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Insurance Engagements (ISAE) deals with assurance of GHG statement.

A GHG statement and other information, for example, a report on a sustainability report of which a GHG statement is a part; (Ref: Para. A1–A2)

Procedures performed with respect to the GHG statement;

Specific guidance for, assurance engagements to report on GHG emissions, for example, nitrogen oxides (NOx)

ISAE may nonetheless provide guidance for such audits or Reviews of Historical Financial Information. ISAE 3000

Conforming amendments to this proposed ISAE as a result of

in the exposure draft of proposed ISAE 3000.

Nitrous oxide, N₂O) and SO₂ are associated with “acid rain”
An assurance engagement may be either a reasonable assurance engagement. This ISAE deals with both types of engagements.

The ISAE applies to both reasonable and limited assurance engagements. For a limited assurance engagement, the practitioner will perform procedures that apply to only one or the other type of assurance engagement. These requirements are written in the context of each of those types of engagements on a GHG statement, the assurance procedures, which can include: inspection; observation; re-performance; analytical procedures; and inquiry, on site. Determining the assurance procedures to be performed is a matter of professional judgment, and because of circumstances, the nature, timing and extent of the procedures for a limited assurance engagement are deliberately limited relative to a reasonable assurance engagement. Because the nature, timing and extent of the procedures for a limited assurance engagement are deliberately limited relative to a reasonable assurance engagement, the combination of the nature, timing and extent of the procedures for a limited assurance engagement will necessarily be less than those for a reasonable assurance engagement.
controls and objectives of an assurance engagement, understanding this ISAE and ISAE 3000.

among other things, that the practitioner comply with the Code of Ethics for Professional Accountants of the IESBA Standards Board for Accountants (the IESBA Code) and that are applicable to the individual engagement.7 (Ref: exports covering periods ending on or after [date].8

assurance (reasonable or limited): about whether the material misstatement, whether due to fraud or error, causes the practitioner to believe on the basis of the

a

assurance engagement, whether the GHG statement is in accordance with the applicable criteria; or assurance engagement, whether anything has come to the practitioner to believe on the basis of the

on which the ISAE is approved for issue. Paragraph 16 of the Control, Auditing, Review, Other Assurance and Related Services
During the relevant period, have been emitted to the atmosphere had they not been captured and can be categorized as:

- which are emissions from sources that are owned or controlled by the entity. (Ref: Para. A6)
- emissions that are a consequence of the activities of the sources that are owned or controlled by another entity. Further categorized as:
  - which are emissions associated with energy that is consumed by the entity. (Ref: Para. A7)
  - which are all other indirect emissions. (Ref: Para. A8)
- included in the entity’s GHG statement that is emissions, but which is not a removal; it commonly can also include a variety of other instruments or credits and allowances that are recognized by a which the entity is a part. [FINAL SENTENCE MOVED 9.1]

The factor or ratio for converting the measure of an fuel consumed, kilometers travelled, the number of product produced) into an estimate of the quantity of entity.

work for Assurance Engagements, paragraph 34-38.
deduction in which the entity pays for another entity’s removals (removal enhancements), line. (Ref: Para. A10)

Where the entity pays for another entity to lower its emissions to be lowered (emissions removal enhancements), line. (Ref: Para. A10)

determining the quantity of GHGs that relate to the entity, as emitted (or removed) by particular sources (or

gases, paragraph 8
compliance with this ISAE unless the practitioner has


e and experience, and sufficient skills, knowledge and
quantification and reporting of emissions to accept
conclusion; and

ent team and any practitioner’s external experts
ery professional competencies, including appropriate
in the quantification and reporting of emissions, to
ent in accordance with this ISAE. (Ref: Para. A15-A16)

conditions for the engagement are present:

t to determine that both the GHG statement and the
ope to be useful to intended users, considering, in
clude significant emissions that have been, or could
engaging and maintaining such internal control as the entity
enables the preparation of a GHG statement that is free
from material misstatement, whether due to fraud or error;

basis for the preparation of its GHG statement in
accordance with applicable criteria; and (Ref: Para. A40)

Describing in its GHG statement the applicable criteria
it is not readily apparent from the engagement

required by ISAE 3000\textsuperscript{12} shall include:

engagement;

ulation;

, including those described in paragraph 16 (c);

criteria for the preparation of the GHG statement;

munication and content of any reports to be issued by the

there may be circumstances in which a report may

\textsuperscript{12} The use of ISAE 3000 may be extended to ISAE 3010 if necessary.
Evidence regarding compliance with the provisions of laws generally recognized to have a direct effect on the content of

compliance or suspected non-compliance with laws and regulations defining the engagement. (Ref: Para A48)

will be performed effectively, as required by ISAE standards A49-A52)

engagement that define its scope;
The practitioner’s professional judgment, are significant in efforts;

acceptance or continuance procedures

whether knowledge gained on other engagements is relevant;

extent of resources necessary to perform the engagement;

material audit function, if any, on the engagement.

The Engagement

Materiality When Planning the Engagement

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Risk Assessment Procedures, and Related Activities

...of the entity and its environment and shall perform

...ation and assessment of risks of material misstatement

...the case of a limited assurance engagement, and at the

...ection level for each type of emission and disclosure in

...e engagement; and

...asures at the GHG statement and assertion levels.

...ng of the entity and Rrisk assessment procedures by

...ufficient appropriate evidence on which to base the

...ll include the following:

...entity who, in the practitioner’s judgment, may have

...identifying risks of material misstatement due to fraud

...A67-A69)

...Para. A70-A72)

...ed other engagements for the entity, the engagement

...formation obtained is relevant to identifying risks of

...e members of the engagement team, and any key

...ssess the susceptibility of the entity’s GHG statement

...to fraud or error, and the application of the applicable

...stances. The engagement partner shall determine
each to the entity’s overall emissions; and
associated with the quantities reported in the GHG
(A20-A27)

It includes comparative emissions relating to prior
Changes in the nature or extent of operations, including
mergers, acquisitions, or sales of emissions sources, or
significant emissions that may require adjustment of
the entity’s year period(s) or base year period(s), or disclosure
of interruptions to operations. (Ref: Para. A74)

Comparison of quantification methods and reporting policies,
es thereto and the potential for double-counting of

Applicable criteria relevant to estimates, including related

Subjective and strategy, if any, and associated economic,

rity for, emissions information within the entity.

er the entity’s quantification methods and reporting
of the entity’s organizational boundary, are appropriate
with the applicable criteria and quantification and
industry and in prior periods.

ntity’s Facilities

ether it is necessary in the circumstances of the
location at significant facilities. (Ref: Para. A76-A79)
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For Reasonable Assurance Engagements

Understanding of internal control relevant to the engagement. 

Of controls that are relevant to the engagement, the practitioner will determine whether they have been designed and operating effectively in addition to inquiry of the entity’s personnel.

Understanding of the components of internal control relevant to the engagement, being those the practitioner judges it necessary to assess the risks of material misstatement at the assertion level. An assurance engagement requires procedures responsive to assessed risks. An assurance engagement will provide a reasonable assurance that the internal control is designed and operating effectively.

Assessing the internal audit function and its activities with respect to the related business processes, relevant to emissions reporting. (Ref: Para. A81-A82)

For issuing an adverse or qualified report, the practitioner will determine whether the entity’s personnel have communicated, in writing, the roles and responsibilities of persons relating to emissions reporting, as well as an understanding of internal control relevant to the engagement.
process of obtaining an understanding of the entity and its controls that relate to the risks, and by considering the
risks in the GHG statement;
evaluate whether they relate more pervasively to the
affect many assertions;
it can go wrong at the assertion level, taking account of
oner intends to test, if any; and
misstatement, including the possibility of multiple
potential misstatement is of a magnitude that could
material misstatement, the practitioner shall consider at
A83-A84)
statement in the GHG statement, and the possibility of
ant emission; (Ref: Para. A82.1-A82.3-A43-A46, and A83(a))
ory changes; (Ref: Para. A83(b))
a. A83(c))
hods; (Ref: Para. A83(d))
termining the organizational boundary and whether
: Para. A32-A33)
issions that are outside the normal course of business
appear to be unusual; (Ref: Para. A83(e))
quantiﬁcation of emissions; (Ref: Para. A83(e))
cluded in the GHG statement; and (Ref: Para. A83(f))
To Provide Sufficient Appropriate Evidence

The practitioner may judge that it is not possible or practicable to perform further procedures without performing tests of controls. In such cases, the practitioner shall consider overall responses to address the assessed risks of material misstatement at the engagement level. (Ref: Para. A86-A88)

Risk Assessment

Perform further procedures for each material type of the engagement and the practitioner shall (Ref: Para. A88.1-A88.2)

Risk assessment given to the risk of material misstatement for disclosure, including: (Ref: Para. A89)

- Misstatement due to the particular characteristics of the or disclosure (that is, the inherent risk); and
- the practitioner takes account of relevant controls (that is, the that, in rare circumstances, requires the practitioner to whether the controls are operating effectively (that to rely on the operating effectiveness of controls in ing and extent of other procedures); and (Ref: Para. A90)
Within the context of misstatement, the practitioner shall: (Ref: Para. A99)

1. Fully applied the requirements of the applicable criteria

2. Making estimates are appropriate and have been applied
3. Changes, if any, in reported estimates or in the method
4. Prior period are appropriate in the circumstances; and
5. Of the procedures identified in paragraph 50 in the

All consider the following when designing the sample:
6. Characteristics of the population from which the sample

7. Immediately to fraud or suspected fraud and non-compliance
8. Laws and regulations identified during the engagement.

**Aggregation Process**

Include the following procedures related to the GHG
9. Statement with the underlying records; and
10. Made during the course of preparing the GHG statement.
A practitioner takes account of relevant controls (that is, the inherent risk); and

takes account of relevant controls (that is, the inherent risk); and

and (Ref: Para. A90)

and (Ref: Para. A90)

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and (Ref: Para. A90)
respect to recorded quantities or ratios which are material misstatements.

Fluctuations or relationships that are significantly different from the expected information or that differ significantly from expected relationships or that are significantly

all investigate such differences by:

- In the case of a reasonable assurance engagement, obtaining the entity’s responses; and
- As necessary in the circumstances.

Aggregation Process

For each misstatement, the practitioner shall conclude evaluate:

- whether the practitioner has applied the requirements of the applicable criteria

- whether the estimates are appropriate and have been applied consistently, if any, in reported estimates or in the method for preparing the estimates.

- whether material misstatement, the practitioner shall undertake investigation of the nature of estimates: (Ref: Para. A99)

- whether the estimate and the data on which it is based. In doing so, the practitioner:

-...
the practitioner shall consider the following when the procedure, and the characteristics of the population and, in the case of tests of details, the desired level of confidence. (Ref: Para. A99.0)

appropriately to fraud or suspected fraud and non-compliance with laws and regulations identified during the aggregation process:

- The practitioner’s procedures shall include the GHG statement aggregation process: (Ref: Para. A99.38)

- The practitioner shall perform such additional procedures as are reasonably necessary in a limited assurance engagement that leads the practitioner to question whether the GHG statement contains a misstatement that is material.
The practitioner’s assessment of the risks of material misstatement may change during the course of the engagement as circumstances where the practitioner obtains evidence or if new information is obtained, either of which is such the practitioner originally based the assessment, the practitioner shall perform additional procedures and modify the planned procedures accordingly.

Statements identified during the engagement, other than in accordance with paragraphs 21–23 of this ISAE.

as progress and the circumstances of their occurrence may exist that, when aggregated with misstatements and the circumstances of their occurrence could be material; or

misstatements accumulated during the engagement approaches and exceedance with paragraphs 21–23 of this ISAE.

entity has examined a type of emission or disclosure and identified, the practitioner shall perform additional procedures to the entity to determine whether misstatements remain.

ents

a timely basis all misstatements accumulated during level within the entity and shall request the entity to
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the work of component practitioners regarding
practitioner shall: (Ref: Para. A102)
component practitioners about the scope and timing of
and their findings; and (Ref: Para. A103-A104)
vidence regarding those components and the process for
the GHG statement to express a conclusion. (Ref: Para.

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representations from a person(s) within the entity with
knowledge of the matters concerned: (Ref: Para. A106)
ponsibility for the preparation of the GHG statement
e criteria, as set out in the terms of the engagement;
pactitioner with all relevant information and access as
gement and reflected all relevant matters in the GHG

effects of uncorrected misstatements are immaterial,
the GHG statement. A summary of such items shall be
ritten representation;
ed in making estimates are reasonable; and

to the practitioner all deficiencies in internal control
e not clearly trivial and inconsequential of which the
shall be as near as practicable to, but not after, the date of

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that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.

The practitioner shall reevaluate whether:
(Ref: Para. A108)

information presented with the current emissions information
the practitioner shall evaluate whether: (Ref: Para. A108)

agrees with the amounts and other disclosures presented
appropriate, has been properly restated and that restatement
and

that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.

The practitioner shall evaluate whether:
(Ref: Para. A108)

information presented with the current emissions information
the practitioner shall evaluate whether: (Ref: Para. A108)

agrees with the amounts and other disclosures presented
appropriate, has been properly restated and that restatement
and

that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.

The practitioner shall evaluate whether:
(Ref: Para. A108)

information presented with the current emissions information
the practitioner shall evaluate whether: (Ref: Para. A108)

agrees with the amounts and other disclosures presented
appropriate, has been properly restated and that restatement
and

that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.

The practitioner shall evaluate whether:
(Ref: Para. A108)

information presented with the current emissions information
the practitioner shall evaluate whether: (Ref: Para. A108)

agrees with the amounts and other disclosures presented
appropriate, has been properly restated and that restatement
and

that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.

The practitioner shall evaluate whether:
(Ref: Para. A108)

information presented with the current emissions information
the practitioner shall evaluate whether: (Ref: Para. A108)

agrees with the amounts and other disclosures presented
appropriate, has been properly restated and that restatement
and

that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.

The practitioner shall evaluate whether:
(Ref: Para. A108)

information presented with the current emissions information
the practitioner shall evaluate whether: (Ref: Para. A108)

agrees with the amounts and other disclosures presented
appropriate, has been properly restated and that restatement
and

that become known to the practitioner after the date of
they been known to the practitioner at that date, may
recommend the assurance report.
The acceptance and continuance of client relationships
conclusions resulting from, consultations undertaken

**Acceptance and Continuance of Client Relationships**

A practitioner performs new or additional procedures or
of an engagement, the practitioner shall document:

- Procedures performed, evidence obtained, and conclusions
- Assurance report; and
- Changes to engagement documentation were made

Assurance documentation in an engagement file and
assembling the final engagement file on a timely basis
After the assembly of the final engagement file has
not delete or discard engagement documentation of any period. (Ref: Para. A113)

saged in paragraph 70 where the practitioner finds it
agement documentation or add new engagement
the final engagement file has been completed, the
ture of the modifications or additions, document:
them; and

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reached in formulating the assurance report and the proposed assurance report is appropriate.

whether the practitioner has obtained the desired level of assurance to support the GHG statement. That conclusion shall take into consideration the requirement of paragraph 60 of this ISAE:

- evaluated and the evidence obtained, the practitioner shall form an opinion of the engagement whether the assessments of the risks and evidence levels remain appropriate.

In the case of a reasonable assurance engagement, the engagement shall be performed, in all material respects, in accordance with the applicable criteria and whether, in view of the applicable criteria:

- the engagement methods and reporting practices, including segmentation methods and reporting practices, including judgments and decisions in the making of estimates and in assertions, are reasonable;
- the GHG statement is relevant, reliable, complete, and whether, in view of the applicable criteria:

Institute misstatements for the purposes of drawing conclusions on...
report is an independent assurance report. (Ref: Para. A119)

 Statement, including the period it covers, and, if any item is not covered by the practitioner’s conclusion, an subject to assurance as well as the excluded statement that the practitioner has not performed any excluded information and that, therefore, no conclusion
responsibilities.

 uncertainties relevant to emissions. (Ref: Para. A20-A27)

otes emissions deductions that are covered by the specification of those emissions deductions, and a statement with respect to them. (Ref: Para. A121-A124)

 able criteria;

 the criteria can be accessed;

ple only to specific intended users, or are relevant only statement restricting the use of the assurance report to a purpose; (Ref: Para. A119) and

be supplemented by disclosures in the explanatory for those criteria to be suitable, identification of the

’s responsibility, including:

ement was performed in accordance with ISAE 3410, the Gas Statement.
have studied the information in the GHG statement
understand that the GHG statement is prepared and
materiality. (Ref: Para. A55)
the practitioner’s firm.

... office is that has responsibility for the engagement.

Matter Paragraphs
try to: (Ref: Para. A127-A133)

- a matter presented or disclosed in the GHG statement
  is of such importance that it is fundamental to
of the GHG statement (an Emphasis of Matter

- in those that are presented or disclosed in the GHG
  oner’s judgment, is relevant to intended users’
  that, the practitioner’s responsibilities or the assurance

regulation, the practitioner shall do so in a paragraph in
   heading, that clearly indicates the practitioner’s
   the matter.

ements
appropriately to the entity the following matters that
ring the course of the engagement, and shall determine
port them to a party outside the entity:
hat, in the practitioner’s professional judgment, are of

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with other information that is subject to assurance by the requirements of paragraph 76 of this ISAE regarding the relevant is a matter for the practitioner’s professional engagement. For example, if the GHG statement is a formation subject to assurance it may not be necessary reference to this ISAE as well as ISAE 3000 or any other information that is subject to assurance by the requirements of paragraph 76 of this ISAE regarding the relevant is a matter for the practitioner’s professional engagement. For example, if the GHG statement is a formation subject to assurance it may not be necessary reference to this ISAE as well as ISAE 3000 or any relevant to emissions.

*Data* (Ref: Para. 4(b))

Indicator based on GHG data is the weighted average of manufactured by an entity during a period, which is mandated by law or regulation in some jurisdictions.

*ents (Ref: Para. 7-8, 41(e) and 46)

**PARAS 7 AND A78**] Determining the combination of procedures to be performed in either a reasonable assurance or a limited assurance GHG statement is a matter of professional judgment in all circumstances. Notwithstanding that some procedures are mandatory, those at paragraph 48 in relation to the GHG SAE does not attempt to prescribe in any detail the procedures in all circumstances. GHG statements cover a example, paragraphs A15 and A16); accordingly, these are likely to vary considerably from engagement to engagement. A GHG statement includes significant Scope 1 emissions, and a meaningful level of assurance could not ordinarily be obtained (or a component practitioner) having performed the facilities included in that aggregate (see also **Q Agenda Item 3-B**

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electricity that the entity purchases occur at the entity’s organizational boundary.

Emissions associated with, for example: employee business portion of fossil fuel or electricity required to use the action of materials purchased as inputs to the entity’s based fuels. Scope 3 emissions are further discussed in

index 2)

include jurisdiction-specific credits and allowances for been the quantity of emissions allowed by the criteria to emissions that may occur as a result of the money paid or for it to claim the emissions deduction.

includes emissions deductions that are subject to SAE apply in relation to emissions deductions as

(2)

from another entity, that other entity may spend the emissions reduction projects (such as replacing energy renewable energy sources, or implementing energy emissions from the atmosphere (for example, by would otherwise not have been planted or maintained), or not undertaking an action that would otherwise be forest degradation).

GHGs in geological sinks (for example, underground) Removal of GHGs the entity would have otherwise
or when there are a number of facilities that are
emissions which in the practitioner’s professional
facility as significant due to its specific nature or
icular risks of material misstatement. For example, a
gathering processes or quantification techniques from
icularly complex or specialized calculations, or involve
chemical or physical processes.

Requirements that apply to all assurance engagements,
with this ISAE. In some cases, this ISAE may include
material in relation to those topics.

(Ref: Para. 15)

General GHG competencies skills; nonetheless, be relevant in such cases include:

- science, including the scientific processes that relate
users of the information in the entity’s GHG statement
use that information (see paragraph A56).

- schemes and related market mechanisms, when relevant.

- and regulations, if any, that affect how the entity should
for example, impose a limit on the entity’s emissions.

- teria, including, for example:
Identified on invoices, and arithmetical application of however, the engagement is relatively complex (see specialist skills, knowledge and experience competence emissions. Particular areas of expertise that may be

Information is generated, including the assessment of and, recorded, processed, corrected as necessary, collated...

through a production process, and the accompanying includes identifying the relevant points at which may be particularly important in considering whether the emissions sources is complete.

relationships between inputs, processes and outputs, and and other variables. The capacity to understand and often be important in designing analytical procedures.

tries and related emissions creation and removal 1 emissions quantification vary greatly depending on involved, for example, the nature of electrolytic processes emission processes in the production of electricity using processes in cement production are all different.

and other quantification methods, and the selection...
pressure to reduce inappropriately the extent of work being threatened with withdrawal of the practitioner’s authority that is associated with the entity’s industry group. In laws or regulations, or safeguards in the work such threats to an acceptable level.

\textit{Agreement} (Ref: Para. 16(a))

reasons for excluding known emissions sources from assessed emissions sources from the engagement, may not exclude where:

1. emissions but only includes Scope 2 emissions in the

legal entity that has significant emissions that are not way the organizational boundary has been determined, ended users.

\textit{Matter} (Ref: Para. 14, 28(b)(i)c. and 76(e))

assess the appropriateness of the subject matter. In “s emissions (and removals and emissions deductions or of the engagement. That subject matter will be

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example, the rate of GHG sequestration in biological sinks, 
“1” values used to combine emissions of different gases 
side equivalents, are subject to incomplete scientific 
which scientific uncertainty affects the quantification of 
beyond the control of the entity. However, the potential 
result in unreasonable variations in reported emissions is 
criteria that stipulate particular scientific assumptions 
GHG statement, or particular factors that embody those 
results from the measurement and calculation processes 
within the bounds of existing scientific knowledge. 
ate to the data on which an estimate is based, or the 
ple the model, used in making the estimate (sometimes 
uncertainty, respectively). The degree of estimation 
by the entity. Reducing the degree of estimation 
greater cost.
emissions is subject to uncertainty does not ordinarily 
appropriate as a subject matter. For example, the 
e 2 emissions from electricity to be calculated by 
or to the number of kilowatt hours consumed. The 
ed on assumptions and models that may not hold true 
as the assumptions and models are reasonable in the 
ed, information in the GHG statement will ordinarily be 

E 3000, paragraph 19–21

xiting a defined boundary, for example, the amount of 
article device equals the amount of carbon exiting the device in
insurance engagement in such circumstances are not appropriate, i.e., if it is not appropriate for a reasonable assurance engagement, and vice versa.

To the GHG statement of the nature, causes, and effects entity’s GHG statement, alerts intended users to the quantification of emissions. This may be particularly not determine the criteria to be used. For example, a broad range of intended users even though the criteria regulatory purpose.

characteristic of all GHG statements, paragraph 76(e) assurance report regardless of what, if any, disclosures are the GHG statement. 19

criteria (Ref: Para. 16(b)) characteristics: relevance, completeness, reliability, criteria may be “specifically developed” or they may be for regulations, or issued by authorized or recognized current due process. 20 Ordinarily, established criteria are the needs of the intended users, for example, criteria aimed to be relevant when that regulator is the intended developed for a special purpose and be unsuitable for For example, criteria developed by a regulator that
Explanatory notes to the GHG statement, for example, as noted in paragraph 16(b).

If the applicable criteria is not affected by the desired suitable for a reasonable assurance engagement, they assurance engagement, and vice versa.

**Operational Boundary (Ref: Para. 16(b)(i), 28(b)(i), and 36(e))**

or controlled by the entity to include in the entity’s boundary the entity’s organizational boundary. In some cases, the applicable criteria may allow a choice between the entity’s organizational boundary, for example, the approach that aligns the entity’s GHG statement with approach that treats, for example, joint ventures or the entity’s organizational boundary may require the structures such as joint ventures, partnerships, and trusts, relationships. For example, a facility may be owned by a company to process materials solely for another party.

The operational boundary is different from what some criteria specify. The operational boundary relates to the corporate level after setting the organizational boundary. (b)(iv))

Assures specified in the relevant law or regulations are GHG statement of such matters as the following are assurance situations for intended users to understand the the GHG statement:
In paragraph A11, when reported emissions include those reported in the GHG statement on a gross basis, i.e., both Scope 1, Scope 2, or both Scope 1 and Scope 2 emissions in its GHG statement; uncertainties relevant to the entity’s quantification of its emissions; how they have been addressed; their effects on the GHG statement includes Scope 3 emissions, an A36–A39 emissions, including that it is not practicable for an entity to report in the GHG statement; and the Scope 3 emissions sources that have been included; mentioned in this paragraph or in other matters that mention the entity of the GHG statement with a prior period(s) or base

...
to exclude those Scope 3 emissions sources from the
engagement where the quantification is likely dependent on estimation and lead to a high degree of uncertainty. For example, various quantification methods for Scope 3 emissions from air travel can give widely varying quantifications and if such Scope 3 emissions sources are included in the quantification methods used are selected objectively with the uncertainties associated with their use.

Engagement of the GHG Statement (Ref: Para. 16(c)(ii))

The engagements concerns about the condition and availability of the entity's practices and the need to ensure the practitioner to conclude that it is unlikely that the entity has little experience with the preparation of GHG Statements, it may be more appropriate for the practitioner to prepare for an assurance consulting engagement to assist the entity to develop methodologies.

Prepared for a regulatory disclosure regime or emissions criteria and form of reporting are prescribed, it will be the regulator or body in the criteria. In voluntary reporting situations, however, it criteria unless it is stated in the explanatory notes to the

(Ref: Para. 14)
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Element strategy, it may be relevant to consider the
design and implementation of the GHG
in some cases the entity may have been particularly
internal control to ensure the reliability of reported
the entity may have focused more on accurately
or technical characteristics of the information to be

straightforward engagements (see paragraph A15), may be
ment team. With a smaller team, coordination of, and
ers is easier. Establishing the overall engagement
for a more straightforward engagement, need not be a
. For example, a brief memorandum, based on
s the documented engagement strategy if it covers the

cuss elements of planning with the entity when
ent or to facilitate the conduct and management of the
s some of the planned procedures with the work of the
ussions often occur, the overall engagement strategy
practitioner’s responsibility. When discussing matters
strategy or engagement plan, care is required in order not
engagement. For example, discussing the nature and
the entity may compromise the effectiveness of the
s too predictable.

agement is an iterative process. As the practitioner
ence obtained may cause the practitioner to modify the
nd procedure. In some cases, information may come to
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made in light of surrounding circumstances, and are a misstatement, or a combination of both; and

the material to intended users of the GHG statement are common information needs of intended users as a statements on specific individual users, whose needs are provided.

Applicable criteria, provides a frame of reference to the engagement. If the applicable criteria do not matter of materiality, the characteristics referred to above to reference.

Materiality is a matter of professional judgment, and is common information needs of intended users a for the practitioner to assume that intended users:

GHG related activities, and a willingness to study the report with reasonable diligence (see paragraph 76(k));

is prepared and assured to levels of materiality, and

materiality concepts included in the applicable criteria involvement of emissions involves uncertainties (see paragraphs

the basis of the information in the GHG statement.

needs may include, for example:

with governance of the entity who use information and operational decisions, such as choosing between investment and divestment decisions, perhaps in emission regime or entering an emissions trading scheme.
number of people who have access to it. In such cases, it is likely to have a broad range of interests with respect to limited to major stakeholders with significant and may be identified in different ways, for example, by the responsible party or engaging party, or by law. In light of surrounding circumstances, and are affected factors. It should be noted, however, that decisions by the desired level of assurance, i.e., materiality for a the same as for a limited assurance engagement.

chosen benchmark as a starting point in determining the identification of an appropriate benchmark and

GHG statement (for example, Scope 1, Scope 2 and reductions, and removals). A benchmark that may be circumstances, is gross reported emissions, i.e., the Scope 2 and Scope 3 emissions before subtracting any. Materiality relates to the emissions covered by the the engagement does not cover the entire GHG statement to only that portion of the GHG statement that is if it were the GHG statement.

of emission or the nature of a particular disclosure. In lar types of emissions or disclosures for which than materiality for the GHG statement in its entirety practitioner may consider it appropriate to set a lower a particular jurisdiction, or for a particular gas or

tents relevant information, for example, whether it ions with a prior period(s), base year, or a “cap,” in
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Material Misstatement through Understanding the Statement Level (Ref: Para. 24, 31.1, 33 and 34(a))

The GHG statement level refer to risks that relate the whole and potentially affect many assertions. Risks of identifiable with a specific assertions at the class of type or, they represent circumstances that may increase the assertion level more generally, for example, through
sources of GHGs.

In connection with emissions trading markets.

Prior periods that is not prepared on a consistent basis, changed boundaries or changes in measurement

formation in the GHG statement, for example, unduly

able data or trends.

ods and reporting policies, including different methods

al boundary, at different components.

consolidating information from components.

fic uncertainties and key assumptions in relation to

levant components of internal control may raise doubts

cidence is available for the practitioner to complete the
graphs A81–A82, A87–A88, and A90 also)

ose preparing the GHG statement may be so serious
clude that the risk of management misrepresentation
at an engagement cannot be conducted.

and reliability of an entity’s records may cause the
 unlikely that sufficient appropriate evidence will be
ied conclusion on the GHG statement.
tion of emissions has been recorded appropriately. 
been recorded in the correct reporting period.
have been recorded as the proper type.

disclosure:

ibility—disclosed emissions and other matters have 
entity.

ures that should have been included in the GHG 
led.

andability—emissions information is appropriately 
disclosures are clearly expressed.

on—emissions quantification and other information 
ent are appropriately disclosed.

on policies are consistent with those applied in the prior 
ified and have been properly applied and adequately 
formation, if any, is as reported in the prior period 
restated.

The practitioner may use the assertions as described 
y provided all aspects described above have been 

essment Procedures (Ref: Para. 25(b))

isk assessment procedures may identify aspects of the 
aware and may assist in assessing the risks of material 
ysis for designing and implementing responses to the 
erformed as risk assessment procedures may include,

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process or procedure being performed by others, for
process or procedure being performed by others, for
monitoring devices being calibrated by the entity’s
monitoring devices being calibrated by the entity’s
control activities. Observation provides audit evidence
control activities. Observation provides audit evidence
procedure, but is limited to the point in time at which
procedure, but is limited to the point in time at which
fact that the act of being observed may affect how the
fact that the act of being observed may affect how the
do
observer acts. Examples of such procedures
observer acts. Examples of such procedures
include the following:
include the following:
- Observation of processes and equipment, including monitoring
- Observation of processes and equipment, including monitoring
equipment, particularly relevant where significant Scope 1
equipment, particularly relevant where significant Scope 1
GHG statement.
GHG statement.
- Observation of mitigation plans and strategies), records (such as
- Observation of mitigation plans and strategies), records (such as
- Observation of mitigation plans and strategies), records (such as
- Observation of mitigation plans and strategies), records (such as
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Conversely, if the entity is expecting to be subject to a permit quota in the future, this may provide an incentive to overstate their opportunity for it to receive a larger permit quota so that the target will appear to be.

Entity’s Facilities (Ref: Para. 30)

...
likely to be relevant to the engagement if the nature of
ilities and activities are related to the entity’s GHG
to use the work of the internal auditors to modify the
procedures to be performed.

ether particular control activities are relevant to the
level of sophistication, documentation and formality of
cluding the related business processes, relevant to
missions evolves, it can be expected that so too will the
ification and reporting of emissions.
A statement can arise from either fraud or error. The

related error is whether the underlying action that results in the

statement is intentional or unintentional.

A statement of the GHG statement may arise if, for

example, an employee is involved with, or have the opport

unity to influence, the significant portion of their compensation contingent upon

as noted in paragraph A75, other incentives to either

benefit from the entity’s climate change strategy, if any, and

ethical and reputational risks.

A legal concept, for the purposes of this ISAE, the

that causes a material misstatement in the GHG

may suspect or, in rare cases, identify the occurrence of

legal determinations of whether fraud has actually

[SECTION MOVED FROM A47]

practitioner’s responsibilities in relation to compliance

and regulations as follows:

and regulations generally recognized to have a direct

material amounts and disclosures in the GHG statement

related quantities and disclosures in an entity’s GHG

requires the practitioner to obtain sufficient appropriate

misstatement due to non-compliance with the

e with such laws and regulations; and

do not have a direct effect on the determination of the

GHG statement, but compliance with which may be

pects of the business, to an entity’s ability to continue

penalties (for example, compliance with the terms of
as may be complex (for example, it may involve multiple cases), discontinuous (for example, peak load electricity relationships between the entity’s emissions and other example, a cobalt nickel plant). In such cases, the technical procedures may be significantly reduced.

Changes (for example, introduction of new processes, or firing of emissions sources or removal sinks) may also statement (for example, through unfamiliarity with dures). Also double counting of an emissions source or inadequate coordination in the identification of sources tion.

Quantification method (for example, calculating Scope 1 factor when using a more accurate direct measurement d be more appropriate). Selecting an appropriate larly important when the method has been changed. re often interested in emissions trends over time, or eria may require that quantification methods are only method is to be used. Other factors related to the nature e:

Quantification method, such as not calibrating meters or not frequently, or use of an emissions factor that is emstances. For example, an emissions factor may be of continuous use and may not be appropriate to use
Judgmental matters may include the development of quantification methods and reporting principles for data collection and processing.

Matters where the source data used in quantification are not always reliable or consistent, which may make it difficult for the entity to determine the reliability of the data. The quantification methods commonly in use are based on subjective or complex assumptions where the source data used in quantification are not always reliable or consistent. In reported emissions (see paragraphs A36-A39), the entity may consider in obtaining an understanding of whether and, if so, the effect of estimation uncertainty include, for example:

- Whether the entity has considered alternative assumptions or performed a sensitivity analysis to determine the sensitivity of the assumptions on an estimate;
- Whether the estimate when analysis indicates a number of risks to the outcomes of estimates made in the prior period, and responded to the outcome of that monitoring procedure.

Judgmental matters may include whether and, if so, the effect of estimation uncertainty include:
Assessed risks of material misstatement at the GHG personnel the need to maintain professional skepticism.
off or those with special skills or using experts.

tments of unpredictability in the selection of further
rature, timing, or extent of procedures, for example: end instead of at an interim date; or modifying the re persuasive evidence.

misstatement at the GHG statement level, and thereby s affected by the practitioner’s understanding of the 
rol environment may allow the practitioner to have the reliability of evidence generated internally within w the practitioner to conduct some procedures at an d. Deficiencies in the control environment, however, the practitioner may respond to an ineffective control of the period end rather than at an interim date.
ence from procedures other than tests of controls. e xtent of procedures, such as the number of facilities at .
Thus: The extent of further procedures performed in a limited assurance engagement is generally less than in a reasonable assurance engagement. This may seem to be examined, for example, reducing sample sizes (for example, performing only analytical procedures when, in a reasonable assurance engagement, both tests of detail would be performed); or

Location at fewer facilities.

Thus: In a reasonable assurance engagement, analytical procedures to assessed risks ordinarily involve developing assertions that are sufficiently precise to identify material misstatements with the level of precision that would be obtained by making inquiries of the entity and the light of known engagement circumstances, without exceptions. In some circumstances the practitioner may develop a precise relationship even in a limited assurance engagement.
Other procedures may include, for example:

- Appropriate sources (for example, government documents and other contracts relevant to determining the propriety of unique measurement or quantification methods that may involve, for example, recycle or analyzing the characteristics of materials such as coal, or techniques and reviewing laboratory test results.

- Source documents, such as production records, fuel purchased or sales and the suitability of calculation methods used for aggregation of input measurements).

**Material Misstatement** (Ref: Para. 39.1(a) and 41(a))

... and risks of material misstatement include:
data collection are trained in relevant methods, and personnel.

on used in data and manipulation.

cedures implemented at testing laboratories, whether

quantification and reporting policies, including how the

39.1(a)(ii), 41(a)(ii) and 42(a))

mature information systems, there may not be many
ified by the practitioner, or the extent to which their
mented by the entity may be limited. In such cases, it
ner to perform further procedures that are primarily
re cases, however, the absence of control activities or
make it impossible to obtain sufficient appropriate
82, and A87-A88 also)

41(b))

ecause of a higher assessment of risk, the practitioner
ce, or obtain evidence that is more relevant or reliable,
nd third-party evidence or by obtaining
er of independent sources.

ime to Assessed Risks (Ref: Para. 39.2, 46)
In some cases, data to be used may be entered in another entry of related financial data, and some common quantity of fuel purchased as recorded on suppliers’ conditions that relevant invoices are entered into an cases, data to be used may be an integral input to subject to increased scrutiny by operational personnel, or procedures (for example, as part of a joint venture).

Aggregation Process (Ref: Para. 48)

...
If+')d
hated fraud identified during the engagement, it may be
example:

ity.
ith an appropriately qualified third party, such as the

matter in relation to other aspects of the engagement,
essment and the reliability of written representations
sequences of different courses of action.
(for example, a regulator).

(Ref: Para. 39.6 and 52.2)

Aggregation Process (Ref: Para. 39.6 and 52.2)
little or no manual intervention, for example, where processed, or reported only in electronic form such as in a
the processing of activity data is integrated with an
al reporting information system. In such cases:
electronic form, and its sufficiency and appropriateness
m controls over its accuracy and completeness.
ination or alteration of information to occur and not be
propriate controls are not operating effectively.

4]–External confirmation procedures may provide
pation as:
party, such as data about: employee air travel collated
ergy to a facility metered by a supplier; or kilometers
es recorded by an external fleet manager.

calculating emissions factors.
other parties are, or are not, including particular
sment, when considering the entity’s organizational
s of samples (for example, the calorific value of input

The Results of Procedures Performed

Are Necessary in a Limited Assurance Engagement
mount below which misstatements would be clearly cumulated because the practitioner expects that the error would not have a material effect on the GHG other expression for “not material.” Matters that are different (smaller) order of magnitude than materiality his ISAE, and will be matters that are clearly individually or in aggregate and whether judged by any ces. When there is any uncertainty about whether one matter is considered not to be clearly trivial.

**Practitioner** (Ref: Para. 61)

ample, a factory or other form of facility at a remote ranch in a foreign jurisdiction; or a joint venture or when the engagement team plans to request a component information of a component may include:

- the practitioner understands and complies with the ethical to the engagement and, in particular, is independent.
- professional competence.

- team’s involvement in the work of the component

- practitioner operates in a regulatory environment that (Ref: Para. 61(a))

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The group engagement team may request the component practitioner to:

- confirm that the component practitioner has complied with ethical requirements that are relevant to the component, including independence and professional competence.
- confirm that the component practitioner has complied with the group engagement team’s requirements.
- confirm that the component practitioner has communicated or otherwise brought to the engagement team’s attention any matters that the component practitioner has identified that could give rise to a significant deficiency in the component’s financial statements.
- confirm that the component practitioner has taken all necessary representations that the component practitioner’s overall findings, conclusions or opinion.

(Ref: Para. 61(a))
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tioner requests written representations will ordinarily for those charged with governance. However, because structures vary by jurisdiction and by entity, reflecting national and legal backgrounds, and size and ownership for this ISAE to specify for all engagements the no request written representations. For example, the separate legal entity in its own right. In such cases, ent personnel or those charged with governance from ions may require the exercise of professional judgment.

example, the publication of revised emissions factors ency, changes to relevant legislation or regulations, nificant structural changes in the entity, the availability of methods, or the discovery of a significant error.

or period may need to be restated in accordance with example, improved scientific knowledge, significant ability of more accurate quantification methods, or discovery of a significant error.

as a stand-alone document, or with other information, part of an entity’s annual report or sustainability report, s:

’s position on climate change;
In some cases, the emissions information that is calculated on a different basis whereby emissions are recalculated to omit the commissioning of new plant or the closing down of a plant to have such information removed if the methods used by the criteria used to prepare the GHG statement.

To have removed any narrative information that is data included in the GHG statement or cannot be appropriate when other information could undermine the practitioner’s report include, for example:

• narratives (e.g., a regulator).

• any concession report.

• evidence, where withdrawal is possible under applicable law or insurance report.

and Evidence Obtained (Ref: Para. 14, and 67-68)

to document matters that are significant in providing the report and that the engagement was performed in
other parties outside the entity.


The factors considered in their determination:

- the reasons for such changes.

- and

- the significant decisions reached.

- the understanding was obtained regarding each of the aspects of the components specified in paragraph 28 and of each of relevant control components specified in paragraph 31.1 and 33; in which the understanding was obtained; and the risk maintained.

- and
engagements, the conclusions reached about relying in a previous engagement.

... statements would be regarded as clearly trivial.

...ed during the engagement and whether they have been

...s to whether uncorrected misstatements are material, and the basis for that conclusion.

**Reference Report (Ref: Para. 70)**

Annexes include facts which become known to the assurance report but which existed at that date and which, caused the GHG statement to be amended or the... in the assurance report, for example, the discovery of... the resulting changes to the audit documentation are firm’s policies and procedures with respect to review QC 1, with the engagement partner taking final

(Para. 71)

...ment are at least as demanding) requires firms to establish... the assembly of engagement files.27

*Audits and Reviews of Financial Statements, and Other Assurance – 33*
ent by the entity requires the inclusion of an adequate in the explanatory notes to the GHG statement. That the framework on which the GHG statement is based, there are significant differences between various criteria are treated in a GHG statement, for example: which of any; how they have been quantified and what they which Scope 3 emissions are included, and how they are prepared in accordance with particular criteria is that complies with all the requirements of those criteria covered by the GHG statement.

Criteria that contains imprecise qualifying or limiting statement is in substantial compliance with the inadequate description as it may mislead users of the GHG

Report on a GHG statement is included in Appendix 3.
Reliable information in relation to offsets and other measured emissions deductions and, therefore, so does the evidence available to support emissions deductions. An assurance report of those emissions deductions, if any, and a statement of the practitioner’s responsibility with respect to emissions offsets are comprised of offsets: “The GHG ABC’s emissions for the year of yyy tonnes of CO$_2$-e resulted, or will result, in a reduction of yyy tonnes.

Identity (Ref: Para. 76(h)(ii))

A reasonable assurance engagement is ordinarily in the short- and only briefly describes procedures performed. An assurance engagement, describing in any level of detail the procedures performed, could not assist users to understand that, in all cases where
missions for that time and this has been stated in the
appropriate when, for example, the scope of the
activity from the previous period and this has not been stated
other paragraph includes a clear reference to the matter
relevant disclosures that fully describe the matter can be
paragraph reflects clearly that such other matter is not
excluded in the GHG statement. Paragraph 77 limits the use of
this relevant to users’ understanding of the engagement,
the assurance report, that the practitioner considers it
relevant to the assurance report.
Recommendations on matters such as improvements to the
assurance report may imply that those matters have not
been included during the GHG statement. Such recommendations may
be included in a management letter or in discussion with those charged
with deciding whether to include recommendations
whether their nature is relevant to the information needs of
be worded appropriately to ensure they will not be
the GHG statement.
include information that the practitioner is prohibited
or other professional standards, for example, ethical
provisions of information. An Other Matter paragraph also does
require to be provided by management.
engagement, whether anything has come to
the practitioner’s attention that causes the
practitioner to believe on the basis of the
procedures performed that the GHG
statement is not prepared, in all material
respects, in accordance with the applicable
criteria.

(b) To report on the entity’s GHG
statement, and communicate as required by
this ISAE, in accordance with the
practitioner’s findings. (Para. 12)

<table>
<thead>
<tr>
<th>A15-A17 and A31</th>
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<td>A21-A22 and A57</td>
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<th>Assurance engagements, the need to perform risk assessments to provide a identification and assessment of risks of material misstatement can be expected to be more comprehensive than for a limited assurance engagement, whether anything has come to the practitioner’s attention that causes the practitioner to believe on the basis of the procedures performed that the GHG statement is not prepared, in all material respects, in accordance with the applicable criteria.</th>
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<td>Because the number of facilities at which procedures are performed on location in the case of a reasonable assurance engagement will ordinarily be greater than in the case of a limited assurance engagement, the practitioner’s understanding of the entity and subsequent identification and assessment of risks of material misstatement can be expected to be more comprehensive than for a limited assurance engagement.</td>
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</tbody>
</table>

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Relatively greater emphasis is likely to be placed in a limited assurance engagement on procedures such as inquiries of the entity's personnel and analytical procedures, and relatively less emphasis on tests of controls (other than monitoring controls) and obtaining evidence from external sources than would be the case for a reasonable assurance engagement. (Par. A5(c))

In a limited assurance engagement, the practitioner will be able to report if the practitioner is able to conclude that the affected item(s) are not likely to cause a misstatement. In similar circumstances for a reasonable assurance engagement, however, the practitioner will not be able to report until the practitioner is able to conclude that the affected item(s) are or are not misstated (or determines that neither conclusion can be formed). (Par. 53)

In a reasonable assurance engagement, the practitioner evaluates whether the GHG statement is prepared, in all material respects, in accordance with the applicable criteria. In a limited assurance engagement, the practitioner evaluates whether anything
users to understand that, in all cases where an unmodified report is issued, sufficient appropriate evidence has been obtained to enable the practitioner to express a conclusion in the positive form.

In a limited assurance engagement, however, the assurance that the practitioner obtains varies depending on the procedures performed. It is important therefore to summarize those procedures in the report in sufficient detail for users to understand the assurance obtained in the particular engagement. (Para. A125–A126)

In a reasonable assurance engagement, the practitioner’s conclusion is expressed in the positive form. In a limited assurance engagement, the practitioner’s conclusion is expressed in the negative form. (Para. 76(i))
Within the entity’s boundary but captured and stored released into the atmosphere. They are ordinarily a Scope 1 emission and a removal) (see paragraph A6).

emissions. Such actions might reduce Scope 1 (e.g., fuel efficient vehicles), Scope 2 emissions (for reduce the quantity of purchased electricity), or Scope 3 business travel or selling products that require less energy such actions in the explanatory notes to the GHG quantification of emissions on the face of the entity’s reported emissions are lower than they would otherwise be action in accordance with the applicable criteria (see
the GHG statement in accordance with [applicable
to the Emissions Inventory. This responsibility includes
internal control relevant to the preparation of a GHG
statement, whether due to fraud or error.

*Emissions*

because of such things as emissions factors that are
issuances, and the inability of those models to precisely
relationships between various inputs and the resultant
knowledge.

actions taken by ABC to reduce them as far as practicable,
inventory.

Professional Accountants* issued by the International
which includes comprehensive independence and other
rules of integrity, objectivity, professional competence
behavior.

Quality Control 1,30 [name of firm] maintains a
including documented policies and procedures regarding

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...
Emissions

because of such things as emissions factors that are uncertain, and the inability of those models to precisely
quantify relationships between various inputs and the resultant
knowledge.

actions taken by ABC to reduce them as far as practicable,

Professional Accountants (the IESBA Code) issued by

the Institute of Chartered Accountants for Accountants, which includes comprehensive
directives on fundamental principles of integrity, objectivity,

independence and professional behavior.

On Quality Control 1, [name of firm] maintains a

disciplinary team including assurance practitioners,

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...of ABC’s use of [applicable criteria], applied as inventory, as the basis for preparing the GHG statement; statement, whether due to fraud or error, in the GHG considered elements of internal control relevant to inventory.

...ification methods and reporting policies used and the ABC.

appropriate to the circumstances of the engagement.

atures related to:

Emissions

because of such things as emissions factors that are emissions, and the inability of those models to precisely relationships between various inputs and the resultant knowledge.

ms taken by ABC to reduce them as far as practicable, inventory.

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depending on the nature of the practitioner’s other