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24.05.2024

Exposure Draft: Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting

I would like to thank you for the opportunity to provide the IESBA with my comments on Exposure Draft: Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting.

Please find below my comments to some of the questions included in the Explanatory Memorandum.

1.a) There seem to be differences with regard to the respective requirements set by IESBA and acting in the public interest for SAPs and public interest auditors. While for SAPs para. 5100.6 A1 states: "Upholding the fundamental principles and compliance with the specific requirements of this Part enable sustainability assurance practitioners to act in the public interest when providing sustainability assurance.", for public interest auditors Section 100.6 A3 states: "Compliance with the requirements of the Code does not mean that professional accountants will have always met their responsibility to act in the public interest." These two sentences are contradictory. SAPs act in the public interest when they comply with the Code. However, this is not true for public interest auditors. The latter have to go beyond the Code. These sentences require clarification.

1.b) I believe that some terms used in Part 5 will be difficult to understand correctly by non-PAs, as they have a specific meaning in the accounting profession; however, this meaning is not clear to non-PAs. The latter might need further guidance.

9. I agree with using the determination of a PIE for purposes of the audit of the entity's financial statements also for sustainability assurance engagements. For now, this seems to be the most efficient approach, while acknowledging that a PIE for a sustainability perspective might also be determined by other factors that will evolve in the future.

17. I do not agree. The IESBA's approach assumes a self-interest threat when the sustainability assurance practitioner also audits the client's financial statements. However, when the financial statement auditor also performs the sustainability assurance for the same client this can have a positive impact on audit quality, for instance, due to broader knowledge of the entity and its environment via performing the sustainability assurance.

A handwritten signature in black ink, appearing to read 'N. Ratzinger-Sakel'. The signature is written in a cursive, flowing style.

(Prof. Dr. Nicole V. S. Ratzinger-Sakel)