



AccountAbility

Setting the Standard for Sustainability

August 13th, 2025

XRB
Level 6/154
Featherston St
Central Wellington
6011
New Zealand

AccountAbility's Response to the Consultation on Alignment with International Standards: Sustainability Assurance, Ethics and Independence and Using the Work of an External Expert.

Dear XRB,

AccountAbility is a global standards-setter and consulting firm that works with businesses, investors, governments and multi-lateral organizations on ESG matters to realise opportunities, advance responsible business practices and transform their long-term performance. AccountAbility's AA1000 Series of Standards, which can be downloaded for free on the [AccountAbility website](#), are principles-based frameworks used by global businesses, private enterprises, governments, and other public and private organizations to demonstrate leadership and performance in accountability, responsibility, and sustainability.

For over 30 years, organizations have come to rely on AccountAbility's standards to guide their approach to sustainability strategy, governance, and operations. The AA1000 Assurance Standard (AA1000AS v3) is recognised globally, including in trusted, independent sustainability initiatives such as CDP and GRESB and is often used by assurance providers to ensure alignment with other sustainability disclosures such as GRI or SASB. The AA1000AS v3 is also widely accepted by both accountants and non-accountants to provide assurance. It is used across many markets as highlighted by several reports including those issued by KPMG, GRI, UNEP and the World Bank.

We are concerned with the proposal outlined by the XRB for several reasons. These include:

1. Adopting a single assurance standard may result in insufficient assurance resources to respond to the demand from reporting organization to report and assure their data in line with local requirements.

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2. It may also result in a loss of speciality knowledge in assuring sustainability information provided by sustainability subject matter experts.
3. Adopting the ISSA 5000, which is yet to be a proven methodology, presents a risk to the competitiveness of the New Zealand assurance market. Currently, there is insufficient use of the ISSA 5000 or the adequacy of training requirements. We recommend keeping a broad and open market for assurance standards is more beneficial.
4. Focusing on standards that only concentrate on data verification may compromise the effectiveness of local organizations meeting sustainability goals. As noted by Farooq and DeVilliers (2020)¹, some standards, such as the AA1000AS v3, go beyond sustainability report verification.

The XRB should promote multiple standards to ensure an open, competitive and fair assurance market that encourages wider representation and competition, particularly from locally based sustainability assurance firms that have speciality experience and knowledge. We have already seen implications of this decision in Australia.

AccountAbility appreciates the opportunity to be a part of this public consultation and would welcome the opportunity to discuss our responses with XRB. Should you have any queries or feedback, please contact standards@accountability.org and let us know your preferred time to set up a call.

We look forward to hearing from you soon.

Best regards,

Melanie O'Brien

Head of Standards

Attached:

[Bridging Doc AA1000AS-ISSA5000 – A comparison of two internationally recognized sustainability assurance standards](#)

¹ Farooq, Muhammad Bilal and de Villiers, Charl, The Shaping of Sustainability Assurance through the Competition between Accounting and Non-Accounting Providers (2019). Accounting, Auditing & Accountability Journal, 32(1), 307-336, **The University of Auckland Business School Research Paper**: <https://ssrn.com/abstract=3750418>



XRB's Consultation Questions:

Q1: Do you agree with the proposal to adopt ISSA (NZ) 5000 in New Zealand?

Yes, AccountAbility agrees with the adoption of ISSA (NZ) 5000 in New Zealand. However, we also argue that the XRB adopts other relevant assurance standards including the AA1000AS v3.

The AA1000AS v3 is an alternative globally adopted standard for sustainability assurance that has been applied as a central standard both successfully and internationally as highlighted through [KPMG, GRI, UNEP and the Centre for Corporate Governance in Africa's report](#). The AA1000AS v3 includes an evidence-based approach to determine the accuracy of information and offers assurance that is stakeholder centric. Through its focus on the AccountAbility Principles (Inclusivity, Materiality, Responsiveness & Impact), it effectively manages, tests and encourages investment in long term sustainability performance. As noted in [The University of Auckland's paper](#), **the AA1000AS v3 is a tool to promote sustainability within organizations as opposed to mere sustainability report verification.**

Assurance standards are individually unique and can be used for different purposes, as highlighted through AccountAbility's [bridging document](#) comparing use of the two leading assurance standards, the ISSA 5000 and AA1000AS v3. Given our strong relationship with other standard setters or equivalent, including B Lab Global, we recognize their desire for flexibility. Therefore, we recommended that XRB allows for any internationally recognized standard, including both the AA1000AS v3 and ISSA 5000, to be adopted. This will ensure that the assurance market in New Zealand remains fair and open whilst also globally competitive. Having spoken to a licensed assurance provider operating in New Zealand, they argued that the more New Zealand can align with international standards, the better and less confusing it will be for auditors and reporting entities alike.

Q2: Is your firm intending to transition to ISSA (NZ) 5000 for sustainability assurance engagements? If yes, when?

This is not applicable – AccountAbility has its own AA1000AS v3 which AccountAbility licensed providers must follow.

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Q3: Do you agree with the proposed New Zealand changes to ISSA (NZ) 5000:

- a) To clarify the scope
- b) To address the existence of relationships that the assurance practitioner may have?

Are there any other matters that you recommend that the XRB add to ISSA (NZ) 5000?

No comment.

Q4: Do you agree with the proposal to adopt the IESSA (NZ) in New Zealand?

We agree with the principle of required compliance with ethical requirements however, we disagree with the adoption of IESSA exclusively. AccountAbility has a Code of Practice which is required when using the AA1000AS v3. It ensures that all providers align with the same ethical standards.

AccountAbility's Code of Practice includes, but is not limited to:

- Exercise due care, diligence, honesty, objectivity and competence
- Disclose capability
- Acknowledge limitations
- Statement of independence and of impartiality
- Ensure personal competence through continuing professional development in sustainability assurance
- Ensure the necessary resources are allocated

By solely aligning with IESSA, some providers may be excluded, and it is likely duplicative for organizations that use any other assurance standard, such as the AA1000AS v3, that has its own required Code of Practice.

AccountAbility recommends XRB set a broader requirement that sustainability assurance providers in New Zealand follow a code of practice or ethical standard. In doing so this will allow providers to have an individual ability of choice dependent on their need and/or ability.

Q5: Is your firm intending to transition to the IESSA (NZ) for sustainability assurance engagements? If yes, when?

This is not applicable – AccountAbility with its AA1000AS v3 has the Code of Practice which all AccountAbility licensed providers must follow.

Q6: Do you agree with the proposed New Zealand changes to IESSA (NZ):

- c) To clarify the scope
- d) To replicate amendments in PES 1?

Are there any other matters that you recommend the XRB add to IESSA (NZ)?

AccountAbility has no comment on the proposed changes to IESSA. However, AccountAbility recommends that a broader scope of ethical standards related to sustainability assurance are allowed. Please see Q4 for detailed explanation.

Q7: Do you agree with the proposal to adopt the Revisions to the Code Addressing Using the Work of an External Expert in New Zealand?

AccountAbility agrees with the proposed revisions to the code addressing using the work of an external expert. AccountAbility's AA1000AS requires any experts used to be adept in the following areas:

- Using the AccountAbility Principles; inclusivity, materiality, responsiveness, and impact as a measure of sustainability strategy and forward-looking progress
- Applying the reporting and assurance practices and standards
- Knowledge of sustainability subject matter
- Knowledge of, and ability to assess, stakeholder engagement

By setting these requirements, a high and consistent standard is upheld. From this experience, AccountAbility agrees with the proposed ethical and independence requirements for the work of external experts.

Q8: Are there any New Zealand changes that you recommend the XRB add to the standard Addressing Using the Work of an External Expert?

AccountAbility recommends no further changes be made, however does stress the importance of aligning with other existing requirements for external experts, such as those highlighted by AccountAbility in Q7. This has the goal of placing no additional pressure on external practitioners when seeking to comply with requirements of different standards or of different jurisdictions. This will benefit New Zealand by allowing an open, fair and competitive assurance market.

Q9: Do you support adding a third option to NZ SAE 1 to enable assurance practitioners to apply ISSA (NZ) 5000 for mandatory GHG assurance engagements?

Yes, AccountAbility supports enabling assurance practitioners to apply ISSA (NZ) 5000 for mandatory assurance engagements. However, AccountAbility recommends that the options be extended to any relevant standards, including the AA1000AS v3.

Given the aim is to allow practitioners to transition to the latest standards, the ISSA 5000 should be included, however so should other relevant internationally used standards such as the AA1000AS v3. According to the [International Federation of Accountants' \(IFAC\) State of](#)

[Play report on Sustainability Disclosure and Assurance](#) and the [Centre for Audit Quality's \(CAQ\) study on the S&P 500 Sustainability Reporting and Assurance Analysis](#), the AA1000AS v3 is one of the leading standards for the assurance of sustainability related information. AccountAbility's recent guidance document for '[Assuring GHG Emissions with AA1000AS v3](#)' also highlights its strong applicability as an international standard for the assurance of GHG emissions disclosures. Specifically, the AA1000AS v3, through its requirements that those with sustainability expertise carry out engagements, ensures that the verification of technical GHG data is robust as it is done by those with significant expertise in this field. For this reason, the XRB should include a wider scope of applicable assurance standards for assuring GHG disclosures including both the ISSA 5000 and AA1000AS v3.

Q10: Do you support the proposed conditional requirement for one-to-many reports being added to NZ SAE 1?

No comment.

Q11: Do you agree that the XRB should defer any decision to withdraw ISAE (NZ) 3410 to a later date?

No comment.

Q12: Do you agree with the proposed application date for assurance engagements on sustainability information reported for periods beginning on or after 15 December 2026?

The proposal is to align with the effective dates of the international standards.

From our 30 years of experience working with assurance providers, AccountAbility has determined that consultation with them is required when setting application dates and timelines of implementation. This is to ensure that there is an easy transition and that the assurance market in the country of operation remains competitive and of high quality. AccountAbility would welcome the opportunity to convene a discussion between XRB and a licensed assurance provider based in New Zealand to discuss this further.

Q13: Do you have any further comments?

AccountAbility would welcome the opportunity to engage in a conversation with XRB to ensure that a fair and open market is upheld. We would also be happy to discuss our learnings working in the assurance market for over 30 years. If this is something of interest, please contact standards@accountability.org with your preferred time and date.