prioritize having quality information, so it is important to include this section to avoid any mistrust or mistakes in the future. By creating a safety net in the case of a breach of fundamental principles it will act as a necessary preventative measure to accompany these proposals. If this was left out, any event could occur that would lose the public's trust and destroy the integrity of the standards and future sustainability reporting.
- Yes, I strongly support the inclusion of Section 5270 in Chapter 1 of the ED. Accounting and auditing professionals are often faced with ethical dilemmas. It is our responsibility to act in the public interest. Ethical behavior in an organization is vital to establishing and maintaining the long-term trust of investors and stakeholders. With the increasing importance of sustainability reporting and assurance, it is imperative that we recognize and address the pressures and intimidation tactics that accounting professionals may encounter that could lead to threats of compliance and ethical standards. Therefore, Section 5270 in Chapter 1 of the ED addresses an extremely critical area of concern.
- After reviewing the rationale for including section 5270 in Chapter 1 of the ED, I fully support the rationale provided by the IESBA. Ensuring that the 'Pressure to Breach the Fundamental Principles' is present will be critical since the Part 1 standards which are equivalent to the IESSA may not fully encapsulate all of the scenarios professionals may run into while pursuing sustainability assurance. Reviewing Section 5270 specifically, I was glad to see key examples, such as in 5270.3 A2, where pressures to overlook breaches of environmental safety were specifically called out. Having these pressures described in Chapter 1 of the ED included will provide valuable examples for professionals to consider when

carrying out their duties.

- I do support the inclusion of Section 5270 in part 5 of the exposure draft. This inclusion will ensure that pressure is not allowed from clients, corporate environments or the audit firms. Removal of pressures being placed or enforced by the practitioner that could potentially lead to breaches of compliance with the fundamental principles, will lower the risk of unethical behavior spawned by fear of not reaching expected goals. By including Section 5270, the board is acknowledging that unethical behavior is bred from an environment that allows pressure to sway individuals from compliance with standard practices. With this section, sustainability assurance is safeguarded from potential fraud and non-compliance.

Question 7: Only two students addressed this question, as below.

- Yes, I support the provisions added for communication of NOCLAR between the auditor and the sustainability assurance practitioner. Collaboration and transparency between professionals involved in assurance activities are crucial for maintaining integrity and addressing ethical concerns effectively.
- Yes, I support these provisions. It's important for auditors and sustainability assurance practitioners to communicate about any actual or suspected non-compliance with laws and regulations (NOCLAR) to ensure that appropriate actions are taken to address the issue.

Question 8: All students provided positive feedback, with examples below.

- I support the recommended expansion of the scope of the extant requirements for PAIBs. This recommended expansion aligns with specific provisions related to communications and provides specific recommendations to senior professional accountants about legal obligations. The overall purpose of sustainability reporting and assurance is to provide useful information and ensure that information is truthful and of high quality.
 - Yes. I fully support expanding the scope of sustainability assurance engagement requirements. As accountants, we must champion transparency, uphold the integrity of financial reporting, and safeguard the public interest.
 - Expanding requirements for professional accountants to present a disclosure on any actual or suspected non-compliance of laws and/or regulations seems like a fair addition. This expansion of scope will seem to treat sustainability assurance like a financial reporting audit, in that, the professional accountant is required to communicate with the sustainability assurance practitioner of any potential non-compliance during the engagement.
 - Expanding the scope and ensuring Senior Professionals in Business are responsible for reporting was necessary and of great importance especially in the public's interest. The concept of senior PAs now being required to disclose Non-Compliance with Laws and Regulations will help mitigate the increase in fraud. The more persons involved and required to report may make dishonest employees less like to commit fraud. The senior Professional Accountants will
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disclose any NOCLAR, actual or suspected to the auditor or the sustainability assurance practitioner. Additionally, making this a legal obligation for senior PAs will ensure the auditor and or the sustainability assurance practitioner have valuable information and make their job more seamless. Overall, this will ensure the public interest is protected as varying roles are working together to ensure that businesses information being reported is accurate and complete as it often relied upon by the public to make crucial decisions.

Question 9 opinions in favor:

- I agree with the proposal to use the determination of a PIE to audit the entity's financial statements for sustainability assurance engagements addressed by Part 5. From my understanding, the proposed standards should be viewed as the baseline or the foundational principles of sustainability assurance reporting. In the current regulatory environment, it is unreasonable to determine whether an entity is or is not a PIE based solely on sustainability information. The data and the regulatory sphere might differ in a few years, but I believe the current proposal is sufficient.
- Regarding the sustainability assurance engagements, I agree with the proposal to use the determination of a public interest entity (PIE) for purposes of the audit of the entity's financial statements as it removes confusion related to the public interest entity, specifically in the event that an entity may be considered a PIE on the sole basis of the provided sustainability information while failing to consider that it is not a PIE on the basis of the audit of the financial statements. It is important to establish a high level of understandability and remove any confusion for the public in order to express the required information.
- Aligning the determination of Public Interest Entity (PIE) status for sustainability assurance engagements with that of financial statement audits improves consistency and regulatory oversight. Entities classified as PIEs are typically those with significant public impact, requiring heightened scrutiny to ensure accountability and transparency. Supporting this proposal suggests a commitment to maintaining public trust and upholding professional standards. By subjecting entities of significant public interest to thorough assurance procedures, stakeholders can have confidence in the credibility and reliability of sustainability reporting.
- In considering the proposal's approach to determining Public Interest Entity (PIE) status for the purpose of sustainability assurance engagements, I propose a broader perspective that transcends the traditional audit context of financial statements. Specifically, the PIE determination should not be exclusively linked to financial statement audits but should equally consider the context of sustainability reporting and assurance. This dual consideration is essential because the public interest implications of sustainability information are becoming as significant as those of financial information. As such, an entity's classification as a PIE should reflect its impact and significance in both areas. The correct identification of an entity as a PIE is crucial, not only for compliance with independence requirements but also to enhance transparency

and stakeholder confidence in sustainability assurance engagements. Specifically, R.5400.25's requirement for PIEs to publicly disclose their application of independence requirements highlights the importance of transparency. This disclosure not only serves as a declaration of compliance but also enhances stakeholder understanding and trust in the independence of the assurance process. Therefore, while the proposal scalable approach to independence standards acknowledges the distinct considerations for PIEs and non-PIEs, extending the PIE determination criteria to incorporate both financial and sustainability contexts enriches this approach. It ensures that entities with significant public interest implications, arising from their sustainability activities and reporting, are subject to the appropriate level of scrutiny and transparency.

Question 9 opinions opposed:

- I disagree with the proposal to apply the same criteria used in determining public interest entities in the audit of financial statements. Determining public interest entities is crucial because it dictates the level of audit scrutiny. Markedly, public interest entities (PIE) face strict and elaborate regulatory scrutiny compared to non-public interest entities. The procedure for determining PIE in financial audits is expensive and elaborate. The resultant effect is that PIE, for the purpose of financial audit, includes publicly held firms, financial institutions, and significant utility companies. This definition captures large firms that naturally attract public interest. However, the definition does not apply to sustainability as the same large firm bias will be reflected in determining public interest firms for sustainability. Unlike financial audits, sustainability has a broader scope, nature, and purpose, which expands to include smaller firms. These firms have moderately sized financial, economic, and social prints. Nonetheless, their ecological impact may be broad, which demands use of a comprehensive sustainability audit. Therefore, when the same criteria used for generating financial statements are applied, such a system will likely overlook some key firms. Consequently, there is a need to have a separate criterion to determine which firms constitute public interest entities with regard to sustainability.
- No, I do not agree with this proposal. It leaves a lot of room for errors because there's a lot of standards that must be meant to qualify as a PIE. However, one may get confused because the entity may qualify as a PIE for sustainability assurance but not for the audit of their financials.

Question 10: Only two students addressed this question, as below.

- I support addressing group sustainability assurance engagements in the International Independence Standards (IIS) in Part 5. However, regarding practical challenges, we anticipate complexities in assessing and managing independence issues, especially in multinational corporations with diverse operations and reporting structures. Clear guidance and robust communication protocols will be essential to navigate these challenges effectively.
 - Yes, I support the International Independence Standards (IIS) in Part 5 addressing group sustainability assurance engagements. These standards help
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ensure that independence considerations are appropriately addressed in group engagements, which is important for maintaining objectivity and integrity.

Question 11: All students provided positive feedback, with some caveats.

- I agree with the proposal on independence provisions as set out in Section 5406. The proposal provides an elaborate approach that will safeguard independence within assurance engagement. The provision provides that when another practitioner's work is to be used, the practitioner must ascertain the independence of their findings. The provision also recognizes instances where compliance with the code cannot be enforced due to a practitioner's independence or previous completion under different guiding circumstances. In such situations, the practitioner should be informed of applicable standards, to make other experts aware of the relevant ethics, including independence and provisions, and request that the professional confirm that they understand and will comply or, if the work has already been carried out, has complied with such provisions. The exhaustive nature of the provision addresses the independence requirements satisfactorily, which ensures that sustainability assurance is done effectively.
 - I agree with the proposed independence provisions set out in section 5406. This is very similar to auditor independence, in that if the external auditor is going to rely on work from another practitioner, the external auditors need to ensure independence with the client before relying on their workpapers. For example, I used to be an internal auditor for an accounting firm, where the other accounting firm would always confirm with our team and firm that we were independent of the client before fully relying on some of our workpapers for controls being tested. I believe that even though someone else doing work for the client might not need to be independent, it is essential the firm performing the engagement certifies independence from the client before relying on the work. This is very important because if a sustainability assurance team were to rely on a shareholder's work of the client, this could affect the accuracy of the reports being created. Overall, it is best practice for any auditor to confirm independence and reliability before blindly using someone else's work.
 - I agree with the provisions outlined in Section 5406. To prevent connivance and collusion, both parties (engagement team and another practitioner) shall, before either of them uses the works of the other, clarify the boundaries or extent of using the other's works. A certain level of independence must be achieved between the parties in order for the engagement team's work to be free from biases. If the engagement team uses the other practitioner's work, credit must be given nonetheless.
 - Section 5406's recommended independence provisions are crucial for safeguarding the integrity and objectivity of sustainability assurance engagements. Independence ensures that practitioners can exercise professional judgment without bias or unnecessary influence, thereby improving the reliability of assurance reports. Supporting these provisions emphasizes a commitment to ethical principles, including integrity and objectivity. Supporting
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independence safeguards the public interest and maintains confidence in the profession's ability to provide fair assessments of sustainability performance.

- Yes, I do agree with the proposed independence provisions established in Section 5406. As integrity and independence is one of the principles in the AICPA Code of Conduct as well as an important part of the foundation of auditing, addressing the independence considerations is a vital part of sustainability reporting and assurance. Therefore, the provisions set forth in Section 5406 are critical in ensuring that the assurance work of another practitioner maintains and upholds the same integrity and independence standards as sustainability practitioners. Just as it is important to maintain independence and integrity in the opinions and conclusions in financial statements, it is equally important in sustainability reporting and assurance. Sustainability reporting should be fair, unbiased, and based on evidence; not influenced by management or other outside sources.
- Similar to financial audits, it is essential for group sustainability assurance firms to be able to outsource certain tasks in order to remain competitive and keep tasks delegated to the lowest cost level possible. As long as the individual/entity carrying out the separate tasks related to the sustainability assurance has no conflict of interest with the entity being reviewed, the prescribed method for ensuring compliance with the spirit of the IESSA seems appropriate. Where independence cannot be confirmed, the IESBA is correct in requiring the firm to decide whether it should proceed with utilizing the results of the other practitioner or not. Ultimately, as with financial audits, the firm is the one attesting to the validity of the report as presented. Responsibility rests with the firm and cannot be passed on to other practitioners. With well written subcontract agreements and engagement letters, this seems to be easily addressed.
- Having the same firm that conducts the financial audit be involved in the sustainability audits clearly has its pros and cons. While they are two separate engagements, they do have some areas that may crossover from one engagement to the other. Given that the sustainability audits would be a new venture, it seems that an existing audit firm would be most familiar with an organizations business and can most easily pivot into providing a sustainability audit. However, there is justification for including caps on the non-audit fees as well as transparency in reporting that information. It is a very real concern that as firms continue to compete for business that a financial opinion could be impacted by a firm's real or perceived threat of losing the sustainability audit engagement. Given that, a periodic review of the sustainability audits by an oversight committee would help to provide a level of comfort with the information being presented. Again, this is no different than the review of financial statement audits.

Question 12 opinions in favor:

- I support the proposed definition of "value chain" in the context of sustainability assurance engagements. A value chain, in general, aims to strengthen an entity's
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point of view and widen profit margins, essentially driving efficiency and reducing costs. The proposed definition considers specific circumstances or relationships relating to value chains that can threaten a firm's independence, which can lead to consequences relating to the public's trust. The proposal outlines the definition and the areas of sustainability reporting that differ from the boundaries of financial statements.

- I support the proposed definition of "value chain." Clarity in terminology is essential for effective communication and understanding among practitioners. A clear definition facilitates the identification and assessment of assurance activities related to value chain entities, contributing to the overall integrity of sustainability reporting.
- I agree with the definition of a value chain. Within the company's value chain, several or a few of the elements affect sustainability, but not all. For example, the shortage of one raw material cannot be an issue of sustainability as long as there are numerous suppliers of the same material. However, if a single supplier files for bankruptcy, this is where the issue of sustainability in the value chain matters.
- I support the proposed definition of "value chain" in the context of sustainability assurance engagements as it suggests defining the value chain of a client through referencing the applicable reporting framework. I believe the definition states properly accounts for the differentiating information from sustainability information and the reporting boundary for financial statements.
- The proposed definition of "value chain" provides clarity and context for sustainability assurance engagements, assisting practitioners assess the full scope of an entity's environmental and social impacts. Understanding the value chain allows practitioners to identify material issues and assess their significance to stakeholders. Supporting this definition encourages transparency and accountability in sustainability reporting. By considering the entire value chain, practitioners can guarantee that their assessments accurately reflect an entity's environmental and social performance, thereby meeting the needs of stakeholders and contributing to informed decision-making.
- I support the proposal on the value chain definition related to sustainability assurance in the new code of IESBA. My support of the new definition is given by the fact that while on a regular audit engagement, we need to see the company's performance independently of suppliers and customers and only provide reasonable assurance on their financial statements, but, when we take into consideration the sustainability of a product or process we also need to consider the sources of the materials required to obtain the product and the future expected life or recycling options when the product requires disposal. In this instance, we cannot view or evaluate the company as a standalone entity, but we need to take into consideration the sustainability of the process as a whole and include in the scope of our analysis at least the fundamental suppliers and customers. This might be the only way to provide assurance on the sustainability of the operations.

Question 12 opinions opposed:

- I believe the definition of “value chain” in the context of sustainability engagements is a bit confusing. The definition does not seem super clear in my opinion. I believe the example given of the sustainability assurance client’s customers are suppliers helps us understand what value chain is in this context, but I believe a more exact definition should be given. For example, when defining “sustainability information” the standard gave a clear and concise definition. In this scenario, I don’t understand what the value chain is referring to specifically unless the example is given. I think it would be helpful for the value chain definition be clear and offer more examples.
- I do not support the proposed definition of the value chain because it is too narrow and vague. I believe that the context of sustainability assurance should have captured more in the definition of value chain. For instance, the definition of a value chain should capture other companies and resources that provide value to the audited firm. If other resources are included in the IESBA definition of a value chain, they will provide depth and meaning to the value chain in the aspect of sustainability.
- I do not completely agree with the explanation of value chain included in the document. A value chain is the activities necessary to make a product or deliver a service. However, the document is proposing that a value chain includes the client’s customers and suppliers. The document also states that the new value chain definition is for sustainability reporting purposes which is not what a true value chain is. I think they should come up with a different name for the new definition they are proposing.
- Value chain is the full life cycle from beginning to end of a product or service. The definition proposed discusses who and what information in the business value chain will the sustainability assurance practitioner include in their engagement report. As the practitioner look at various cycles of the business, it can become daunting to decide what information to include whilst still ensuring the report is relevant. Most importantly, they need to ensure their report is independent even when they have to use another practitioner information based on the value chain entity. I support the definition to a degree but would add that it should be more definitive and encompassing. More details should be provided to guide sustainability assurance practitioner as to how to decide what information is relevant and more details around value chain entity that would aid in their decision making as they prepare their report.

Question 13 opinions in support:

- I support the provisions of Section 5407 as they relate to independence considerations when performing assurance work at a value chain entity. Admittedly, value chains can be complex as they operate independently despite being affiliated with a single brand. Some of the provisions include the firm performing assurance work directly, using another practitioner's work, or auditing information provided by the client. Nonetheless, value chains must remain independent even in their financial analysis as this enhances
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independence, credibility, and trust in sustainability reporting throughout the value chain. The provisions ensure that sustainability assurance can be conducted on value chains effectively.

- Within Section 5407, I support the provisions that address independent considerations when assurance work is performed at, or with respect to, a value chain entity due to the materiality of information. It is important to remain independent of the sustainability assurance client in order to provide reasonable assurance to the public interest.
- I also agree with the provisions in Section 5407 in regard to the independent considerations with assurance work being performed at a value chain. I find that if possible and not too costly in time or money it should be done. As auditors we are already required to take inventory observations at a company's factory or retail stores. I envision that this would be very similar. Although the value chain entities would be more complex than the normal inventory observations, I agree with the provisions in Section 5407.
- I do support the provisions addressing the independence considerations when assurance work is performed. Independence is one of the key factors when performing an audit and allows for the auditor to practice professional skepticism and provide an appropriate opinion. This gains public trust and allows stakeholders clarity in financial decisions that will be made. Sustainability reporting will also aim to provide stakeholders with quality information which makes it imperative to always maintain independence. The proposal discussed specific information regarding the firms as well as who can perform sustainability assurance tasks. In the future, increased qualifications may arise for these individuals if there are instances that independence is sacrificed. I support the strategies discussed and would implement further descriptions for firms to ensure independent reports are being presented to the public.
- Yes, I do support the provisions in Section 5407 of the ED. Integrity and independence is one of the principles in the AICPA Code of Conduct as well as an essential part of the foundation of auditing. Therefore, addressing the independence considerations is a vital part of sustainability reporting and assurance. The provisions set forth in Section 5407 are extremely important to ensure that the assurance work performed at, or with respect to, a value chain entity maintains and upholds the same integrity and independence standards as sustainability practitioners. Independence gives credibility to a company and is key to gaining public trust. Assurance work performed at a value chain entity can impact and reflect on all members of the value chain.

Question 13 opposed:

- Section 5407 broadly addresses all the requirements of Independence when performing assurance work on a Value Chain Entity. This extract resembles the Audits Independence Standards, however, although the SEC has recently dictated that the Companies disclose on the Financial Statements notes regarding climate risks and impacts, the value chain entities were removed from the

definition due to the issues in obtaining this information. This seems to be either an incongruence on the present regulations or an advance by the IESBA to retake this subject on the future.

Question 14: All students provided positive feedback, examples below.

- Threats to independence definitely rise from the existence of personal interest between the firm, its network, or one of the assurance practitioners team members given by family bonds or economic interest with the client or other entities in the value chain. I agree that such relationships need to be evaluated and properly handled since they harbor biases, create conflicts of interest, and ultimately jeopardize the outcome of the engagement undermining the public trust in the reports provided by the assurance practitioner or its team. In my opinion the explanation in Section 5700 on how to evaluate such relationships and address the threats that might compromise the independence of the assurance engagement is very broad and it would be beneficial to include further details on how to handle circumstances or threads that could impair the independence of the assurance service. Additional guidance can include procedures or protocols on how to manage threats to independence, pressures or conflicts of interest between the client, the practitioner, and the rest of the value chain entities similar in extent or detail to the instructions provided in Section 5270 referring pressure to breach compliance.
- Yes, I agree that certain interests, relationships, or circumstances between the firm, a network firm, or a member of the sustainability assurance team and a value chain entity might create threats to the firm's independence. It's important to identify and address these threats to ensure that independence is maintained.
- Yes, I support the approach and guidance proposed in Section 5700 for identifying, evaluating, and addressing threats that might be created by interests, relationships, or circumstances with a value chain entity. This guidance helps ensure that independence is maintained in such situations, which is important for the credibility of the assurance process.

Question 15 opinions in favor:

- Yes, I agree with the provisions in Section 5600. Clear guidelines on the provision of NAS by sustainability assurance practitioners ensure transparency and mitigate potential conflicts of interest. The prohibition of self-review threats and considerations of materiality enhance the credibility and objectivity of assurance engagements.
- Section 5600's provisions play a vital role in maintaining the independence, objectivity, and credibility of sustainability assurance engagements. The self-review threat prohibition stops practitioners from assessing their own work, while the determination of materiality ensures that practitioners focus on issues of significance to stakeholders. Supporting these provisions shows a commitment to ethical conduct and professional integrity. By sticking to strict independence standards and communicating effectively with those charged with

governance, practitioners uphold the principles of accountability and transparency, thereby enhancing public trust.

- Yes, I agree with the proposed criteria for such engagements in paragraph 5400.3a. These criteria help ensure that the International Independence Standards in Part 5 apply to sustainability assurance engagements that have a significant level of public interest, similar to audits of financial statements, which is important for maintaining public trust.

Question 15 opinion opposed:

- I disagree that the “self-review threat prohibition” would be valid concern in this situation. I have worked for and seen firms perform NAS work for clients such as reviews and perform audit engagements for the same client. I believe that if materiality can be protected and not breached there should not be an issue when it comes to sustainability assurance clients.

Question 16: No responses submitted for this question.

Question 17: All but one student provided positive feedback, with examples below. The student who opposed provided no meaningful support for her opinion.

- I agree with the views stated in Part 5 Section 410 about independence issues arising from the same auditor for sustainability assurance and financial audit, proportion of audit fees, and long association. The threat of being comfortable with one another may result in the auditor’s complacency in uncovering the issues that may be finance- or sustainability-related. Continued disregard will lead to an aggravated problem. This has been one of the reasons why frauds endured before coming to light. Secondly, the proportion of fees must be clarified and duties spelled out between the auditor and the client, giving sustainability assurance equal attention and importance. While the IESSA cannot impose an engagement timeline between the firm and the client, the firm and client must take it upon themselves when to rotate auditors upon review of the threats of independence.
- Main issues arise from Audit and Assurance engagement being separate agreements and the current requirements of disclosing Audit Fees and not Assurance Fees. There is also the risk that the firm prioritizes one agreement over the other. Lower fees creates the risks of not being able to execute the engagement with due care using all technical and professional required resources or in the depth as required. If the Audit firm is the source of both Audit Services and Sustainability Assurance, it should include in their risks assessment the proportion of those fees to the Audit Fees, if this proportion is large the IESBA have added a safeguard to name them necessary when respond to laws and regulations requirements. As of now, no threshold or guideline is provided for these fees, and this is, in my opinion, the main issue. Qualified expert opinions are hard to evaluate for those not familiar with the subject. Being like that, it might be that Audit firms, like mentioned above, make the major proportion of

their Income from increased Sustainability Assurance Fees. For now, until regulation advances based on the actual practice, a solution could be to request an itemized bill to evaluate the reasonability of these fees, showing for example the charges for labor or wages, travel expenses incurred (if they were needed to travel to a site, state, region or country), Licenses and permits, etc. Of course, the evaluation of whether this itemized bill and the fees resulting are acceptable or not, is a judgement matter to each company's executives. Disclosing this itemized bill of Sustainability Assurance Fees in the notes to the SEC is also a recommendation of mine as an approach to form a national and international database that helps built an opinion on thresholds, maximum, minimum, medians and deviations. Another Threat is when the results on the Audit negatively impacts the Sustainability Assurance, or vice versa. When both services are performed by the same firm they might be tempted to alter one of the results to not lose the client. Ethical concerns will arise.

- It is extremely important to keep public trust and interest that sustainability assurance practitioners act ethically to keep engagements in financial statements with high independence standards. This will help investors, clients, customers, and employees to confidently rely on this information. The independence issues that could arise when the sustainability assurance practitioner also audits the client's financial statements, it builds pressure to breach the fundamental principles, conflicts of interest, quality management systems of firms and independence issues when a particular firm performs various projects, such as both audits and sustainability assurance engagements. IESBA considered that the audit and sustainability assurance engagements are still separate engagements, see subsection 5410.11. It is important for both engagement methods to address and name all threats.
- I agree with the proposed approach in Part 5 to address the independence issues that could arise when the sustainability assurance practitioner also audits the client's financial statements (with special regard to the proportion of fees for the audit and sustainability assurance engagements, and long association with the client). This will enable strict compliance to work ethics and as well prevent interference or familiarity. However, I propose that an additional provisional clause be included that in any case where any form of dishonesty is detected on the part of the auditor or the provider of sustainability assurance service, a disciplinary measure in the form of disengagement of service should be considered.

Question 18: Two opinions submitted, both favorable.

- Yes. Bringing both documents to a final review on the same date will give the first one a longer time for review. Maybe December 2024 seems a little too close but the sooner both get delivered, the sooner the industry starts implementing them. Also, since drafts get exposure every open, with all the changes coming soon, we will definitely have another draft in the near future.
 - I believe that the additional guidance from a sustainability assurance perspective (including sustainability-specific examples of matters such as threats) in Chapter
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1 of the ED is adequate and clear. Its adequacy and clarity will help investors, customers, employees and other users of sustainability information to confidently rely on such information in making decisions.

Question 19: One response received, below.

- Yes, the only issues for the ED would be the reporting requirements. For example, when the annual reports are presented or given, and there are inconsistencies, how will that be addressed or rectified?

Question 20: Advice for improvement, rather than opinions, submitted:

- I believe the IESBA should be expanding the scope of the Code to all preparers of sustainability information now, not in the future. I understand the IESBA's point of view in wanting to implement it for only PAs at the time due to the discussions still needed, but it is evident that public accountants are not the only people working on sustainability assurance engagements. All types of professionals are involved in ESG engagements due to the level of expertise needed for certain environmental, social, or governance topics. For example, I used to work at an accounting firm where the ESG auditors being hired needed to have a background in environmental science. Many people that either study or work with environmental science are not public accountants, yet, those other professionals are auditing these engagements. I believe it is important to implement a code that is applicable to all professions now rather than wait for a situation to happen where the code is then actually needed for all professions. I believe it is better to be thinking about independence and ethics from the creation of these standards especially after seeing all the ethical dilemmas and situations in the accounting world throughout the history of financial reporting.
- To expand the scope of sustainability to all prepares, IESBA can engage with different stakeholders to gather ideas and insight. It could also implement through research to identify the impact of expanding the scope of the code to all preparers.
- In approaching the new strategic work stream, I believe the most critical aspect will be to carefully decide on the members since a cross-functional team spanning numerous professions will ensure the final ethics standards are the most agnostic and adaptable possible. I recommend creating a classification scheme for industries the IESBA supports and identifying key professionals to invite into the workstream. Critical ethical components relating to sustainability will likely be very different in unique industries, as the risks to existing environmental and social spheres will be unique for each industry.

Question 21: Favorable opinions but with advice for improvement.

- I fully agree that the proposals are responsive to the public interest based on the characteristics described. Coherence is invaluable since the proposal must align with the existing standards and themes of the existing IESBA standards. Furthermore, clarity and conciseness are key since stakeholders need to be able

to review the new standards efficiently while having to be able to immediately act upon them without further review. Finally, enforceability is key since this will further drive adoption. ESG matters are becoming more important to all stakeholders in recent years and I believe these proposals respond to them eloquently.

- Yes. However, the framework's effectiveness depends on the implementation and enforcement of appropriate stakeholders. The Public Framework characteristics promote accountability, transparency, and fairness.
- Chapter 4 of the Exposure Draft addresses sustainability reporting. Based on the assertion also cited in question 2 stating “it is of public interest that sustainability assurance practitioners act ethically in order to maintain public trust and confidence in sustainability information that is subject to assurance”, the proposal content is congruent with the public interest for the following reasons:
 - It contains robust standards that address ethical issues, an example is those related to the PAIBs and PAPPS performance of professional activities and services.
 - It is deemed to include relevant and clear standards.
 - It is implementable and enforceable.

However, I would like to make a few considerations pertaining to the standards applicability. Personally, the implementation of profession-agnostic ethical standards for sustainability reporting, that are applicable to ALL preparers of sustainability information, is the most appropriate approach to ensure that all report preparers, regardless of their background, follow and be held accountable by the same ethical standards. In this context, I disagree with restricting the development of ethical standards for sustainability reporting to Professional Accountants only.

Questions 22 and 23: no responses

Question 24:

- As someone who is regularly subject to the implementation of guidance as it relates to financial audits and the effective dates of guidance, while this point seems to be an afterthought at the end of the summary memorandum, it is very important. One of the most frustrating aspects of implementing new guidance is inconsistent effective dates. This guidance would be most easily implemented alongside ISSA 5000. The effective date should be coordinated with the expected date of implementation for ISSA 5000. This puts pressure on the IESBA to complete its review and adoption by December 2024. From experience, I know that those target dates are not always met. But it would be most beneficial for the incorporation of these pronouncements to be done in tandem.
- Yes, I do support the IESBA’s proposal to align the effective date of final provisions with the effective date of ISSA 5000. Because the IESBA has worked very closely with the IAASB in addressing mutual matters to ensure consistency

in sustainability-related standards and various definitions, and because the two proposals have been aligned to be consistent and “interoperable,” it would be prudent to align the effective dates of the final provisions as well.

- I do support the IESBA’s proposal to align the effective date of the final provisions with the effective date of ISSA 5000 on the assumption that the IESBA will approve the pronouncement by December 2024. Most practitioners who are familiar with the codes can understand IESSA’s new requirements. There are currently no equivalent standards to ISA 600 and IESBA plants to issue non-authoritative guidance material for those who are not familiar with the codes to navigate IESSA. IESBA also expects there will be non-trivial implementation costs.
- Aligning the effective date of the final provision of the IESSA with the ISSA 5000 is a great strategy as both documents goes in tandem covering Sustainability Assurance Engagements and the practitioners. The ISSA 5000 provides standards for conducting a sustainability report while the Exposure Draft from the IESBA dictates guidelines and ethical reasoning for sustainability assurance practitioners. Keeping both documents together keeps the information relevant and will allow readers a reference point.

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