

Name of Respondent:

Muhammad Umar

Organisation:

Mo Chartered Accountants (Zimbabwe)

Responsibility

Partner

Jurisdiction:

Zimbabwe

Correspondence and/or email address:

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Date

10 May 2024

1. a) Yes, the proposals are similar to the ethics and independences standards for audit engagements in the extant code
b) The standards meet both criteria
2. The qualitative characteristics are in line with the extant code and responsive to public interest in a similar manner.
3. The applicability of sustainability information to include sustainability assurance and sustainability reporting follows the method of financials statement assurance and reporting. We agree with the IESBA's proposed definition of "sustainability information" be intentionally broad and sufficiently generic to be perennial and interoperable with various reporting and assurance standards.
4. The scope of ethics standards at least should match the extant code. This standard of ethics should also be applicable to sustainability assurance and we propose that any bespoke ethical matters that may arise from sustainability reporting be incorporated to the code
5. Similar or more rigorous independence standards should be adopted for assurance engagements
6. The rationale of including section 5270 is understandable and the basis sound.
7. Principally, communication between the auditor and the sustainability assurance practitioner is encouraged. We do not see how the work of the auditor will impact the work of the sustainability assurance provider but will be useful vice versa. Further, legal requirements may not permit the auditor to communicate to others if it is going to jeopardise investigations or evidence. All cases of NOCLAR should be judged on their own merits and appropriate reporting mechanisms adopted. There should not be a blanket requirement requiring auditors to communicate with anyone like it does apply under current confidentiality rules.
8. Yes, we support the expansion to include PAIBs.
9. As a rule, all PIEs for financial statement audits should be PIEs for sustainability assurance purposes. Since this is a new area of assurance, over time a non-PIE for audit of financial statements may be a PIE for sustainability assurance purposes based on its activities, impact on sustainability and nature and scope of its relationships with its value chain.
10. a. Group independence requirements should be applicable to group sustainability assurance engagements and the ones in the proposed standard match the extant provisions so the base is justified.
b. we support and agree with matters raised in b(i) to (iii).
11. The risk (high) of this (another outside assurance practitioner) is very dissimilar to independence requirements being communicated from the group auditor to component auditor who will appreciate the nature, extent and scope of the requirements. It would be

challenging to impose these standards on those who may not be regularly exposed and trained in these matters.

12. Yes we support such definition.
13. Independence requirements ought to be strict with regard to the value chain. A great deal of value chain entities are related parties and have cross-interests which will impact independence. Further, understanding and applying independence standards may be a challenge.
14. a. Yes we agree. The scope, possibility and risk of independence being jeopardised or compromised is higher in all aspects and may be difficult to detect and there may be high incidences of non-disclosure due to the entities not appreciating what would result in independence being at risk.
b. Independence risks will be a developing phenomenon in sustainability reporting although the base being the extant code is a solid foundation and basis. The extent and impact of value chain independence will be challenging to supervise and may have to be viewed on a scale factor, failing which it would be impractical to adopt. There has to be proportionality and weighing of the impact of an independence matter or potential matter to enable functionality.
15. We agree with the rationale of applying similar provisions from audit to sustainability
16. a) We agree with the coverage of such NAS services.
b) The extent of including value chain entities will have to be considered.
17. We concur that where an auditor provides sustainability services to the client, the firm should disclose the fees for such services as non-audit fees and consider applying safeguards regarding the proportion of non-audit to audit fees.
18. The guidance as presented may be adequate for the current climate but such adequacy will have to be assessed when this code is practically applied.
19. None
20. None
21. As explained in question 1.
22. a) Expanding the types of information that a PA is encouraged to consider documenting to include the PA's analysis, assumptions, and judgments and decisions made in preparing or presenting the information will be necessary due to the highly judgemental nature and susceptibility to subjectivity of the information. Professional scepticism will be brought much more into scope and focus for such engagements.
b) We agree
c) We concur with the 4 additional proposals of the IESBA
23. None
24. The alignment of effective dates is fair and justified.