

# Standards Newsletter

Irish Auditing & Accounting Supervisory Authority



Welcome to the July 2024 edition of our standards newsletter, featuring the latest updates on IAASA's auditing and assurance standards projects. Our goal is to keep you informed and up-to-date.

In this edition you'll find information on the assurance of corporate sustainability reporting, including IAASA's intention to adopt ISAE 3000. Other topics covered are recent changes to ISA (Ireland) 505, and proposed revision of the Ethical Standard for Auditors (Ireland).

All Irish standards are available on our website:  
[iaasa.ie/auditing-and-assurance-standards/](https://iaasa.ie/auditing-and-assurance-standards/)

## Highlights

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# ASSURANCE OF CORPORATE SUSTAINABILITY REPORTING IN IRELAND

## European Union (Corporate Sustainability Reporting) Regulations 2024

The EU Corporate Sustainability Reporting Directive (CSRD) was brought into effect in Ireland with the signing of the European Union (Corporate Sustainability Reporting) Regulations 2024. Starting with large public interest entities in 2024, impacted entities will be required to report sustainability information in the directors' report.



By 2028, the reporting requirements will apply to all large companies and listed companies (except listed micro-enterprises).

Sustainability reports must be prepared in accordance with European Sustainability Reporting Standards (ESRSs) and are subject to limited assurance. In Ireland, limited assurance on sustainability reports can only be provided by statutory auditors that have been approved and registered by their professional body to provide sustainability assurance.

## Intention to adopt ISAE 3000 for Sustainability Assurance in Ireland

IAASA intends to adopt **International Standard on Assurance Engagements 3000 (ISAE 3000), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information**.

- This standard will apply to limited assurance engagements in Ireland which are required under the European Union (Corporate Sustainability Reporting) Regulations 2024.
- When applying ISAE (Ireland) 3000, sustainability assurance providers will be obliged to comply with the **International Code of Ethics for Professional Accountants** and **ISQM (Ireland) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements**.
- There will be no Irish-specific requirements in ISAE (Ireland) 3000 beyond those required to ensure that it applies to sustainability assurance in engagements in Ireland.
- ISAE 3000 is a general standard. Sustainability assurance providers should also refer to the IAASB's **Guidance on applying ISAE 3000 to Sustainability and Other Extended External Reporting (EER) Assurance Engagements**.
- The effective date of the standard will be for the assurance of sustainability reporting for years starting on or after 1 January 2024 and it will apply until the EU adopts a standard [See page 3].

The final ISAE (Ireland) 3000 will be made available on IAASA's website. IAASA will also publish a news release and notify stakeholders via its social media channels.

# RECENT REVISIONS TO ISA (IRELAND) 505 EXTERNAL CONFIRMATIONS

In March 2024, IAASA issued a revised **International Standard on Auditing (ISA) (Ireland) 505: External Confirmations** and made a related conforming amendment to **ISA (Ireland) 600: Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)**.

The revised standard will apply to audits of financial statements for periods beginning on or after 15 December 2024.



The main changes to **ISA (Ireland) 505** relate to:

- Clarification about what constitutes an electronic external confirmation
- Prohibition on the use of negative external confirmations and a conforming amendment to **ISA (Ireland) 600** to remind group auditors to communicate this prohibition to component auditors
- Designing confirmations to provide evidence for relevant assertions
- Enhanced requirements for investigating exceptions

The revised standard is available on [IAASA's website](#). An explanatory video is available on IAASA's YouTube channel: [Overview of ISA \(Ireland\) 505 revisions](#)

## PROPOSED REVISION OF THE ETHICAL STANDARD FOR AUDITORS (IRELAND)

The International Ethics Standards Board for Accountants (IESBA) has made several revisions to the International Code of Ethics for Professional Accountants in recent years, including changes to the definition of public interest entity (PIE) and to the technology related provisions of the Code. The Financial Reporting Council (FRC) recently revised the UK Ethical Standard, including changes to reflect amendments to the IESBA Code.

IAASA is reviewing these amendments to consider which should be adopted in Ireland, and to identify any changes that may be required to reflect Irish legislation and market conditions.



We intend to issue a consultation on the proposed revisions in the coming weeks.

In the meantime, Irish auditors must continue to comply with the **Ethical Standard for Auditors (Ireland)**, November 2020 edition.

# INTERNATIONAL DEVELOPMENTS

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## RESPONSES TO IAASB AND IESBA CONSULTATIONS

Since the last newsletter in September 2023, IAASA has submitted responses to consultations by the International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA) on:



- Proposed International Standard on Sustainability Assurance Engagements (ISSA) 5000: General Requirements for Sustainability Assurance Engagements
- ISA 240: The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
- International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA)
- Ethical provisions related to using the work of an expert

All IAASA comment letters are published on [IAASA.ie](https://iaasa.ie)

## SUSTAINABILITY ASSURANCE STANDARDS IN EUROPE

The CSRD requires the European Commission to adopt a European-wide standard for limited assurance engagements by October 2026. It is expected that this will be based on **ISSA 5000, General Requirements For Sustainability Assurance Engagements**, which is currently being developed by the IAASB.

IAASA is actively monitoring developments in this area, including through its participation in the Committee of European Auditing Oversight Bodies (CEAOB). The European Commission has invited the CEOB to provide technical advice on the development of EU specific add-ons (and possible carve-outs) to ISSA 5000 to reflect the requirements of the CSRD.

ISAE (Ireland) 3000 will apply to sustainability assurance engagements in Ireland until an EU sustainability assurance standard is applicable.