

Reconciliation of ISA Requirements with Grey Shaded Text of Draft ISAE 3410

In addition to marked changes, the following changes have been made throughout the ISA requirements below without mark-up:

- ~~auditor~~ → assurance professional
- ~~auditor's report~~ → assurance report
- ~~audit documentation~~ → engagement documentation
- ~~audit evidenece~~ → engagement evidence
- ~~audit procedure~~ → assurance procedure
- ~~audit work~~ → assurance procedure
- ~~audit file~~ → engagement file
- ~~audit risk~~ → engagement risk
- ~~audit sampling~~ → sampling
- ~~audit strategy / audit plan~~ → engagement strategy / engagement plan
- ~~the audit / financial statement audit / audit engagement~~ → the engagement (or similar as appropriate)
- ~~financial reporting framework / financial reporting standards~~ → criteria
- ~~financial statement(s)~~ → GHG statement
- ~~class of transactions, account balance or disclosure~~ → type of emission, and disclosure
- ~~management \ management, or those charged with governance, as appropriate / and, where appropriate, those charged with governance~~ → the entity

	Comment	ISAE 3410
ISA 200 - OVERALL OBJECTIVES		
DEFINITION Assurance professional – “Assurance professional” is used to refer to the person or persons conducting the engagement, usually the engagement partner or other members of the engagement team, or, as applicable, the firm. Where an this ISAE expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term “engagement partner” rather than “assurance professional” is used. “Engagement partner” and “firm” are to be read as referring to their public sector equivalents where relevant.	Deleted sentence is included as footnote to definition of engagement partner.	<u>10(d)</u>
Ethical Requirements Relating to engagement of GHG statement		
14. The assurance professional shall comply with relevant ethical requirements, including those pertaining to independence, relating to assurance. (Ref: Para. A14 A17)	<u>Already in July version of ISAE 3410</u>	<u>13</u>
Professional Skepticism		
15. The assurance professional shall plan and perform assurance engagement with	<u>ISAE 3000 para</u>	–

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<p>professional skepticism recognizing that circumstances may exist that cause the GHG statement to be materially misstated. (Ref: Para. A18 A22)</p>	14	
Professional Judgment		
<p>16. The assurance professional shall exercise professional judgment in planning and performing the engagement of GHG statement.</p>		14
APPLICATION MATERIAL		
<p>A23. Professional judgment is essential to the proper conduct of an assurance engagement. This is because interpretation of relevant ethical requirements and the ISAEs and the informed decisions required throughout the engagement cannot be made without the application of relevant knowledge and experience to the facts and circumstances. Professional judgment is necessary in particular regarding decisions about:</p> <ul style="list-style-type: none"> • Materiality and engagement risk. • The nature, timing, and extent of assurance procedures used to meet the requirements of the ISAs and gather engagement evidence. • Evaluating whether sufficient appropriate engagement evidence has been obtained, and whether more needs to be done to achieve the objectives of the ISAEs and thereby, the overall objectives of the assurance professional. • The evaluation of the entity’s judgments in applying the criteria. • The drawing of conclusions based on the engagement evidence obtained, for example, assessing the reasonableness of the estimates made by the entity in preparing the GHG statement. <p>A24. The distinguishing feature of the professional judgment expected of an assurance professional is that it is exercised by an assurance professional whose training, knowledge and experience have assisted in developing the necessary competencies to achieve reasonable judgments.</p> <p>A25. The exercise of professional judgment in any particular case is based on the facts and circumstances that are known by the assurance professional. Consultation on difficult or contentious matters during the course of the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm, such as that required by ISA 220 (Redrafted), assist the assurance professional in making informed and reasonable judgments.</p> <p>A26. Professional judgment can be evaluated based on whether the judgment reached reflects a competent application of auditing and accounting <u>assurance and GHG quantification and reporting</u> principles, and is appropriate in the light of, and consistent with, the facts and circumstances that were known to the assurance professional up to the date of the assurance report.</p> <p>A27. Professional judgment needs to be exercised throughout the engagement. It also needs to be appropriately documented. In this regard, the assurance professional is required to prepare engagement documentation sufficient to enable an experienced assurance professional, having no previous connection with the engagement, to understand the significant professional judgments made in reaching conclusions on significant matters arising during the engagement. Professional judgment is not to be used as the justification for decisions that are not otherwise supported by the facts and circumstances of the engagement or sufficient appropriate assurance engagement evidence.</p>		<u>A17- A21</u>

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Sufficient Appropriate Engagement Evidence and Engagement Risk			
17. To obtain reasonable assurance, the assurance professional shall obtain sufficient appropriate engagement evidence to reduce engagement risk to an acceptably low level and thereby enable the assurance professional to draw reasonable conclusions on which to base the assurance professional's conclusion. (Ref: Para. A28 A52)		<u>ISAE 3000 para 22 and 24</u>	=
Conduct of Assurance Engagement in Accordance with ISAs			
<i>Complying with ISAs Relevant to the Engagement</i>			
18. The assurance professional shall comply with all ISAs relevant to the engagement. An ISA is relevant to the engagement when the ISA is in effect and the circumstances addressed by the ISA exist. (Ref: Para. A53 A57)		<u>Not necessary</u>	=
19. The assurance professional shall have an understanding of the entire text of an ISA, including its application and other explanatory material, to understand its objectives and to apply its requirements properly. (Ref: Para. A58 A66)		<u>Not necessary</u>	=
20. The assurance professional shall not represent compliance with this ISAEs in the assurance report unless the assurance professional has complied with the requirements of this ISAE and ISAE 3000 all other ISAs relevant to the engagement.		<u>Replaces July version of ISAE 3410 para 14</u>	<u>11</u>
Objectives Stated in Individual ISAs – para 21 Complying with Relevant Requirements – paras 22 23 Failure to Achieve an Objective – para 24	<u>These requirements relate to the authority of objectives, requirements etc. They are dealt with through the conforming amendment to the Preface proposed in the ISAE 3402 agenda item.</u>		=
ISA 210 TERMS OF ENGAGEMENTS			
Preconditions for Assurance Engagement			
6. In order to establish whether the preconditions for an assurance engagement are present, the assurance professional shall:			
(a) Determine whether the criteria to be applied in the preparation of the GHG statement is acceptable; and		<u>Already in July version</u>	<u>16(c)</u>
(b) Obtain the agreement of the entity that it acknowledges and understands its responsibility:			
(i) For the preparation of the GHG statement in accordance with the applicable criteria, including where relevant their fair presentation;		<u>Para 6(b)(i) and (ii) are covered by July version of ISAE 3410 para 16 (b)(ii) and (iii)</u>	<u>16(b) (ii) & (iii)</u>
(ii) For such internal control as the entity determines is necessary to enable the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error; and			
(iii) To provide the assurance professional with:			
a. Access to all information of which the entity is aware that is relevant to the preparation of the GHG statement such as records, documentation and other matters;			<u>16(b) (iv)</u>
b. Additional information that the assurance professional may request from the entity for the purpose of the engagement; and			

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<p>c. Unrestricted access to persons within the entity from whom the assurance professional determines it necessary to obtain engagement evidence.</p>		
<i>Limitation on Scope Prior to Assurance Engagement Acceptance</i>		
<p>7. If the entity or those charged with governance impose a limitation on the scope of the assurance professional's work in the terms of a proposed assurance engagement such that the assurance professional believes the limitation will result in the assurance professional disclaiming a conclusion on the GHG statement, the assurance professional shall not accept such a limited engagement as an assurance engagement, unless required by law or regulation to do so.</p>	<p><u>Indirectly covered by ISAE 3000 para 8, and July version of ISAE 3410 para 16(a)(ii)</u></p>	<p><u>16(a)</u></p>
<i>Other Factors Affecting Assurance Engagement Acceptance</i>		
<p>8. If the preconditions for assurance engagement are not present, the assurance professional shall discuss the matter with the entity. Unless required by law or regulation to do so, the assurance professional shall not accept the proposed assurance engagement:</p> <p>(a) If the assurance professional has determined that the criteria to be applied in the preparation of the GHG statement are unacceptable, except as provided in paragraph 19; or</p> <p>(b) If the agreement referred to in paragraph 6(b) has not been obtained.</p>		<p><u>17</u></p>
Agreement on Assurance Engagement Terms		
<p>9. The assurance professional shall agree the terms of the engagement with the entity.</p>		<p><u>20</u></p>
<p>10. Subject to paragraph 11, the agreed terms of the engagement shall be recorded in an assurance engagement letter or other suitable form of written agreement and shall include:</p> <p>(a) The objective and scope of the engagement of the GHG statement;</p> <p>(b) The responsibilities of the assurance professional;</p> <p>(c) The responsibilities of the entity;</p> <p>(d) Identification of the applicable criteria for the preparation of the GHG statement; and</p> <p>(e) Reference to the expected form and content of any reports to be issued by the assurance professional and a statement that there may be circumstances in which a report may differ from its expected form and content.</p>		<p><u>21</u></p>
<p>11. If law or regulation prescribes in sufficient detail the terms of the engagement referred to in paragraph 10, the assurance professional need not record them in a written agreement, except for the fact that such law or regulation applies and that the entity acknowledges and understands its responsibilities as set out in paragraph 6(b).</p>	<p><u>Unnecessary detail</u></p>	
<p>12. If law or regulation prescribes responsibilities of the entity similar to those described in paragraph 6(b), the assurance professional may determine that the law or regulation includes responsibilities that, in the assurance professional's judgment, are equivalent in effect to those set out in that paragraph. For such responsibilities that are equivalent, the assurance professional may use the wording of the law or regulation to describe them in the written agreement. For those responsibilities that are not prescribed by law or regulation such that their effect is equivalent, the written agreement shall use the description in paragraph 6(b).</p>	<p><u>Unnecessary detail</u></p>	

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Recurring Engagements		
13. On recurring assurance engagements, the assurance professional shall assess whether circumstances require the terms of the engagement to be revised and whether there is a need to remind the entity of the existing terms of the engagement.		<u>22</u>
Acceptance of a Change in the Terms of the Engagement		
14. The assurance professional shall not agree to a change in the terms of the engagement where there is no reasonable justification for doing so.		<u>23</u>
15. If, prior to completing the engagement, the assurance professional is requested to change the engagement to an engagement that conveys a lower level of assurance, the assurance professional shall determine whether there is reasonable justification for doing so.	<u>ISAE 3000 para 11</u>	
16. If the terms of the engagement are changed, the assurance professional and the entity shall agree on and record the new terms of the engagement in an engagement letter or other suitable form of written agreement.	<u>Unnecessary detail</u>	
17. If the assurance professional is unable to agree to a change of the terms of the engagement and is not permitted by the entity to continue the original assurance engagement, the assurance professional shall: (a) Withdraw from the engagement where 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.	<u>Unnecessary detail</u>	
Additional Considerations in Engagement Acceptance		
<i>Criteria Supplemented by Law or Regulation</i>		
18. If criteria established by an authorized or recognized standards setting organization are supplemented by law or regulation, the assurance professional shall determine whether there are any conflicts between the criteria and the additional requirements. If such conflicts exist, the assurance professional shall discuss with the entity the nature of the additional requirements and shall agree whether: (a) The additional requirements can be met through additional disclosures in the GHG statement; or (b) The description of the applicable criteria in the GHG statement can be amended accordingly. If neither of the above actions is possible, the assurance professional shall determine whether it will be necessary to modify the assurance professional's conclusion in accordance with ISA 705.		
<i>Criteria Prescribed by Law or Regulation – Other Matters Affecting Acceptance</i>		
19. If the assurance professional has determined that the criteria prescribed by law or regulation would be unacceptable but for the fact that it is prescribed by law or regulation, the assurance professional shall accept the engagement only if the following conditions are present: (a) The entity agrees to provide additional disclosures in the GHG statement required to avoid the GHG statement being misleading; and (b) It is recognized in the terms of the engagement that:	<u>Unnecessary detail – adequately covered by requirement to assess the suitability of the criteria (ISAE 3000)</u>	

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<p>(e) The assurance report on the GHG statement will incorporate an Emphasis of Matter paragraph, drawing users’ attention to the additional disclosures, in accordance with ISA 706; and</p> <p style="padding-left: 40px;">Unless the assurance professional is required by law or regulation to express the assurance professional’s conclusion on the GHG statement by using the phrases “present fairly, in all material respects,” or “give a true and fair view” in accordance with the applicable criteria, the assurance professional’s conclusion on the GHG statement will not include such phrases.</p> <p>20. If the conditions outlined in paragraph 19 are not present and the assurance professional is required by law or regulation to undertake the engagement, the assurance professional shall:</p> <p style="padding-left: 40px;">(a) Evaluate the effect of the misleading nature of the GHG statement on the assurance report; and</p> <p style="padding-left: 40px;">Include appropriate reference to this matter in the terms of the engagement.</p>	<p><u>para 19)</u></p>	
<i>Assurance report Prescribed by Law or Regulation</i>		
<p>21. In some cases, law or regulation of the relevant jurisdiction prescribes the layout or wording of the assurance report in a form or in terms that are significantly different from the requirements of ISAs. In these circumstances, the assurance professional shall evaluate:</p> <p style="padding-left: 40px;">(a) Whether users might misunderstand the assurance obtained from the engagement of the GHG statement and, if so,</p> <p style="padding-left: 40px;">(b) Whether additional explanation in the assurance report can mitigate possible misunderstanding.</p> <p>If the assurance professional concludes that additional explanation in the assurance report cannot mitigate possible misunderstanding, the assurance professional shall not accept the 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 ISAEs. Accordingly, the assurance professional shall not include any reference within the assurance report to the engagement having been conducted in accordance with ISAEs.</p>		<u>24</u>
ISA 220 – QUALITY CONTROL		
<p>DEFINITIONS:</p> <p>Engagement partner – The partner or other person in 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 who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p style="padding-left: 40px;">Footnote: “Engagement partner,” “partner,” and “firm” should be read as referring to their public sector equivalents where relevant.</p> <p>Engagement team – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform assurance procedures on the engagement. This excludes an assurance professional’s external expert engaged by the firm or a network firm.</p>		<p style="text-align: center;"><u>10(h)</u></p> <p style="text-align: center;"><u>10(i)</u></p>

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Leadership Responsibilities for Quality on Assurance Engagements		
8.	The engagement partner shall take responsibility for the overall quality on each assurance of the engagement to which that partner is assigned.	<u>25</u>
Relevant Ethical Requirements		
9.	Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of non-compliance with relevant ethical requirements by members of the engagement team.	<u>26</u>
10.	If matters come to the engagement partner’s attention through the firm’s system of quality control or otherwise that indicate that members of the engagement team have not complied with relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.	<u>27</u>
<i>Independence</i>		
11.	The engagement partner shall form a conclusion on compliance with independence requirements that apply to the engagement. In doing so, the engagement partner shall: <ul style="list-style-type: none"> (a) Obtain relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence; (b) Evaluate information on identified breaches, if any, of the firm’s independence policies and procedures to determine whether they create a threat to independence for the engagement; and (c) Take appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards, or, if considered appropriate, to withdraw from the engagement, where withdrawal is possible under applicable law or regulation. The engagement partner shall promptly report to the firm any inability to resolve the matter for appropriate action. 	<u>28</u>
Acceptance and Continuance of Client Relationships and Assurance Engagements		
12.	The engagement partner shall be satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and assurance engagements have been followed, and shall determine that conclusions reached in this regard are appropriate.	<u>18</u>
13.	If the engagement partner obtains information that would have caused the firm to decline the engagement had that information been available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take the necessary action	<u>19</u>
Assignment of Engagement Teams		
14.	The engagement partner shall be satisfied that the engagement team, and any assurance professional’s <u>external</u> experts who are not part of the engagement team, collectively have the appropriate competence and capabilities to: <ul style="list-style-type: none"> (a) Perform the engagement in accordance with professional standards and applicable legal and regulatory requirements; and (b) Enable an assurance report that is appropriate in the circumstances to be issued. 	<u>12(e)</u>

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Engagement Performance		
<i>Direction, Supervision and Performance</i>		
15.	The engagement partner shall take responsibility for: (a) The direction, supervision and performance of the engagement in compliance with professional standards and applicable legal and regulatory requirements; and (b) The assurance report being appropriate in the circumstances.	<u>29</u>
<i>Reviews</i>		
16.	The engagement partner shall take responsibility for reviews being performed in accordance with the firm’s review policies and procedures.	<u>30</u>
17.	On or before the date of the assurance report, the engagement partner shall, through a review of the engagement documentation and discussion with the engagement team, be satisfied that sufficient appropriate engagement evidence has been obtained to support the conclusions reached and for the assurance report to be issued.	<u>31</u>
<i>Consultation</i>		
18.	The engagement partner shall (a) Take responsibility for the engagement team undertaking appropriate consultation on difficult or contentious matters; (b) Be satisfied that members of the engagement team have undertaken appropriate consultation during the course of the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm; (c) Be satisfied that the nature and scope of, and conclusions resulting from, such consultations are agreed with the party consulted; and (d) Determine that conclusions resulting from such consultations have been implemented.	<u>32</u>
<i>Engagement Quality Control Review</i>		
19.	For audits of GHG statement of listed entities, and those other assurance engagements, if any, for which the firm has determined that an engagement quality control review is required, the engagement partner shall: (a) Determine that an engagement quality control reviewer has been appointed; (b) Discuss significant matters arising during the engagement, including those identified during the engagement quality control review, with the engagement quality control reviewer; and (c) Not date the assurance report until the completion of the engagement quality control review.	<u>119</u>
20.	The engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve. (a) Discussion of significant matters with the engagement partner; (b) Review of the GHG statement and the proposed assurance report; (c) Review of selected engagement documentation relating to the significant judgments the engagement team made and the conclusions it reached; and	<u>120</u>

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<p>(d) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate;</p> <p>21. For audits of GHG statement of listed entities, the engagement quality control reviewer, on performing an engagement quality control review, shall also consider the following:</p> <p>(ae) Consideration of The engagement team’s evaluation of the firm’s independence in relation to the engagement;</p> <p>(bf) Consideration of Whether appropriate consultation has taken place on matters involving differences of conclusion or other difficult or contentious matters, and the conclusions arising from those consultations; and</p> <p>(eg) Consideration of Whether engagement documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached.</p>		
<i>Differences of Conclusion</i>		
<p>22. If differences of conclusion arise within the engagement team, with those consulted or <u>any assurance professional’s external experts, or</u> where applicable, between the engagement partner and the engagement quality control reviewer, the engagement team shall follow the firm’s policies and procedures for dealing with and resolving differences of conclusion.</p>	<p><u>Explicit mention of external experts given their importance in GHG engagements</u></p>	<p><u>33</u></p>
Monitoring		
<p>23. An effective system of quality control includes a monitoring process designed to provide the firm with reasonable assurance that its policies and procedures relating to the system of quality control are relevant, adequate, and operating effectively. The engagement partner shall consider the results of the firm’s monitoring process as evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that information may affect the engagement.</p>		<p><u>34</u></p>
Documentation		
<p>24. The assurance professional shall include in the engagement documentation:</p> <p>(a) Issues identified with respect to compliance with relevant ethical requirements and how they were resolved.</p> <p>(b) Conclusions on compliance with independence requirements that apply to the engagement, and any relevant discussions with the firm that support these conclusions.</p> <p>(c) Conclusions reached regarding the acceptance and continuance of client relationships and assurance engagements.</p> <p>(d) The nature and scope of, and conclusions resulting from, consultations undertaken during the course of the engagement.</p>		<p><u>113</u></p>
<p>25. The engagement quality control reviewer shall document, for the engagement reviewed, that:</p> <p>(a) The procedures required by the firm’s policies on engagement quality control review have been performed;</p> <p>(b) The engagement quality control review has been completed on or before</p>		<p><u>121</u></p>

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<p>the date of the assurance report; and</p> <p>(c) The reviewer is not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments the engagement team made and the conclusions it reached were not appropriate.</p>		
ISA 230 –DOCUMENTATION		
Timely Preparation of Engagement documentation		
7. The assurance professional shall prepare engagement documentation on a timely basis.	<u>Subsumed into next para</u>	
Documentation of the Assurance Procedures Performed and Engagement Evidence Obtained		
<i>Form, Content and Extent of Engagement documentation</i>		
<p>8. The assurance professional shall prepare <u>on a timely basis</u> engagement documentation that is sufficient to enable an experienced assurance professional, having no previous connection with the engagement, to understand:</p> <p>(a) The nature, timing and extent of the assurance procedures performed to comply with the ISAEs and applicable legal and regulatory requirements;</p> <p>(b) The results of the assurance procedures performed, and the engagement evidence obtained; and</p> <p>(c) Significant matters arising during the engagement, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.</p>		<u>109</u>
<p>9. In documenting the nature, timing and extent of assurance procedures performed, the assurance professional shall record:</p> <p>(a) The identifying characteristics of the specific items or matters tested;</p> <p>(b) Who performed the engagement work and the date such work was completed; and</p> <p>(c) Who reviewed the engagement work performed and the date and extent of such review.</p>		<u>110</u>
<p>10. The assurance professional shall document discussions of significant matters with the entity, those charged with governance, and others, including the nature of the significant matters discussed and when and with whom the discussions took place.</p>		<u>111</u>
<p>11. If the assurance professional identified information that is inconsistent with the assurance professional’s final conclusion regarding a significant matter, the assurance professional shall document how the assurance professional addressed the inconsistency.</p>		<u>112</u>
<i>Departure from a Relevant Requirement</i>		
<p>12. If, in exceptional circumstances, the assurance professional judges it necessary to depart from a relevant requirement in an <u>this ISAE</u>, the assurance professional shall document how the alternative assurance procedures performed achieve the aim of that requirement, and the reasons for the departure.</p>		<u>114</u>

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<i>Matters Arising after the Date of the Assurance Report</i>		
13. If, in exceptional circumstances, the assurance professional performs new or additional assurance procedures or draws new conclusions after the date of the assurance report, the assurance professional shall document:		<u>115</u>
(a) The circumstances encountered;		
(b) The new or additional assurance procedures performed, engagement evidence obtained, and conclusions reached, and their effect on the assurance report; and		
(c) When and by whom the resulting changes to engagement documentation were made and reviewed.		
Assembly of the Final Engagement File		
14. The assurance professional shall assemble the 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.		<u>116</u>
15. After the assembly of the final engagement file has been completed, the assurance professional shall not delete or discard engagement documentation of any nature before the end of its retention period.		<u>117</u>
16. In circumstances other than those envisaged in paragraph 13 where the assurance professional 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 assurance professional shall, regardless of the nature of the modifications or additions, document:		<u>118</u>
(a) The specific reasons for making them; and		
(b) When and by whom they were made and reviewed.		
APPLICATION MATERIAL:		
A21 ISQC 1 (or national requirements that are at least as demanding) requires firms to establish policies and procedures for the timely completion of the assembly of engagement files. ¹ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report. ²		<u>A85</u>
ISA 240 –FRAUD		
<i>Definition</i>		
11(a) 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.	<u>This definition and application material are necessary for context</u>	<u>10(k)</u>
<i>Application Material (from the Introduction section of ISA 240)</i>		
2. Misstatements in the GHG statement can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the GHG statement is intentional or unintentional.		<u>A37</u>
3. Although fraud is a broad legal concept, for the purposes of <u>these ISAEs</u> , the		<u>A39</u>

¹ ISQC 1, paragraph 45.

² ISQC 1, paragraph A54.

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<p>assurance professional is concerned with fraud that causes a material misstatement in the GHG statement. Two types of intentional misstatements are relevant to the auditor – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Although the assurance professional may suspect or, in rare cases, identify the occurrence of fraud, the assurance professional does not make legal determinations of whether fraud has actually occurred.</p>		
<p>Professional Skepticism – paras 12-13 Discussion among the Engagement Team – para 15 Risk Assessment Procedures and Related Activities – paras 16-24 <i>The entity and Others within the Entity</i> <i>Those Charged with Governance</i> <i>Unusual or Unexpected Relationships Identified</i> <i>Other Information</i> <i>Evaluation of Fraud Risk Factors</i></p> <p>Identification and Assessment of the Risks of Material Misstatement Due to Fraud – para 25-27 Responses to the Assessed Risks of Material Misstatement Due to Fraud – paras 28-33 <i>Overall Responses</i> <i>Engagement procedures Responsive to Assessed Risks of Material Misstatement Due to Fraud at the Assertion Level</i> <i>Engagement procedures Responsive to Risks Related to The entity Override of Controls</i></p> <p>Evaluation of Engagement evidence – paras 34-37 Assurance professional Unable to Continue the Engagement – paras 38-39</p>	<p><u>These detailed requirements have been replaced by adaptation of the Objective of ISA 240, as identified in the next cell</u></p>	<p style="text-align: center;">=</p>
<p>10. The objectives of the assurance professional are <u>shall</u>:</p> <p>(a) To iIdentify and assess the risks of material misstatement of the GHG statement due to fraud;</p> <p>(b) To oObtain sufficient appropriate engagement evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and</p> <p>(c) To rRespond appropriately to fraud or suspected fraud identified during the engagement.</p>	<p><u>Adapted Objective</u></p>	<p><u>35</u></p>
Communications to the Entity and with Those Charged with Governance		
<p>40. If the assurance professional has identified a fraud or has obtained information that indicates that a fraud may exist, the assurance professional shall communicate these matters on a timely basis to the appropriate level of the entity in order to inform those with primary responsibility for the prevention and detection of fraud of matters relevant to their responsibilities.</p> <p>41. Unless all of those charged with governance are involved in managing the entity, if the assurance professional has identified or suspects fraud involving:</p> <p>(a) the entity;</p> <p>(b) employees who have significant roles in internal control; or</p> <p>(c) others where the fraud results in a material misstatement in the GHG statement;</p>	<p><u>Unnecessary detail – abridged version included at para 131</u></p>	<p><u>131 (b)</u></p>

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<p>the assurance professional shall communicate these matters to those charged with governance on a timely basis. If the assurance professional suspects fraud involving the entity, the assurance professional shall communicate these suspicions to those charged with governance and discuss with them the nature, timing and extent of engagement procedures necessary to complete the engagement.</p> <p>42. The assurance professional shall communicate with those charged with governance any other matters related to fraud that are, in the assurance professional's judgment, relevant to their responsibilities.</p> <p>Communications to Regulatory and Enforcement Authorities</p> <p>If the assurance professional has identified or suspects a fraud, the assurance professional shall determine whether there is a responsibility to report the occurrence or suspicion to a party outside the entity. Although the assurance professional's professional duty to maintain the confidentiality of client information may preclude such reporting, the assurance professional's legal responsibilities may override the duty of confidentiality in some circumstances.</p>		
<p>Documentation</p>		
<p>44. The following may be appropriate to include in the engagement documentation The assurance professional shall include the following in the engagement documentation of the assurance professional's understanding of the entity and its environment and the assessment of the risks of material misstatement required by ISA 315:</p>	<p><u>Unnecessary detail = abridged version included as application material at para A74</u></p>	
<p>(a) The significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity's GHG statement to material misstatement due to fraud; and</p>		
<p>(ab) The identified and assessed risks of material misstatement due to fraud at the GHG statement level and at the assertion level.</p>		<p><u>A84</u></p>
<p>45. The assurance professional shall include the following in the engagement documentation of the assurance professional's responses to the assessed risks of material misstatement required by ISA 330:</p>		
<p>(ba) The overall responses to the assessed risks of material misstatement due to fraud at the GHG statement level and the nature, timing and extent of assurance procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level; and</p>		<p><u>A84</u></p>
<p>(b) The results of the engagement procedures, including those designed to address the risk of the entity override of controls.</p>		
<p>46. (c) The assurance professional shall include in the engagement documentation eCommunications about fraud made to the entity, those charged with governance, regulators and others.</p>		<p><u>A84</u></p>
<p>47. If the assurance professional has concluded that the presumption that there is a risk of material misstatement due to fraud related to revenue recognition is not applicable in the circumstances of the engagement, the assurance professional shall include in the engagement documentation the reasons for that conclusion.</p>		

ISA 250 - LAWS AND REGULATIONS		
The Assurance professional's Consideration of Compliance with Laws and Regulations para 12-17	<u>The detailed requirements have been replaced by adaptation of the Objective of</u>	
Engagement procedures When Non-Compliance Is Identified or Suspected paras 18-21	<u>ISA 250 and a communication responsibility.</u>	
Reporting of Identified or Suspected Non-Compliance paras 22-28	<u>Para (b) has been deleted because, unlike a financial statement audit, "other" laws and regs are unlikely to have a material effect on the GHG statement.</u>	
10. The objectives of the assurance professional are shall:		<u>36 and 131 (c)</u>
(a) To obtain sufficient appropriate engagement evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in content of the GHG statement; and		
(b) To perform specified audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the GHG statement; and		
(c) To respond appropriately to non-compliance or suspected non-compliance with laws and regulations identified during the engagement.		
Documentation		
29. The following may be appropriate to The assurance professional shall include in the engagement documentation identified or suspected non-compliance with laws and regulations and the results of discussion with the entity and, where applicable, those charged with governance and other parties outside the entity.	<u>Includes as Application material</u>	<u>A84</u>
ISA 265 - COMMUNICATING DEFICIENCIES IN INTERNAL CONTROL		
7. The assurance professional shall determine whether, on the basis of the engagement work performed, the assurance professional has identified one or more deficiencies in internal control. (Ref: Para. A1-A4)	<u>Given the variation in the nature of emissions engagements, it is not appropriate at this stage to set hard and fast rules on what must be reported, how, and to whom – a greater degree of professional judgment than in a financial statement audit should apply.</u>	<u>131 (a)</u>
8. If the assurance professional has identified one or more deficiencies in internal control, the assurance professional shall determine, on the basis of the engagement work performed, whether, individually or in combination, they constitute significant deficiencies. (Ref: Para. A5-A11)		
9. The assurance professional shall communicate in writing significant deficiencies in internal control identified during the engagement to those charged with governance on a timely basis. (Ref: Para. A12-A18, A27)		
10. The assurance professional shall also communicate to the entity at an appropriate level of responsibility on a timely basis: (Ref: Para. A19, A27)		
(a) In writing, significant deficiencies in internal control that the assurance professional has communicated or intends to communicate to those charged with governance, unless it would be inappropriate to communicate directly to the entity in the circumstances; and (Ref: Para. A14, A20-A21)		
(b) Other deficiencies in internal control identified during the engagement that have not been communicated to the entity by other parties and that, in the assurance professional's professional judgment, are of sufficient importance to merit the entity's attention. (Ref: Para. A22-A26)		

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<p>11. The assurance professional shall include in the written communication of significant deficiencies in internal control:</p> <p>(a) A description of the deficiencies and an explanation of their potential effects; and (Ref: Para. A28)</p> <p>(b) Sufficient information to enable those charged with governance and the entity to understand the context of the communication. In particular, the assurance professional shall explain that: (Ref: Para. A29 A30)</p> <p>(i) The purpose of the engagement was for the assurance professional to express an conclusion on the GHG statement;</p> <p>(ii) The engagement included consideration of internal control relevant to the preparation of the GHG statement in order to design engagement procedures that are appropriate in the circumstances, but not for the purpose of expressing an conclusion on the effectiveness of internal control; and</p> <p>(iii) The matters being reported are limited to those deficiencies that the assurance professional has identified during the engagement and that the assurance professional has concluded are of sufficient importance to merit being reported to those charged with governance.</p>		
<p>ISA 300 - PLANNING</p>		
<p>Involvement of Key Engagement Team MembersOthers</p>		
<p>5. The engagement partner, and other key members of the engagement team, and any key assurance professional's external experts shall be involved in planning the engagement, including planning and participating in the discussion among engagement team membersrequired by paragraph [ISA 315.10].</p>	<p><u>Explicit mention of external experts given their importance in GHG engagements</u></p>	<p><u>37</u></p>
<p>Preliminary Engagement Activities</p>		
<p>6. The assurance professional shall undertake the following activities at the beginning of the current assurance engagement:</p> <p>(a) Performing procedures required by ISA 220 regarding the continuance of the client relationship and the specific assurance engagement;</p> <p>(b) Evaluating compliance with relevant ethical requirements, including independence, in accordance with ISA 220; and</p> <p>(c) Establishing an understanding of the terms of the engagement, as required by ISA 210.</p>	<p><u>Unnecessary detail</u></p>	
<p>Planning Activities</p>		
<p>7. The assurance professional shall establish an overall engagement strategy that sets the scope, timing and direction of the engagement, and that guides the development of the engagement plan.</p>		<p><u>38</u></p>
<p>8. In establishing the overall engagement strategy, the assurance professional shall:</p> <p>(a) Identify the characteristics of the engagement that define its scope;</p> <p>(b) Ascertain the reporting objectives of the engagement to plan the timing</p>		<p><u>39</u></p>

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<p>of the engagement and the nature of the communications required;</p> <p>(c) Consider the factors that, in the assurance professional’s professional judgment, are significant in directing the engagement team’s efforts;</p> <p>(d) Consider the results of preliminary engagement activities and, where applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant; and</p> <p>(e) Ascertain the nature, timing and extent of resources necessary to perform the engagement; and</p> <p>(f) <u>Determine the impact of the internal audit function on the assurance engagement.</u></p>		
<p>9. The assurance professional shall develop an assurance engagement plan that shall include a description of:</p> <p>(a) The nature, timing and extent of planned risk assessment procedures, as determined under ISA 315.</p> <p>(b) The nature, timing and extent of planned further assurance procedures at the assertion level, as determined under ISA 330.</p> <p>(c) Other planned assurance procedures that are required to be carried out so that the engagement complies with ISAEs.</p>		<u>40</u>
<p>10. The assurance professional shall update and change the overall engagement strategy and the engagement plan as necessary during the course of the engagement.</p>		<u>41</u>
<p>11. The assurance professional shall plan the nature, timing and extent of direction and supervision of engagement team members and the review of their work.</p>		<u>42</u>
<p>Documentation</p>		
<p>12. The following may be appropriate to The assurance professional shall include in the engagement documentation:</p> <p>(a) The overall engagement strategy;</p> <p>(b) The engagement plan; and</p> <p>(c) Any significant changes made during the engagement to the overall engagement strategy or the engagement plan, and the reasons for such changes.</p>	<u>Includes as Application material</u>	<u>A84</u>
<p>Additional Considerations in Initial Assurance engagements</p>		
<p>13. The assurance professional shall undertake the following activities prior to starting an initial audit:</p> <p>(a) Performing procedures required by ISA 220 regarding the acceptance of the client relationship and the specific assurance engagement; and</p> <p>(b) Communicating with the predecessor assurance professional, where there has been a change of assurance professionals, in compliance with relevant ethical requirements.</p>	<u>Unnecessary detail</u>	
<p>APPLICATION MATERIAL</p> <p>In <u>Smaller engagements or more straightforward engagements (see paragraph A8), of small entities, the entire engagement</u> may be conducted by a very small engagement team. Many engagements of small entities involve the engagement partner (who may be a sole practitioner) working with one engagement team member (or without any engagement team members). <u>With a smaller team, co-ordination of, and communication between, team members are easier. Establishing the overall</u></p>		<u>A43</u>

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<p>engagement strategy for the a smaller, engagement or for a more straightforward engagement of a small entity need not be a complex or time-consuming exercise; it varies according to the size of the entity, the complexity of the engagement, and the size of the engagement team. For example, a brief memorandum prepared at the completion of the previous engagement, based on a review of the working papers and highlighting issues identified in the engagement just completed, updated in the current period based on discussions with the owner manager entity, can serve as the documented audit strategy for the current engagement if it covers the matters noted in paragraph 8.</p>		
ISA 315 - IDENTIFYING AND ASSESSING RISKS		
Risk Assessment Procedures and Related Activities		
<p>5. The assurance professional shall perform risk assessment procedures to provide a basis for the identification and assessment of risks of material misstatement at the GHG statement and assertion levels. Risk assessment procedures by themselves, however, do not provide sufficient appropriate engagement evidence on which to base the engagement conclusion.</p>		<u>47</u>
<p>6. The risk assessment procedures shall include the following:</p> <ul style="list-style-type: none"> (a) Inquiries of those within the entity who in the assurance professional’s judgment may have information that is likely to assist in identifying risks of material misstatement due to fraud or error. (b) Analytical procedures. (c) Observation and inspection. 		<u>48</u>
<p>7. The assurance professional shall consider whether information obtained from the assurance professional’s client acceptance or continuance process is relevant to identifying risks of material misstatement.</p>		<u>49</u>
<p>8. If the engagement partner has performed other engagements for the entity, the engagement partner shall consider whether information obtained is relevant to identifying risks of material misstatement.</p>		<u>50</u>
<p>9. Where the assurance professional intends to use information obtained from the assurance professional’s previous experience with the entity and from assurance procedures performed in previous assurance engagements, the assurance professional shall determine whether changes have occurred since the previous assurance engagement that may affect its relevance to the current assurance engagement.</p>		<u>51</u>
<p>10. The engagement partner, and other key engagement team members, and any key assurance professional’s external experts shall discuss the susceptibility of the entity’s GHG statement to material misstatement, and the application of the applicable criteria to the entity’s facts and circumstances. The engagement partner shall determine which matters are to be communicated to engagement team members, and any key assurance professional’s external expert not involved in the discussion.</p>	<p><u>Explicit mention of external experts given their importance in GHG engagements</u></p>	<u>52</u>
The Required Understanding of the Entity and Its Environment, Including the Entity’s Internal Control		
<i>The Entity and Its Environment</i>		
<p>11. The assurance professional shall obtain an understanding of the following:</p>	<p><u>This is covered</u></p>	<u>53 &</u>

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<p>(a) Relevant industry, regulatory, and other external factors including the applicable criteria.</p> <p>(b) The nature of the entity, including:</p> <ul style="list-style-type: none"> (i) its operations; (ii) its ownership and governance structures; (iii) the types of investments that the entity is making and plans to make, including investments in special purpose entities; and (iv) the way that the entity is structured and how it is financed to enable the assurance professional to understand the types of emissions and disclosures to be expected in the GHG statement. <p>(c) The entity's selection and application of accounting policies, including the reasons for changes thereto. The assurance professional shall evaluate whether the entity's accounting policies are appropriate for its business and consistent with the applicable criteria and accounting policies used in the relevant industry.</p> <p>(d) The entity's objectives and strategies, and those related business risks that may result in risks of material misstatement.</p> <p>(e) The measurement and review of the entity's financial performance.</p>	<p><u>in July version of ISAE 3410 para 20</u></p>	<p><u>54</u></p>
<p><i>The Entity's Internal Control</i></p>		
<p>12. The assurance professional shall obtain an understanding of internal control relevant to the engagement. Although most controls relevant to the engagement are likely to relate to emissions quantification and reporting financial reporting, not all controls that relate to emissions quantification and reporting financial reporting are relevant to the engagement. It is a matter of the assurance professional's professional judgment whether a control, individually or in combination with others, is relevant to the engagement.</p> <p>Nature and Extent of the Understanding of Relevant Controls</p> <p>When obtaining an understanding of controls that are relevant to the engagement, the assurance professional shall evaluate the design of those controls and determine whether they have been implemented, by performing procedures in addition to inquiry of the entity's personnel.</p>	<p><u>Deleted text considered unnecessary detail</u></p>	<p><u>55</u></p>
<p>Components of Internal Control</p>		
<p>Control environment</p> <p>14. The assurance professional shall obtain an understanding of the control environment. As part of obtaining this understanding, the assurance professional shall evaluate whether:</p> <ul style="list-style-type: none"> (a) The entity, with the oversight of those charged with governance, has created and maintained a culture of honesty and ethical behavior; and <p>The strengths in the control environment elements collectively provide an appropriate foundation for the other components of internal control, and whether those other components are not undermined by deficiencies in the control environment.</p> <p>The entity's risk assessment process</p> <p>15. The assurance professional shall obtain an understanding of whether the entity has a process for:</p> <ul style="list-style-type: none"> (a) Identifying business risks relevant to financial reporting objectives; (b) Estimating the significance of the risks; 	<p><u>Unnecessary detail – subsumed into para 20 (below)</u></p>	<p><u>56</u></p>

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<p>(e) — Assessing the likelihood of their occurrence; and</p> <p>(d) — Deciding about actions to address those risks.</p> <p>16. If the entity has established such a process (referred to hereafter as the “entity’s risk assessment process”), the assurance professional shall obtain an understanding of it, and the results thereof. If the assurance professional identifies risks of material misstatement that the entity failed to identify, the assurance professional shall evaluate whether there was an underlying risk of a kind that the assurance professional expects would have been identified by the entity’s risk assessment process. If there is such a risk, the assurance professional shall obtain an understanding of why that process failed to identify it, and evaluate whether the process is appropriate to its circumstances or determine if there is a significant deficiency in internal control with regard to the entity’s risk assessment process.</p> <p>17. If the entity has not established such a process or has an ad hoc process, the assurance professional shall discuss with the entity whether business risks relevant to financial reporting objectives have been identified and how they have been addressed. The assurance professional shall evaluate whether the absence of a documented risk assessment process is appropriate in the circumstances, or determine whether it represents a significant deficiency in internal control The information system, including the related business processes, relevant to financial reporting, and communication</p> <p>18. The assurance professional shall obtain an understanding of the information system, including the related business processes, relevant to financial reporting, including the following areas:</p> <p style="padding-left: 20px;">(a) — The classes of transactions in the entity’s operations that are significant to the GHG statement;</p> <p style="padding-left: 20px;">(b) — The procedures, within both information technology (IT) and manual systems, by which those transactions are initiated, recorded, processed, corrected as necessary, transferred to the general ledger and reported in the GHG statement;</p> <p style="padding-left: 20px;">(c) — The related accounting records, supporting information and specific accounts in the GHG statement that are used to initiate, record, process and report transactions; this includes the correction of incorrect information and how information is transferred to the general ledger. The records may be in either manual or electronic form;</p> <p style="padding-left: 20px;">(d) — How the information system captures events and conditions, other than transactions, that are significant to the GHG statement;</p> <p style="padding-left: 20px;">(e) — The financial reporting process used to prepare the entity’s GHG statement, including significant accounting estimates and disclosures; and</p> <p style="padding-left: 20px;">(f) — Controls surrounding journal entries, including non standard journal entries used to record non recurring, unusual transactions or adjustments.</p> <p>19. The assurance professional shall obtain an understanding of how the entity communicates financial reporting roles and responsibilities and significant matters relating to financial reporting, including:</p> <p style="padding-left: 20px;">(a) — Communications between the entity and those charged with governance; and</p> <p style="padding-left: 20px;">(b) — External communications, such as those with regulatory authorities.</p>		
Control activities relevant to the engagement		
20. The assurance professional shall obtain an understanding of <u>the components of</u>		<u>56</u>

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<p><u>internal control, being:</u></p> <p>(a) <u>The control environment;</u></p> <p>(b) <u>The entity’s risk assessments procedures;</u></p> <p>(c) <u>The information system, including the related business processes, relevant to emissions quantification and reporting, and communication of emissions reporting roles and responsibilities and significant matters relating to emissions reporting;</u></p> <p>(d) <u>eControl activities relevant to the engagement, being those the assurance professional judges it necessary to understand in order to assess the risks of material misstatement at the assertion level and design further assurance procedures responsive to assessed risks. Assurance engagement does not require an understanding of all the control activities related to each significant type of transaction and disclosure in the GHG statement or to every assertion relevant to them.</u></p> <p>(e) <u>Monitoring of controls and the collective effectiveness of all five components of internal control, including the internal audit function where applicable.</u></p>		
<p>21. In understanding the entity’s control activities, the assurance professional shall obtain an understanding of how the entity has responded to risks arising from IT.</p> <p>Monitoring of controls</p> <p>22. The assurance professional shall obtain an understanding of the major activities that the entity uses to monitor internal control over financial reporting, including those related to those control activities relevant to the engagement, and how the entity initiates remedial actions to deficiencies in its controls.</p> <p>23. If the entity has an internal audit function, the assurance professional shall obtain an understanding of the following in order to determine whether the internal audit function is likely to be relevant to the engagement:</p> <p>(a) The nature of the internal audit function’s responsibilities and how the internal audit function fits in the entity’s organizational structure; and</p> <p>(b) The activities performed, or to be performed, by the internal audit function.</p> <p>24. The assurance professional shall obtain an understanding of the sources of the information used in the entity’s monitoring activities, and the basis upon which the entity considers the information to be sufficiently reliable for the purpose.</p>	<p><u>Unnecessary detail – subsumed into para 20 (above)</u></p>	<p><u>56</u></p>
<p>Identifying and Assessing the Risks of Material Misstatement</p>		
<p>25. The assurance professional shall identify and assess the risks of material misstatement at:</p> <p>(a) the GHG statement level; and</p> <p>(b) the assertion level for types of emissions and disclosures to provide a basis for designing and performing further assurance procedures.</p>		<p><u>57</u></p>
<p>26. For this purpose, the assurance professional shall:</p> <p>(a) Identify risks throughout the process of obtaining an understanding of the entity and its environment, including relevant controls that relate to the risks, and by considering the types of emissions and disclosures in the GHG statement;</p> <p>(b) Assess the identified risks, and evaluate whether they relate more</p>		<p><u>58</u></p>

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<p>pervasively to the GHG statement as a whole and potentially affect many assertions;</p> <p>(c) Relate the identified risks to what can go wrong at the assertion level, taking account of relevant controls that the assurance professional intends to test; and</p> <p>(d) Consider the likelihood of misstatement, including the possibility of multiple misstatements, and whether the potential misstatement is of a magnitude that could result in a material misstatement.</p>		
<p><i>Risks That Require Special Audit Consideration</i></p> <p>27. As part of the risk assessment as described in paragraph 25, the assurance professional shall determine whether any of the risks identified are, in the assurance professional's judgment, a significant risk. In exercising this judgment, the assurance professional shall exclude the effects of identified controls related to the risk.</p> <p>28. In exercising judgment as to which risks are significant risks, the assurance professional shall consider at least the following:</p> <p>(a) Whether the risk is a risk of fraud;</p> <p>(b) Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention;</p> <p>(c) The complexity of transactions;</p> <p>(d) Whether the risk involves significant transactions with related parties;</p> <p>(e) The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and</p> <p>(f) Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.</p> <p>29. If the assurance professional has determined that a significant risk exists, the assurance professional shall obtain an understanding of the entity's controls, including control activities, relevant to that risk.</p>	<p><u>The concept of significant risks is not necessary for a GHG engagement.</u></p> <p><u>The dot points of para 28 have been considered in developing July version para 24.</u></p>	<p style="text-align: center;"><u>59</u></p>
<p><i>Risks for Which Substantive Procedures Alone Do Not Provide Sufficient Appropriate Engagement Evidence</i></p>		
<p>30. In respect of some risks, the assurance professional may judge that it is not possible or practicable to obtain sufficient appropriate engagement evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant types of emissions or disclosures, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the engagement and the assurance professional shall obtain an understanding of them.</p>		<p style="text-align: center;"><u>60</u></p>
<p><i>Revision of Risk Assessment</i></p>		
<p>31. The assurance professional's assessment of the risks of material misstatement at the assertion level may change during the course of the engagement as additional engagement evidence is obtained. In circumstances where the assurance professional obtains engagement evidence from performing further assurance procedures, or if new information is obtained, either of which is inconsistent with the engagement evidence on which the assurance professional originally based the assessment, the assurance professional shall revise the</p>		<p style="text-align: center;"><u>61</u></p>

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assessment and modify the further planned assurance procedures accordingly.		
Documentation		
<p>32. The assurance professional shall include in the engagement documentation:</p> <p>(a) The discussion among the engagement team where required by paragraph 10, and the significant decisions reached;</p> <p>(b) Key elements of the understanding obtained regarding each of the aspects of the entity and its environment specified in paragraph 11 and of each of the internal control components specified in paragraphs 14-24; the sources of information from which the understanding was obtained; and the risk assessment procedures performed;</p> <p>(c) The identified and assessed risks of material misstatement at the GHG statement level and at the assertion level as required by paragraph 25 <u>for which in the assurance professional's professional judgment further procedures were required;</u> and</p> <p>(d) The risks identified, and related controls about which the assurance professional has obtained an understanding, as a result of the requirements in paragraphs 27-30.</p>	<u>Includes as Application material</u>	<u>A84</u>
<p>APPLICATION MATERIAL</p> <p>Internal Audit Functions</p> <p>A101. The entity's internal audit function is likely to be relevant to the engagement if the nature of the internal audit function's responsibilities and activities are related to the entity's financial <u>GHG</u> reporting, and the assurance professional expects to use the work of the internal auditors to modify the nature or timing, or reduce the extent, of assurance procedures to be performed. If the assurance professional determines that the internal audit function is likely to be relevant to the audit, ISA 610 applies.</p>		<u>A80</u>
ISA 320 - MATERIALITY		
<p>DEFINITION:</p> <p>9. For purposes of the ISAs, pPerformance materiality means the amount or amounts set by the assurance professional at less than materiality for the GHG statement as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the GHG statement as a whole. If applicable, performance materiality also refers to the amount or amounts set by the assurance professional at less than the materiality level or levels for particular types of emissions or disclosures.</p>	<u>This definition included for context</u>	<u>10(o)</u>
Determining Materiality and Performance Materiality When Planning the Engagement		
<p>10. When establishing the overall engagement strategy, the assurance professional shall determine materiality for the GHG statement as a whole. If, in the specific circumstances of the entity, there is <u>are</u> one or more particular types of emissions or disclosures for which misstatements of lesser amounts than materiality for the GHG statement as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the GHG statement, the assurance professional shall also determine the materiality level or levels to be applied to those particular types of emissions or disclosures.</p>		<u>43</u>
<p>11. The assurance professional shall determine performance materiality for</p>		<u>44</u>

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<p>purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further assurance procedures.</p>		
Revision as the Engagement Progresses		
<p>12. The assurance professional shall revise materiality for the GHG statement as a whole (and, if applicable, the materiality level or levels for particular types of emissions or disclosures) in the event of becoming aware of information during the engagement that would have caused the assurance professional to have determined a different amount (or amounts) initially.</p>		<u>45</u>
<p>13. If the assurance professional concludes that a lower materiality for the GHG statement as a whole (and, if applicable, materiality level or levels for particular types of emissions or disclosures) than that initially determined is appropriate, the assurance professional shall determine whether it is necessary to revise performance materiality, and whether the nature, timing and extent of the further assurance procedures remain appropriate.</p>		<u>46</u>
Documentation		
<p>14. The following may be appropriate to The assurance professional shall include in the engagement documentation the following amounts and the factors considered in their determination:</p> <ul style="list-style-type: none"> (a) Materiality for the GHG statement as a whole (see paragraph 10); (b) If applicable, the materiality level or levels for particular types of emissions or disclosures (see paragraph 10); (c) Performance materiality (see paragraph 11); and (d) Any revision of (a)-(c) as the engagement progressed (see paragraphs 12-13). 	<p><u>Includes as Application material</u></p>	<u>A84</u>
EXTRACT FROM THE INTRODUCTION INCLUDED IN APPLICATION MATERIAL		
<p>2. The criteria may discuss the concept of materiality in the context of the preparation and presentation of the GHG statement. Although criteria may discuss materiality in different terms, the concept of materiality generally includes that:</p> <ul style="list-style-type: none"> • Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the GHG statement; • Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and • Judgments about matters that are material to intended users of the GHG statement are based on a consideration of the common information needs of intended users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. 		<u>A44</u>
<p>3. Such a discussion, if present in the applicable criteria, provides a frame of reference to the assurance professional in determining materiality for the engagement. If the applicable criteria do not include a discussion of the concept of materiality, the characteristics referred to in paragraph 2 provide the assurance professional with such a frame of reference.</p>		<u>A45</u>
<p>4. [THIS PARA WAS ALREADY ADAPTED AS PARA A29 IN THE JULY VERSIO OF THE DRAFT ISAE]</p>		<u>A46</u>

ISA 330 - RESPONSES TO ASSESSED RISKS		
Overall Responses		
5.	The assurance professional shall design and implement overall responses to address the assessed risks of material misstatement at the GHG statement level.	<u>62</u>
Assurance procedures Responsive to the Assessed Risks of Material Misstatement at the Assertion Level		
6.	The assurance professional shall design and perform further assurance procedures whose nature, timing, and extent are based on and are responsive to the assessed risks of material misstatement at the assertion level.	<u>63</u>
7.	In designing the further assurance procedures to be performed, the assurance professional shall: <ul style="list-style-type: none"> (a) Consider the reasons for the assessment given to the risk of material misstatement at the assertion level for each type of emission and disclosure, including: <ul style="list-style-type: none"> (i) The likelihood of material misstatement due to the particular characteristics of the relevant type of emission or disclosure (that is, the inherent risk); and (ii) Whether the risk assessment takes account of relevant controls (that is, the control risk), thereby requiring the assurance professional to obtain engagement evidence to determine whether the controls are operating effectively (that is, the assurance professional intends to rely on the operating effectiveness of controls in determining the nature, timing and extent of substantive procedures); and (b) Obtain more persuasive engagement evidence the higher the assurance professional's assessment of risk. 	<u>64</u>
Tests of Controls		
8.	The assurance professional shall design and perform tests of controls to obtain sufficient appropriate engagement evidence as to the operating effectiveness of relevant controls if: <ul style="list-style-type: none"> (a) The assurance professional's assessment of risks of material misstatement at the assertion level includes an expectation that the controls are operating effectively (that is, the assurance professional intends to rely on the operating effectiveness of controls in determining the nature, timing and extent of substantive procedures); or (b) Substantive procedures alone cannot provide sufficient appropriate engagement evidence at the assertion level. 	<u>65</u>
9.	In designing and performing tests of controls, the assurance professional shall obtain more persuasive engagement evidence the greater the reliance the assurance professional places on the effectiveness of a control.	<u>Unnecessary detail</u>
Nature and Extent of Tests of Controls		
10.	In designing and performing tests of controls, the assurance professional shall: <ul style="list-style-type: none"> (a) Perform other engagement procedures in combination with inquiry to obtain engagement evidence about the operating effectiveness of the controls, including: <ul style="list-style-type: none"> (i) How the controls were applied at relevant times during the period 	

~~under audit.~~

~~(ii) The consistency with which they were applied.~~

~~(iii) By whom or by what means they were applied~~

~~(b) Determine whether the controls to be tested depend upon other controls (indirect controls) and, if so, whether it is necessary to obtain engagement evidence supporting the effective operation of those indirect controls.~~

~~Timing of Tests of Controls~~

~~11. The assurance professional shall test controls for the particular time, or throughout the period, for which the assurance professional intends to rely on those controls, subject to paragraphs 12 and 15 below, in order to provide an appropriate basis for the assurance professional's intended reliance.~~

~~Using engagement evidence obtained during an interim period~~

~~12. If the assurance professional obtains engagement evidence about the operating effectiveness of controls during an interim period, the assurance professional shall:~~

~~(a) Obtain engagement evidence about significant changes to those controls subsequent to the interim period; and~~

~~(b) Determine the additional engagement evidence to be obtained for the remaining period.~~

~~Using engagement evidence obtained in previous audits~~

~~13. In determining whether it is appropriate to use engagement evidence about the operating effectiveness of controls obtained in previous audits, and, if so, the length of the time period that may elapse before retesting a control, the assurance professional shall consider the following:~~

~~(a) The effectiveness of other elements of internal control, including the control environment, the entity's monitoring of controls, and the entity's risk assessment process;~~

~~(b) The risks arising from the characteristics of the control, including whether it is manual or automated;~~

~~(c) The effectiveness of general IT controls;~~

~~(d) The effectiveness of the control and its application by the entity, including the nature and extent of deviations in the application of the control noted in previous audits, and whether there have been personnel changes that significantly affect the application of the control;~~

~~(e) Whether the lack of a change in a particular control poses a risk due to changing circumstances; and~~

~~(f) The risks of material misstatement and the extent of reliance on the control.~~

~~14. If the assurance professional plans to use engagement evidence from a previous audit about the operating effectiveness of specific controls, the assurance professional shall establish the continuing relevance of that evidence by obtaining engagement evidence about whether significant changes in those controls have occurred subsequent to the previous audit. The assurance professional shall obtain this evidence by performing inquiry combined with observation or inspection, to confirm the understanding of those specific controls, and:~~

~~(a) If there have been changes that affect the continuing relevance of the engagement evidence from the previous audit, the assurance professional~~

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<p>shall test the controls in the current audit.</p> <p>(b) If there have not been such changes, the assurance professional shall test the controls at least once in every third audit, and shall test some controls each audit to avoid the possibility of testing all the controls on which the assurance professional intends to rely in a single audit period with no testing of controls in the subsequent two audit periods.</p> <p>Controls over significant risks</p> <p>If the assurance professional plans to rely on controls over a risk the assurance professional has determined to be a significant risk, the assurance professional shall test those controls in the current period.</p>		
Evaluating the Operating Effectiveness of Controls		
<p>16. When evaluating the operating effectiveness of relevant controls, the assurance professional shall evaluate whether misstatements that have been detected by substantive procedures indicate that controls are not operating effectively. The absence of misstatements detected by substantive procedures, however, does not provide engagement evidence that controls related to the assertion being tested are effective.</p>	<u>Unnecessary detail</u>	
<p>17. If deviations from controls upon which the assurance professional intends to rely are detected, the assurance professional shall make specific inquiries to understand these matters and their potential consequences, and shall determine whether:</p> <p>(a) The tests of controls that have been performed provide an appropriate basis for reliance on the controls;</p> <p>(b) Additional tests of controls are necessary; or</p> <p>(c) The potential risks of misstatement need to be addressed using substantive procedures.</p>		<u>66</u>
Substantive Procedures		
<p>18. Irrespective of the assessed risks of material misstatement, the assurance professional shall design and perform substantive procedures for each material type of emission and disclosure.</p>		<u>67</u>
<p>19. The assurance professional shall consider whether external confirmation procedures are to be performed as substantive assurance procedures.</p>		<u>68</u>
Substantive Procedures Related to the GHG Statement Closing Process		
<p>20. The assurance professional's substantive procedures shall include the following assurance procedures related to the GHG statement closing process:</p> <p>(a) Agreeing or reconciling the GHG statement with the underlying accounting records; and</p> <p>(b) Examining material journal entries and other adjustments made during the course of preparing the GHG statement.</p>		<u>71</u>
Substantive Procedures Responsive to Significant Risks		
<p>21. If the assurance professional has determined that an assessed risk of material misstatement at the assertion level is a significant risk, the assurance professional shall perform substantive procedures that are specifically responsive to that risk. When the approach to a significant risk consists only of substantive procedures, those procedures shall include tests of details.</p>	<u>Unnecessary detail</u>	
Timing of Substantive Procedures		
<p>22. If substantive procedures are performed at an interim date, the assurance</p>		

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<p>professional shall cover the remaining period by performing:</p> <p>(a) substantive procedures, combined with tests of controls for the intervening period; or</p> <p>(b) if the assurance professional determines that it is sufficient, further substantive procedures only that provide a reasonable basis for extending the engagement conclusions from the interim date to the period end.</p> <p>23. If misstatements that the assurance professional did not expect when assessing the risks of material misstatement are detected at an interim date, the assurance professional shall evaluate whether the related assessment of risk and the planned nature, timing, or extent of substantive procedures covering the remaining period need to be modified.</p>		
Adequacy of Presentation and Disclosure		
<p>24. The assurance professional shall perform engagement procedures to evaluate whether the overall presentation of the GHG statement, including the related disclosures, is in accordance with the applicable criteria.</p>	<p><u>Adequately covered by ISA 700.12-.14</u></p>	
Evaluating the Sufficiency and Appropriateness of Engagement Evidence		
<p>25. Based on the assurance procedures performed and the engagement evidence obtained, the assurance professional shall evaluate before the conclusion of the engagement whether the assessments of the risks of material misstatement at the assertion level remain appropriate.</p>		<p><u>123 (a)</u></p>
<p>26. The assurance professional shall conclude whether sufficient appropriate engagement evidence has been obtained. In forming a conclusion, the assurance professional shall consider all relevant engagement evidence, regardless of whether it appears to corroborate or to contradict the assertions in the GHG statement.</p>		<p><u>123 (b)</u></p>
<p>27. If the assurance professional has not obtained sufficient appropriate engagement evidence as to a material GHG statement assertion, the assurance professional shall attempt to obtain further engagement evidence. If the assurance professional is unable to obtain sufficient appropriate engagement evidence, the assurance professional shall express a qualified conclusion or disclaim a conclusion on the GHG statement.</p>	<p><u>Deleted sentence is self-evident</u></p>	<p><u>123 (c)</u></p>
Documentation		
<p>28. <u>The following may be appropriate to</u> The assurance professional shall include in the engagement documentation:</p> <p>(a) The overall responses to address the assessed risks of material misstatement at the GHG statement level, and the nature, timing, and extent of the further assurance procedures performed;</p> <p>(b) The linkage of those procedures with the assessed risks at the assertion level; and</p> <p>(c) The results of the assurance procedures, including the conclusions where these are not otherwise clear.</p>	<p><u>Includes as Application material</u></p>	<p><u>A84</u></p>
<p>29. If the assurance professional plans to use engagement evidence about the operating effectiveness of controls obtained in previous as engagements, the assurance professional shall include in the engagement documentation the conclusions reached about relying on such controls that were tested in a previous assurance engagement.</p>		<p><u>A84</u></p>
<p>30. The assurance professionals' documentation shall demonstrate that how the</p>		<p><u>A84</u></p>

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GHG statement agrees or reconciles with the underlying accounting records.		
APPLICATION MATERIAL		
A52. The nature, and also the extent, of the assurance professional’s examination of journal entries and other adjustments <u>and the manner in which the assurance professional agrees or reconciles the GHG statement with the underlying records</u> depends on the nature and complexity of the entity’s quantifications and reporting process and the related risks of material misstatement.		
ISA 450 - EVALUATION OF MISSTATEMENTS		
Accumulation of Identified Misstatements		
5. The assurance professional shall accumulate misstatements identified during the engagement, other than those that are clearly trivial.		<u>89</u>
Consideration of Identified Misstatements as the Engagement Progresses		
6. The assurance professional shall determine whether the overall engagement strategy and engagement plan need to be revised if: <ul style="list-style-type: none"> (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 aggregate of misstatements accumulated during the engagement approaches materiality determined in accordance with ISA 320 <u>paragraphs xx-yy of this ISAE</u>. 		<u>90</u>
7. If, at the assurance professional’s request, the entity has examined a type of emission or disclosure and corrected misstatements that were detected, the assurance professional shall perform additional assurance procedures to determine whether misstatements remain.		<u>91</u>
Communication and Correction of Misstatements		
8. The assurance professional shall communicate on a timely basis all misstatements accumulated during the engagement with the appropriate level of <u>within the entity, unless prohibited by law or regulation. The assurance professional</u> and shall request the entity to correct those misstatements.		<u>92</u>
9. If the entity refuses to correct some or all of the misstatements communicated by the assurance professional, the assurance professional shall obtain an understanding of the entity’s reasons for not making the corrections and shall take that understanding into account when evaluating whether the GHG statement as a whole are free from material misstatement.		<u>93</u>
Evaluating the Effect of Uncorrected Misstatements		
10. Prior to evaluating the effect of uncorrected misstatements, the assurance professional shall reassess materiality determined in accordance with <u>paragraphs xx-yy of this ISAE</u> ISA 320 to confirm whether it remains appropriate in the context of the entity’s actual financial results <u>emissions</u> .		<u>94</u>
11. The assurance professional shall determine whether uncorrected misstatements are material, individually or in aggregate. In making this determination, the assurance professional shall consider: <ul style="list-style-type: none"> (a) The size and nature of the misstatements, both in relation to particular types of emissions or disclosures and the GHG statement as a whole, and (b) <u>is unnecessary detail - prior period treated</u> 		<u>95</u>

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<p>the particular circumstances of their occurrence; and (b) The effect of uncorrected misstatements related to prior periods on the relevant types of emissions or disclosures, and the GHG statement as a whole.</p>	<p><u>differently in GHG statements</u></p>	
<p>COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE</p>		
<p>12. The assurance professional shall communicate with those charged with governance uncorrected misstatements and the effect that they, individually or in aggregate, may have on the conclusion in the assurance report, unless prohibited by law or regulation. The assurance professional's communication shall identify material uncorrected misstatements individually. The assurance professional shall request that uncorrected misstatements be corrected.</p>	<p><u>Adequately covered para 8 above given requirement of para 15 of the ISAE</u></p>	<p><u>104 and 15</u></p>
<p>13. The assurance professional shall also communicate with those charged with governance the effect of uncorrected misstatements related to prior periods on the relevant types of emissions or disclosures, and the GHG statement as a whole.</p>	<p><u>Unnecessary detail - prior period treated differently in GHG statements</u></p>	
<p>Written Representation</p>		
<p>14. The assurance professional shall request a written representation from the entity whether it believes the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the GHG statement as a whole. A summary of such items shall be included in or attached to the written representation.</p>	<p><u>Amalgamated in the draft with ISA 580.10</u></p>	<p><u>104 (c)</u></p>
<p>Documentation</p>		
<p>15. The following may be appropriate to <u>The assurance professional shall include in the engagement documentation:</u></p> <ul style="list-style-type: none"> (a) The amount below which misstatements would be regarded as clearly trivial; (b) All misstatements accumulated during the engagement and whether they have been corrected; and (c) The assurance professional's conclusion as to whether uncorrected misstatements are material, individually or in aggregate, and the basis for that conclusion. 	<p><u>Includes as Application material</u></p>	<p><u>84 (q), (r) & (s)</u></p>
<p>APPLICATION MATERIAL</p>		
<p>A2. The assurance professional may designate an amount below which misstatements would be clearly trivial and would not need to be accumulated because the assurance professional expects that the accumulation of such amounts clearly would not have a material effect on the GHG statement. "Clearly trivial" is not another expression for "not material." Matters that are clearly trivial will be of a wholly different (smaller) order of magnitude than materiality determined in accordance with <u>this ISAE-320</u>, and will be matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. When there is any uncertainty about whether one or more items are clearly trivial, the matter is considered not to be clearly trivial.</p>		<p><u>A75</u></p>

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ISA 500 - EVIDENCE		
<i>SUFFICIENT APPROPRIATE ENGAGEMENT EVIDENCE</i>		
6. The assurance professional shall design and perform engagement procedures that are appropriate in the circumstances for the purpose of obtaining sufficient appropriate engagement evidence. (Ref: Para. A1-A25)	<u>Not necessary</u>	
Information to Be Used as Engagement Evidence		
7. When designing and performing assurance procedures, the assurance professional shall consider the relevance and reliability of the information to be used as engagement evidence.		<u>84</u>
8. If information to be used as engagement evidence has been prepared using the work of a entity's <u>management's</u> expert, the assurance professional shall, to the extent necessary, having regard to the significance of that expert's work for the assurance professional's purposes: (a) Evaluate the competence, capabilities and objectivity of that expert; (b) Obtain an understanding of the work of that expert; and (c) Evaluate the appropriateness of that expert's work as engagement evidence for the relevant assertion.		<u>85</u>
9. When using information produced by the entity, the assurance professional shall evaluate whether the information is sufficiently reliable for the assurance professional's purposes, including as necessary in the circumstances: (a) Obtaining engagement evidence about the accuracy and completeness of the information; and (b) Evaluating whether the information is sufficiently precise and detailed for the assurance professional's purposes.		<u>86</u>
Selecting Items for Testing to Obtain Engagement Evidence		
10. When designing tests of controls and tests of details, the assurance professional shall determine means of selecting items for testing that are effective in meeting the purpose of the assurance procedure.		<u>87</u>
Inconsistency in, or Doubts over Reliability of, Engagement Evidence		
11. If: (a) e <u>Engagement</u> evidence obtained from one source is inconsistent with that obtained from another; or (b) € <u>The</u> assurance professional has doubts over the reliability of information to be used as engagement evidence, the assurance professional shall determine what modifications or additions to assurance procedures are necessary to resolve the matter, and shall consider the effect of the matter, if any, on other aspects of the engagement .		<u>88</u>
ISA 520 - ANALYTICAL PROCEDURES		
<i>Substantive Analytical Procedures</i>		
5. When designing and performing substantive analytical procedures <u>as substantive procedures</u> , either alone or in combination with tests of details, as substantive procedures in accordance with ISA 330 , the assurance professional		<u>69</u>

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<p>shall:</p> <p>(a) Determine the suitability of particular substantive analytical procedures for given assertions, taking account of the assessed risks of material misstatement and tests of details, if any, for these assertions;</p> <p>(b) Evaluate the reliability of data from which the assurance professional's expectation of recorded amounts <u>quantities</u> or ratios is developed, taking account of source, comparability, and nature and relevance of information available, and controls over preparation</p> <p>(c) Develop an expectation of recorded amounts <u>quantities</u> or ratios and evaluate whether the expectation is sufficiently precise to identify a misstatement that, individually or when aggregated with other misstatements, may cause the GHG statement to be materially misstated; and</p> <p>(d) Determine the amount of any difference of recorded amounts from <u>that</u> expected values—that is acceptable without further investigation as required by paragraph 7.</p>		
<i>Analytical Procedures that Assist When Forming an Overall Conclusion</i>		
<p>6. The assurance professional shall design and perform analytical procedures near the end of the engagement that assist the assurance professional when forming an overall conclusion as to whether the GHG statement are consistent with the assurance professional's understanding of the entity.</p>	<p>Not as <u>appropriate as for a financial statement audit</u></p>	
<i>Investigating Results of Analytical Procedures</i>		
<p>7. If analytical procedures performed in accordance with this ISA identify fluctuations or relationships that are inconsistent with other relevant information or that differ <u>significantly</u> from expected <u>quantities</u> values <u>by a significant amount</u>, the assurance professional shall investigate such differences by:</p> <p>(a) Inquiring of the entity and obtaining appropriate engagement evidence relevant to the entity's responses; and</p> <p>(b) Performing other assurance procedures as necessary in the circumstances.</p>		<u>70</u>
ISA 530 - SAMPLING		
Sample Design, Size and Selection of Items for Testing		
<p>6. When designing a sample, the assurance professional shall consider the purpose of the assurance procedure and the characteristics of the population from which the sample will be drawn.</p>		<u>74</u>
<p>7. The assurance professional shall determine a sample size sufficient to reduce sampling risk to an acceptably low level.</p>		<u>75</u>
<p>8. The assurance professional shall select items for the sample in such a way that each sampling unit in the population has a chance of selection.</p>		<u>76</u>
Performing Assurance Procedures		
<p>9. The assurance professional shall perform assurance procedures, appropriate to the purpose, on each item selected.</p>		<u>77</u>
<p>10. If the assurance procedure is not applicable to the selected item, the assurance</p>		<u>78</u>

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professional shall perform the procedure on a replacement item.		
11. If the assurance professional is unable to apply the designed assurance procedures, or suitable alternative procedures, to a selected item, the assurance professional shall treat that item as a deviation from the prescribed control, in the case of tests of controls, or a misstatement, in the case of tests of details.		<u>79</u>
Nature and Cause of Deviations and Misstatements		
12. The assurance professional shall investigate the nature and cause of any deviations or misstatements identified, and evaluate their possible effect on the purpose of the assurance procedure and on other areas of the engagement .		<u>80</u>
13. In the extremely rare circumstances when the assurance professional considers a misstatement or deviation discovered in a sample to be an anomaly, the assurance professional shall obtain a high degree of certainty that such misstatement or deviation is not representative of the population. The assurance professional shall obtain this degree of certainty by performing additional assurance procedures to obtain sufficient appropriate engagement evidence that the misstatement or deviation does not affect the remainder of the population.		<u>81</u>
Projecting Misstatements		
14. For tests of details, the assurance professional shall project misstatements found in the sample to the population.		<u>82</u>
Evaluating Results of Sampling		
15. The assurance professional 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.		<u>83</u>
ISA 540 - ESTIMATES		
Risk Assessment Procedures and Related Activities		
8. When performing risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, as required by ISA 315, the assurance professional shall obtain an understanding of the following in order to provide a basis for the identification and assessment of the risks of material misstatement for accounting estimates: (a) The requirements of the applicable criteria relevant to accounting estimates, including related disclosures, including . (b) How the entity identifies those transactions, events and conditions that may give rise to the need for accounting estimates to be recognized or disclosed in the GHG statement. In obtaining this understanding, the assurance professional shall make inquiries of the entity about changes in circumstances that may give rise to new, or the need to revise existing, accounting estimates. (c) How the entity makes the accounting estimates, and an understanding of the data on which they are based, including: (i) The methods, including where applicable the models, used in making the accounting estimates; (ii) Relevant controls;	<u>Subsumed into the adapted equivalent of ISA 315.11</u>	<u>53(c)</u>

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<ul style="list-style-type: none"> (iii) Whether the entity has used an an <u>management's</u> expert; (iv) The assumptions underlying the accounting estimates; (v) Whether there has been or ought to have been a change from the prior period in the methods for making the accounting estimates, and if so, why; and (vi) Whether and, if so, how the entity has assessed the effect of estimation uncertainty. 		
<p>9. The assurance professional shall review the outcome of accounting estimates included in the prior period GHG statement, or, where applicable, their subsequent re-estimation for the purpose of the current period. The nature and extent of the assurance professional's review takes account of the nature of the accounting estimates, and whether the information obtained from the review would be relevant to identifying and assessing risks of material misstatement of accounting estimates made in the current period GHG statement. However, the review is not intended to call into question the judgments made in the prior periods that were based on information available at the time.</p>	<p><u>Not relevant – subsequent events don't confirm GHG estimates</u></p>	
Identifying and Assessing the Risks of Material Misstatement		
<p>10. In identifying and assessing the risks of material misstatement, as required by ISA 315, the assurance professional shall evaluate the degree of estimation uncertainty associated with an accounting estimate.</p>	<p><u>Unnecessary detail</u></p>	
<p>11. The assurance professional shall determine whether, in the assurance professional's judgment, any of those accounting estimates that have been identified as having high estimation uncertainty give rise to significant risks.</p>	<p><u>Significant risk concept not used.</u></p>	
Responses to the Assessed Risks of Material Misstatement		
<p>12. Based on the assessed risks of material misstatement, the assurance professional shall determine:</p> <ul style="list-style-type: none"> (a) Whether the entity has appropriately applied the requirements of the applicable criteria relevant to the accounting estimates; and (b) Whether the methods for making the accounting estimates are appropriate and have been applied consistently, and whether changes, if any, in accounting-reported estimates or in the method for making them from the prior period are appropriate in the circumstances. 		<u>72</u>
<p>13. In responding to the assessed risks of material misstatement, as required by ISA 330, the assurance professional shall undertake one or more of the following, taking account of the nature of the accounting estimates:</p> <ul style="list-style-type: none"> (a) Determine whether events occurring up to the date of the assurance report provide assurance engagement evidence regarding the accounting estimate. (b) Test how the entity made the accounting estimate and the data on which it is based. In doing so, the assurance professional shall evaluate whether: <ul style="list-style-type: none"> (i) The method of measurement-quantification used is appropriate in the circumstances; and (ii) The assumptions used by the entity are reasonable in light of the measurement objectives of the applicable criteria. (c) Test the operating effectiveness of the controls over how the entity made the accounting estimate, together with appropriate substantive 		<u>73</u>

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<p>procedures.</p> <p>(d) Develop a point estimate or a range to evaluate the entity's point estimate. For this purpose:</p> <p>(i) If the assurance professional uses assumptions or methods that differ from the entity's, the assurance professional shall obtain an understanding of the entity's assumptions or methods sufficient to establish that the assurance professional's point estimate or range takes into account relevant variables and to evaluate any significant differences from the entity's point estimate.</p> <p>(ii) If the assurance professional concludes that it is appropriate to use a range, the assurance professional shall narrow the range, based on assurance engagement evidence available, until all outcomes within the range are considered reasonable.</p>		
<p>14. In determining the matters identified in paragraph 12 or in responding to the assessed risks of material misstatement in accordance with paragraph 13, the assurance professional shall consider whether specialized skills or knowledge in relation to one or more aspects of the accounting estimates are required in order to obtain sufficient appropriate assurance engagement evidence.</p>	<p><u>Unnecessary—experts already given prominence</u></p>	
<p>Further Substantive Procedures to Respond to Significant Risks</p>		
<p><i>Estimation Uncertainty</i></p>		
<p><u>INCLUDED AS APPLICATION MATERIAL:</u></p> <p>15. For accounting estimates that give rise to significant risks, <u>In some cases it may be appropriate for the assurance professional to evaluate, in addition to other substantive procedures for a particular type of emission or disclosure, performed to meet the requirements of ISA 330, the assurance professional shall evaluate the following:</u></p> <p>(a) How the entity has considered alternative assumptions or outcomes, and why it has rejected them, or how the entity has otherwise addressed estimation uncertainty in making the accounting estimate.</p> <p>(b) Whether the significant assumptions used by the entity are reasonable.</p> <p>(c) Where relevant to the reasonableness of the significant assumptions used by the entity or the appropriate application of the applicable criteria, the entity's intent to carry out specific courses of action and its ability to do so.</p>	<p><u>Significant risk concept not used.</u> <u>(b) is covered by para 13(b)(ii) above.</u> <u>(c) is not relevant to GHGs</u></p>	<p><u>A70</u></p>
<p>16. If, in the assurance professional's judgment, the entity has not adequately addressed the effects of estimation uncertainty on the accounting estimates that give rise to significant risks, the assurance professional shall, if considered necessary, develop a range with which to evaluate the reasonableness of the accounting estimate.</p>	<p><u>Unnecessary detail</u></p>	
<p><i>Recognition and Measurement Criteria</i></p>		
<p>17. For accounting estimates that give rise to significant risks, the assurance professional shall obtain sufficient appropriate assurance engagement evidence about whether:</p> <p>(a) the entity's decision to recognize, or to not recognize, the accounting estimates in the GHG statement; and</p> <p>(b) the selected measurement basis for the accounting estimates, are in accordance with the requirements of the applicable criteria.</p>	<p><u>Not relevant to GHGs</u></p>	

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Evaluating the Reasonableness of the Accounting Estimates, and Determining Misstatements		
18. The assurance professional shall evaluate, based on the engagement evidence, whether the accounting estimates in the GHG statement are either reasonable in the context of the applicable criteria, or are misstated.		<u>123 (d) (iii)</u>
Disclosures Related to Accounting Estimates		
19. The assurance professional shall obtain sufficient appropriate assurance engagement evidence about whether the disclosures in the GHG statement related to estimates are in accordance with the requirements of the applicable criteria.	<u>Specific reference to estimates have been added to the adapted version of ISA 700.12 & 13</u>	<u>123 (d)</u>
20. The assurance professional shall also evaluate the adequacy of the disclosure of estimation uncertainty in the GHG statement in the context of the applicable criteria.		
Indicators of Possible The Entity Management Bias The assurance professional shall review the judgments and decisions made by the entity in the making of accounting estimates to identify whether there are indicators of possible the entity bias. Indicators of possible the entity bias do not themselves constitute misstatements for the purposes of drawing conclusions on the reasonableness of individual accounting estimates.		
Written Representations		
22. The assurance professional shall obtain written representations from the entity and, where appropriate, those charged with governance whether they believe that significant assumptions used by it in making accounting estimates are reasonable.	<u>Added to the adapted equivalent of ISA 580.09</u>	<u>104 (d)</u>
Documentation		
23. The assurance professional shall include in the engagement documentation: (a) The basis for the assurance professional’s conclusions about the reasonableness of accounting estimates and their disclosure that give rise to significant risks; and (b) Indicators of possible the entity bias, if any.	<u>Significant risks in (a) not relevant</u> <u>(b) unnecessary detail</u>	
ISA 560 - SUBSEQUENT EVENTS		
Events Occurring between the Date of the GHG statement and the Date of the Assurance Report – paras 6-9 Facts Which Become Known to the Assurance professional after the Date of the Assurance Report but before the Date the GHG statement Are Issued – paras 10-13 Facts Which Become Known to the Assurance professional after the GHG statement Have Been Issued – paras 14-17	<u>These detailed requirements have been replaced by the adaptation of the Objective of ISA 560 in the next cell</u>	<u>107</u>
4. The objectives of the assurance professional are shall: (a) To obtain sufficient appropriate engagement evidence about whether events occurring between the date of the GHG statement and the date of the assurance report that require adjustment of, or disclosure in, the GHG statement are appropriately reflected in that GHG statement in		<u>107</u>

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accordance with the applicable criteria; and (b) To Respond appropriately to facts that become known to the assurance professional after the date of the assurance report, that, had they been known to the assurance professional at that date, may have caused the assurance professional to amend the assurance report.		
ISA 580 - WRITTEN REPRESENTATIONS		
The entity from whom Written Representations Requested		
9. The assurance professional shall request written representations from the entity with appropriate responsibilities for the GHG statement and knowledge of the matters concerned:- <u>(a) that the entity has fulfilled its responsibility for the fair presentation of the GHG statement in accordance with the applicable criteria</u> <u>(b) that the entity has provided the assurance professional with all relevant information and access as agreed in the terms of the engagement and reflected all relevant matters are in the GHG statement</u>	<u>Distinction b/w management and TCwG not needed given new para 19 (a) & (b) summarize requirements in paras 10 and 11 below</u>	<u>15</u> <u>104 (a) & (b)</u>
Written Representations about The entity's Responsibilities		
<i>Preparation of the GHG statement</i>		
10. The assurance professional shall request the entity to provide a written representation that it has fulfilled its responsibility for the preparation of the GHG statement in accordance with the applicable criteria, including where relevant its fair presentation, as set out in the terms of the engagement.	<u>Condensed into para 9 above</u>	
<i>Information Provided and Completeness of Transactions</i>		
11. The assurance professional shall request the entity to provide a written representation that: (a) It has provided the assurance professional with all relevant information and access as agreed in the terms of the engagement, and (b) All transactions have been recorded and are reflected in the GHG statement.	<u>Condensed into para 9 above</u>	
<i>Description of The entity's Responsibilities in the Written Representations</i>		
12. The entity's responsibilities shall be described in the written representations required by paragraphs 10 and 11 in the manner in which these responsibilities are described in the terms of the engagement.	<u>Unnecessary</u>	
Other Written Representations		
13. Other ISAs require the assurance professional to request written representations. If, in addition to such required representations, the assurance professional determines that it is necessary to obtain one or more written representations to support other engagement evidence relevant to the GHG statement or one or more specific assertions in the GHG statement, the assurance professional shall request such other written representations.	<u>Unnecessary detail</u>	
Date of and Period(s) Covered by Written Representations		

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<p>14. The date of the written representations shall be as near as practicable to, but not after, the date of the assurance report on the GHG statement. The written representations shall be for all GHG statement and period(s) referred to in the assurance report.</p>		
<p>Form of Written Representations</p>		
<p>15. The written representations shall be in the form of a representation letter addressed to the assurance professional. If law or regulation requires the entity to make written public statements about its responsibilities, and the assurance professional determines that such statements provide some or all of the representations required by paragraphs 10 or 11, the relevant matters covered by such statements need not be included in the representation letter.</p>		
<p>Doubt as to the Reliability of Written Representations and Requested Written Representations Not Provided</p>		
<p><i>Doubt as to the Reliability of Written Representations</i></p>		
<p>16. If the assurance professional has concerns about the competence, integrity, ethical values or diligence of the entity, or about its commitment to or enforcement of these, the assurance professional shall determine the effect that such concerns may have on the reliability of representations (oral or written) and engagement evidence in general.</p>		
<p>17. In particular, if written representations are inconsistent with other engagement evidence, the assurance professional shall perform engagement procedures to attempt to resolve the matter. If the matter remains unresolved, the assurance professional shall reconsider the assessment of the competence, integrity, ethical values or diligence of the entity, or of its commitment to or enforcement of these, and shall determine the effect that this may have on the reliability of representations (oral or written) and engagement evidence in general.</p>		
<p>18. If the assurance professional concludes that the written representations are not reliable, the assurance professional shall take appropriate actions, including determining the possible effect on the conclusion in the assurance report in accordance with ISA 705, having regard to the requirement in paragraph 20 of this ISA.</p>		
<p><i>Requested Written Representations Not Provided</i></p>		
<p>19. If the entity does not provide one or more of the requested written representations, the assurance professional shall:</p> <ul style="list-style-type: none"> (a) Discuss the matter with the entity; (b) Reevaluate the integrity of the entity and evaluate the effect that this may have on the reliability of representations (oral or written) and engagement evidence in general; and (c) Take appropriate actions, including determining the possible effect on the conclusion in the assurance report in accordance with ISA 705, having regard to the requirement in paragraph 20 of this ISA. 		<u>105</u>
<p><i>Written Representations about The Entity's Responsibilities</i></p>		
<p>20. The assurance professional shall disclaim a conclusion on the GHG statement in accordance with ISA 705 if:</p> <ul style="list-style-type: none"> (a) The assurance professional concludes that there is sufficient doubt about the integrity of the entity such that the written representations required 		<u>106</u>

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<p>by paragraphs 10 and 11 are not reliable; or</p> <p>(b) The entity does not provide the written representations required by paragraphs 10 and 11.</p>		
ISA 600 – COMPONENT AUDITORS		
<p>Responsibility – para 11</p> <p>Acceptance and Continuance – paras 12-14</p> <p>Overall Audit Strategy and Audit Plan – paras 15-16</p> <p>Understanding the Group, Its Components and Their Environments – paras 17-18</p> <p>Understanding the Component Auditor – paras 19-20</p> <p>Materiality – paras 21-23</p> <p>Responding to Assessed Risks – paras 24-31</p> <p>Consolidation Process – paras 32-37</p> <p>Subsequent Events – paras 38-39</p> <p>Communication with the Component Auditor – paras 40-41</p> <p>Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained – paras 42-45</p> <p>Communication with Group Management and Those Charged with Governance of the Group – paras 46-49</p> <p>Documentation – para 50</p>	<p><u>These detailed requirements have been replaced by para 12 below, and the adaptation of the Objective of ISA 600 in the next cell</u></p>	
<p>The objectives of the auditor are:</p> <p>(a) To determine whether to act as the auditor of the group financial statements; and</p> <p>(b) If acting as the auditor of the group financial statements:</p> <p><u>When the assurance professional intends using the work of other assurance professionals regarding components of the GHG statement, the assurance professional shall:</u></p> <p>(i) To communicate clearly with those other assurance professionals component auditors about the scope and timing of their work on financial information related to those components and their findings; and</p> <p>(ii) To obtain sufficient appropriate evidence regarding the financial information of those components and the consolidation process for including related information in the GHG statement to express an opinion on whether the group GHG statement as a whole is prepared, in all material respects, in accordance with the applicable criteria.</p> <p>12. In applying ISA 220, the group engagement partner shall determine whether sufficient appropriate audit evidence can reasonably be expected to be obtained in relation to the consolidation process and the financial information of the components on which to base the group audit opinion. For this purpose, the group engagement team shall obtain an understanding of the group, its components, and their environments that is sufficient to identify components that are likely to be significant components. Where an other component assurance professionals will perform work on the financial information of such a components of the GHG statement, the group engagement partner shall</p>		<p>96</p> <p>Subs med into</p>

<p>In the case of an audit or review of the financial information of the component, component Performance materiality for the component (and, if applicable, the materiality level or levels for particular classes of transactions, account balances, types of emissions or disclosures) and the threshold above which misstatements cannot be regarded as clearly trivial to the GHG statement group financial statements.</p> <p>Identified significant risks of material misstatement of the GHG statement group financial statements, due to fraud or error, that are relevant to the work of the component assurance professional; and a. The group engagement team shall request that the component assurance professional to communicate on a timely basis any other identified significant risks of material misstatement of the group financial statements, due to fraud or error, in the component that may be material to the GHG statement, and the component auditor's responses to such risks.</p> <p>A list of related parties prepared by group management, and any other related parties of which the group engagement team is aware. The group engagement team shall request the component auditor to communicate on a timely basis related parties not previously identified by group management or the group engagement team. The group engagement team shall determine whether to identify such additional related parties to other component auditors.</p> <p>41. <u>Relevant matters that the</u>The group engagement team shall may request the component assurance professional to communicate matters relevant to the group engagement team's conclusion with regard to the group audit. Such communication shall include:</p> <ul style="list-style-type: none"> (a) Whether the component assurance professional has complied with ethical requirements that are relevant to the group engagement, including independence and professional competence; (b) Whether the component assurance professional has complied with the group engagement team's requirements; <p>Identification of the financial information of the component on which the component assurance professional is reporting;</p> <p>Information on instances of non-compliance with laws or regulations that could give rise to a material misstatement of the GHG statement group financial statements;</p> <p>A list of uncorrected misstatements of the financial component information of the component (the list need not include misstatements that are below the threshold for that are not clearly trivial misstatements communicated by the group engagement team);</p> <p>Indicators of possible management bias in the preparation of the component information;</p> <p>Description of any identified significant deficiencies in internal control at the component level;</p> <p>Other significant matters that the component assurance professional has communicated or expects to communicate to those charged with governance of the component, including fraud or suspected fraud involving component management, employees who have significant roles in internal control at the component level or others where the fraud resulted in a material misstatement of the financial information of the</p>		<p>A78</p>
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<p>component; Any other matters that may be relevant to the group audit <u>GHG statement</u>, or that the component assurance professional wishes to draw to the attention of the group engagement team, including exceptions noted in any the written representations that the component assurance professional requested from the component management; and The component assurance professional’s overall findings, conclusions or opinion.</p>		
ISA 610 - INTERNAL AUDIT		
<p>Determining Whether and to What Extent to Use the Work of the Internal Assurance professionals – paras 8-10 Using Specific Work of the Internal Assurance professionals – paras 11-12 Documentation – para 13</p>	<p>These detailed requirements have been replaced by the adaptation of the Objective of ISA 610 in the next cell</p>	<p>97</p>
<p>6. The objectives of the external assurance professional <u>shall</u>, where the entity has an internal audit function that the external assurance professional has determined whether it is likely to be relevant to the engagement , and if so are: (a) To dDetermine whether, and to what extent, to use specific work of the internal auditors; and (b) If using the specific work of the internal auditors, to determine whether that work is adequate for the purposes of the engagement</p>	<p>(a) <u>needed to pick up 315 component</u></p>	<p>97</p>
ISA 620 - EXPERTS		
<p>DEFINITIONS: (a) Assurance professional’s expert – An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the assurance professional to assist the assurance professional in obtaining sufficient appropriate engagement evidence. An assurance professional’s expert may be either an assurance professional’s internal expert (who is a partner or staff, including temporary staff, of the assurance professional’s firm or a network firm), or an assurance professional’s external expert. (b) Expertise – Skills, knowledge and experience in a particular field. (c) Management’s expert – An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the GHG statement.</p>		<p><u>10(d) & 10(n)</u></p>
<p>INTRODUCTION: 3. The assurance professional engagement partner has sole responsibility for the assurance opinion expressed, and that responsibility is not reduced by the assurance professional’s use of the work of an assurance professional’s expert. Nonetheless, if the assurance professional using the work of an assurance professional’s expert, having followed this <u>ISAE</u>, concludes that the work of that expert is adequate for the assurance professional’s purposes, the assurance</p>		<p><u>A9</u></p>

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professional may accept that expert’s findings or conclusions in the expert’s field as appropriate evidence.		
Determining the Need for an Assurance Professional’s Expert		
7. If expertise in a field other than accounting or auditing is necessary to obtain sufficient appropriate engagement evidence, the assurance professional shall determine whether to use the work of an assurance professional’s expert.	Not necessary – covered by ISA 220.14 requirement to	
Nature, Timing and Extent of Assurance Procedures		
8. The nature, timing and extent of the assurance professional’s procedures with respect to the requirements in paragraphs 9-13 of this ISAE will vary depending on the circumstances. In determining the nature, timing and extent of those procedures, the assurance professional shall consider matters including: <ul style="list-style-type: none"> (a) The nature of the matter to which that expert’s work relates; (b) The risks of material misstatement in the matter to which that expert’s work relates; (c) The significance of that expert’s work in the context of the engagement; (d) The assurance professional’s knowledge of and experience with previous work performed by that expert; and (e) Whether that expert is subject to the assurance professional’s firm’s quality control policies and procedures. 		<u>98</u>
The Competence, Capabilities and Objectivity of the Assurance Professional’s Expert		
9. The assurance professional shall evaluate whether the assurance professional’s expert has the necessary competence, capabilities and objectivity for the assurance professional’s purposes. In the case of an assurance professional’s external expert, the evaluation of objectivity shall include inquiry regarding interests and relationships that may create a threat to that expert’s objectivity.		<u>99</u>
Obtaining an Understanding of the Field of Expertise of the Assurance Professional’s Expert		
10. The assurance professional shall obtain a sufficient understanding of the field of expertise of the assurance professional’s expert to enable the assurance professional to: <ul style="list-style-type: none"> (a) Determine Agree with the assurance professional’s expert the nature, scope and objectives of that expert’s work for the assurance professional’s purposes; and (b) Evaluate the adequacy of that work for the assurance professional’s purposes. 		<u>100</u>
Agreement with the Assurance Professional’s Expert		
11. The assurance professional shall agree, in writing when appropriate, on the following matters with the assurance professional’s expert: <ul style="list-style-type: none"> (a) The nature, scope and objectives of that expert’s work; (b) The respective roles and responsibilities of the assurance professional and that expert; (c) The nature, timing and extent of communication between the assurance 		<u>101</u>

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<p>professional and that expert, including the form of any report to be provided by that expert; and</p> <p>(d) The need for the assurance professional's expert to observe confidentiality requirements.</p>		
Evaluating the Adequacy of the Assurance Professional's Expert's Work		
<p>12. The assurance professional shall evaluate the adequacy of the assurance professional's expert's work for the assurance professional's purposes, including:</p> <p>(a) The relevance and reasonableness of that expert's findings or conclusions, and their consistency with other engagement evidence;</p> <p>(b) If that expert's work involves use of significant assumptions and methods, the relevance and reasonableness of those assumptions and methods in the circumstances; and</p> <p>(c) If that expert's work involves the use of source data that is significant to that expert's work, the relevance, completeness, and accuracy of that source data.</p>		<u>102</u>
<p>13. If the assurance professional determines that the work of the assurance professional's expert is not adequate for the assurance professional's purposes, the assurance professional shall:</p> <p>(a) Agree with that expert on the nature and extent of further work to be performed by that expert; or</p> <p>(b) Perform additional assurance procedures appropriate to the circumstances.</p>		<u>103</u>
Reference to the Assurance Professional's Expert in the Assurance Report		
<p>14. If the assurance professional shall not refer to the work of an assurance professional's expert in an assurance report, the wording of that report shall not imply that containing an unmodified conclusion unless required by law or regulation to do so. If such reference is required by law or regulation, the assurance professional shall indicate in assurance report that the reference does not reduce the assurance professional's responsibility for the assurance professional's conclusion expressed in that report is reduced because of the involvement of that expert.</p> <p>15. If the assurance professional makes reference to the work of an assurance professional's expert in the assurance report because such reference is relevant to an understanding of a modification to the assurance professional's conclusion, the assurance professional shall indicate in the assurance report that such reference does not reduce the assurance professional's responsibility for that conclusion.</p>	<p><u>This recognizes that it may be appropriate for the assurance report to refer to the expert, at least in a generic way – as is done in the example report. In some jurisdictions naming experts is required.</u></p>	<u>129</u>
APPLICATION MATERIAL		
<p>A4. An assurance professional's expert may be needed to assist the assurance professional in one or more of the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the entity and its environment, including its internal control. • Identifying and assessing the risks of material misstatement. • Determining and implementing overall responses to assessed risks at the GHG statement level. • Designing and performing further assurance procedures to respond to assessed risks at the assertion level, comprising tests of controls or 		<u>A11</u>

ISA 700 - FORMING AN CONCLUSION AND REPORTING		
Forming an Conclusion on the GHG Statement		
10.	The assurance professional shall form a conclusion on whether the GHG statement is prepared <u>presented</u> fairly, in all material respects, in accordance with the applicable criteria.	<u>122</u>
11.	In order to form that conclusion, the assurance professional shall conclude as to whether the assurance professional has obtained reasonable assurance about whether the GHG statement as a whole is free from material misstatement, whether due to fraud or error. That conclusion shall take into account: (a) The assurance professional's conclusion, in accordance with ISA 330, whether sufficient appropriate engagement evidence has been obtained; (b) The assurance professional's conclusion, in accordance with ISA 450, whether uncorrected misstatements are material, individually or in aggregate; and (c) The evaluations required by paragraphs 12-15.	<u>123</u> (a), (b), & (c)
12.	The assurance professional shall evaluate whether the GHG statement is prepared, in all material respects, in accordance with the requirements of the applicable criteria. This evaluation shall include consideration of the qualitative aspects of the entity's accounting practices, including indicators of possible bias in the entity's judgments.	<u>123</u> (d)
13.	In particular, the assurance professional shall evaluate whether, in view of the requirements of the applicable criteria: (a) The GHG statement adequately disclose the significant accounting policies selected and applied; (b) The accounting policies selected and applied are consistent with the applicable criteria and are appropriate; (c) The accounting estimates made by the entity are reasonable; (d) The information presented in the GHG statement is relevant, reliable, comparable and understandable; (e) The GHG statement provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the GHG statement; and (Ref: Para. A4) (f) The terminology used in the GHG statement, including the title of each GHG statement, is appropriate.	<u>123</u> (d)
14.	When the GHG statement are prepared in accordance with a fair presentation framework, the evaluation required by paragraphs 12-13 shall also include whether the GHG statement achieve fair presentation. The assurance professional's evaluation as to whether the GHG statement achieve fair presentation shall include consideration of: (a) The overall presentation, structure and content of the GHG statement; and (b) Whether the GHG statement, including the related notes, represent the underlying transactions and events in a manner that achieves fair presentation.	<u>124</u>
15.	The assurance professional shall evaluate whether the GHG statement adequately refer to or describe the applicable criteria. (Ref: Para. A5-A10)	

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Form of Conclusion		
16. The assurance professional shall express an unmodified conclusion when the assurance professional concludes that the GHG statement is prepared, in all material respects, in accordance with the applicable criteria.		<u>125</u>
17. If the assurance professional: (a) concludes that, based on the engagement evidence obtained, the GHG statement as a whole is not free from material misstatement; or (b) is unable to obtain sufficient appropriate engagement evidence to conclude that the GHG statement as a whole are free from material misstatement, the assurance professional shall modify the conclusion in the assurance report in accordance with ISA 705.		<u>126</u>
18. If GHG statement prepared in accordance with the requirements of a fair presentation framework do not achieve fair presentation, the assurance professional shall discuss the matter with the entity and, depending on the requirements of the applicable criteria and how the matter is resolved, shall determine whether it is necessary to modify the conclusion in the assurance report in accordance with ISA 705. (Ref: Para. A11)	<u>Unnecessary detail</u>	
19. When the GHG statement are prepared in accordance with a compliance framework, the assurance professional is not required to evaluate whether the GHG statement achieve fair presentation. However, if in extremely rare circumstances the assurance professional concludes that such GHG statement are misleading, the assurance professional shall discuss the matter with the entity and, depending on how it is resolved, shall determine whether, and how, to communicate it in the assurance report. (Ref: Para. A12)	<u>Not applicable</u>	
Assurance Report		
20. The assurance report shall be in writing. (Ref: Para. A13 A14) <i>Assurance Report for Audits Conducted in Accordance with International Standards on Auditing</i> Title 21. The assurance report shall have a title that clearly indicates that it is the report of an independent assurance professional. (Ref: Para. A15) Addressee 22. The assurance report shall be addressed as required by the circumstances of the engagement. (Ref: Para. A16) Introductory Paragraph 23. The introductory paragraph in the assurance report shall: (Ref: Para. A17 A19) (a) Identify the entity whose GHG statement have been audited; (b) State that the GHG statement have been audited; (c) Identify the title of each statement that comprises the GHG statement; (d) Refer to the summary of significant accounting policies and other explanatory information; and (e) Specify the date or period covered by each GHG statement comprising the GHG statement. The entity's Responsibility for the GHG statement 24. This section of the assurance report describes the responsibilities of those in the	<u>Covered by July version of draft ISAE 3410 at para 32</u>	<u>128</u>

<p>organization that are responsible for the preparation of the GHG statement. The assurance report need not refer specifically to “the entity,” but shall use the term that is appropriate in the context of the legal framework in the particular jurisdiction. In some jurisdictions, the appropriate reference may be to those charged with governance.</p> <p>25. The assurance report shall include a section with the heading “The entity’s [or other appropriate term] Responsibility for the GHG statement.”</p> <p>26. The assurance report shall describe the entity’s responsibility for the preparation of the GHG statement. The description shall include an explanation that the entity is responsible for the preparation of the GHG statement in accordance with the applicable criteria, and for such internal control as it determines is necessary to enable the preparation of GHG statement that are free from material misstatement, whether due to fraud or error. (Ref: Para. A20 A23)</p> <p>27. Where the GHG statement are prepared in accordance with a fair presentation framework, the explanation of the entity’s responsibility for the GHG statement in the assurance report shall refer to “the preparation and fair presentation of these GHG statement” or “the preparation of GHG statement that give a true and fair view,” as appropriate in the circumstances.</p> <p>Assurance professional’s Responsibility</p> <p>28. The assurance report shall include a section with the heading “Assurance professional’s Responsibility.”</p> <p>29. The assurance report shall state that the responsibility of the assurance professional is to express an conclusion on the GHG statement based on the engagement. (Ref: Para. A24)</p> <p>30. The assurance report shall state that the engagement was conducted in accordance with International Standards on Auditing. The assurance report shall also explain that those standards require that the assurance professional comply with ethical requirements and that the assurance professional plan and perform the engagement to obtain reasonable assurance about whether the GHG statement are free from material misstatement. (Ref: Para. A25 A26)</p> <p>31. The assurance report shall describe assurance engagement by stating that:</p> <ul style="list-style-type: none">(a) Assurance engagement involves performing procedures to obtain engagement evidence about the amounts and disclosures in the GHG statement;(b) The procedures selected depend on the assurance professional’s judgment, including the assessment of the risks of material misstatement of the GHG statement, whether due to fraud or error. In making those risk assessments, the assurance professional considers internal control relevant to the entity’s preparation of the GHG statement in order to design engagement procedures that are appropriate in the circumstances, but not for the purpose of expressing an conclusion on the effectiveness of the entity’s internal control. In circumstances when the assurance professional also has a responsibility to express an conclusion on the effectiveness of internal control in conjunction with the engagement of the GHG statement, the assurance professional shall omit the phrase that the assurance professional’s consideration of internal control is not for the purpose of expressing an conclusion on the effectiveness of internal control; and(c) Assurance engagement also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the entity, as well as the overall presentation of the		
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<p style="text-align: center;">GHG statement.</p> <p>32. Where the GHG statement are prepared in accordance with a fair presentation framework, the description of the engagement in the assurance report shall refer to “the entity’s preparation and fair presentation of the GHG statement” or “the entity’s preparation of GHG statement that give a true and fair view,” as appropriate in the circumstances.</p> <p>33. The assurance report shall state whether the assurance professional believes that the engagement evidence the assurance professional has obtained is sufficient and appropriate to provide a basis for the assurance professional’s conclusion.</p> <p>Assurance professional’s Conclusion</p> <p>34. The assurance report shall include a section with the heading “Conclusion.”</p> <p>35. When expressing an unmodified conclusion on GHG statement prepared in accordance with a fair presentation framework, the assurance professional’s conclusion shall, unless otherwise required by law or regulation, use one of the following phrases, which are regarded as being equivalent: (Ref: Para. A27–A33)</p> <p style="padding-left: 40px;">(a) The GHG statement present fairly, in all material respects, ... in accordance with [the applicable criteria]; or</p> <p style="padding-left: 40px;">(b) The GHG statement give a true and fair view of ... in accordance with [the applicable criteria].</p> <p>36. When expressing an unmodified conclusion on GHG statement prepared in accordance with a compliance framework, the assurance professional’s conclusion shall be that the GHG statement are prepared, in all material respects, in accordance with [the applicable criteria]. (Ref: Para. A27, A29–A33)</p> <p>37. If the reference to the applicable criteria in the assurance professional’s conclusion is not to International Criteria issued by the International Accounting Standards Board or International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board, the assurance professional’s conclusion shall identify the jurisdiction of origin of the framework.</p>		
<p>Other Reporting Responsibilities</p>		
<p>38. If the assurance professional addresses other reporting responsibilities in the assurance report on the GHG statement that are in addition to the assurance professional’s responsibility under the ISAs to report on the GHG statement, these other reporting responsibilities shall be addressed in a separate section in the assurance report that shall be sub-titled “Report on Other Legal and Regulatory Requirements,” or otherwise as appropriate to the content of the section.</p>	<p><u>Unnecessary detail</u></p>	
<p>39. If the assurance report contains a separate section on other reporting responsibilities, the headings, statements and explanations referred to in paragraphs 23–37 shall be under the sub-title “Report on the GHG statement.” The “Report on Other Legal and Regulatory Requirements” shall follow the “Report on the GHG statement.”</p>		
<p>Signature of the Assurance professional</p> <p>40. The assurance report shall be signed. (Ref: Para. A37)</p> <p>Date of the Assurance Report</p> <p>41. The assurance report shall be dated no earlier than the date on which the assurance professional has obtained sufficient appropriate engagement evidence</p>	<p><u>Covered by July version of draft ISAE 3410 at para 32</u></p>	<p><u>128</u></p>

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<p>on which to base the assurance professional's conclusion on the GHG statement, including evidence that: (Ref: Para. A38 A41)</p> <p>(a) All the statements that comprise the GHG statement, including the related notes, have been prepared; and</p> <p>(b) Those with the recognized authority have asserted that they have taken responsibility for those GHG statement.</p> <p>Assurance professional's Address</p> <p>42. The assurance report shall name the location in the jurisdiction where the assurance professional practices.</p>		
<i>Assurance Report Prescribed by Law or Regulation</i>		
<p>43. If the assurance professional is required by law or regulation of a specific jurisdiction to use a specific layout or wording of the assurance report, the assurance report shall refer to <u>this or other ISAEs International Standards on Auditing</u> only if the assurance report includes, at a minimum, each of the following elements identified in [July Draft para 32]:</p>		<u>130</u>
<p>(a) A title;</p> <p>(b) An addressee, as required by the circumstances of the engagement;</p> <p>(c) An introductory paragraph that identifies the GHG statement audited;</p> <p>(d) A description of the responsibility of the entity (or other appropriate term, see paragraph 24) for the preparation of the GHG statement;</p> <p>(e) A description of the assurance professional's responsibility to express an conclusion on the GHG statement and the scope of the engagement, that includes:</p> <ul style="list-style-type: none"> • A reference to International Standards on Auditing and the law or regulation; and • A description of assurance engagement in accordance with those standards; <p>(f) An conclusion paragraph containing an expression of conclusion on the GHG statement and a reference to the applicable criteria used to prepare the GHG statement (including identifying the jurisdiction of origin of the criteria that is not International Criteria or International Public Sector Accounting Standards, see paragraph 37);</p> <p>(g) The assurance professional's signature;</p> <p>(h) The date of the assurance report; and</p> <p>(i) The assurance professional's address.</p>	<p><u>Covered by July version of draft ISAE 3410 at para 32</u></p>	<u>128</u>
<i>Assurance Report for Audits Conducted in Accordance with Both Auditing Standards of a Specific Jurisdiction and International Standards on Auditing</i>		
<p>44. An assurance professional may be required to conduct assurance engagement in accordance with the engagementing standards of a specific jurisdiction (the "national auditing standards"), but may additionally have complied with the ISAs in the conduct of the engagement. If this is the case, the assurance report may refer to International Standards on Auditing in addition to the national auditing standards, but the assurance professional shall do so only if: (Ref: Para. A43 A44)</p> <p>(a) There is no conflict between the requirements in the national auditing standards and those in ISAs that would lead the assurance professional (i) to form a different conclusion, or (ii) not to include an Emphasis of Matter</p>	<p><u>Unnecessary detail</u></p>	

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<p>paragraph that, in the particular circumstances, is required by ISAs; and</p> <p>(b) The assurance report includes, at a minimum, each of the elements set out in paragraph 43(a)(i) when the assurance professional uses the layout or wording specified by the national auditing standards. Reference to law or regulation in paragraph 43(e) shall be read as reference to the national auditing standards. The assurance report shall thereby identify such national auditing standards.</p> <p>45. When the assurance report refers to both the national auditing standards and International Standards on Auditing, the assurance report shall identify the jurisdiction of origin of the national auditing standards.</p> <p>Supplementary Information Presented with the GHG statement (Ref: Para. A45-A51)</p> <p>46. If supplementary information that is not required by the applicable criteria is presented with the engaged GHG statement, the assurance professional shall evaluate whether such supplementary information is clearly differentiated from the engaged GHG statement. If such supplementary information is not clearly differentiated from the engaged GHG statement, the assurance professional shall ask the entity to change how the unaudited supplementary information is presented. If the entity refuses to do so, the assurance professional shall explain in the assurance report that such supplementary information has not been audited.</p> <p>47. Supplementary information that is not required by the applicable criteria but is nevertheless an integral part of the GHG statement because it cannot be clearly differentiated from the engaged GHG statement due to its nature and how it is presented shall be covered by the assurance professional's conclusion.</p>		
ISA 706 - EMPHASIS OF MATTER AND OTHER MATTER PARAGRAPHS		
Emphasis of Matter Paragraphs in the Assurance report		
<p>6. If the assurance professional considers it necessary to draw users' attention to a matter presented or disclosed in the GHG statement that, in the assurance professional's judgment, is of such importance that it is fundamental to users' understanding of the GHG statement, the assurance professional shall include an Emphasis of Matter paragraph in the assurance report provided the assurance professional has obtained sufficient appropriate engagement evidence that the matter is not materially misstated in the GHG statement. Such a paragraph shall refer only to information presented or disclosed in the GHG statement.</p>	<p><u>Requirements re EOM paragraphs not considered appropriate. Other matter paragraphs retained.</u></p>	
<p>7. When the assurance professional includes an Emphasis of Matter paragraph in the assurance report, the assurance professional shall:</p> <p>(a) Include it immediately after the Conclusion paragraph in the assurance report;</p> <p>(b) Use the heading "Emphasis of Matter," or other appropriate heading;</p> <p>(c) Include in the paragraph a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the GHG statement; and</p> <p>(d) Indicate that the assurance professional's conclusion is not modified in respect of the matter emphasized.</p>		

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Other Matter Paragraphs in the Assurance Report		
<p>8. If the assurance professional considers it necessary to communicate <u>in the assurance report</u> a matter other than those that are presented or disclosed in the GHG statement that, in the assurance professional’s judgment, is relevant to <u>intended users’</u> understanding of the engagement, the assurance professional’s responsibilities or the assurance report and this is not prohibited by law or regulation, the assurance professional shall do so in a paragraph in the assurance report, with the heading “Other Matter,” or other appropriate heading. The assurance professional shall include this paragraph immediately after the Conclusion paragraph and any Emphasis of Matter paragraph, or elsewhere in the assurance report if the content of the Other Matter paragraph is relevant to the Other Reporting Responsibilities section.</p>		<u>127</u>
<p>Communication with Those Charged with Governance</p> <p>9. If the assurance professional expects to include an Emphasis of Matter or an Other Matter paragraph in the assurance report, the assurance professional shall communicate with those charged with governance regarding this expectation and the proposed wording of this paragraph. (Ref: Para. A12)</p>	<u>Unnecessary detail</u>	
<p>APPLICATION MATERIAL:</p> <p>A10. The content of an Other M<u>atter</u> paragraph reflects clearly that such other matter is not required to be presented and disclosed in the GHG statement. An Other M<u>atter</u> paragraph does not include information that the assurance professional is prohibited from providing by law, regulation or other professional standards, for example, ethical standards relating to confidentiality of information. An Other M<u>atter</u> paragraph also does not include information that is required to be provided by the entity.</p>		<u>A89 & A90</u>
ISA 720 - OTHER INFORMATION		
<p><u>When documents containing a GHG statement and the assurance report thereon include other information, the assurance professional shall read that other information to identify material inconsistencies, if any, with the GHG statement and, if on reading that other information, the assurance professional:</u></p> <p><u>(a) Identifies a material inconsistency with the GHG statement, or</u></p> <p><u>(b) Becomes aware of a material misstatement of fact in that other information that is unrelated to matters appearing in the GHG statement,</u></p> <p><u>the assurance professional shall discuss the matter with the entity and take any further appropriate action.</u></p>	<u>The detailed requirements of this ISA have been condensed into the requirement at left</u>	<u>108</u>