



IESBA

International Ethics Standards Board for Accountants  
AN IFEA BOARD

# IESSA Implementation Monitoring Advisory Group IIMAG – Update

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IESBA Meeting, NYC  
December 9, 2025

# Recent Activities

- Two IIMAG meetings
  - July 29
  - November 5
- Coordination with A&I WG meeting
- IESBA Staff observed ISSA 5000 Technical Implementation Contact Group's meetings
- Next IIMAG meeting in early February 2026



# Implementation Issues Re Value Chain Components (VCC)

Issues Raised	Proposed Actions
Evolving sustainability reporting will impact reporting and assurance related to value chain	<ul style="list-style-type: none"> <li>• Ongoing monitoring of practice</li> <li>• Rapid response mechanism</li> <li>• Considering possible ways to get information on implementation challenges as soon as possible</li> </ul>
Challenges around identifying VCCs before the engagement starts and maintaining independence when changes occur during the engagement period <ul style="list-style-type: none"> <li>• Challenges re communication with the client</li> <li>• Difficulty in developing appropriate systems</li> </ul>	<ul style="list-style-type: none"> <li>• Joint guidance with IAASB on identification of VCCs for SAEs and communication with clients</li> <li>• Case studies with different scenarios highlighting the independence provisions in IESSA wrt VCCs/ changes to VCCs</li> </ul>
Independence requirements in the case of complex value chain groups (including legal entities and business units) – question around the entity of which the SAP needs to be independent	Case studies with different scenarios

Questions  
and  
Comments

# Interoperability of IESSA

Issues Raised	Proposed Actions
Challenges related to the fragmentation of standards – assessment of equivalence of other frameworks, for example, ISO standards, to IESSA <ul style="list-style-type: none"><li>Evaluation of other practitioners' work and independence</li></ul>	<ul style="list-style-type: none"><li>Engagements with other standard setters</li><li>Consider supporting appropriate authorities with the assessment of equivalence</li></ul>
Need for guidance when a component practitioner's jurisdiction has not adopted IESSA <ul style="list-style-type: none"><li>What should the SAP communicate to the component practitioner</li></ul>	Further discussion with IIMAG on specific facts and circumstances

Questions  
and  
Comments

# First-Time Implementation

Issues Raised	Proposed Actions
<p>Need for more supporting material for first-time implementation</p> <ul style="list-style-type: none"><li>• Potential challenges arising from moving from the application of Part 4B to IESSA</li></ul>	<ul style="list-style-type: none"><li>• Presentation from IIMAG members on key issues at the next IIMAG meeting</li><li>• Consider developing comprehensive guidance for first-time implementation</li></ul>
<p>Questions around how to deal with and disclose breaches in the first year</p> <ul style="list-style-type: none"><li>• There might be a higher number of breaches</li></ul>	<p>Further discussion with IIMAG on specific facts and circumstances</p>
<p>Independence issues created by the provision of previous sustainability-related services to the clients</p> <ul style="list-style-type: none"><li>• No previous assurance on such information → no clearance</li></ul>	<p>Further discussion with IIMAG on specific facts and circumstances</p>

Questions  
and  
Comments

# Effective Date and Transitional Provisions

Issues Raised	Proposed Actions
<p>The form and content of the public disclosure required when an SAP uses the option for deferred effective date for provisions applicable to assurance work at a VCC are unclear</p> <ul style="list-style-type: none"><li>• Need for guidance on the exact wording of such disclosure in the assurance report</li></ul>	<p>Coordination with IAASB → proposed wording for the disclosure in illustrative assurance reports under ISSA 5000</p>
<p>Question about application of transitional provisions when auditor previously provided SAEs in accordance with Part 4B</p>	<p>Further discussion with IIMAG on specific facts and circumstances</p>

Questions  
and  
Comments

# Other Implementation Issues

Issues Raised	Proposed Actions
Question around the assessment of the objectivity of an external expert, as the required objectivity is based on independence attributes (especially in the oil-gas industry)	Further discussion with IIMAG on specific facts and circumstances
Challenges and questions around the application and the scoping of the IIS in IESSA <ul style="list-style-type: none"><li>What if the criteria for the application of IIS in IESSA or Part 4B change during the engagements (e.g., the sustainability information gets disclosed for public)</li></ul>	<ul style="list-style-type: none"><li>Case studies on determination of applicable independence requirements</li><li>Further discussion with IIMAG on changes to criteria determining scoping</li></ul>
Need for more guidance highlighting how SAPs could operationalize compliance with independence requirements applicable to both audit and SAE, <ul style="list-style-type: none"><li>For example, long association, objectivity of EQR</li></ul>	Further discussion with IIMAG on specific facts and circumstances

Questions  
and  
Comments