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**INDEPENDENT REGULATORY BOARD FOR AUDITORS**  
**COMMITTEE FOR AUDITING STANDARDS**

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**IRBA Staff Audit Practice Alert 8:**

**Frequently Asked Questions on Sustainability Assurance Engagements**

Johannesburg / 31 October 2022

Investors and others are increasingly calling for high-quality, transparent, reliable, and comparable reporting by entities on climate and other environmental, social and governance (ESG) matters. This is accompanied by questions regarding the assurance thereof, and the ethical responsibilities of preparers and assurance providers.

To this end, the development of sustainability reporting standards plays a vital role. The International Financial Reporting Standards (IFRS) Foundation Trustees recently created a new standard-setting board; the International Sustainability Standards Board (ISSB). The IFRS Foundation's intention is for the ISSB to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities, to help them make informed decisions.

In response to these developments, the IRBA has issued the IRBA Staff Audit Practice Alert 8: *Frequently Asked Questions on Sustainability Assurance Engagements* (IRBA Staff Audit Practice Alert), for use by registered auditors (RAs).

This IRBA Staff Audit Practice Alert provides assurance practitioners with a summary of key references, where to source guidance and matters to consider with respect to sustainability assurance engagements at this point in time. It covers the following questions:

- What assurance frameworks and/or standards should RAs in South Africa use to perform sustainability assurance engagements?
- What resources are available for assurance practitioners regarding assurance engagements on sustainability reporting?
- Where can assurance practitioners find the current voluntary and regulatory requirements for JSE-listed companies in respect of the reporting and assurance of sustainability information in South Africa?
- How do assurance practitioners determine what the current voluntary and regulatory requirements are, in respect of the reporting and assurance of sustainability information in South Africa for other types of entities (other than JSE-listed entities)?
- What impact from climate change may assurance practitioners expect to see on assurance clients' financial statements?
- What type of engagement(s) may be performed to assist assurance clients in preparation for sustainability assurance engagements?

- What potential threats to the practitioner's independence may arise from the assurance practitioner performing a readiness assessment and later performing the proposed sustainability assurance engagement?
- What frameworks, standards and/or guidance may assurance practitioners expect assurance clients to consider in respect of climate-related disclosures?
- What governance controls may assurance practitioners expect assurance clients to have put in place in respect of sustainability disclosures/reporting?

This IRBA Staff Audit Practice Alert does not constitute an authoritative pronouncement from the IRBA; nor does it amend or override the International Standards on Auditing, South African Auditing Practice Statements or South African Guides (collectively called pronouncements). Also, this IRBA Staff Audit Practice Alert is not meant to be exhaustive. Reading this IRBA Staff Audit Practice Alert is not a substitute for reading the abovementioned pronouncements, as they are the authoritative texts.

The developments in sustainability reporting and assurance are undergoing rapid and significant changes, auditors are therefore encouraged to seek out the most up-to-date and relevant requirements.

The IRBA Staff Audit Practice Alert is available in PDF format and may be downloaded from the IRBA website at [www.irba.co.za](http://www.irba.co.za). Should you have any further queries, please do not hesitate to email the [Standards Department](#).

Auditors are reminded that the IRBA's South African Assurance Engagements Practice Statement 1, [Sustainability Assurance Engagements: Rational Purpose, Appropriateness of Underlying Subject Matter and Suitability of Criteria](#) is effective for periods beginning on or after 15 December 2020.

Auditors are further reminded that the International Auditing and Assurance Standards Board (IAASB) published its [Non-Authoritative Guidance on Applying ISAE 3000 \(Revised\) to Sustainability and Extended External Reporting \(EER\) Assurance Engagements](#) on 6 April 2021.

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***About the IRBA***

*The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.*

*The statutory responsibilities of the Committee for Auditing Standards are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; consider relevant international changes by*

*monitoring developments by other auditing standard-setting bodies and sharing information, where requested; and promote and ensure the relevance of auditing pronouncements.*