Proposed International Standard on Sustainability Assurance (ISSA) (UK) 5000

Invitation to Comment issued by the FRC

Comments from ACCA to the FRC

31 July 2025

REF: TECH-CDR-2249

About ACCA:

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over 252,500 members and 526,000 future members in 180 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

Find out more at: www.accaglobal.com

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GENERAL COMMENTS

ACCA welcomes the opportunity to comment in response to the FRC Proposed International Standard on Sustainability Assurance (ISSA) (UK) 5000.

We believe that ISSA (UK) 5000 should also be the standard for mandatory use once the government adopts a regulatory regime that could potentially require mandatory sustainability assurance. As noted in the consultation paper, ISSA 5000 is comprehensive, stand-alone and suitable for any assurance engagement.

We encourage proactive signalling by the FRC that ISSA 5000 (UK) will likely be the standard used when assurance becomes mandatory. We also suggest that the FRC works with policymakers to embed it into future legislation or regulatory guidance.

1. Do you agree that the FRC should issue ISSA (UK) 5000 for voluntary use in the UK?

ACCA welcomes the FRC's proposal to adopt a UK version on a voluntary basis. ACCA has long advocated for consistent global sustainability assurance. We also believe that ISSA (UK) 5000 should be the standard for mandatory use once the government adopts a regulatory regime that could potentially require mandatory sustainability assurance. As noted in the consultation paper, ISSA 5000 is comprehensive, stand-alone and suitable for any assurance engagement. Given its framework neutral nature, it can apply under any framework such as IFRS Sustainability Disclosure Standards and ESRS. It addresses both limited and reasonable assurance and it is profession agnostic, which supports its use by both professional accountants and other assurance practitioners provided they meet the relevant quality management and ethical requirements of ISSA 5000.

Furthermore, early alignment on the standard will help:

- Preparers and assurance practitioners to build capability.
- Promote market consistency and investor confidence.
- Avoid fragmented assurance practices if different standards are used.

We therefore encourage proactive signalling by the FRC that ISSA 5000 (UK) will likely be the standard used when assurance becomes mandatory. We also suggest that the FRC works with policymakers to embed it into future legislation or regulatory guidance.

Additionally, ACCA in collaboration with Chartered Accountants Australia and New Zealand have recently published a report titled A case study: Demystifying materiality in accordance with ISSA 5000 as part of a planned series of publications relating to ISSA 5000 implementation. We would be happy for the FRC to make this resource available as part of any published stakeholder guidance. This is the first in the series and it focuses on materiality.[1] The guide provides guidance through a fictional assurance engagement and is structured around the application of materiality to Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

Among a number of other areas, the case study outlines applicable ISSA 5000 requirements and the various professional judgement points involved in considering or determining

[1] https://www.accaglobal.com/gb/en/professional-insights/global-profession/materiality_ISSA5000.html

materiality for qualitive and quantitative disclosures respectively. It also explores an approach to grouping disclosures logically based on similarly in expression, user interest and user tolerance for misstatement.

2. Do you agree with the proposed modification to ISSA 5000? If not, what material would you suggest we include?

We agree with the proposed modification to ISSA 5000 which ensures alignment with the relevant prohibition for audits of financial statements in the UK.

3. Do you believe any further adaptations should be made? If you do, please explain them.

We don't believe any further adaptations should be made at this stage.

4. Do you agree with the proposed effective date? If not, please explain what date would be appropriate.

ACCA agrees with the proposed effective date which aligns with the IAASB's ISSA 5000 and the IESBA's IESSA.