

**PROPOSED INTERNATIONAL STANDARD ON SUSTAINABILITY
ASSURANCE (ISSA) 5000 GENERAL REQUIREMENTS FOR
SUSTAINABILITY ASSURANCE ENGAGEMENTS****OBJECTIVES, DEFINITIONS AND REQUIREMENTS
(CLEAN)****Introduction****Scope of this ISSA**

[Not yet drafted. To be discussed with the IAASB in June 2023.]

Effective Date

[To be discussed with the IAASB in June 2023.]

Objectives

1. In conducting a sustainability assurance engagement, the objectives of the practitioner are:
 - (a) To obtain either reasonable assurance or limited assurance, as appropriate, about whether the sustainability information is free from material misstatement;
 - (b) To express a conclusion regarding the outcome of the measurement or evaluation of the underlying subject matter through a written report that conveys either a reasonable assurance or a limited assurance conclusion and describes the basis for the conclusion; (Ref: Para. A1) and
 - (c) To communicate further as required by this ISSA and any other relevant ISSA.
2. In all cases when reasonable assurance or limited assurance, as appropriate, cannot be obtained and a qualified conclusion in the practitioner's assurance report is insufficient in the circumstances for purposes of reporting to the intended users, this ISSA requires that the practitioner disclaim a conclusion or withdraw (or resign) from the engagement, where withdrawal is possible under applicable law or regulation.

Definitions

1. For purposes of this ISSA, the following terms have the meanings attributed below:
 - (a) **Assertions** - Representations by the entity, explicit or otherwise, that are embodied in the sustainability information, as used by the practitioner to consider potential misstatements that may occur. (Ref: Para. A1R)
 - (b) **Assurance engagement** - An engagement in which a practitioner aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users about the sustainability information. Each assurance engagement is either a:

- (i) Reasonable assurance engagement - An assurance engagement in which the practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner's conclusion. The practitioner's conclusion is expressed in a form that conveys the practitioner's opinion on the outcome of the measurement or evaluation, including presentation and disclosure, of the underlying subject matter, against applicable criteria.
- (ii) Limited assurance engagement - An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner's attention to cause the practitioner to believe the sustainability information is materially misstated. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the practitioner's professional judgment, meaningful. To be meaningful, the level of assurance obtained by the practitioner is likely to enhance the intended users' confidence about the sustainability information to a degree that is clearly more than inconsequential.
- (c) Appropriate party(ies) – Management or those charged with governance, as appropriate, or the engaging party, if different.
- (d) Assurance skills and techniques – Those planning, evidence gathering, evidence evaluation, communication and reporting skills and techniques demonstrated by an assurance practitioner.
- (e) Comparative information – The sustainability information presented for one or more prior periods.
- (f) Criteria – The benchmarks used to measure or evaluate the underlying subject matter. The “applicable criteria” are the criteria used for the particular engagement. (Ref: Para. A2)
- (g) Disclosures – Specific sustainability information presented by the entity related to an aspect of a topic. (Ref: Para. A3)
- (h) Engagement circumstances – The broad context defining the particular engagement, which includes: the terms of the engagement; the scope of the assurance engagement and whether it is a reasonable assurance engagement or a limited assurance engagement; the topics, aspects of the topics and disclosures comprising the sustainability information; the applicable criteria; the information needs of the intended users; relevant characteristics of the entity and its reporting boundary; the characteristics of the entity's management and those charged with governance; and other matters that may have a significant effect on the engagement.
- (i) Engagement leader – The partner or other staff member appointed by the firm, who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement leader” should be read as referring to its public sector equivalents where relevant. (Ref: Para. A4-A5)
- (j) Engagement risk – The risk that the practitioner expresses an inappropriate conclusion when the sustainability information is materially misstated. (Ref: Para. A6-A8)

- (k) Engaging party - The party(ies) that engages the practitioner to perform the assurance engagement, which may be management or those charged with governance, or another party.
- (l) Engagement team - The engagement leader and other personnel performing the engagement, and any other individuals who perform procedures on the engagement, excluding a practitioner's external expert.
- (m) Entity - The legal entity, economic entity, or the identifiable portion of a legal or economic entity, or combination of legal or other entities or portions of those entities to which the sustainability information relates. (Ref: Para. A9)
- (n) Evidence – Information, to which procedures have been applied, that the practitioner uses to draw conclusions that form the basis for the practitioner's assurance conclusion and report. For purposes of the ISSAs:
 - (i) Sufficiency of evidence is the measure of the quantity of evidence.
 - (ii) Appropriateness of evidence is the measure of the quality of evidence.
- (o) Firm - A sole practitioner, partnership or corporation or other entity of individual practitioners. "Firm" should be read as referring to its public sector equivalents where relevant. (Ref: Para. A10)
- (p) Fraud - An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
- (q) Further procedures - Procedures performed in response to areas in the sustainability information where material misstatements are likely to arise (limited assurance) and assessed risks of material misstatement (reasonable assurance), including tests of controls and substantive procedures, such as tests of details and analytical procedures.
- (r) Historical financial information - Information expressed in financial terms in relation to a particular entity, derived primarily from that entity's accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.
- (s) Intended users - The individual(s) or organization(s), or group(s) thereof that the practitioner expects will use the sustainability assurance report. In some cases, there may be intended users other than those to whom the sustainability assurance report is addressed.
- (t) Internal audit function - A function of an entity that performs assurance and consulting activities designed to evaluate and improve the effectiveness of the entity's governance, risk management and internal control processes.
- (u) Management - The person(s) with executive responsibility for the conduct of the entity's operations. For some entities in some jurisdictions, management includes some or all of those charged with governance, for example, executive members of a governance board, or an owner–manager.
- (v) Management's expert - An individual or organization possessing expertise in a field other than assurance, whose work is used by the entity to assist the entity in preparing the sustainability information.

- (w) Misstatement - A difference between the sustainability information and the appropriate measurement or evaluation of the underlying subject matter in accordance with the applicable criteria. Misstatements can arise from error or fraud, may be qualitative or quantitative, and include omissions.
- (x) Misstatement of the other information - A misstatement of the other information exists when the other information is incorrectly stated or otherwise misleading (including because it omits or obscures information necessary for a proper understanding of a matter disclosed in the other information).
- (y) Network – A larger structure:
 - (i) That is aimed at cooperation, and
 - (ii) That is clearly aimed at profit or cost-sharing or shares common ownership, control or management, common quality management policies or procedures, common business strategy, the use of a common brand name, or a significant part of professional resources.
- (z) Network firm - A firm or entity that belongs to the firm's network.
- (aa) Other information - Information (other than the sustainability information and the assurance report thereon) which is included in a document or documents containing the sustainability information and the assurance report thereon.
- (bb) Partner - Any individual with authority to bind the firm with respect to the performance of a professional services engagement. (Ref: Para. A11)
- (cc) Performance materiality - The amount or amounts set by the practitioner at less than the amount considered to be material for quantitative disclosures for purposes of performing procedures on those disclosures.
- (dd) Personnel – Partners and staff in the firm.
- (ee) Practitioner - The individual(s) conducting the engagement (usually the engagement leader or other members of the engagement team, or, as applicable, the firm). Where this ISSA expressly intends that a requirement or responsibility be fulfilled by the engagement leader, the term “engagement leader” rather than “practitioner” is used.
- (ff) Practitioner's expert - An individual or organization possessing expertise in a field other than assurance, whose work in that field is used by the practitioner to assist the practitioner in obtaining sufficient appropriate evidence. A practitioner's expert may be either a practitioner's internal expert (who is a partner or staff, including temporary staff, of the practitioner's firm or a network firm), or a practitioner's external expert.
- (gg) Professional judgment - The application of relevant training, knowledge, and experience, within the context provided by assurance and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the engagement.
- (hh) Professional skepticism - An attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence.

- (ii) Professional standards - International Standards on Sustainability Assurance (ISSAs) and relevant ethical requirements.
- (jj) Relevant ethical requirements - Principles of professional ethics and ethical requirements that are applicable to practitioners when undertaking assurance engagements on sustainability information. For professional accountants, relevant ethical requirements ordinarily comprise the provisions of the IESBA Code related to assurance engagements [on sustainability information], together with national requirements that are more restrictive. For other practitioners who are not professional accountants, relevant ethical requirements comprise the ethical requirements in relevant law, regulation or professional requirements related to assurance engagements on sustainability information, that are at least as demanding as the IESBA Code.
- (kk) Reporting boundary – Activities, operations, relationships or resources to be included in the entity's sustainability information. (Ref: Para. A12-A13)
- (ll) Risk of material misstatement – The risk that the sustainability information is materially misstated prior to the engagement.
- (mm) Risk procedures – The procedures designed and performed to:
 - (i) In a limited assurance engagement, identify disclosures where material misstatements are likely to arise, whether due to fraud or error; and
 - (ii) In a reasonable assurance engagement, identify and assess the risks of material misstatement, whether due to fraud or error.
- (nn) Staff – Professionals, other than partners, including any experts the firm employs.
- (oo) Sustainability competence - Competence in the underlying subject matter of the sustainability assurance engagement and in its measurement or evaluation.
- (pp) Sustainability information - Information that results from measuring or evaluating the underlying subject matter against the applicable criteria. Sustainability information is the equivalent of “subject matter information” in other IAASB assurance standards.
- (qq) Those charged with governance - The person(s) or organization(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the sustainability reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner–manager.
- (rr) Uncorrected misstatements - Misstatements that the practitioner has accumulated during the assurance engagement and that have not been corrected.
- (ss) Underlying subject matter - What is being measured or evaluated in accordance with the applicable criteria.

Requirements

Part 1: Conduct of an Assurance Engagement in Accordance with this ISSA

Complying with this ISSA

1. The practitioner shall comply with this ISSA when conducting an assurance engagement on sustainability information. [ISAE 3000 (Revised)¹ Para. 14]
2. The practitioner shall not represent compliance with this or any other ISSA unless the practitioner has complied with the requirements of this ISSA and any other ISSAs relevant to the engagement. (Ref: Para. A1-A2) [ISAE 3000 (Revised) Para. 15, ISAE 3410² Para. 15]

Text of an ISSA

3. The practitioner shall have an understanding of the entire text of an ISSA, including its application and other explanatory material, to understand its objectives and to apply its requirements properly. (Ref: Para. A3–A8) [ISAE 3000 (Revised) Para. 16]

Complying with Relevant Requirements

4. The practitioner shall comply with each requirement of this ISSA and of any other relevant ISSA unless, in the circumstances of the assurance engagement, the requirement is not relevant because it is conditional and the condition does not exist. Requirements that apply to only limited assurance or reasonable assurance engagements have been presented in a columnar format with the letter “L” (limited assurance) or “R” (reasonable assurance), respectively, after the paragraph number. (Ref: Para. A9) [ISAE 3000 (Revised) Para. 17]
5. In exceptional circumstances, the practitioner may judge it necessary to depart from a relevant requirement in an ISSA. In such circumstances, the practitioner shall perform alternative procedures to achieve the aim of that requirement. The need for the practitioner to depart from a relevant requirement is expected to arise only when the requirement is for a specific procedure to be performed and, in the specific circumstances of the assurance engagement, that procedure would be ineffective in achieving the aim of the requirement. [ISAE 3000 (Revised) Para. 18]

Failure to Achieve an Objective

6. If an objective in this ISSA or any other ISSAs relevant to the engagement cannot be achieved, the practitioner shall evaluate whether this requires the practitioner to modify the practitioner’s conclusion or withdraw from the assurance engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective in this or any other relevant ISSA represents a significant matter requiring documentation in accordance with Part 4 paragraph 8 of this ISSA. [ISAE 3000 (Revised) Para. 19]

¹ ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

² ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

Part 2: Fundamental Concepts, General Principles and Overarching Requirements

Relevant Ethical Requirements, Including Those Related to Independence

1. The practitioner shall comply with relevant ethical requirements, including those related to independence, that are applicable given the nature and circumstances of the assurance engagement. (Ref: Para. A1-A3) [ISAE 3000 (Revised) Para. 20]

Acceptance and Continuance

2. The practitioner shall accept or continue the engagement only when:
 - (a) The practitioner has no reason to believe that relevant ethical requirements, including independence, will not be satisfied; (Ref: Para. A1-A2)
 - (b) The practitioner has determined that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, including having sufficient time, to perform the engagement (see also paragraph 17); and
 - (c) The basis upon which the engagement is to be performed has been agreed, through:
 - (i) Establishing that the preconditions for an assurance engagement are present (see also Part 3 paragraph 2); and
 - (ii) Confirming that there is a common understanding between the practitioner and the engaging party of the terms of the engagement, including the practitioner's reporting responsibilities.

[ISAE 3000 (Revised) Para. 22]

3. If the engaging party imposes a limitation on the scope of the practitioner's work in the terms of a proposed engagement such that the practitioner believes the limitation will result in the practitioner disclaiming a conclusion on the sustainability information, the practitioner shall not accept such an engagement as an assurance engagement, unless required by law or regulation to do so. [ISAE 3000 (Revised) Para. 26]

Assurance Skills and Techniques, Professional Skepticism and Professional Judgment

4. The practitioner shall apply assurance skills and techniques as part of an iterative, systematic engagement process. [ISAE 3000 (Revised) Para. 39]
5. The practitioner shall plan and perform an engagement with professional skepticism, recognizing that circumstances may exist that cause the sustainability information to be materiality misstated. (Ref: Para. A4-A9) [ISAE 3000 (Revised) Para. 37]
6. The practitioner shall exercise professional judgment in planning and performing an assurance engagement, including determining the nature, timing and extent of procedures. (Ref: Para. A10-A12) [ISAE 3000 (Revised) Para. 38]

Firm-level Quality Management

7. The engagement leader shall be a member of a firm that applies the ISQMs, or other professional requirements, or requirements in law or regulation, that are at least as demanding as the ISQMs. (Ref: Para. A13-A18) [ISAE 3000 (Revised) Para. 31(a)]

Engagement-level Quality Management

Overall Responsibility for Managing and Achieving Quality

8. The engagement leader shall take overall responsibility for managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement such that the engagement leader has the basis for determining whether the significant judgments made, and the conclusions reached, are appropriate given the nature and circumstances of the engagement. (Ref: Para. A19-A22) [ISAE 3000 (Revised) Para. 33 and ISA 220 (Revised)³ Para. 13]
9. If the engagement leader assigns the design or performance of procedures, tasks or actions related to a requirement of this ISSA to other members of the engagement team to assist the engagement leader in complying with the requirements of this ISSA, the engagement leader shall continue to take overall responsibility for managing and achieving quality on the audit engagement through direction and supervision of those members of the engagement team, and review of their work. (Ref: Para. A20, A23-A23A) [ISA 220 (Revised) Para. 15]

Characteristics and Responsibilities of the Engagement Leader

10. The engagement leader shall have: (Ref: Para. A24-A27)
 - Competence in assurance skills and techniques developed through extensive training and practical application;
 - An understanding of the relevant ethical requirements, including those related to independence, that are applicable given the nature and circumstances of the assurance engagement; and
 - Sufficient competence in the underlying subject matter and its measurement or evaluation in accordance with the applicable criteria.

[ISAE 3000 (Revised) Para. 31(b)-(c)]

Acceptance and Continuance

11. The engagement leader shall determine that the firm's policies or procedures for the acceptance and continuance of client relationships and assurance engagements have been followed by the firm and that conclusions reached in this regard are appropriate in accepting the engagement in accordance with paragraph 2. (Ref: Para. A28-A29) [Moved from Part 3, paragraph 8] [ISAE 3000 (Revised) Para. 21]
12. If the engagement leader obtains information that may have caused the firm to decline the engagement had that information been known by the firm prior to accepting or continuing the client relationship or specific engagement, the engagement leader shall communicate that information promptly to the firm, so that the firm and the engagement leader can take the necessary action. (Ref: Para. A30) [ISAE 3000 (Revised) Para. 23]

³ ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

Relevant Ethical Requirements, Including Those Related to Independence

13. The engagement leader shall take responsibility for other members of the engagement team having been made aware of relevant ethical requirements that are applicable given the nature and circumstances of the engagement, and the firm's related policies or procedures, including those that address: (Ref: Para. A31-A33)
- (a) Identifying, evaluating and addressing threats to compliance with relevant ethical requirements, including those related to independence;
 - (b) Circumstances that may cause a breach of relevant ethical requirements, including those related to independence, and the responsibilities of members of the engagement team when they become aware of breaches; and
 - (c) The responsibilities of members of the engagement team when they become aware of an instance of non-compliance with laws and regulations by the entity.

[ISA 220 (Revised) Para.17]

14. If matters come to the engagement leader's attention that indicate that a threat to compliance with relevant ethical requirements exists, the engagement leader shall evaluate the threat through complying with the firm's policies or procedures, using relevant information from the firm, the engagement team or other sources, and take appropriate action. [ISA 220 (Revised) Para.18]
15. Throughout the engagement, the engagement leader shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the engagement leader's attention through the firm's system of quality management or otherwise that indicate that members of the engagement team have breached relevant ethical requirements, the engagement leader, in consultation with others in the firm, shall determine the appropriate action. (Ref: Para. A34) [ISAE 3000 (Revised) Para. 34]

Engagement Resources

16. The engagement leader shall determine that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement. (Ref: Para. A35-A36) [ISA 220 (Revised) Para. 25]
17. The engagement leader shall determine that members of the engagement team, and any practitioner's external experts, collectively have the appropriate competence and capabilities in assurance skills and techniques and the applicable underlying subject matter, and sufficient time, to perform the engagement. (Ref: Para. A37-A41) [ISA 220 (Revised) Para. 26]
18. The engagement leader shall determine whether the practitioner will be able to be sufficiently and appropriately involved in work to be performed by: (Ref: Para. A42-A43)
- (a) A practitioner's external expert; and
 - (b) Another practitioner.

[ISAE 3000 (Revised) Para. 32]

19. If, as a result of complying with the requirements in paragraphs 16-18, the engagement leader determines that resources assigned or made available are insufficient or inappropriate in the circumstances of the engagement, the engagement leader shall take appropriate action, including communicating with appropriate individuals in the firm about the need to assign or make available additional or alternative resources to the engagement. (Ref: Para. A44-A46) [ISA 220 (Revised) Para. 27]
20. The engagement leader shall take responsibility for using the resources assigned or made available to the engagement team appropriately, given the nature and circumstances of the engagement. (Ref: Para. A47) [ISA 220 (Revised) Para. 28]

Direction, Supervision and Review

21. The engagement leader shall take responsibility for the direction and supervision of the members of the engagement team and the review of their work. (Ref: Para. A48-A50) [ISA 220 (Revised) Para. 29]
22. The engagement leader shall determine that the nature, timing and extent of direction, supervision and review is: (Ref: Para. A51-A55)
 - (a) Planned and performed in accordance with the firm's policies or procedures, professional standards and applicable legal and regulatory requirements; and
 - (b) Responsive to the nature and circumstances of the engagement and the resources assigned or made available to the engagement team by the firm.[ISA 220 (Revised) Para. 30]
23. The engagement leader shall review engagement documentation at appropriate points in time during the engagement, including documentation relating to: (Ref: Para. A56-A59)
 - (a) Significant matters;
 - (b) Areas of significant judgment, including those relating to difficult or contentious matters identified during the engagement, and the conclusions reached; and
 - (c) Other matters that, in the engagement leader's professional judgment, are relevant to the engagement leader's responsibilities.[ISA 220 (Revised) Para. 31]
24. The engagement leader shall review, prior to their issuance, formal written communications to management, those charged with governance or regulatory authorities. (Ref: Para. A60) [ISA 220 (Revised) Para. 34]

Monitoring and Remediation

25. The engagement leader shall: (Ref: Para. A61)
 - (a) Consider information from the firm's monitoring and remediation process, as communicated by the firm and, if applicable, other network firms; and
 - (b) Determine whether the information may affect the engagement and, if so, take appropriate action. [SAE 3000 (Revised) Para. 35 and updated based on ISA 220 (Revised) Para. 39]

Engagement Quality Review

26. For those engagements for which an engagement quality review is required in accordance with ISQM 1⁴ or the firm's policies or procedures, the engagement leader shall discuss significant matters and significant judgments arising during the engagement, including those identified during the engagement quality review, with the engagement quality reviewer. [Last part of sentence moved to Part 8, paragraph 29(e)] [ISAE 3000 (Revised) Para. 36 modified by ISA 220 (Revised) Para. 36(c)]

Work Performed by Others

Work To Be Performed by a Practitioner's External Expert

27. If the practitioner plans to use the work of a practitioner's external expert, the practitioner shall: (Ref: Para. A62-A65)
- (a) Evaluate whether the expert has the necessary competence, capabilities and objectivity for the practitioner's purposes. (Ref: Para. A66-A68)
 - (b) When evaluating objectivity, inquire regarding interests and relationships that may create a threat to that expert's objectivity;
 - (c) Obtain a sufficient understanding of the field of expertise of the expert to determine the nature, scope and objectives of that expert's work for the practitioner's purposes; and (Ref: Para. A69)
 - (d) Agree with the expert on the nature, scope and objectives of that expert's work. (Ref: Para. A70)
- [ISAE 3000 (Revised) Para. 52, including addition from ISA 620⁵ Para. 10]

Work Already Performed by Another Practitioner for a Different Purpose

28. If the practitioner plans to use work already performed by another practitioner, the practitioner shall: (Ref: Para. A71, A75)
- (a) Evaluate whether that practitioner has the necessary competence, capabilities and objectivity for the practitioner's purposes. (Ref: Para. A72)
 - (b) When evaluating that practitioner's objectivity, inquire regarding interests and relationships that may create a threat to that practitioner's objectivity;
 - (c) Determine whether that practitioner applies a system of quality management;
 - (d) Evaluate whether the nature, scope and objectives of that practitioner's work are appropriate for the practitioner's purposes; and (Ref: Para. A73)
 - (e) Communicate with that practitioner about the findings from their work. (Ref: Para. A74)
- [ISAE 3000 (Revised) Para 55]

⁴ ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

⁵ ISA 620, *Using the Work of an Auditor's Expert*

Work Performed by the Internal Audit Function

29. If the practitioner plans to use the work of the internal audit function, the practitioner shall: (Ref: Para. A76-A78)
- (a) Evaluate the extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal auditors;
 - (b) Evaluate the level of competence of the internal audit function in the underlying subject matter;
 - (c) Evaluate whether the internal audit function applies a systematic and disciplined approach, including a system of quality management; and
 - (d) Determine whether, and to what extent, to use specific work of the internal audit function.

[ISAE 3000 (Revised) Para. 55]

Fraud

30. The practitioner shall maintain professional skepticism throughout the engagement, recognizing the possibility that a material misstatement due to fraud could exist, notwithstanding the practitioner's past experience of the honesty and integrity of the entity's management and those charged with governance. (Ref: Para. A79-A81) [ISA 240 (Revised)⁶ Para. 13]

Law and Regulation

31. The practitioner shall obtain a general understanding of: (Ref: Para. A81A-A82)
- (a) The legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates, in the context of the entity's sustainability information; and
 - (b) How the entity is complying with that framework.

[ISA 250 (Revised)⁷ Para. 13]

32. The practitioner shall perform the following procedures to help identify instances of non-compliance with laws and regulations that may have a material effect on the sustainability information:
- (a) Inquiring of management and, where appropriate, those charged with governance, as to whether the entity is in compliance with such laws and regulations; and
 - (b) Inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

[ISA 250 (Revised) Para. 15]

33. During the engagement, the practitioner shall remain alert to the possibility that other procedures applied may bring instances of non-compliance or suspected non-compliance with law or regulation may come to the practitioner's attention. [ISA 250 (Revised) Para.16]
34. In the absence of identified or suspected non-compliance, the practitioner is not required to perform procedures regarding the entity's compliance with laws and regulations, other than those set out in paragraphs 32-33. [ISA 250 (Revised) Para.18]

⁶ ISA 240 (Revised), *Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements*

⁷ ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

35. If the practitioner becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the practitioner shall obtain:
- (a) An understanding of the nature of the act and the circumstances in which it has occurred; and
 - (b) Further information to evaluate the possible effect on the sustainability information.

[ISA 250 (Revised) Para. 19]

36. The practitioner shall evaluate the implications of identified or suspected non-compliance in relation to other aspects of the engagement, including the practitioner's risk procedures and the reliability of written representations, and take appropriate action. (Ref: Para. A83) [ISA 250 (Revised) Para. 22]

Communication with Management, Those Charged with Governance and Others

37. The practitioner shall determine whether, pursuant to the terms of the engagement and other engagement circumstances, any matters have come to the attention of the practitioner to be communicated with the engaging party, those charged with governance or others. (Ref: Para. A84-A92) [ISAE 3000 (Revised) Para. 78]

Documentation

38. The practitioner shall include in the engagement documentation: (Ref: Para. A93)
- (a) Issues identified with respect to compliance with relevant ethical requirements and how they were resolved;
 - (b) Conclusions on compliance with independence requirements that apply to the engagement, and any relevant discussions with the firm that support these conclusions;
 - (c) Conclusions reached regarding the acceptance and continuance of client relationships and assurance engagements;
 - (d) The nature and scope of, and conclusions resulting from, consultations undertaken during the course of the engagement; and
 - (e) If the engagement is subject to an engagement quality review, that the engagement quality review has been completed on or before the date of the practitioner's report.

[ISAE 3410 Para. 67 and ISA 220 (Revised) Para. 41]

39. The practitioner shall also include in the engagement documentation identified or suspected non-compliance with laws and regulations and:
- (a) The procedures performed, the significant professional judgments made and the conclusions reached thereon; and
 - (b) The discussions of significant matters related to the non-compliance with management, those charged with governance and others, including how management and, where applicable, those charged with governance have responded to the matter.

[ISA 250 (Revised) Para. 30]

Part 3: Acceptance and Continuance of the Assurance Engagement

Establishing the Preconditions are Present

Obtaining a Preliminary Knowledge of the Engagement Circumstances

1. To provide an appropriate basis for determining whether the preconditions for an assurance engagement are present, the practitioner shall obtain a preliminary knowledge of the engagement circumstances, including: (Ref: Para. A1-A6)
 - (a) With respect to the sustainability information expected to be reported:
 - (i) The topics, aspects of the topics and disclosures; and
 - (ii) Reporting boundary(ies).
 - (b) Whether the scope of the proposed assurance engagement encompasses all or part of the sustainability information in (a). (Ref: Para. A6A-A6C)

Determining Whether the Preconditions are Present

2. The practitioner shall determine whether the preconditions for an assurance engagement are present, based on the preliminary knowledge of the engagement circumstances and discussion with the appropriate party(ies). In making this determination, the practitioner shall evaluate whether: (Ref: Para. A6D)
 - (a) The roles and responsibilities of management, those charged with governance and the engaging party, if different, are suitable in the circumstances; (Ref: Para. A16-A19)
 - (b) The engagement exhibits all of the following characteristics:
 - (i) The underlying subject matter is appropriate; (Ref: Para. A20-A21)
 - (ii) The criteria that the practitioner expects to be applied in the preparation of the sustainability information are suitable for the engagement circumstances. (Ref: Para. A22-A35)
 - (iii) The criteria that the practitioner expects to be applied in the preparation of the sustainability information will be available to the intended users; (Ref: Para. A42A-A42B)
 - (iv) The practitioner expects to be able to obtain the evidence needed to support the practitioner's conclusion; (Ref: Para. A42C-A42F)
 - (v) The practitioner's conclusion, in the form appropriate to either a reasonable assurance engagement or a limited assurance engagement, is to be contained in a written report;
 - (vi) A rational purpose, including, in the case of a limited assurance engagement, that the practitioner expects to be able to obtain a meaningful level of assurance; (Ref: Para. A43-A46; A47L-A49L) and
 - (c) The scope of the sustainability information expected to be reported and scope of the assurance engagement are appropriate, when evaluating whether the engagement exhibits the characteristics in (b) above. (Ref: Para. A49A-A49E)

[ISAE 3000 (Revised) Para. 24; ISAE 3410 Para.17(a)]

Roles and Responsibilities

3. When evaluating whether the roles and responsibilities are suitable in the circumstances in accordance with paragraph 2(a), the practitioner shall evaluate whether management, and those charged with governance, when appropriate, have a reasonable basis for the sustainability information. (Ref: Para. A16-A19)

[Based on ISAE 3000 (Revised) Para. A37-A39, the elements of an assurance engagement in the Assurance Framework and the definition of assurance engagement]

Appropriate Underlying Subject Matter

4. When evaluating the appropriateness of the underlying subject matter in accordance with paragraph 2(b)(i), the practitioner shall consider whether the underlying subject matter is identifiable and capable of consistent measurement or evaluation against the criteria, such that the resulting sustainability information can be subjected to procedures for obtaining sufficient appropriate evidence. (Ref: Para. A20-A21) [ISAE 3000 (Revised) Para. 24(b)(i), A40-41]

Suitability and Availability of Criteria

5. When evaluating whether the criteria are suitable and will be available to the intended users in accordance with paragraph 2(b)(ii) and (iii), the practitioner shall evaluate: (Ref: Para. A22-A42B)
 - (a) The sources of the criteria, including whether they are framework criteria, entity-developed criteria or a combination of both; (Ref: Para. A22-A27)
 - (b) Whether the criteria exhibit the following characteristics: (Ref: Para. A36-A42) [Moved from paragraph 6]
 - (i) Relevance; (Ref: Para. A36-A37)
 - (ii) Completeness; (Ref: Para. A38)
 - (iii) Reliability; (Ref: Para. A39)
 - (iv) Neutrality; (Ref: Para. A40-A41) and
 - (v) Understandability. (Ref: Para. A42)[ISAE 3000 (Revised) Para. 24(b)(ii)]
 - (c) Whether there are criteria for all of the sustainability information within the scope of the assurance engagement; (Ref: Para. A42A) and
 - (d) How the criteria will be made available to the intended users. (Ref: Para. A42A and A42B)[ISAE 3000 (Revised) Para. 24(b)(ii)-(iii)]

6. [Moved to paragraph 5(b)]

Rational Purpose

7. In evaluating whether the engagement exhibits a rational purpose in accordance with paragraph 2(b)(vi), the practitioner shall consider whether the engagement as a whole will be useful and not misleading to intended users. (Ref: Para. A43-A46; A47L-A49L) [ISAE 3000 (Revised) Para. A56]

Appropriateness of the Scope of the Sustainability Information Expected to be Reported

- 7A. In evaluating the appropriateness of the scope of sustainability information expected to be reported as required by paragraph 2(c), the practitioner shall consider whether the sustainability information expected to be reported excludes significant information required by framework criteria applied. (Ref: Para. A49A-A49C)

Appropriateness of the Scope of the Assurance Engagement

- 7B. In evaluating the appropriateness of the scope of the assurance engagement as required by paragraph 2(c), the practitioner shall consider whether the scope of the assurance engagement excludes sustainability information expected to be reported. (Ref: Para. A49D-A49E)

Deciding Whether to Accept or Continue the Assurance Engagement

- 7C. If the preconditions for an assurance engagement are not present, the practitioner shall discuss the matter with the engaging party. If changes cannot be made to meet the preconditions, the practitioner shall not accept the engagement as an assurance engagement unless required by law or regulation to do so. However, an engagement conducted under such circumstances does not comply with this ISSA. Accordingly, the practitioner shall not include any reference within the assurance report to the engagement having been conducted in accordance with this ISSA.

[ISAE 3000 Para. 25]

8. [Moved to Part 2, paragraph 11]
9. [Moved to Part 2, paragraph 2 and 3]

Assurance Report Prescribed by Law or Regulation

10. If law or regulation prescribes the layout or wording of the assurance report, the practitioner shall evaluate:
- (a) Whether intended users may misunderstand the assurance conclusion; and
 - (b) If so, whether additional explanation in the assurance report can mitigate the possible misunderstanding.

If the practitioner concludes that additional explanation in the assurance report cannot mitigate the possible misunderstanding, the practitioner shall not accept the assurance engagement, unless required by law or regulation to do so. An assurance engagement conducted in accordance with such law or regulation does not comply with this ISSA. Accordingly, the practitioner shall not include any reference within the assurance report to the assurance engagement having been conducted in accordance with this ISSA. [ISAE 3000 (Revised) Para. 30]

11. [Moved to Part 5, paragraph 3]
12. [Moved to Part 2, paragraph 12]

13 [Moved to Part 5, paragraph 4A]

Terms of the Assurance Engagement

Agreeing the Terms of the Assurance Engagement

14. The practitioner shall agree the terms of the assurance engagement with the appropriate party(ies). The agreed terms of the assurance engagement shall be specified in sufficient detail in an engagement letter or other suitable form of written agreement, written confirmation, or in law or regulation, and shall include: (Ref: Para. A55-A55A)
- (a) The following matters related to the scope of the assurance engagement:
 - (i) The sustainability information within the scope of the assurance engagement, and the sustainability information that is not within the scope of the assurance engagement;
 - (ii) The reporting boundary(ies) within the scope of the assurance engagement; and
 - (ii) Whether the engagement is a limited assurance engagement or reasonable assurance engagement, or if it is a combination of both, which sustainability information will be within the scope of limited assurance, and which sustainability information will be within the scope of reasonable assurance
 - (b) The responsibilities of the practitioner;
 - (c) The responsibilities of management or those charged with governance, as appropriate, for:
 - (i) The preparation of the sustainability information in accordance with the applicable criteria;
 - (ii) Referring to or describing in its sustainability information, the applicable criteria it has used and, when it is not readily apparent from the engagement circumstances, who developed them;
 - (iii) Designing, implementing and maintaining such processes, systems or internal control that the entity determines are necessary to enable the preparation of sustainability information in accordance with the applicable criteria that is free from material misstatement, whether due to fraud or error;
 - (iv) Providing the practitioner with:
 - a. Access to all information of which management is aware that is relevant to the preparation of the sustainability information;
 - b. Additional information that the assurance practitioner may request for the purpose of the assurance engagement; and
 - c. Unrestricted access to persons within the entity, from whom the practitioner determines it necessary to obtain evidence;
 - (d) Reference to the expected form and content of the report or reports to be issued by the practitioner and a statement that there may be modifications to that report in certain circumstances; and
 - (e) An acknowledgement that management agrees to provide written representations at the conclusion of the assurance engagement.

[ISAE 3000 (Revised) Para. 27, A91, ISAE 3410 Para.17(c) and 18, ISA 210⁸ Para. 6(b)(iii)]

15. On recurring assurance engagements, the practitioner shall evaluate whether circumstances require the terms of the assurance engagement to be revised and whether there is a need to remind the appropriate party(ies) of the existing terms of the assurance engagement. (Ref: Para. A55-A55A)
[ISAE 3000 (Revised) Para. 28]

Changing the Terms of the Assurance Engagement

16. The practitioner shall not agree to a change in the terms of the assurance engagement, including from a reasonable assurance engagement to a limited assurance engagement (i.e., to a lower level of assurance), when there is no reasonable justification for doing so. If the practitioner is unable to agree to a request to change in the terms of the assurance engagement and is not permitted by the appropriate party(ies) to continue the assurance engagement, the practitioner shall: (Ref: Para. A56-A57)
- (a) Withdraw from the assurance engagement, when possible, under applicable law or regulation; and
 - (b) Determine whether there is any obligation, either contractual or otherwise, to report the circumstances to other parties, such as those charged with governance, owners or regulators.

[ISA 210 Para.14 and 17]

17. If the terms of the assurance engagement are changed: (Ref: Para. A56-A57)
- (a) The practitioner and the appropriate party(ies), shall agree on and record the new terms of the assurance engagement in an engagement letter or other suitable form of written agreement; and
 - (b) The practitioner shall not disregard evidence that was obtained prior to the change.

[ISA 210 Para. 16, ISAE 3000 (Revised) Para. 29, ISA 210 Para.17]

Part 4: Evidence and Documentation

Designing and Performing Procedures to Obtain Sufficient Appropriate Evidence

1. For the purpose of obtaining sufficient appropriate evidence, the practitioner shall design and perform procedures (Ref: Para. A1-A2):
- (a) In a manner that is not biased towards obtaining evidence that may be corroborative, or towards excluding evidence that may be contradictory; and (Ref: Para. A3-A4)
 - (b) The nature, timing and extent of which are appropriate in the circumstances to provide evidence to meet the intended purpose of those procedures. (Ref: Para. A5-A18)

[ED-500⁹ Para. 8]

⁸ ISA 210, *Agreeing the Terms of Audit Engagements*

⁹ ED-500, Proposed International Standard on Auditing 500 (Revised), *Audit Evidence*

Information Intended to be Used as Evidence

2. When designing and performing procedures, the practitioner shall evaluate the relevance and reliability of information intended to be used as evidence. (Ref: Para. A19-A36) [ISAE 3000 (Revised) Para. 50]

Work Performed by a Management's Expert

3. If information intended to be used as evidence has been prepared by a management's expert, as part of the practitioner's evaluation in accordance with paragraph 2, the practitioner shall, to the extent necessary having regard to the significance of that expert's work for the practitioner's purposes: (Ref: Para. A37)
 - (a) Evaluate the competence, capabilities and objectivity of that expert; (Ref: Para. A38-A39)
 - (b) Obtain an understanding of the work performed by that expert; and (Ref: Para. A40)
 - (c) Obtain an understanding about how the information prepared by that expert has been used by management in the preparation of the sustainability information. (Ref: Para. A41)[ISAE 3000 (Revised) Para. 54, including (c) from ED-500 Para. 10]

Doubts About the Relevance and Reliability of Information Intended to be Used as Evidence

4. If conditions identified during the assurance engagement cause the practitioner to believe that a document may not be authentic or that terms in a document have been modified but not disclosed to the practitioner, the practitioner shall investigate further and determine the effect on the rest of the evidence obtained. (Ref: Para. A42-A44) [ISA 240 Para. 14]
5. If the practitioner has doubts about the relevance or reliability of information intended to be used as evidence, the practitioner shall: (Ref: Para. A45)
 - (a) Determine whether modifications or additions to procedures are necessary to resolve the doubts; and
 - (b) If the doubts cannot be resolved, consider the effect, if any, on other aspects of the engagement, including whether such doubts indicate a risk of material misstatement due to fraud.[ED-500 Para. 12]
6. [Moved to Part 8 para. 24]
7. [Moved to Part 8 para. 25]

Documentation

Form, Content and Extent of Assurance Engagement Documentation

8. The practitioner shall prepare on a timely basis assurance engagement documentation that provides a record of the basis for the assurance report that is sufficient and appropriate to enable a practitioner experienced in sustainability assurance, having no previous connection with the assurance engagement, to understand: (Ref: Para. A53-A55)

- (a) The nature, timing and extent of the procedures performed to comply with this ISSA, other relevant ISSAs and applicable legal and regulatory requirements;
- (b) The results of the procedures performed, and the evidence obtained; and
- (c) Significant matters arising during the assurance engagement, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions. (Ref: Para. A56-A58)

[ISAE 3000 (Revised) Para. 79]

9. In documenting the nature, timing and extent of procedures performed, the practitioner shall record: (Ref: Para. A59-A60)
- (a) The identifying characteristics of the specific items or matters tested;
 - (b) Who performed the assurance engagement work and the date such work was completed; and
 - (c) Who reviewed the assurance engagement work performed and the date and extent of such review.

[ISAE 3410 Para. 65]

10. The assurance engagement documentation prepared in accordance with paragraph 8 shall also include: (Ref: Para. A61-A62)
- (a) Discussions of significant matters with management, those charged with governance and others, including the nature of the significant matters discussed, and when and with whom the discussions took place; [ISAE 3410 Para. 66]
 - (b) If the practitioner identifies information that is inconsistent with the practitioner's final conclusion regarding a significant matter, how the practitioner addressed the inconsistency. [ISAE 3000 (Revised) Para. 80]
 - (c) Issues identified with respect to compliance with relevant ethical requirements and how they were resolved; [ISAE 3410 Para. 67]
 - (d) Conclusions on compliance with independence requirements that apply to the assurance engagement, and any relevant discussions with the firm that support these conclusions; [ISAE 3410 Para. 67]
 - (e) Conclusions reached regarding the acceptance and continuance of client relationships and assurance engagements, including with respect to the preconditions for an assurance engagement; and [ISAE 3410 Para. 67]
 - (f) The nature and scope of, and conclusions resulting from, consultations undertaken during the course of the assurance engagement. [ISAE 3410 Para. 67]

Departure from a Relevant Requirement

11. If, in exceptional circumstances, the practitioner judges it necessary to depart from a relevant requirement in this ISSA, the practitioner shall document how the alternative procedures performed achieve the aim of that requirement, and the reasons for the departure. (Ref: Para. A63-A64)

[ISA 230¹⁰ Para. 12]

Matters Arising After the Date of the Practitioner's Report

12. If, in exceptional circumstances, the practitioner performs new or additional procedures or draws new conclusions after the date of the practitioner's report, the practitioner shall document: (Ref: Para. A65)

- (a) The circumstances encountered;
- (b) The new or additional procedures performed, evidence obtained, and conclusions reached, and their effect on the assurance report; and
- (c) When and by whom the resulting changes to assurance engagement documentation were made and reviewed.

[ISAE 3410 Para. 68]

Assembly of the Final Engagement File

13. The practitioner shall assemble the assurance engagement documentation in an engagement file and complete the administrative process of assembling the final engagement file on a timely basis after the date of the assurance report. After the assembly of the final engagement file has been completed, the practitioner shall not delete or discard engagement documentation of any nature before the end of its retention period. (Ref: Para. A66-A68) [ISAE 3000 (Revised) Paras. 81-82]

14. In circumstances other than those envisaged in paragraph 12 when the practitioner finds it necessary to modify existing engagement documentation or add new engagement documentation after the assembly of the final engagement file has been completed, the practitioner shall, regardless of the nature of the modifications or additions, document:

- (a) The specific reasons for making them; and
- (b) When and by whom they were made and reviewed.

15L. [Moved to Part 6, Paragraph 20L]	15R. [Moved to Part 6, Paragraph 20R]
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Part 5: Planning

Planning Activities

- 1. [Deleted]
- 2. [Deleted]

¹⁰ ISA 230, *Audit Documentation*

3. The practitioner shall plan the assurance engagement so that it will be performed in an effective manner, including setting the scope, timing and direction of the assurance engagement. In doing so, the engagement leader shall consider information obtained in the acceptance and continuance process. (Ref: Para. A1-A7) [Last sentence moved from Part 3, para. 11]
[ISAE 3000 (Revised) Para. 40 (in part) and ISA 220 (Revised) Para. 23].
4. The practitioner shall determine the nature, timing and extent of planned procedures that are required to be carried out in order to achieve the objectives of this ISSA. (Ref: Para. A8-A10A) [ISAE 3000 (Revised) Para.40 (in part)].
- 4A. If it is discovered after the engagement has been accepted that one or more preconditions for an assurance engagement is not present, the practitioner shall discuss the matter with the appropriate party(ies), and determine whether the matter can be resolved to the practitioner’s satisfaction. If the matter cannot be resolved to the practitioner’s satisfaction, the practitioner shall:
 - (a) Withdraw from the engagement, if withdrawal is possible under applicable law or regulation; or
 - (b) If withdrawal is not possible under applicable law or regulation, continue with the engagement and express a qualified or adverse conclusion, or disclaimer of conclusion, as appropriate in the circumstances. (Ref: Para. A10B) [Moved from Part 3 paragraph 13]
[ISAE 3000 (Revised) Para. 42 and 43]
- 5L. [Deleted]
- 5R. [Deleted]
6. [Deleted]

Materiality

7. The practitioner shall consider materiality when:
 - (a) Planning and performing the assurance engagement, including when determining the nature, timing and extent of procedures; and
 - (b) Evaluating whether the sustainability information is free from material misstatement. (Ref: Para. A15-A29A)
[ISAE 3000 Para. 44]
- 7A. For quantitative disclosures, the practitioner shall consider whether performance materiality is needed for purposes of planning and performing the assurance engagement. (Ref: Para. A29B-A30A) [ISAE 3410 Para. 21]
8. [Deleted]

Part 6: Risks of Material Misstatement

Obtaining an Understanding to Identify Disclosures where Material Misstatements are Likely to Arise (Limited Assurance) or Identify and Assess Risks of Material Misstatement (Reasonable Assurance)

Risk Procedures to Obtain an Understanding

Limited Assurance	Reasonable Assurance
<p>1L. The practitioner shall design and perform risk procedures sufficient to identify disclosures where material misstatements are likely to arise and thereby provide a basis for designing procedures to focus on those disclosures. (Ref: Para. A1L, A1AL, A1B-A1E, A4, A5, A10)</p> <p>[ISRE 2400 (Revised)¹¹ Para. 45 and ISAE 3000 (Revised) Para. 46L]</p>	<p>1R. The practitioner shall design and perform risk procedures sufficient to: (Ref: Para. A1R, A1B-A1E, A4, A5, A10)</p> <p>(a) Identify and assess risks of material misstatement, whether due to fraud or error, at the assertion level for each disclosure; and</p> <p>(b) Design of further procedures.</p> <p>[ISA 315 (Revised 2019)¹² Para.13 and ISAE 3000 (Revised) Para. 46R]</p>

- 1A. When designing and performing risk procedures in accordance with paragraphs 1L and 1R, the practitioner shall consider information from the practitioner's procedures regarding acceptance and continuance of the client relationship or the sustainability assurance engagement. [ISA 315 (Revised 2019) Para. 15(a)] (Ref: Para. A9)

Inquiries and Discussion with Appropriate Parties, the Engagement Team and the Practitioner's External Experts

2. The practitioner shall make inquiries of appropriate parties and, when appropriate, others within the entity regarding: (Ref: Para. A11-A12, A13A)
- (a) Whether they have knowledge of any actual, suspected, or alleged fraud or non-compliance with laws and regulations affecting the sustainability information;
 - (b) Whether the entity has an internal audit function and, if so, make further inquiries to obtain an understanding of the activities and main findings of the internal audit function with respect to the sustainability information; and
 - (c) Whether the entity has used any experts in the preparation of the sustainability information.
- [ISAE 3000 (Revised) Para. 45]
3. The engagement leader and other key members of the engagement team, and any key practitioner's external experts, shall discuss the susceptibility of the disclosures to material misstatement whether due to fraud or error, and the application of the applicable criteria to the entity's facts and circumstances. The engagement leader shall determine which matters are to be communicated to

¹¹ International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

¹² ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

members of the engagement team, and to any practitioner's external experts not involved in the discussion. (Ref: Para. A13, A13A) [ISAE 3410 Para. 29]

Understanding the Underlying Subject Matter and the Sustainability Information

4. The practitioner shall obtain an understanding of the underlying subject matter and the sustainability information, including:
 - (a) The disclosures;
 - (b) The characteristics of the disclosures; and (Ref: Para. A14A-A15R)
 - (c) The extent to which the aspects of the topics or the disclosures are affected by complexity, subjectivity, change, uncertainty, or susceptibility to misstatement due to management bias or fraud.
5. [Moved to paragraph 7A]

Understanding the Applicable Criteria

6. The practitioner shall obtain an understanding of the applicable criteria, including the entity's process for: (Ref: Para. A20-A22)
 - (a) Identifying the applicable criteria:
 - (b) Evaluating the suitability of the applicable criteria, and
 - (c) Determining how the applicable criteria will be applied to the underlying subject matter.
7. The practitioner shall evaluate whether the applicable criteria, including the criteria for: (Ref: Para. A20-A23)
 - (a) Identifying the topics and aspects of the topics;
 - (b) The reporting boundary; and
 - (c) Interpreting framework criteria (i.e., the entity's policies for measuring or evaluating the underlying subject matter in accordance with the framework criteria, including quantification methods and reporting policies). (Ref: Para. A23)

are appropriate for the circumstances of the entity and are consistent with the applicable framework criteria and the criteria used in the relevant industry and in prior periods.

[ISA 315 (Revised 2019) Para. 20]

Understanding the Entity and Its Environment and Components of its Internal Control

Understanding the Entity and Its Environment

- 7A. The practitioner shall obtain an understanding of entity and its environment, including: (Ref: Para. A23A)
 - (a) The nature of the entity's operations, the entity's legal and organizational structure, ownership and governance, and business model; (Ref: Para. A23B)
 - (b) The reporting boundary and activities within the reporting boundary; (Ref: Para. A23C and

A23D)

- (c) Relevant industry, regulatory, and other external factors related to the entity and activities within the reporting boundary; and (Ref: Para. A23B)
- (d) Goals, targets, or strategic objectives related to the sustainability information and measures used to assess the entity's performance against these matters. (Ref: Para. A23B) [Moved from paragraph 5]

Understanding the Entity's Internal Control

Limited Assurance	Reasonable Assurance
<p>8L. The practitioner shall obtain an understanding of the following components of the entity's internal control relevant to the underlying subject matter and the preparation of the sustainability information through inquiries about: (Ref: Para. A24-A25, A26L, A27-A29)</p> <ul style="list-style-type: none"> (a) The control environment; (b) The information system, which includes communication; and (c) The results of the entity's risk assessment process. <p>[ISAE 3410 Para. 25L]</p>	<p>8R. The practitioner shall obtain an understanding of the following components of internal control relevant to the underlying subject matter and the preparation of the sustainability information: (Ref: Para. A24-A25, A27-A29)</p> <ul style="list-style-type: none"> (a) The control environment; (b) The information system, which includes communication; (c) The entity's risk assessment process; (d) Control activities that the practitioner judges are necessary to understand in order to assess the risks of material misstatement at the assertion level and design further procedures responsive to assessed risks. An assurance engagement does not require an understanding of all the control activities related to each disclosure or to every assertion relevant to them; and (e) The entity's process to monitor the system of internal control. <p>[ISAE 3000 (Revised) Para. 47R conceptually and ISAE 3410 Para. 25R Modified]</p>
The Control Environment	
<p>9L. The practitioner shall obtain an understanding of the control environment relevant to the underlying subject matter and the preparation of the sustainability information. (Ref: Para. A30L, A31-A32)</p>	<p>9R. The practitioner shall obtain an understanding of the control environment relevant to the underlying subject matter and the preparation of the sustainability information and based on that understanding, evaluate whether: (Ref:</p>

Limited Assurance	Reasonable Assurance
<p>[ISA 315 (Revised 2019) Para. 21]</p>	<p>Para. A30R, A31-A32)</p> <ul style="list-style-type: none"> (a) Management, with the oversight of those charged with governance, has created and maintained a culture of honesty and ethical behavior; (b) The control environment provides an appropriate foundation for the other components of the system of internal control considering the nature and complexity of the entity; and (c) Control deficiencies identified in the control environment undermine the other components of the system of internal control. <p>[ISA 315 (Revised 2019) Para. 21]</p>
<p>The Information System</p>	
<p>10L. The practitioner shall obtain an understanding of the information system relevant to the underlying subject matter and the preparation of the sustainability information. (Ref: Para. A33-A37)</p> <p>[ISA 315 (Revised 2019) Para. 25]</p>	<p>10R. The practitioner shall obtain an understanding of the information system relevant to the underlying subject matter and the preparation of the sustainability information, and based on that understanding, evaluate whether the entity's information system appropriately supports the preparation of the sustainability information in accordance with the applicable criteria. (Ref: Para. A33-A37)</p> <p>[ISA 315 (Revised 2019) Para. 25]</p>
<p>The Entity's Risk Assessment Process</p>	
<p>11L. The practitioner shall obtain an understanding of the results of the entity's risk assessment process relevant to the underlying subject matter and the preparation of the sustainability information. (Ref: Para. A38)</p> <p>[ISA 315 (Revised 2019) Para. 22]</p>	<p>11R. The practitioner shall obtain an understanding of the entity's risk assessment process relevant to the underlying subject matter and the preparation of the sustainability information by: (Ref: Para. A38, A39R-A42R)</p> <ul style="list-style-type: none"> (a) Understanding the entity's process for: <ul style="list-style-type: none"> (i) Identifying risks relevant to sustainability information reporting objectives;

Limited Assurance	Reasonable Assurance
	<ul style="list-style-type: none"> (ii) Assessing the significance of those risks, including the likelihood of their occurrence; and (iii) Addressing those risks; and <p>(b) Based on the understanding in (a), evaluating whether the entity’s risk assessment process is appropriate to the entity’s circumstances considering the nature and complexity of:</p> <ul style="list-style-type: none"> (i) The entity (ii) The criteria (iii) The sustainability information <p>[ISA 315 (Revised 2019) Para. 22]</p>
Control Activities	
<p>12L. If the practitioner plans to test operating effectiveness of controls or considers that it is appropriate to understand controls to identify disclosures where the risks of material misstatement are likely to arise and design further procedures, the practitioner shall obtain an understanding of the control activities by identifying: (Ref: Para. A42AL, A45-A46)</p> <ul style="list-style-type: none"> (a) Controls for which the practitioner plans to test operating effectiveness in determining the nature, timing and extent of further procedures, which shall include controls that address risks for which substantive procedures alone do not provide sufficient appropriate evidence; (b) The entity’s general IT controls that address risks arising from the use of IT related to the controls identified in (a); and (c) Other controls that the practitioner 	<p>12R. The practitioner shall obtain an understanding of the control activities by identifying: (Ref: Para. A42AR, A45- A46)</p> <ul style="list-style-type: none"> (a) Controls for which the practitioner plans to test operating effectiveness in determining the nature, timing and extent of further procedures, which shall include controls that address risks for which substantive procedures alone do not provide sufficient appropriate evidence; (b) The entity’s general IT controls that address risks arising from the use of IT related to the controls identified in (a); and (c) Other controls that the practitioner considers are appropriate to identify and assess the risks of material misstatement at the assertion level for disclosures and design further procedures responsive to assessed risks.

Limited Assurance	Reasonable Assurance
<p>considers are appropriate to identify disclosures in which the risks of material misstatement are likely to arise and design further procedures focused on those disclosures.</p>	<p>[ISA 315 (Revised 2019) Para. 26]</p>
<p><u>Design and Implementation of Controls</u></p>	
<p>12AL. For each control identified in accordance with paragraph 12L, the practitioner shall: (Ref: Para. A47-A48, A49L, A50-A51A)</p> <p>(a) Evaluate whether the control is designed effectively to accomplish the control objective, or effectively designed to support the operation of other controls; and</p> <p>(b) Determine whether the control has been implemented by performing procedures in addition to inquiry of the entity's personnel.</p> <p>[ISA 315 (Revised 2019) Para. 26]</p>	<p>12AR. For each control identified in accordance with paragraph 12R, the practitioner shall: (Ref: Para. A47-A48, A49R, A50-A51A)</p> <p>(a) Evaluate whether the control is designed effectively to address the risk of material misstatement at the assertion level, or effectively designed to support the operation of other controls; and</p> <p>(b) Determine whether the control has been implemented by performing procedures in addition to inquiry of the entity's personnel.</p> <p>[ISA 315 (Revised 2019) Para. 26]</p>
<p>The Entity's Process for Monitoring the System of Internal Control</p>	
	<p>13R. The practitioner shall obtain an understanding of the entity's process for monitoring the system of internal control relevant to the preparation of the sustainability information and based on that understanding, evaluate whether the entity's process is appropriate to the entity's circumstances considering the nature and complexity of the entity and the sustainability information. (Ref: A52R-A57R)</p> <p>[ISA 315 (Revised 2019) Para. 24]</p>

Identifying Control Deficiencies

Limited Assurance	Reasonable Assurance
<p>14L. Based on the practitioner's understanding of the components of internal control</p>	<p>14R. Based on the practitioner's evaluation of each of the components of the entity's system of</p>

<p>required by paragraph 8L, the practitioner shall consider whether one or more control deficiencies have been identified. (Ref: Para. A58A-A58B, A59-A59B)</p>	<p>internal control, the practitioner shall determine whether one or more control deficiencies have been identified. (Ref: Para. A58A-A58B, A58R, A59-A59B) [ISA 315 (Revised 2019) Para. 27]</p>
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Identifying Disclosures where Material Misstatements are Likely to Arise (Limited Assurance) or Identifying and Assessing the Risks of Material Misstatement (Reasonable Assurance)

<p>Limited Assurance</p>	<p>Reasonable Assurance</p>
<p>15L. The practitioner shall identify disclosures where material misstatements are likely to arise. (Ref: Para. A60L, A61, A62L) [ISAE 3000 (Revised) Para. 48L and ISAE 3410 Para. 33L]</p>	<p>15R. The practitioner shall identify and assess risks of material misstatement at the assertion level for each disclosure. (Ref: Para. A59CR, A60R, A61,) [ISAE 3410 Para. 33R]</p>
	<p>16R. [Deleted]</p>

Evaluating the Evidence Obtained from the Risk Procedures

<p>Limited Assurance</p>	<p>Reasonable Assurance</p>
	<p>17R. The practitioner shall determine whether the evidence obtained from the risk procedures provides an appropriate basis for the identification and assessment of the risks of material misstatement. If not, the practitioner shall perform additional risk procedures until evidence has been obtained to provide such a basis. (Ref: Para. A62R-A63R) [ISA 315 (Revised 2019) Para. 35]</p>
	<p>18R. For disclosures in which no risk of material misstatement has been identified, the practitioner shall evaluate whether the practitioner’s determination remains appropriate. (Ref: Para. A62R-A63R) [ISA 315 (Revised 2019) Para. 36]</p>
<p>19L. If the practitioner obtains new information that is inconsistent with the information upon which the practitioner originally</p>	<p>19R. If the practitioner obtains new information which is inconsistent with the evidence on which the practitioner originally based the</p>

Limited Assurance	Reasonable Assurance
based the identification of the disclosures where material misstatements are likely to arise, the practitioner shall revise the identification of disclosures where material misstatements are likely to arise.	identification and assessments of the risks of material misstatement, the practitioner shall revise the identification or assessment of the risks of material misstatement. [ISA 315 (Revised 2019) Para. 37]

Documentation

Limited Assurance	Reasonable Assurance
<p>20L. The practitioner shall include in the documentation:</p> <ul style="list-style-type: none"> (a) The discussion among the engagement team and the significant decisions reached; (b) Key elements of the practitioner's understanding in accordance with paragraphs 2-12; and (c) Disclosures identified by the practitioner where material misstatements are likely to arise. <p>[Moved from Part 4, Paragraph 15L] [ISA 315 (Revised) Para. 38]</p>	<p>20R. The practitioner shall include in the documentation:</p> <ul style="list-style-type: none"> (a) The discussion among the engagement team and the significant decisions reached; (b) Key elements of the practitioner's understanding in accordance with paragraphs 2-12; (c) The evaluation of the design of identified controls, and determination whether such controls have been implemented, in accordance with the requirements in paragraph 12R; and (b) The identified and assessed risks of material misstatement of the disclosures. <p>[Moved from Part 4, Paragraph 15R] [ISA 315 (Revised) Para. 38]</p>

Part 7: Responding to Risks of Material Misstatement

Limited Assurance	Reasonable Assurance
<p>1L. The practitioner shall design and perform further procedures whose nature, timing and extent are focused on the disclosures where material misstatements of the sustainability information are likely to arise that the practitioner has identified. (Ref: Para. A1, A3, A5-A7)</p> <p>[ISAE 3410 Para. 37L]</p>	<p>1R. The practitioner shall design and perform further procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement at the assertion level. In doing so the practitioner shall consider the reasons for the assessment given to the risks of material misstatement at the assertion level for each disclosure, including:</p>

	<p>(a) The likelihood of material misstatement due to the particular characteristics of the sustainability information; and</p> <p>(b) Whether the risk assessment was based on an intention to test the operating effectiveness of relevant controls (that is, the practitioner intends on obtaining evidence to determine the controls are operating effectively, which affects the nature, timing and extent of other procedures). (Ref: Para. A2, A4-A7)</p> <p>[ISAE 3410 Para. 37R(a)]</p>
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2. The practitioner shall respond appropriately to fraud or suspected fraud and non-compliance or suspected non-compliance with law or regulation identified during the engagement. (Ref: Para. A8-A9) [ISAE 3410 Para.47]

Tests of Controls

3. If the practitioner intends to rely on the operating effectiveness of the controls in determining the nature, timing and extent of further procedures, or if procedures other than tests of controls cannot alone provide sufficient appropriate evidence, the practitioner shall design and perform tests of controls to obtain sufficient appropriate evidence as to the operating effectiveness of controls. (Ref: Para. A10-A12) [ISAE 3410 Para. 38R]
4. In designing and performing tests of controls, the practitioner shall (Ref: Para. A10-A12):
- (a) Perform procedures in combination with inquiry to obtain evidence about the operating effectiveness of the controls, including:
 - (i) How the controls were applied at relevant times during the period the sustainability information relates to;
 - (ii) The consistency with which they were applied; and
 - (iii) By whom or by what means they were applied.
 - (b) Determine whether the controls to be tested depend upon other controls and, if so, whether it is necessary to obtain evidence supporting the effective operation of those indirect controls.
- [ISA 330¹³ Para 10]
5. The practitioner shall test controls for the appropriate period for which the practitioner intends to obtain evidence about the operating effectiveness of those controls, subject to paragraph 6 below. (Ref: Para. A10-A12) [ISA 330 Para 11]

¹³ ISA 330, *The Auditor's Responses to Assessed Risks*

6. If the practitioner obtains evidence about the operating effectiveness of controls during an interim period, the practitioner shall, in relation to the remaining period for which the practitioner intends to rely on those controls: (Ref: Para. A10-A12)
- (a) Obtain evidence about significant changes to those controls; and
 - (b) Determine the additional evidence to be obtained.
- [ISA 330 Para 12]
7. When evaluating the operating effectiveness of controls, the practitioner shall evaluate whether misstatements that have been detected by performing other procedures indicate that controls are not operating effectively. The absence of misstatements detected by other procedures, however, does not provide evidence that controls being tested are effective. (Ref: Para. A10-A12) [ISA 330 Para 16]
8. If deviations from controls upon which the practitioner intends to rely are detected, the practitioner shall make specific inquiries to understand these matters and their potential consequences, and shall determine whether: (Ref: Para. A10-A12)
- (a) The tests of controls that have been performed provide an appropriate basis to affect the nature, timing and extent of other procedures;
 - (b) Additional tests of controls are necessary; or
 - (c) The potential risks of material misstatement need to be addressed using other procedures.
- [ISAE 3410 Para.39R]

Substantive Procedures

Limited Assurance	Reasonable Assurance
	<p>9R. The practitioner shall perform further procedures for each risk for which the assessment of that risk is close to the upper end of the spectrum of risk due to the likelihood of misstatement, and extent to which the potential misstatement could result in a material misstatement. (Ref: Para. A13, A14, A16)</p> <p>[ISAE 3410 Para. A97]</p>
	<p>10R. The practitioner shall consider whether external confirmation procedures are to be performed. (Ref: Para. A15)</p> <p>[ISAE 3410.42R]</p>

11. If substantive procedures are performed at an interim date, the practitioner shall, in relation to the remaining period to which the sustainability information relates, perform: (Ref: Para. A17-A18)
- (a) Substantive procedures, combined with tests of controls for the intervening period; or
 - (b) If the practitioner determines that it is sufficient, further substantive procedures only,

that provide a reasonable basis for extending the conclusions from the interim date to the period end.
(Ref: Para. A17-A18) [ISA 330 Para. 22]

Overall Responses

Limited Assurance	Reasonable Assurance
	<p>12R. If the practitioner's evaluation of the control environment indicates that:</p> <ul style="list-style-type: none"> (a) Management, with the oversight of those charged with governance, has not created and maintained a culture of honesty and ethical behavior; (b) The control environment does not provide an appropriate foundation for the other components of the system of internal control considering the nature and complexity of the entity; or (c) Control deficiencies identified in the control environment undermine the other components of the system of internal control <p>the practitioner shall design and implement overall responses to address the assessed risk of material misstatement at the level of the sustainability information as a whole. (Ref: Para. A19-A22)</p>

Substantive Analytical Procedures

Limited Assurance	Reasonable Assurance
<p>13L. If designing and performing analytical procedures, the practitioner shall (Ref: Para. A23-A25):</p> <ul style="list-style-type: none"> (a) Determine the suitability of particular analytical procedures; (b) Develop an expectation with respect to recorded quantities or ratios. <p>[ISAE 3410 Para. 42L]</p>	<p>13R. If designing and performing analytical procedures, the practitioner shall (Ref: Para. A23-A25):</p> <ul style="list-style-type: none"> (a) Determine the suitability of particular analytical procedures for given assertions, taking account of the assessed risks of material misstatement and evidence from other procedures, if any, for these assertions; (c) Develop an expectation of recorded quantities or ratios that is sufficiently precise to identify possible material

Limited Assurance	Reasonable Assurance
	misstatements. [ISAE 3410 Para. 42R]
<p>14L. If analytical procedures identify fluctuations or relationships that are inconsistent with other relevant information or that differ significantly from expected quantities or ratios, the practitioner shall make inquiries of management about such differences. The practitioner shall consider the responses to these inquiries to determine whether other procedures are necessary in the circumstances. (Ref: Para. A23-A25)</p> <p>[ISAE 3410 Para. 43L]</p>	<p>14R. If analytical procedures identify fluctuations or relationships that are inconsistent with other relevant information or that differ significantly from expected quantities or ratios, the practitioner shall investigate such differences by: (Ref: Para. A23-A25)</p> <p>(a) Inquiring of management and obtaining additional evidence relevant to management's responses; and</p> <p>(b) Performing other procedures as necessary in the circumstances.</p> <p>[ISAE 3410 Para. 43R]</p>

Sampling

15. If the practitioner uses sampling when responding to assessed risks of material misstatement as a means for selecting items for testing, the practitioner shall:
- (a) Consider the purpose of the procedure and the characteristics of the population from which the sample will be drawn.
 - (b) Determine a sample size sufficient to reduce sampling risk to an acceptably low level.
 - (c) Select items in a way that each sampling unit in the population has a chance of selection.
 - (d) Perform procedures, appropriate to the purpose, on each item selected, unless the procedure is not applicable to the selected item in which case the practitioner shall select a replacement item or perform a suitable alternative procedure. If the practitioner is unable to apply the designed procedures, or suitable alternative procedures, to the selected item, that item shall be treated as a deviation (in the case of tests of controls) or a misstatement (in the case of tests of details).
 - (e) Investigate deviations or misstatements identified in the sample as to their nature and cause, and evaluate their possible effect on the purpose of the procedure and other areas of the engagement.
- [Proposed ISA for LCE¹⁴ Para. 7.3.5]
16. When there are deviations or misstatements, the practitioner shall:
- (a) Investigate the nature and cause of the deviations or misstatements, and evaluate their possible effect on the purpose of the procedure and on other areas of the engagement.
 - (b) In the extremely rare circumstances when the practitioner considers a misstatement or

¹⁴ Proposed ISA for LCE, *Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities*

deviation to be an anomaly, perform additional procedures to obtain sufficient appropriate evidence that the misstatement or deviation does not affect the remainder of the population.

- (c) For tests of details, project misstatements found in the sample to the population

[ISA 530¹⁵ Para. 12–14]

17. If the practitioner uses sampling, the practitioner shall evaluate:

- (a) The results of the sample; and
- (b) Whether the use of sampling has provided a reasonable basis for conclusions about the population that has been tested.

[ISA 530 Para. 15]

Determining Whether Additional Procedures Are Necessary in a Limited Assurance Engagement

Limited Assurance	Reasonable Assurance
<p>18L. If the practitioner becomes aware of a matter(s) that causes the practitioner to believe the sustainability information may be materially misstated, the practitioner shall design and perform additional procedures to obtain further evidence until the practitioner is able to: (Ref: Para. A26-A29)</p> <ul style="list-style-type: none"> (a) Conclude that the matter(s) is not likely to cause the sustainability information to be materially misstated; or (b) Determine that the matter(s) causes the sustainability information to be materially misstated. <p>[ISAE 3000 Para.49L]</p>	

Specific Focus Areas

Estimates, Including Forward-Looking Information (Ref: Para. A30-A31)

Limited Assurance	Reasonable Assurance
<p>19L. The practitioner shall: (Ref: Para. A30-A31)</p> <ul style="list-style-type: none"> (a) Evaluate whether: 	<p>19R. Based on the assessed risks of material misstatement, the practitioner shall evaluate whether: (Ref: Para. A30)</p>

¹⁵ ISA 530, *Audit Sampling*

<p style="text-align: center;">Limited Assurance</p>	<p style="text-align: center;">Reasonable Assurance</p>
<p>(i) Management has appropriately applied the requirements of the applicable criteria relevant to estimates; and</p> <p>(ii) The methods for making estimates are appropriate and have been applied consistently, and whether changes, if any, in reported estimates or in the method for making them from the prior period are appropriate in the circumstances; and</p> <p>(b) Consider whether other procedures are necessary in the circumstances.</p> <p>[ISAE 3410 Para. 44L]</p>	<p>(a) Management has appropriately applied the requirements of the applicable criteria relevant to estimates; and</p> <p>(b) The methods for making estimates are appropriate and have been applied consistently, and whether changes, if any, in reported estimates or in the method for making them from the prior period are appropriate in the circumstances.</p> <p>[ISAE 3410 Para 44R]</p>
	<p>20R. In responding to an assessed risk of material misstatement relating to an aspect of sustainability information involving estimates, the practitioner shall undertake one or more of the following, taking account of the nature of estimates: (Ref: Para. A30)</p> <p>(a) Test how management made the estimate and the information on which it is based. In doing so, the practitioner shall evaluate whether:</p> <p>(i) The method of quantification used is appropriate in the circumstances; and</p> <p>(ii) The assumptions used by management are reasonable.</p> <p>(b) Test the operating effectiveness of the controls over how management made the estimate, together with other appropriate procedures.</p> <p>(c) Develop a point estimate or a range to evaluate management’s estimate. For this purpose:</p>

Limited Assurance	Reasonable Assurance
	<p>(i) If the practitioner uses assumptions or methods that differ from management's, the practitioner shall obtain an understanding of management's assumptions or methods sufficient to establish that the practitioner's point estimate or range takes into account relevant variables and to evaluate any significant differences from management's point estimate.</p> <p>(ii) If the practitioner concludes that it is appropriate to use a range, the practitioner shall narrow the range, based on evidence available, until all outcomes within the range are considered reasonable.</p> <p>[ISAE 3410 Para. 45R]</p>

The Process for Assembling the Sustainability Information

Limited Assurance	Reasonable Assurance
<p>21L. The practitioner's procedures shall include the following procedures related to the entity's process for assembling the sustainability information: (Ref: Para. A32)</p> <p>(a) Agreeing or reconciling the sustainability information with the underlying records; and</p> <p>(b) Obtaining, through inquiry of management, an understanding of material adjustments made during the course of preparing the sustainability information and considering whether other procedures are necessary in the circumstances.</p> <p>[ISAE 3410 Para. 48L]</p>	<p>21R. The practitioner's procedures shall include the following procedures related to the entity's process for assembling the sustainability information: (Ref: Para. A32)</p> <p>(a) Agreeing or reconciling the sustainability information with the underlying records; and</p> <p>(b) Examining material adjustments made during the course of preparing the sustainability information.</p> <p>[ISAE 3410 Para. 48R]</p>

Part 8: Concluding

Accumulation and Consideration of Identified Misstatements

Accumulation of Identified Misstatements

1. The practitioner shall accumulate misstatements identified during the engagement, other than those that are clearly trivial. (Ref: Para. A1-A7) [ISAE 3410 Para. 50 and ISA 450¹⁶ Para. 5]
2. The practitioner shall: (Ref: Para. A8-A10)
 - (a) Remain alert throughout the engagement, including when considering misstatements individually or in aggregate, to the possibility that misstatements due to fraud may occur; and
 - (b) Respond appropriately if there are indicators that there may be material misstatements of the sustainability information due to fraud.[EER¹⁷ Para. 313]

Consideration of Identified Misstatements as the Engagement Progresses

3. The practitioner shall determine whether the overall engagement strategy and engagement plan need to be revised if: (Ref: Para. A11)
 - (a) The nature of identified misstatements and the circumstances of their occurrence indicate that other misstatements may exist that, when aggregated with misstatements accumulated during the engagement, could be material; or
 - (b) The misstatements accumulated during the engagement may, in aggregate, result in the sustainability information being materially misstated.[ISAE 3410 Para. 51]
4. If, at the practitioner's request, management has examined the sustainability information and corrected misstatements that were detected, the practitioner shall perform additional procedures with respect to the work performed by management to determine whether material misstatements remain. [ISAE 3410 Para. 52]

Communicating and Correcting Misstatements

5. The practitioner shall communicate on a timely basis all misstatements accumulated during the assurance engagement to management, and shall request management to correct those misstatements. (Ref: Para. A12) [ISAE 3410 Para. 53]
6. If management refuses to correct some or all of the misstatements communicated by the practitioner, the practitioner shall obtain an understanding of management's reasons for not making the corrections and shall consider that understanding when forming the practitioner's conclusion. (Ref: Para. A13) [ISAE 3410 Para. 54]

¹⁶ ISA 450, *Evaluation of Misstatements Identified during the Audit*

¹⁷ EER, *Extended External Reporting Assurance*

Evaluating the Effect of Uncorrected Misstatements

7. Prior to evaluating the effect of uncorrected misstatements, the practitioner shall reconsider materiality to confirm whether it remains appropriate. [ISAE 3410 Para.55]
8. The practitioner shall determine whether uncorrected misstatements are material individually or in the aggregate. In making this determination, the practitioner shall consider the size and nature of the misstatements, and the particular circumstances of their occurrence, for the purposes of expressing a conclusion in the assurance report. (Ref: Para. A14-A24) [ISAE 3410 Para.56]

Evaluating the Description of Applicable Criteria

9. The practitioner shall evaluate whether the sustainability information adequately references or describes the applicable criteria and the sources of those criteria. (Ref: Para. A25-29) [ISAE 3000 (Revised) Para.63]

Subsequent Events

10. The practitioner shall: (Ref: Para. A30, A31L and A31R)
 - (a) Perform procedures to identify events occurring up to the date of the assurance report that may have an effect on the sustainability information and the assurance report, and
 - (b) Evaluate the sufficiency and appropriateness of evidence obtained about whether such events are appropriately reflected in that sustainability information in accordance with the applicable criteria.[ISAE 3000 Para. 61 and ISAE 3410 Para. 61]
11. The practitioner shall respond appropriately to facts that become known to the practitioner after the date of the assurance report, that, had they been known to the practitioner at that date, may have caused the practitioner to amend the assurance report. (Ref: Para. A32) [ISAE 3410 Para. 61]

Written Representations from Management and Those Charged with Governance

12. The practitioner shall request from management and, where appropriate, those charged with governance a written representation: (Ref: Para. A34-A35)
 - (a) That they have fulfilled their responsibility for the preparation of the sustainability information, including comparative information where appropriate, in accordance with the applicable criteria, as set out in the terms of the engagement; [ISAE 3410 Para. 58]
 - (b) That they have provided the practitioner with all relevant information and access as agreed in the terms of the engagement and reflected all relevant matters in the sustainability information (see Part 3 paragraph14(c)(iv)); [ISAE 3410 Para. 58]
 - (c) Whether they believe the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the sustainability information. A summary of such items shall be included in, or attached to, the written representation; [ISAE 3410 Para. 58]
 - (d) Whether they believe that significant assumptions used in making estimates and preparing forward-looking information are reasonable; [ISAE 3410 Para. 58]

- (e) That they have communicated to the practitioner all deficiencies in internal control relevant to the engagement that are not clearly trivial of which they are aware; [ISAE 3410 Para. 58]
 - (f) Whether they have disclosed to the practitioner their knowledge of actual, suspected or alleged fraud or non-compliance with law or regulation where the fraud or non-compliance could have a material effect on the sustainability information. [ISAE 3410 Para. 58]
 - (g) That they adjusted and disclosed all events occurring subsequent to the date of the sustainability information and for which the applicable criteria require adjustment or disclosure. [ISAE 3410 Para. 58]
13. If, in addition to required representations, the practitioner determines that it is necessary to obtain one or more written representations to support other evidence relevant to the sustainability information, the practitioner shall request such other written representations. [ISAE 3000 Para. 57]
14. When written representations relate to matters that are material to the sustainability information, the practitioner shall:
- (a) Evaluate their reasonableness and consistency with other evidence obtained, including other representations (oral or written); and
 - (b) Consider whether those making the representations can be expected to be well-informed on the particular matters.
- [ISAE 3000 Para. 58]
15. The date of the written representations shall be as near as practicable to, but not after, the date of the assurance report. [ISAE 3000 Para. 59]
16. If one or more of the requested written representations are not provided or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or that the written representations are otherwise not reliable, the practitioner shall:
- (a) Discuss the matter with the management and, where appropriate those charged with governance;
 - (b) Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations (oral or written) and evidence in general; and
 - (c) Take appropriate actions, including determining the possible effect on the conclusion in the assurance report.
- [ISAE 3000 Para. 60]
17. The practitioner shall disclaim a conclusion on the sustainability information or withdraw from the engagement, where withdrawal is possible under applicable law or regulation, if:
- (a) The practitioner concludes that there is sufficient doubt about the integrity of the person(s) providing the written representations required by paragraphs 12(a) and (b) that written representations in these regards are not reliable; or
 - (b) The entity does not provide the written representations required by paragraphs 12(a) and (b).

[ISAE 3410 Para.60]

Other Information

Obtaining the Other Information

18. The practitioner shall: (Ref: Para. A36-A40)
- (a) Determine, through discussion with management, the document or documents expected to be issued that will contain sustainability information, and the entity's planned manner and timing of the issuance of such document(s); and
 - (b) Make appropriate arrangements with management to obtain in a timely manner prior to the date of the practitioner's report, the final version of such document(s).

[ISA 720 (Revised)¹⁸ Para.13]

Reading and Considering the Other Information

19. The practitioner shall read the other information obtained prior to the date of the assurance report and, in doing so shall: (Ref: Para. A41)
- (a) Consider whether there is a material inconsistency between the other information and the sustainability information.
 - (b) Consider whether there is a material inconsistency between the other information and the practitioner's knowledge obtained in the assurance engagement, in the context of evidence obtained and conclusions reached in the engagement.
 - (c) Remain alert for indications that the other information not related to the sustainability information or the practitioner's knowledge obtained in the engagement appears to be materially misstated.

[ISA 720 (Revised) para.14-15]

Responding When a Material Inconsistency Appears to Exist or Other Information Appears to Be Materially Misstated

20. If the practitioner identifies that a material inconsistency appears to exist (or becomes aware that the other information appears to be materially misstated), the practitioner shall discuss the matter with management and, if necessary, perform other procedures to conclude whether:
- (a) A material misstatement of the other information exists;
 - (b) A material misstatement of the sustainability information exists; or
 - (c) The practitioner's understanding of the entity and its environment needs to be updated.

[ISA 720 (Revised) para.16]

¹⁸ ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

Responding When the Practitioner Concludes That a Material Misstatement of the Other Information Exists

21. If the practitioner concludes that a material misstatement of the other information exists, the practitioner shall request management to correct the other information. If management: (Ref: Para. A42)
- (a) Agrees to make the correction, the practitioner shall determine that the correction has been made; or
 - (b) Refuses to make the correction, the practitioner shall communicate the matter with those charged with governance and request that the correction be made.

[ISA 720 (Revised) Para. 17]

22. If the practitioner concludes that a material misstatement exists in other information and the other information is not corrected after communicating with those charged with governance, the practitioner shall take appropriate action, including:
- (a) Considering the implications for the practitioner's report and communicating with those charged with governance about how the practitioner plans to address the material misstatement in the practitioner's report; or
 - (b) Withdrawing from the engagement, where withdrawal is possible under applicable law or regulation.

[ISA 720 (Revised) Para.18]

Responding When a Material Misstatement in the Sustainability Information Exists or the Practitioner's Understanding of the Entity and Its Environment Needs to Be Updated

23. If, as a result of performing the procedures in paragraph 20, the practitioner concludes that a material misstatement in the sustainability information exists or the practitioner's understanding of the entity and its environment needs to be updated, the practitioner shall respond appropriately. (Ref: Para. A43) [ISA 720 (Revised) Para. 14, 15 and 20]

Forming the Assurance Conclusion

Evaluating the Evidence Obtained

24. The practitioner shall evaluate the sufficiency and appropriateness of the evidence obtained in the context of the engagement and, if necessary in the circumstances, attempt to obtain further evidence. In making this evaluation, the practitioner shall: (Ref: Para. A44-A51)
- (a) Evaluate whether the evidence obtained meets the intended purpose of the procedures;
 - (b) Consider all evidence obtained, including evidence that is consistent or inconsistent with other evidence, and regardless of whether it appears to corroborate or to contradict the disclosures; and
 - (c) When the practitioner has used the work of a practitioner's external expert, another practitioner or the internal audit function, the practitioner shall evaluate whether such work is adequate for the practitioner's purposes. [Moved from Part 4, paragraph 6]

[ISAE 3000 (Revised) Para. 64 and ED-500 Para. 13]

25. If the practitioner obtains evidence that is inconsistent with other evidence, the practitioner shall: (Ref: Para.A52-A56)
- (a) Determine what modifications or additions to procedures are necessary to understand and address the inconsistency; and
 - (b) Consider the effect, if any, on other aspects of the assurance engagement. [Moved from Part 4, paragraph 7]
[ED-500 Para. 14]

Concluding

- 26 The practitioner shall form a conclusion about whether the sustainability information is free from material misstatement. In forming that conclusion, the practitioner shall consider the practitioner's evaluation in paragraph 24 regarding the sufficiency and appropriateness of evidence obtained and the determination in paragraph 8 of whether uncorrected misstatements are material, individually or in the aggregate. (Ref: Para. A57-A59) [ISAE 3410 Para. 73L; ISAE 3000 (Revised) Para. 65]
27. When the principles of fair presentation are embodied in the applicable criteria, the evaluation required by paragraph.26 shall also include consideration of: (Ref: Para. A60-62)
- (a) The overall presentation, structure and content of the sustainability information; and
 - (b) When appropriate in the context of the criteria, the wording of the assurance conclusion, or other engagement circumstances, whether the sustainability information represents the underlying subject matter in a manner that achieves fair presentation. [ISAE 3410 Para. 75]

Scope Limitation

28. If the practitioner is unable to obtain sufficient appropriate evidence, a scope limitation exists and the practitioner shall either: (Ref: Para. A63-A64)
- (a) Express a qualified conclusion (reported as required in Part 9 paragraph 14);
 - (b) Disclaim a conclusion, (reported as required in Part 9 paragraph 14); or
 - (c) Withdraw from the engagement, where withdrawal is possible under applicable law or regulation, as appropriate.
[ISAE 3000 (Revised) Para. 66]

Taking Overall Responsibility for Managing and Achieving Quality

29. Prior to dating the assurance report, the engagement leader shall: (Ref: Para. A65-A67)
- (a) Take responsibility for determining whether relevant ethical requirements, including independence, have been fulfilled. [ISA 220 (Revised) Para. 21]
 - (b) Determine, through review of engagement documentation and discussion with the engagement team, that sufficient appropriate evidence has been obtained to support the conclusions reached and for the assurance report to be issued. [ISA 220 Para. 32]
 - (c) Review the sustainability information and the assurance report, to determine that the report to be issued will be appropriate in the circumstances. [ISA 220 Para. 33]

- (d) Determine that:
 - (i) The engagement leader's involvement has been sufficient and appropriate throughout the engagement such that the engagement leader has the basis for determining that the significant judgments made and the conclusions reached are appropriate given the nature and circumstances of the engagement; and
 - (ii) The nature and circumstances of the engagement, any changes thereto, and the firm's related policies or procedures have been taken into account in complying with the requirements of this ISSA. [ISA 220 Para. 40]
- (e) If the engagement is subject to an engagement quality review, determine that the engagement quality review has been completed. [ISA 220 Para. 36(d)]

Documentation

30. The practitioner shall include in the documentation: (Ref: Para. A68)
- (a) The basis for the engagement leader's determination in accordance with paragraph 29(b) that sufficient appropriate evidence has been obtained, including:
 - (i) The determination in accordance with paragraph 24(c) that the work of a practitioner's external expert, another practitioner or the internal audit function is adequate for the practitioner's purposes;
 - (ii) How inconsistencies in evidence were addressed (see paragraph 25); and
 - (b) The basis for the engagement leader's determination in accordance with paragraph 29(d) that the engagement leader's involvement has been sufficient and appropriate throughout the engagement. (Ref: Para. A68)
- [ISA 220 Para. 41]

Part 9: Reporting

Preparing the Assurance Report

1. The assurance report shall be in writing and shall contain a clear expression of the practitioner's reasonable or limited assurance conclusion about the sustainability information. (Ref: Para. A1, A2)
- [ISAE 3000 (Revised) Para. 67]
2. The practitioner's conclusion shall be clearly separated from information or explanations that are not intended to affect the practitioner's conclusion, including any Emphasis of Matter, Other Matter findings related to particular aspects of the engagements, recommendations or additional information included in the assurance report. The wording used shall make it clear that an Emphasis of Matter, Other Matter, findings, recommendations or additional information is not intended to detract from the practitioner's conclusion. (Ref: Para. A1, A2)
- [ISAE 3000 (Revised) Para. 68, EER Para. 402]

Assurance Report Content

3. The assurance report shall include at a minimum the following basic elements: (Ref: Para. A24-A27)
- (a) A title that clearly indicates the report is an independent assurance report. (Ref: Para. A3-A4)
[ISAE 3000 Para. 69(a), ISAE 3410 Para. 76(a), ISA 700 (Revised)¹⁹ Para. 21]
 - (b) An addressee. (Ref: Para. A5)
[ISAE 3000 Para. 69(b), ISAE 3410 Para. 76(b)]
 - (c) The practitioner’s conclusion in the first section of the assurance report, which: (Ref: Para. A6-A13)
 - (i) Includes a heading reflecting the type of conclusion provided, either:
 - a. For unmodified conclusions, a “Reasonable Assurance Opinion,” “Limited Assurance Conclusion,” or “Reasonable and Limited Assurance Conclusions,” as appropriate; or
 - b. For modified conclusions, the heading in a. above shall be prefixed with “Qualified,” “Adverse,” or “Disclaimer of” as appropriate;
 - (ii) Identifies the entity whose sustainability information has been assured;
 - (iii) Identifies or describes the level of assurance, either reasonable or limited or different levels of assurance for different parts of the sustainability information, obtained by the practitioner; (Ref: Para. A6)
 - (iv) Identifies the sustainability information subject to the assurance engagement, including the location of that information; (Ref: Para. A7) [ISAE 3410 Para. 76(d), (g)]
 - (v) Identifies the applicable criteria, whether framework criteria, entity-developed criteria or both, including where it is located; (Ref: Para. A8-A9) and
 - (vi) Specifies the date of, or period or periods covered by, the document or documents comprising the sustainability information. [ISAE 3410 Para 76(c), (d), (g),(h); ISA 700 (Revised) Para. 23 & 24]
 - (vii) Expresses a conclusion, which: (Ref: Para. A10-A12)
 - a. In a reasonable assurance engagement, shall be expressed in a positive form; or
 - b. In a limited assurance engagement, shall be expressed in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner’s attention to cause the practitioner to believe that the sustainability information is not prepared, in all material respects, in accordance with the applicable criteria.
 - (viii) The conclusion in paragraph 3(c)(vii) shall be phrased using appropriate words for the underlying subject matter and applicable criteria given the engagement circumstances and shall be phrased in terms of: (Ref: Para. A10-A12)

¹⁹ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

- a. The sustainability information and the applicable criteria; or
 - b. A statement made by the appropriate party(ies).
- (ix) When appropriate, the conclusion shall inform the intended users of the context in which the practitioner’s conclusion is to be read. (Ref: Para. A13)
- (d) Basis for Conclusion section directly following the Conclusion section, with the heading “Basis for Conclusion,” that:
- (i) States that the engagement was conducted in accordance with ISSA 5000 *General Requirements for Sustainability Assurance Engagements*; (Ref: Para. A14)
 - (ii) Refers to the section of the practitioner’s report that describes the practitioner’s responsibilities (see paragraph 3(g)); (Ref: Para A17)
 - (iii) [PLACEHOLDER for amended requirements when IESBA requirements are revised]
Includes a statement that the practitioner complies with the independence and other ethical requirements of the IESBA Code, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding as the provisions of the IESBA Code related to assurance engagements. If other professional requirements are applied, the statement shall identify the professional requirements, or requirements imposed by law or regulation, applied that are at least as demanding as the provisions of the IESBA Code related to assurance engagements; (Ref: Para. A15)
[ISAE 3410 Para 76(j), ISAE 3000 Para. 69(j)]
 - (iv) States whether the practitioner believes that the evidence the practitioner has obtained is sufficient and appropriate to provide a basis for the practitioner’s conclusion; and [ISAE 3410 Para. 76(k), ISAE 3000 Para. 69(h), ISA 700 (Revised) Para. 28]
 - (v) If the practitioner expresses a modified conclusion, provides a description of the matter(s) giving rise to the modification.
[ISAE 3000 (Revised) Para. 76(l)(v)]
- (e) Where applicable, a paragraph with a heading “Other Information,” containing the matters in accordance with paragraph 13.
[ISA 700 (Revised) Para. 32]
- (f) A section with the heading “Management’s Responsibilities for the Sustainability Information that states that management is responsible for a description of the entity’s responsibilities for: (Ref: Para. A16-A18)
- (i) The preparation, of the sustainability information in accordance with the applicable criteria;
 - (ii) Referring to, or describing in the sustainability information, the applicable criteria used, who developed them and, for the suitability of any entity-developed criteria; (Ref: Para. A8-A9)

- (iii) Designing, implementing and maintaining such internal control that the entity determines is necessary to enable the preparation of sustainability information in accordance with the applicable criteria that is free from material misstatement, whether due to fraud or error;
- (iv) Where appropriate, a description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information against the applicable criteria; (Ref: Part 8 Para. A21) [ISAE 3000 (Revised) Para. 69(e), A166 & ISAE 3410 Para. 76(f)]
[ISAE 3410 Para 76(e), ISA 700 (Revised) Para. 33-34]
- (g) A section with the heading "Practitioner's Responsibilities," that shall state that : (Ref: Para A17)
 - (i) The objective of the practitioner is to perform procedures to obtain sufficient appropriate evidence to support a conclusion about whether the sustainability information is free from material misstatement, whether due to fraud or error.
 - (ii) Misstatements can arise from fraud or error, and either:
 - a. Describe that they are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this sustainability information; or
 - b. Provide a definition or description of materiality in accordance with the applicable criteria. (Ref. Para.A17A)
 - (iii) The practitioner exercises professional judgment and maintains professional skepticism throughout the engagement.
 - (iv) The practitioner either:
 - a. For a limited assurance engagement: performs risk procedures, including an understanding of internal control relevant to the engagement, to identify disclosures where risks of material misstatement of the sustainability information are likely to arise; or
 - b. For a reasonable assurance engagement: performs risk procedures, including an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatement of the sustainability information, whether due to fraud or error;
 - (v) The practitioner designs and performs procedures responsive to those risks. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - (vi) Evaluating the suitability of the criteria used and the reasonableness of estimates made and assumptions used by management in the preparation of the sustainability information.

[ISA 700 (Revised) Para. 37-39, ISAE 3000 Para. 69(g)]

- (h) A statement, with a heading "Quality Management," that the firm of which the practitioner is a member applies ISQM 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQM 1. If other professional requirements are applied, the statement shall identify those professional requirements, or requirements in law or regulation, applied that are at least as demanding as ISQM 1.

[ISAE 3410 Para. 76(l)]

- (i) A section, with the heading "Summary of Work Performed," that contains an informative summary of the work performed as a basis for the practitioner's conclusion. In a limited assurance engagement, this section shall describe the nature, timing and extent of procedures performed sufficiently to enable users to understand the limited assurance the practitioner has obtained and shall state that: (Ref: Para. A19-A22L)

(i) The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and

(ii) Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

[ISAE 3000 Para. 69(k), ISAE 3410 Para. 76(k)]

- (j) The practitioner's signature.

[ISAE 3000 Para. 69(m), ISAE 3410 Para. 76(m)]

- (k) The location in the jurisdiction where the engagement leader practices.

[ISAE 3000 Para. 69(o), ISAE 3410 Para. 76(o)]

- (l) The date of the assurance report. The assurance report shall be dated no earlier than the date on which: (Ref: Para A23)

(i) The practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for the sustainability information; and

(ii) When an engagement quality review is required in accordance with ISQM 1 or the firm's policies or procedures, the engagement quality review is complete.

[ISAE 3000 Para. 69(n), ISAE 3410 Para. 76(n)]

Name of the Engagement Leader in the Assurance Report

4. The name of the engagement leader shall be included in the assurance report on sustainability information of listed entities unless, in rare circumstances, such disclosure is reasonably expected to lead to a significant personal security threat. In the rare circumstances that the practitioner intends not to include the name of the engagement leader in the assurance report, the practitioner shall discuss this intention with those charged with governance to inform the practitioner's assessment of the likelihood and severity of a significant personal security threat. (Ref: Para A28-A30)

[ISA 700 (Revised) Para. 46]

Reference to a Practitioner's Expert in the Assurance Report

5. If the practitioner refers to the work of a practitioner's expert in the assurance report, the wording of that report shall not imply that the practitioner's responsibility for the conclusion expressed in that report is reduced because of the involvement of that expert. (Ref: Para A31-A32)

[ISAE 3000 (Revised) Para. 70]

Other Reporting Responsibilities

6. If the practitioner addresses other reporting responsibilities in the assurance report on the sustainability information that are in addition to the practitioner's responsibilities under this ISSA, the practitioner shall: (Ref: Para A33-A35)

- (a) If the topics, aspects of topics or disclosures are different to that of the sustainability information subject to the assurance engagement under this ISSA, include a separate section in the assurance report with a heading "Report on Other Legal and Regulatory Requirements" or otherwise as appropriate to the content of the section.
- (b) If the topics, aspects of topics or disclosures are the same as that of the sustainability information subject to the assurance engagement under this ISSA, the other reporting responsibilities may be presented in the same section as the related report elements required by this ISSA, but shall be clearly differentiated.

[ISA 700 (Revised) Para. 43-44]

7. If the assurance report contains a separate section that addresses other reporting responsibilities, the requirements of paragraph 3 shall be included under a section with a heading "Assurance Report on the Sustainability Information." The "Report on Other Legal and Regulatory Requirements" shall follow the "Assurance Report on the Sustainability Information." (Ref: Para. A35)

[ISA 700 (Revised) Para.45]

8. If the practitioner is required by law or regulation to use a specific layout or wording of the assurance report, the assurance report shall refer to this ISSA only if the assurance report includes, at a minimum, each of the elements identified in paragraphs 3 and 4. (Ref: Par. A34)

[ISAE 3000 (Revised) Para. 71]

Engagements Conducted in Accordance with Both ISSA 5000 and Other Assurance Standards

9. A practitioner may be required to conduct an assurance engagement in accordance with the assurance standards of a specific jurisdiction or industry (the "other assurance standards"), and has additionally complied with this ISSA in the conduct of the engagement. If this is the case, the assurance report may refer to this ISSA in addition to the other assurance standards, but the practitioner shall do so only if:

- (a) There is no conflict between the requirements in the other assurance standards and those in ISSA that would lead the practitioner
- (i) to reach a different conclusion, or
- (ii) not to include an Emphasis of Matter paragraph or Other Matter paragraph that, in the particular circumstances, is required by ISSA; and

- (b) The practitioner’s report includes, at a minimum, each of the elements set out in paragraphs 3 and 4 when the practitioner uses the layout or wording specified by the other assurance standards. However, reference to “law or regulation” in paragraph 3(d)(iii) and 3(h) shall be read as reference to the other assurance standards. The assurance report shall thereby identify such other assurance standards, including the jurisdiction of origin of the other assurance standards.

[ISA 700 (Revised) Para. 51-52]

Unmodified Conclusions

Limited Assurance	Reasonable Assurance
<p>10L. The practitioner shall express an unmodified limited assurance conclusion when the practitioner concludes, that, based on the procedures performed and evidence obtained, no matter(s) has come to the attention of the practitioner that causes the practitioner to believe that:</p> <p>(a) In the case of a compliance framework, the sustainability information is not prepared, in all material respects, in accordance with the applicable criteria; or</p> <p>(b) In the case of a fair presentation framework, the sustainability information is not fairly presented, in all material respects, in accordance with the applicable criteria.</p> <p>[ISAE 3000 (Revised) Para.72, ISA 700 (Revised) Para.16]</p>	<p>10R. The practitioner shall express an unmodified reasonable assurance conclusion when the practitioner concludes, that:</p> <p>(a) In the case of a compliance framework or compliance criteria, the sustainability information is prepared, in all material respects, in accordance with the applicable framework or criteria; or</p> <p>(b) In the case of a fair presentation framework, the sustainability information is fairly presented, in all material respects, in accordance with the applicable framework or criteria.</p> <p>[ISAE 3000 (Revised) Para.72, ISA 700 (Revised) Para.16]</p>

Emphasis of Matter Paragraphs and Other Matter Paragraphs

11. If the practitioner considers it necessary to: (Ref: Para. A36-A40)
- (a) Draw intended users’ attention to a matter presented or disclosed in the sustainability information that, in the practitioner’s judgment, is of such importance that it is fundamental to intended users’ understanding of the that information (an Emphasis of Matter paragraph); or
- (b) Communicate a matter other than those that are presented or disclosed in the sustainability information that, in the practitioner’s judgment, is relevant to intended users’ understanding of the engagement, the practitioner’s responsibilities or the assurance report (an Other Matter paragraph),

and this is not prohibited by law or regulation, the practitioner shall do so in a paragraph in the assurance report, with an appropriate heading, that clearly indicates the practitioner's conclusion is not modified in respect of the matter.

[ISAE 3000 (Revised) Para. 73]

Other Information

12. If the practitioner has obtained the other information at the date of the assurance report, the assurance report shall include a separate section with a heading "Other Information", or other appropriate heading.

[ISA 720 (Revised) Para. 21]

13. When the assurance report is required to include an Other Information section in accordance with paragraph 12, this section shall include:

- (a) A statement that management is responsible for the other information;
- (b) An identification of other information obtained by the practitioner prior to the date of the assurance report;
- (c) A statement that the practitioner's conclusion does not cover the other information and, accordingly, that the practitioner does not provide a conclusion thereon;
- (d) A description of the practitioner's responsibilities relating to reading, considering and reporting on other information as required by this ISSA; and
- (e) Either:
 - (i) A statement that the practitioner has nothing to report with respect to the other information; or
 - (ii) If the practitioner has concluded that there is an uncorrected material misstatement of the other information, a statement that describes the uncorrected material misstatement of the other information.

[ISA 720 Revised) para. 22]

Modified Conclusions

14. The engagement leader shall express a modified conclusion in the following circumstances:
- (a) When, in the practitioner's professional judgment, a scope limitation exists and the effect of the matter could be material (see Part 8 paragraph 28). In such cases, the practitioner shall express a qualified conclusion or a disclaimer of conclusion. (Ref: Para. A41-A42, A48-A50)
 - (b) When, in the practitioner's professional judgment, the sustainability information is materially misstated. In such cases, the practitioner shall express a qualified conclusion or adverse conclusion. (Ref: Para. A43-A45, A48-A50)

[ISAE 3000 Para. 74]

15. The engagement leader shall express a qualified conclusion when, in the practitioner's professional judgment, the effects, or possible effects, of a matter are not so material and pervasive as to require an adverse conclusion or a disclaimer of conclusion. A qualified conclusion shall be expressed as being "except for" the effects, or possible effects, of the matter to which the qualification relates. (Ref: Para. A46-A47) [ISAE 3000 Para. 75]
16. If the engagement leader expresses a modified conclusion because of a scope limitation but is also aware of a matter(s) that causes the sustainability information to be materially misstated, the engagement leader shall include in the assurance report a clear description of both the scope limitation and the matter(s) that causes that the sustainability information to be materially misstated. [ISAE 3000 Para. 76]
17. When a statement made by management or those charged with governance, as appropriate, in the sustainability information has identified and properly described that the sustainability information is materially misstated, the practitioner shall either:
 - (a) Express a qualified conclusion or adverse conclusion phrased in terms of the underlying sustainability information and the applicable criteria; or
 - (b) If specifically required by the terms of the engagement to phrase the conclusion in terms of a statement made by the those charged with governance, express an unqualified conclusion but include an Emphasis of Matter paragraph in the assurance report referring to the statement made by those charged with governance that identifies and properly describes that the sustainability information is materially misstated.[ISAE 3000 Para. 77]

Comparative Information

18. When comparative information is presented with the current sustainability information and some or all of that comparative information is covered by the engagement leader's conclusion, the practitioner's procedures with respect to the comparative information shall include evaluating whether: (Ref: Para. A51-A56)
 - (a) The comparative information is consistent with the disclosures presented in the prior period or, when appropriate, has been properly restated and that restatement has been adequately disclosed; and
 - (b) The criteria for evaluation, measurement, presentation or disclosure of the sustainability information reflected in the comparative information are consistent with those applied in the current period or, if there have been changes, whether they have been properly applied and adequately disclosed.[ISAE 3410 Para. 62]
19. Irrespective of whether the practitioner's conclusion covers the comparative information, if the practitioner becomes aware that there may be a material misstatement in the comparative information presented the practitioner shall: (Ref: Para. A56)
 - (a) Discuss the matter with those person(s) within the entity with appropriate responsibilities for, and knowledge of, the matters concerned and perform procedures appropriate in the circumstances; and

- (b) Consider the effect on the assurance report. If the comparative information presented contains a material misstatement, and the comparative information has not been restated:
 - (i) When the practitioner’s conclusion covers the comparative information, the practitioner shall express a qualified conclusion or an adverse conclusion in the assurance report;
or
 - (ii) When the practitioner’s conclusion does not cover the comparative information, the practitioner shall include an Other Matter paragraph in the assurance report describing the circumstances affecting the comparative information.

[ISAE 3410 Para. 63]