**PROPOSED INTERNATIONAL STANDARD ON SUSTAINABILITY ASSURANCE (ISSA) 5000 GENERAL REQUIREMENTS FOR SUSTAINABILITY ASSURANCE ENGAGEMENTS**

**SELECTED PARAGRAPHS AND APPENDICES**
(MARKED FROM AGENDA ITEMS 2-D AND 2-E)

This Agenda Item contains the Task Force’s proposed revisions to selected paragraphs in proposed ISSA 5000 to address targeted matters raised in the IAASB plenary discussion on June 20, 2023. Also included is a mark-up of the unmodified limited assurance report (Illustration 2), as presented in Agenda Item 2-F, to show the effect of the changes made to the reporting requirements in paragraph 169 of the proposed standard.

---

**Introduction**

... 

2. For purposes of this ISSA, sustainability information refers to information reported by an entity about sustainability matters. An entity’s disclosures about such matters may relate to several different topics (e.g., climate, labor practices, biodiversity) and aspects of topics (e.g., risks and opportunities, governance, metrics and key performance indicators). Law or regulation or sustainability reporting frameworks may describe sustainability matters, topics or aspects of topics in different ways, and may also refer to specific factors provide guidance for the entity considers in determining the sustainability information to be reported. (Ref: Para. A1, A18-A19, A32A)

2A. The scope of the assurance engagement may extend to all of the sustainability information expected to be reported by the entity or only part of that information. For example, in certain jurisdictions, law or regulation may require that only climate-related disclosures in an entity’s sustainability information be subject to assurance. Unless otherwise specifically indicated When the assurance engagement does not cover the entirety of the sustainability information, references in this ISSA to the term “sustainability information” is to be read as mean the information that is subject to the assurance engagement. Sustainability information reported by the entity that is not subject to the assurance engagement that is included in a document or documents containing the sustainability information subject to the assurance engagement and the assurance report thereon is “other information” as defined in paragraph 16(ff). (Ref: Para. A2)

---

**Scope of this ISSA**

...

**Relationship with ISAE 3410**

9. ISAE 3410 applies in circumstances when: (Ref: Para. A12-13)

   (a) Aa GHG statement is the only sustainability information presented by the entity and is the subject of the assurance engagement and the practitioner’s assurance conclusion; or

---

1 ISAE 3410, Assurance Engagements on Greenhouse Gas Statements
Proposed ISSA 5000 – Selected Paragraphs and Appendices (Marked from Agenda Items 2-D and 2-E)

IAASB Main Agenda (June 2023)

(b) A GHG statement is included with other sustainability information presented by the entity and the practitioner issues a separate assurance conclusion on the GHG statement.

9A. This ISSA applies when: (Ref: Para. A12-A13)

(a) GHG information other than a GHG statement is included as part of the overall sustainability information presented and covered by the practitioner’s assurance conclusion; or

(b) The sustainability information presented and covered by the practitioner’s assurance conclusion includes a GHG statement but the GHG statement is a relatively minor part of the overall sustainability information presented and covered by the practitioner’s assurance conclusion. (Ref: Para. A14)

Definitions

16. For purposes of the ISSAs, the following terms have the meanings attributed below:

( tt ) Substantive analytical procedures – Analytical procedures that require the practitioner to:

(i) Develop an expectation of the outcome of the measurement or evaluation of the sustainability matters; and

(ii) Evaluate whether the expectation is sufficiently precise to identify a misstatement that, individually or when aggregated with other misstatements, may cause the sustainability information to be materially misstated.

(uu) Substantive procedures – Procedures, comprised of tests of details and substantive analytical procedures, designed to detect material misstatements.

(ww) Sustainability information – Information about sustainability matters. For purposes of this ISSA, sustainability information results from measuring or evaluating sustainability matters against the applicable criteria. For purposes of the ISSAs, sustainability information is the equivalent of “subject matter information” in other IAASB assurance standards. (Ref: Para. A32A)

(xx) Sustainability matters – Environmental, social, economic and cultural matters, including:

(i) The impacts of an entity’s activities, products and services on the environment, society, economy or culture such matters, or the impacts of such matters on the entity, and

(ii) The entity’s policies, performance, plans, goals and governance relating to such matters.

For purposes of the ISSAs, sustainability matters being measured or evaluated in accordance with the applicable criteria are the equivalent of “underlying subject matter” in other IAASB assurance standards.

Requirements

...
41. If the practitioner intends to obtain evidence from the work performed by an external expert or a firm other than the another practitioner’s firm, the engagement leader shall determine whether the practitioner will be able to be sufficiently and appropriately involved in the work to be performed. (Ref: Para. A87-A91)

Using Work Performed by Another Practitioner Not Part of the Engagement Team

50. If the practitioner plans to use information from work performed by another practitioner that is not part of the engagement team, the practitioner shall: (Ref: Para. A119-A120, A126)

(a) Evaluate whether that practitioner is independent and has the necessary competence and capabilities for the practitioner’s purposes; (Ref: Para. A121-A122)

(b) When evaluating that practitioner’s independence, inquire of the practitioner about threats to compliance with relevant ethical requirements, including those related to independence;

(c) Evaluate whether the nature, scope and objectives of that practitioner’s work are appropriate for the practitioner’s purposes; and (Ref: Para. A123)

(d) Determine whether the other practitioner’s work is adequate for the practitioner’s purposes.

51. In making the determination in accordance with paragraph 50(d), the practitioner shall communicate, to the extent necessary in the circumstances, communicate with that practitioner about the findings from their other practitioner’s work. (Ref: Para. A124)

52. If the practitioner has communicated with another practitioner in accordance with paragraph 51, the practitioner shall evaluate whether such communications are adequate for the practitioners’ purposes. If not, the practitioner shall consider the implications for the engagement. (Ref: Para. A125)

53. The practitioner shall determine whether, and the extent to which, it is necessary to review additional documentation of the work performed by another practitioner. (Ref: Para. A126)

Fraud and Non-Compliance with Law or Regulation

58. 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. A131)

Non-Compliance with Law or Regulation

59. The practitioner shall remain alert to the possibility that procedures performed during the engagement may bring instances of noncompliance or suspected noncompliance with law or regulation to the practitioner’s attention. (Ref: Para. 132-136)

60. In the absence of identified or suspected noncompliance, the practitioner is not required to perform procedures regarding the entity’s compliance with laws and regulations, other than those set out in paragraphs 59 and 101.
Planning

...

Materiality

90. For purposes of planning and performing the assurance engagement, and evaluating whether the sustainability information is free from material misstatement, the practitioner shall: (Ref: Para. A265-A271, A276)
   (a) Consider materiality for qualitative disclosures; and (Ref: Para. A272)
   (b) Determine materiality for quantitative disclosures. (Ref: Para. A273-A275)

...

Responding to Risks of Material Misstatement

...

Substantive Procedures

<table>
<thead>
<tr>
<th>Limited Assurance</th>
<th>Reasonable Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>124L. Paragraph 114L requires the practitioner to design and perform further procedures whose nature, timing and extent are focused on the disclosures where material misstatements, whether due to fraud or error, are likely to arise. (Ref: Para. A370AL)</td>
<td>124R. Paragraph 114R requires the practitioner to design and perform further procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement at the assertion level. Those further procedures shall include substantive procedures that are responsive to each risk for which the assessment of that risk is close to the upper end of the spectrum of risk. (Ref: Para. A346R-A347R, A370)</td>
</tr>
</tbody>
</table>

124RA. Irrespective of the assessed risks of material misstatement, the practitioner shall consider the need to design and perform substantive procedures for disclosures that, in the practitioner’s judgment, are important to the information needs of intended users. (Ref: Para. A370AR)

Analytical Procedures

<table>
<thead>
<tr>
<th>Limited Assurance</th>
<th>Reasonable Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>129L. If designing and performing analytical procedures, the practitioner shall (Ref:</td>
<td>129R. If designing and performing substantive analytical procedures, the practitioner</td>
</tr>
</tbody>
</table>

...
<table>
<thead>
<tr>
<th>Limited Assurance</th>
<th>Reasonable Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Determine the suitability of particular</td>
<td>(a) Determine the suitability of particular analytical</td>
</tr>
<tr>
<td>analytical procedures, considering the reasons for</td>
<td>procedures for given assertions, considering the reasons</td>
</tr>
<tr>
<td>the identification of the disclosures where</td>
<td>for the assessment of risks of material misstatement and</td>
</tr>
<tr>
<td>material misstatement are likely to arise;</td>
<td>evidence from other procedures, if any, for these</td>
</tr>
<tr>
<td>(b) Develop an expectation of the result of the</td>
<td>assertions;</td>
</tr>
<tr>
<td>analytical procedures. Consider unusual or</td>
<td>(b) Develop an expectation of recorded quantities or ratios</td>
</tr>
<tr>
<td>unexpected relationships.</td>
<td>that is sufficiently precise to identify possible material</td>
</tr>
<tr>
<td></td>
<td>misstatements.</td>
</tr>
</tbody>
</table>

130L. If analytical procedures identify fluctuations or relationships that are inconsistent with other relevant information or that differ significantly from the expected result, the practitioner shall make inquiries of management about such differences. The practitioner shall consider the responses to these inquiries to determine whether additional procedures are necessary in the circumstances.

130R. If substantive 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

(a) Inquiring of management and obtaining additional evidence relevant to management’s responses; and

(b) Performing other procedures as necessary in the circumstances.

Forming the Assurance Conclusion

Assurance Report Content

169. The assurance report shall include at a minimum the following basic elements: (Ref: Para. A460, A487-A489)

(a) A title that clearly indicates the report is an independent practitioner’s limited or reasonable assurance report. (Ref: Para. A461)

(b) An addressee. (Ref: Para. A462)

(c) The practitioner’s conclusion in the first section of the assurance report, which: (Ref: Para. A463-A472)

(i) Includes a heading reflecting the type of conclusion provided, either:
a. For unmodified conclusions, “Reasonable Assurance Opinion,” “Limited Assurance Conclusion,” or an appropriate heading for an assurance report for both a reasonable assurance and limited assurance engagement; or

b. For modified conclusions, the heading in a. above shall be prefixed with “Qualified,” “Adverse,” or “Disclaimer of” as appropriate, and, for an assurance report for both a reasonable and limited assurance engagement, clear identification of which opinion(s) or conclusion(s) are modified;

(ii) Identifies the entity whose sustainability information has been subject to the assurance engagement;

(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. A463)

(iv) Identifies and describes the sustainability information subject to the assurance engagement, including, if appropriate, the sustainability matters and how that information is reported; (Ref: Para. A464)

(v) Specifies the date of, or period or periods covered by the sustainability information.

(vi) Expresses a conclusion, which: (Ref: Para. A465-L-A471)

a. In a reasonable assurance engagement, shall be expressed in a positive form, that the sustainability information is prepared or fairly presented, in all material respects, in accordance with the applicable criteria; 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 or not fairly presented, in all material respects, in accordance with the applicable criteria.

(vi)A Identifies the applicable criteria, whether framework criteria, entity-developed criteria or both, including where it is located;

(vii) The conclusion in paragraph 169(c)(vi) shall be phrased in terms of: (Ref: Para. A465-L-A471)

a. The sustainability information and the applicable criteria; or

b. A statement made by the appropriate party(ies); and

(viii) When appropriate, the conclusion shall inform the intended users of the context in which the practitioner’s conclusion is to be read. (Ref: Para. A472)

(d) The basis for conclusion directly following the Conclusion section, with the heading “Basis for Opinion” for a reasonable assurance report, “Basis for Conclusion” for a limited assurance report, or an appropriate heading for an assurance report for both a limited assurance and reasonable assurance engagement that:

(i) States that the engagement was conducted in accordance with ISSA 5000 General Requirements for Sustainability Assurance Engagements; (Ref: Para. A473)

(ii) Refers to the section of the assurance report that describes the practitioner’s responsibilities (see paragraph 169(g));
(iii) Includes a statement that the practitioner is independent of the entity in accordance with the relevant ethical requirements related to the assurance engagement, and has fulfilled the practitioner’s other ethical responsibilities in accordance with these requirements. The statement shall identify the jurisdiction of origin of the relevant ethical requirements or refer to the IESBA Code;

(iv) States that the firm of which the practitioner is a member applies ISQM 1, or other professional requirements, or requirements in law or regulation. 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.

(v) [Unused] States that:

a. 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

b. 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.

(vi) 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

(vii) If the applicable criteria are designed for a specific purpose, alerts readers to this fact, and that, as a result, the sustainability information may not be suitable for another purpose—; and (Ref: Para. 475-476)

(viii) If the practitioner expresses a modified conclusion, provides a description of the matter(s) giving rise to the modification.

(h) For a limited assurance engagement, 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. 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— (Ref: Para. 481-485L)

(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.
Other Reporting Responsibilities

172. 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 A495-A496)

(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, these other reporting responsibilities shall be addressed in 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. If these other reporting responsibilities address the same elements as those presented under the reporting responsibilities required by this ISSA, the other reporting responsibilities may be presented in the same section as the related report elements required by this ISSA. (Ref: Para A495-A496)

172A. (b) ______ If other reporting responsibilities are presented in the same section as the related report elements required by the ISSA, the practitioner’s report shall clearly differentiate the other reporting responsibilities from the reporting that is required by this ISSA. 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. (Ref: Para. A497)

Comparative Information

184. The practitioner shall determine whether the applicable criteria (or law or regulation) require comparative information to be included in the sustainability information and, if so, whether some or all of that comparative information is appropriately presented within the scope of the assurance engagement and required to be covered by the practitioner’s assurance conclusion.

184A. If determining whether the comparative information is required appropriately presented, the practitioner shall evaluate whether: (Ref: Para. A512-A517)

(a) The comparative information is consistent with the disclosures presented in the prior period and, if not, any inconsistencies are addressed in accordance with the applicable criteria; and

(b) The criteria for measurement or evaluation 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.

185. If the comparative information is not included in the scope of the assurance engagement covered by the practitioner’s assurance conclusion and was not subject to an assurance engagement in the prior period, the practitioner shall state that fact in an Other Matter paragraph, whether comparative information was subject to an assurance engagement in the prior period.

185A. If the comparative information is not covered by the practitioner’s conclusion and was subject to an assurance engagement in the prior period, the practitioner shall state in an Other Matter paragraph:

(a) If the assurance engagement for the prior period had a different level of assurance or a different engagement scope than the current period and what those differences were; or
(b) If the assurance engagement for the prior period as conducted by a predecessor practitioner:
   (i) That the assurance engagement for the prior period was conducted by a predecessor practitioner;
   (ii) The type of conclusion provided by the predecessor practitioner; and
   (iii) If the conclusion was modified, the reasons for any modification, and the date of that report.

186. 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. A517)
   (a) Discuss the matter with management and perform procedures appropriate in the circumstances;
   (b) Consider the effect on the assurance report; and
   (c) 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.

Application and Other Explanatory Material

Definitions

Engagement Team (Ref: Para. 16(p))

A24A. The engagement team includes personnel, which includes any internal experts, and may include individuals from other firms within or outside the practitioner firm’s network when such individuals perform procedures on the engagement under the direction and supervision of the practitioner. As explained in paragraph A90, when another firm performs assurance work that is not under the direction and supervision of the practitioner, such firms, and the individuals from those firms who performed that assurance work, are not members of the engagement team and are referred to in this ISSA as “another practitioner.”

Engagement-level Quality Management

Engagement Resources (Ref: Para. 39)
Competence and Capabilities of the Engagement Team (Ref: Para. 40)

...  
A86. The more complex the engagement, including its geographical spread and the extent to which information is derived from the entity’s value chain, the more necessary it may be to consider how the work of other practitioners and the work of practitioner’s experts or another practitioner(s) is to be integrated across the engagement. The appropriate application of competence in performing the engagement depends on the practitioners, practitioner’s experts and other practitioners who are to perform the engagement:

- Having the appropriate competence to perform the roles assigned to them; and
- Working together effectively, including effective two-way communication.

Involvement in the Work of a Practitioner’s External Expert or a Firm Other than the Another Practitioner’s Firm (Ref: Para. 41)

A87. Paragraph 29 requires the engagement leader to be sufficiently and appropriately involved throughout the engagement. Such involvement extends to the work performed by a practitioner’s external expert or another practitioner.

A88. A practitioner’s external expert is not part of the engagement team. Accordingly, paragraph 48 specifies the requirements and conditions for the practitioner to be able to use the work of a practitioner’s external expert.

A89. In certain circumstances, a firm other than the another practitioner’s firm may be engaged to perform, or may have performed, work on sustainability information that is relevant to the practitioner’s engagement. For example, another practitioner that firm may have conducted a separate assurance engagement on the entity’s greenhouse gas emissions, removals and storage and that information is included in the sustainability information subject to the assurance engagement.

A90. When the practitioner considers that the work of a firm other than the practitioner’s firm is relevant to the practitioner’s assurance engagement, and such work has not yet been performed, the practitioner ordinarily may seek to be sufficiently involved in that work. As explained in paragraph A24A, another practitioner may include an individual (or, as applicable, another firm) from within or outside of the practitioner firm’s network—If the practitioner is able to direct and supervise such work, the individuals (or as applicable, the other firm) performing that work are members of the engagement team and the requirements applicable to the engagement team, including those related to direction, supervision and review in paragraphs 44-47 apply.
A91. In other circumstances, the work of a firm other than the practitioner’s firm may already been completed, or the practitioner may be unable to direct and supervise the work to be performed by that other firm. The practitioner, or review their work. This may be because the practitioner’s access to the work of another practitioner is restricted by law or regulation, or the work that has been performed by that other firm relates to an entity that is part of the supply chain outside of the organizational boundary of the entity subject to the practitioner’s engagement, and neither the entity’s management nor the practitioner have any rights of access to that other firm’s assurance work. For example, another practitioner may already have completed their engagement, or the other practitioner may be unable to cooperate with the practitioner because there are restrictions on access to information or people due to law, regulation or other conditions. In such circumstances, when the practitioner nevertheless considers that the work of that other firm is relevant to the practitioner’s assurance engagement and intends to obtain evidence from using that work, that firm is another practitioner the other practitioner is not a member of the engagement team and the requirements in paragraphs 50-53 apply.

...Engagement-level Quality Management...

...Engagement Resources (Ref: Para. 39)...

...Using Work Performed by Another Practitioner Not Part of the Engagement Team (Ref: Para. 50)

A119. In planning and performing the engagement, the practitioner may intend to use the work of another practitioner. As described in paragraph A91, if the practitioner is unable to direct and supervise the other practitioner and review their work, that other practitioner is not part of the engagement team. The practitioner exercises professional judgment in determining whether the work of another practitioner is relevant to and is appropriate for purposes of the engagement, and the nature and extent to which the work of another practitioner can be used in the circumstances. The extent of the practitioner’s evaluation of work performed by another practitioner in accordance with paragraph 50 is influenced by:

• The overall significance of the work to the practitioner’s engagement. For example, the greater the significance to the overall sustainability information of the disclosures for which the practitioner intends to obtain evidence from using the work of another practitioner, the more extensive the practitioner’s procedures are likely to be, including communication with another practitioner and determining it is necessary to review additional documentation of the work performed by that practitioner (in accordance with paragraph 53); and

• The ability of the practitioner to obtain access to another practitioner and their work, for example, when the work of another practitioner relates to information outside of the entity’s organizational boundary, the further down the entity’s value chain that information resides the less likely it is that the entity’s management or the practitioner will be able to influence access to the work of another practitioner.

A120. While paragraphs A109-A117 provide guidance for using work performed by a practitioner’s external expert, they may also be helpful when using work performed by another practitioner that is not part of the engagement team. In particular, the considerations described in paragraphs...
A110 and A117 are also relevant when the practitioner plans to use work performed by another practitioner.

A121. Relevant ethical requirements will ordinarily specify the independence requirements applicable to the work performed by another practitioner. The extent to which another practitioner’s policies and procedures support the independence of the other practitioner and the level of competence of the other practitioner are particularly important in determining whether to use and, if so, the nature and extent of the use of the work of another practitioner that is appropriate in the circumstances. Inquiring of another practitioner regarding their policies and procedures that address independence, and competence and capabilities, may assist the practitioner in evaluating whether another practitioner is independent and has the necessary competence for the practitioner’s purposes.

A122. The sources described in paragraph A112 related to the work of a practitioner’s expert may also be relevant when evaluating the competence and capabilities of another practitioner. When another practitioner is another firm within the same network as the practitioner’s firm and is subject to common network requirements or uses common network services, the practitioner may be able to depend on such network requirements, for example, those addressing professional training or recruitment, or that require the use of common methodologies and related implementation tools.

A123. Evaluating whether the nature, scope and objectives of another practitioner’s work are appropriate for the practitioner’s purposes may include obtaining an understanding of:

- The nature of the engagement and whether it exhibits a rational purpose;
- The applicable criteria;
- The scope of the engagement, including materiality;
- Whether the engagement is a limited or reasonable assurance engagement; and
- Whether the work performed has been supported by firm-level policies and procedures designed to address quality management.

A124. Relevant matters that the engagement team may request another practitioner to communicate include:

- Whether the other practitioner has complied with ethical requirements that are relevant to the engagement, including independence and professional competence.
- Information on instances of non-compliance with law or regulation that could give rise to a material misstatement of the sustainability information.
- A list of uncorrected misstatements identified by the other practitioner during the engagement that are not clearly trivial.
- Indicators of possible bias in the preparation of relevant information.
- Description of any identified significant deficiencies in internal control identified by the other practitioner during the engagement.
- Other significant matters that the other practitioner has communicated or expects to communicate to the entity, including fraud or suspected fraud.
- Any other matters that may be relevant to the sustainability information, or that the other practitioner wishes to draw to the attention of the engagement team, including exceptions noted in any written representations that the other practitioner requested from the entity.
The other practitioner’s overall findings, conclusion or opinion.

A125. If the practitioner determines that another practitioner’s communications are not adequate for the practitioners’ purposes, the practitioner may consider whether, for example:

- Further information can be obtained from the other practitioner (e.g., through further discussions or meetings);
- Review of additional engagement documentation of the other practitioner may provide the practitioner with further information;
- Additional procedures may need to be performed by the engagement team; or
- There are any concerns about the other practitioner’s competence or capabilities.

A126. The practitioner’s determination whether to review additional engagement documentation of the other practitioner may include consideration of:

- The nature, timing and extent of the work performed by the other practitioner;
- The competence and capabilities of the other practitioner; and
- The significant judgments made by, and the findings or conclusions of, the other practitioner about matters that are material to the sustainability information.

A126A. A scope limitation exists when the practitioner is unable to:

(a) Conclude that another practitioner’s work is adequate for the practitioner’s purposes, and
(b) Obtain, through alternative means, sufficient appropriate evidence over the disclosures for which the practitioner intended to use the work of that other practitioner as evidence.

In such circumstances, the practitioner considers the implications for the engagement and the assurance report in accordance with paragraph 164.

…

Planning

Planning Activities (Ref. Para. 87-89)

…

A263. The practitioner may decide that the manner in which management has grouped-aggregated or disaggregated the information for purposes of presentation is the most appropriate approach for the engagement. The practitioner may also decide that grouping the sustainability information differently may be more appropriate for purposes of planning and performing the assurance engagement in a more effective and efficient manner. Factors that may be relevant to the practitioner’s decision may include:

- The scope of the assurance engagement and the nature of the assurance conclusion(s), including whether the engagement covers all or only part of the sustainability information reported.
- Preliminary expectations about the disclosures where risks of material misstatement are likely to arise (for limited assurance) or risks of material misstatement (for reasonable assurance)
- The nature and extent of commonality of controls. For example, waste generated in by the entity’s own activities is recorded using the same IT system and common controls are implemented across all entities or business units in the group.
A263A. The consideration or determination of materiality in accordance with paragraph 90 may take into account the manner in which management has aggregated or disaggregated the sustainability information or practitioner's approach to grouping the information differently for purposes of planning and performing the the engagement.

... 

Materiality (Ref. Para. 90-92)

... 

A265. The practitioner’s consideration or determination of materiality, as applicable, is relevant when performing risk procedures, determining the nature, timing and extent of further procedures, and evaluating whether the sustainability information is free from material misstatement. Professional judgments about materiality are made in light of surrounding circumstances, but are not affected by the level of assurance. That is, for the same intended users and purpose, materiality for a reasonable assurance engagement is the same as for a limited assurance engagement because materiality is based on the information needs of intended users.

A266. The concept of materiality ordinarily includes the following principles:

(a) Judgments about matters that are material to intended users of the sustainability information are based on a consideration of the common information needs of intended users as a group.

(b) Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence decisions of intended users taken on the basis of the sustainability information.

A267. Materiality is a matter of professional judgment, and is affected by the practitioner’s perception of the common information needs of intended users as a group. In this context, it is reasonable for the practitioner to assume that intended users:

(a) Have a reasonable knowledge of the sustainability matters, and a willingness to study the sustainability information with reasonable diligence;

(b) Understand that the sustainability information is prepared and assured to appropriate levels of materiality, and have an understanding of any materiality concepts included in the applicable criteria; and

(c) Understand any inherent uncertainties involved in measuring or evaluating the sustainability matters; and

(d) Make reasonable decisions on the basis of the sustainability information taken as a whole.

Unless the engagement has been designed to meet the particular information needs of specific users, the possible effect of misstatements on specific users, whose information needs may vary widely, is not ordinarily considered.

A268. The applicable criteria may include principles to assist the entity in identifying information relevant to users, which may include terms that refer to materiality—(e.g., double materiality). Such principles or terms, if present in the applicable criteria, may provide a frame of reference to the practitioner in considering or determining materiality for the engagement. However, the process applied by the entity to determine the sustainability matters to be reported, often referred to as the entity’s “process to identify reporting topics,” “materiality assessment,” or “materiality process,” relates to management’s determination of the topics and aspects of topics that may be relevant for intended users.
A268A. When an entity uses applicable criteria that identify reporting topics that impact the entity’s financial returns, the materiality considerations may be referred to as “financial materiality.” In this case, and will result in setting financial materiality may be set in the context of financial terms (e.g., the applicable criteria may state that financial materiality in the context of sustainability information represents the sustainability factors that are material to short, medium, and long-term enterprise value). In this case and, the intended users are likely current and future providers of debt and equity. When an entity uses applicable criteria that identify reporting topics relevant to the impacts of the entity on the economy, environment or society, the materiality considerations may be referred to as “impact materiality.” In this case, materiality is considered according to the nature and magnitude of impacts, and may be relevant to a broader group of intended users (see also paragraph A179). When the applicable criteria refer to both financial impacts on the entity and the entity’s impacts on the economy, environment, society, economy or culture, this may be referred to as “double materiality.”

Example:
The entity operates globally in various industries, including health care and consumer goods. The entity engaged an external consulting firm to gather data on stakeholders’ perspectives regarding the entity’s sustainability strategy. The entity took an approach to define stakeholders, including “customers, suppliers, non-profit organizations, corporate/private sector, academics, consultants, government, media, finance, trade associations, and think tanks.” The entity received direct feedback on how its sustainability strategy affected people, wider communities and the environment. After gathering this data, the entity analyzed it to determine what issues were material to those surveyed and found a number of areas to measure impact materiality and reported on those areas.

A269. Management’s “materiality process” differs from materiality considered or determined by the practitioner. In considering or determining materiality, the practitioner may take into account multiple factors, i.e., both financial and impact materiality. However, the practitioner is not required to consider or determine a “double materiality.” The practitioner considers or determines materiality in determining the approach for obtaining evidence and when evaluating identified misstatements of the sustainability information within the scope of the assurance engagement. As a result, qualitative factors considered by the entity and the practitioner may overlap but need not be identical. For quantitative disclosures, the practitioner and entity will not necessarily arrive at the same materiality threshold.

A270. Materiality relates to the sustainability information within the scope of the assurance engagement. Therefore, when the engagement covers some, but not all, of the sustainability information, materiality is considered in relation to only the sustainability information that is within the scope of the assurance engagement.

A271. Not all disclosures involve the same materiality considerations. Ordinarily, materiality may need to be considered or determined for different disclosures. For different disclosures, the same intended users may have different information needs, and a different tolerance for misstatement, or the disclosures may be measured or evaluated using different units of measure. Considering qualitative factors may help the practitioner to identify disclosures that may be more significant to the intended users. For example, intended users may place more importance on information about food or drug safety than they do on information about the recycling of non-hazardous waste because the consequences of poor safety standards in food or drug production are likely to be more serious to human health than those for not recycling non-hazardous waste. They may, therefore, have a lower tolerance for misstatement of information.
about food or drug safety than about recycling of non-hazardous waste.

... 

**Responding to Risks of Material Misstatement**

*Designing and Performing Further Procedures (Ref: Para.114L-115R)*

... 

**Substantive Procedures (Ref: Para. 124L, 124RA)**

A370AR. The importance of disclosures to intended users may depend on their perceived impact or the relevance of the disclosures to their information needs. The degree to which particular disclosures may be considered important by intended users is a matter of professional judgment for the practitioner. In determining whether there is a need to design and perform substantive procedures for certain disclosures, the practitioner may consider disclosure(s) for which, if a misstatement were to occur, there is a reasonable possibility of the misstatement being material. This may also assist the practitioner in determining the nature, timing and extent of the substantive procedures.

A370AL. The practitioner’s further procedures in a limited assurance engagement may include substantive procedures. Because the level of assurance obtained in a limited assurance engagement is lower than in a reasonable assurance engagement, these substantive procedures will vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement (see also paragraph 16(c)(ii)).

... 

**Preparing the Assurance Report**

... 

**Other Reporting Responsibilities**

*Assurance Report Prescribed by Law or Regulation (Ref: Para 172-173)*

A495. In some jurisdictions, the practitioner may have additional responsibilities to report on other matters that are additional to the practitioner’s responsibilities under this ISSA. For example, the practitioner may be required to provide a conclusion on specific matters, such as compliance of the sustainability information with a digital taxonomy. Assurance standards in the specific jurisdiction often provide guidance on the practitioner’s responsibilities with respect to specific additional reporting responsibilities in that jurisdiction.

A496. In some cases, the relevant law or regulation may require or permit the practitioner to report on these other responsibilities as part of their assurance report on the sustainability information. In other cases, the practitioner may be required or permitted to report on them in a separate report.

A497. Paragraphs 172-173 permit combined presentation of other reporting responsibilities and the practitioner’s responsibilities under this ISSA only when they address the same topics, aspects of topics or disclosure elements as those presented under the reporting responsibilities required by this ISSA and the wording of the assurance report clearly differentiates the other reporting responsibilities from those under this ISSA. Such clear differentiation may make it necessary for the assurance report to refer to the source of the other reporting responsibilities and to state that such responsibilities are beyond those required under ISSA 5000. Otherwise, other reporting
Proposed ISSA 5000 – Selected Paragraphs and Appendices (Marked from Agenda Items 2-D and 2-E)

IAASB Main Agenda (June 2023)

responsibilities are required to be addressed in 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._

…
Illustrations of Assurance Reports on Sustainability Information

Illustration 2 - Unmodified Limited Assurance Report on Sustainability Information of an Entity Other than a Listed Entity Prepared in Accordance with Compliance Criteria

For purposes of this illustrative assurance report, the following circumstances are assumed:

- A limited assurance engagement relating to the entirety of the Sustainability Report of ABC Company (“Sustainability Information”), an entity other than a listed entity, for the year ended December 31, 20X1, as required by law or regulation.
- The sustainability information is presented in a stand-alone document (i.e., the entity’s Sustainability Report).
- The Sustainability Information is prepared by management of the entity in accordance with compliance criteria (XYZ Law of Jurisdiction X).
- The Sustainability Report includes comparative information that is not covered by the practitioner’s conclusion. The comparative information was subject to a limited assurance engagement by the same practitioner in the prior period and the practitioner’s conclusion was unmodified.
- Management of the Company is the engaging party.
- The terms of the assurance engagement reflect the description of management’s responsibility for the sustainability information in ISSA 5000.
- The practitioner has concluded that an unmodified (i.e., “clean”) conclusion is appropriate based on the evidence obtained.
- The relevant ethical requirements that apply to the assurance engagement comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements relating to assurance engagements in the jurisdiction, and the assurance report refers to both.
- The firm of which the practitioner is a member applies ISQM 1.2
- There is no other information because the sustainability information is presented in a single stand-alone report.

The following report is for illustrative purposes only and is not intended to be exhaustive or applicable to all situations. The assurance report needs to be tailored to the engagement circumstances.
INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT ON ABC’S SUSTAINABILITY INFORMATION

To the Management of ABC

Limited Assurance Report on the Sustainability Information

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Sustainability Report of ABC Company (the Company) for the year ended December 31, 20X1 (the “Sustainability Information”).

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with XYZ Law of Jurisdiction X.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard of Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the Practitioner’s Responsibilities section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, together with the ethical requirements that are relevant to our assurance engagement of the Sustainability Information in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

1 The sub-title “Limited Assurance Report on the Sustainability Information” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable.
[Emphasis of Matter ²]

We draw attention to [identify the specific disclosure in the sustainability information] which describes [...]. Our opinion/ conclusion is not modified in respect of this matter.]

Responsibilities for the Sustainability Information

Management of the Company is responsible for:

- The preparation of the Sustainability Information in accordance with XYZ Law of Jurisdiction X.
- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information, in accordance with XYZ Law of Jurisdiction X, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

[Inherent Limitations in Preparing the Sustainability Information ³]

As discussed in [identify the specific disclosure in the sustainability information], the measurement or evaluation of the Sustainability Information is subject to [provide a specific description of any significant inherent limitations associated with the measurement or evaluation of the sustainability information matters against the applicable criteria].

Practitioner’s Responsibilities

Our objectives is are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Information.

As part of a limited assurance engagement in accordance with ISSA 5000, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the entity’s internal control.⁴
- Design and perform procedures responsive to disclosures in the Sustainability Information where material misstatements are likely to arise. 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.

Summary of the Work Performed

² Include if the practitioner considers it necessary in the engagement circumstances – see paragraph 177.
³ Include paragraph if relevant to the engagement circumstances – see paragraph 169(i)Adju.
⁴ Remove “but not for the purpose of providing a conclusion on the effectiveness of the entity’s internal control ” if the limited assurance engagement includes a conclusion on the effectiveness of internal control.
A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Information.

In conducting our limited assurance engagement, we:

[Insert a summary of the nature and extent of procedures performed that, in the practitioner’s judgment, provides additional information that may be relevant to the users' understanding of the work performed to support the practitioner’s conclusion and the level of assurance obtained.]\(^5\)

- [...] The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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.

[Signature in the name of the assurance firm, the personal name of the assurance practitioner, or both, as appropriate for the particular jurisdiction]

[Practitioner’s address]

[Date of the limited assurance report]

---

\(^5\) The procedures are to be summarized but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that those procedures were agreed upon by the assurance practitioner with management and in most cases will not detail the entire work plan.