

Sustainability Assurance – Reporting

This Agenda Item includes the analysis of comments received on Questions 21, 22 and 23 in the Explanatory Memorandum to ED-5000,¹ and the related SATF views and recommendations.

Background

Reporting Requirements

1. Overall, the IAASB's development of the reporting requirements in ED-5000 was based on the requirements in ISAE 3000 (Revised)² and ISAE 3410,³ but consideration was given to relevant requirements in ISA 700 (Revised),⁴ ISA 710,⁵ ISA 720 (Revised)⁶ and ISA 800 (Revised).⁷ Given that ISA 700 (Revised) reflects the latest thinking about the form and content of the auditor's report, including the ordering of the report elements, the IAASB decided that it should be used as a guide for the elements of the assurance report on sustainability information.

Key Sustainability Assurance Matters

2. The Board acknowledged the potential public interest benefits of communicating Key Audit Matters (KAM) and considered the outcome of the Auditor Reporting Post Implementation Review (PIR) that explored demand for extending the concept of KAM to other assurance reports. However, due to a number of factors as described in the Explanatory Memorandum (EM) to ED-5000, the IAASB agreed it was not appropriate to require communication of KAM or equivalent (e.g., "key sustainability assurance matters") in ED-5000 as an overarching standard. Instead, the IAASB will consider addressing KAM in the future suite of ISSAs.

Limited Assurance - Basis for Conclusion

3. The IAASB considered it important to make clear to users of the assurance report that, in a limited assurance engagement, the procedures performed vary from, and are less in extent than for, a reasonable assurance engagement and that the level of assurance obtained is substantially lower. To give these statements sufficient prominence and bring them to users' attention, the IAASB decided that they should be located in the Basis for Conclusion section of the limited assurance report.

¹ Proposed International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements, and Proposed Conforming and Consequential Amendments to Other IAASB Standards*.

² ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

³ ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

⁴ ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

⁵ ISA 710, *Comparative Information—Corresponding Figures and Comparative Financial Statements*

⁶ ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

⁷ ISA 800 (Revised), *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*

What We Asked

4. Question 21 asked respondents:

Will the requirements in ED-5000 drive assurance reporting that meets the information needs of users? If not, please be specific about any matters that should not be required to be included in the assurance report, or any additional matters that should be included?

112 of 143 respondents provided a response to Question 21, including one Monitoring Group (MG) member. See **Agenda Item 2-H.7** for further details on the overall responses and **Agenda Item 2-I.7** for comments received.

Question 22 asked respondents:

Do you agree with the approach in ED-5000 of not addressing the concept of “key audit matters” for a sustainability assurance engagement, and instead having the IAASB consider addressing this in a future ISSA? If not, what do you propose and why?

111 of 143 respondents provided a response to Question 22, including three MG members. See **Agenda Item 2-H.8** for further details on the overall responses and **Agenda Item 2-I.8** for comments received on Question 22.

Question 23 asked respondents:

For limited assurance engagements, is the explanation in the Basis for Conclusion section of the assurance report that the scope and nature of work performed is substantially less than for a reasonable assurance engagement sufficiently prominent? If not, what do you propose and why?

102 of 143 respondents provided a response to Question 23, including one MG member. See **Agenda Item 2-H.9** for further details on the overall responses and **Agenda Item 2-I.9** for comments received on Question 23.

A. What We Heard

Highlights

Reporting

- Broad support for the form and content of the assurance report and the illustrative reports, with some suggestions for clarity or additional information.
- Calls for the assurance report to clearly identify the sustainability information within the scope of the assurance engagement.
- Calls for more guidance and illustrative examples of the matters to be included in the Summary of Work Performed section of the assurance report for limited assurance engagements.

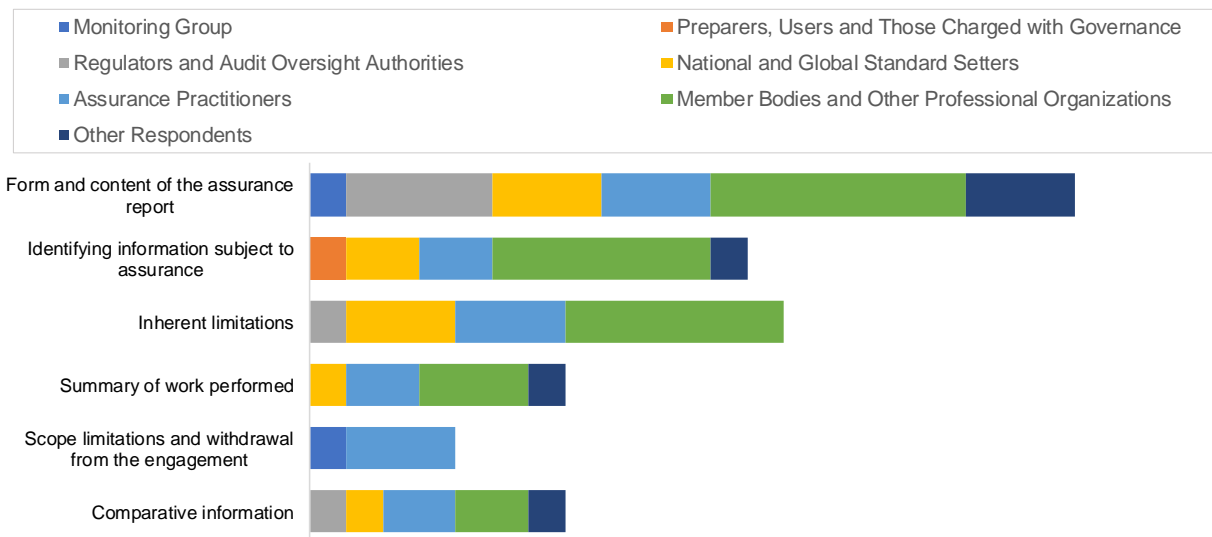
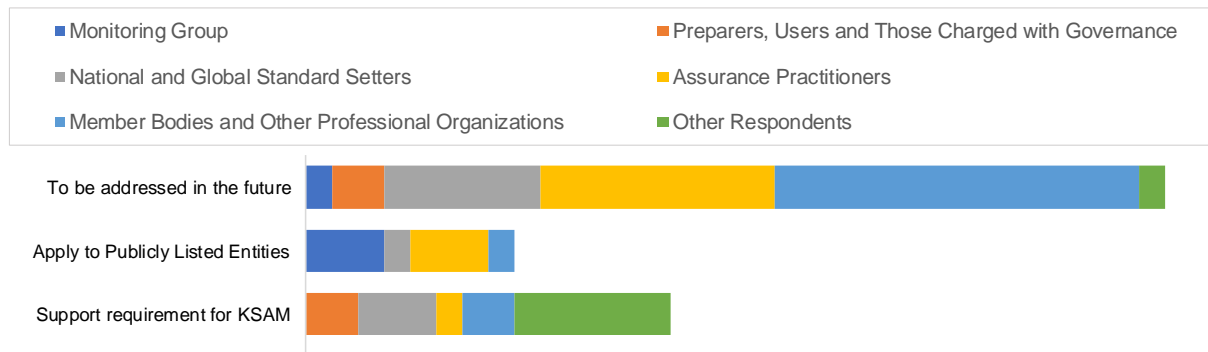
Key Sustainability Assurance Matters

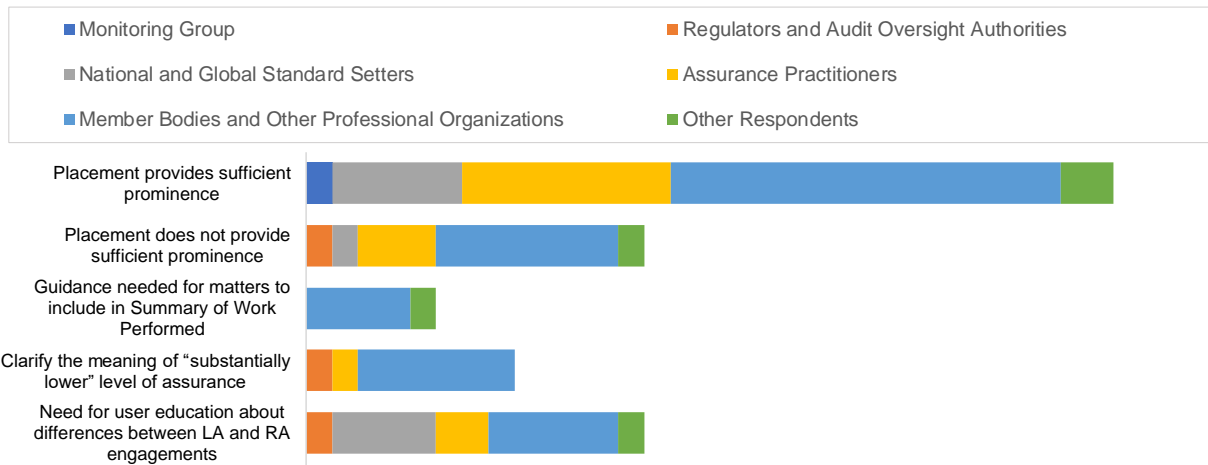
- Strong support for the current approach in ED-5000 of not requiring communication of Key Sustainability Assurance Matters (KSAM) and for addressing KSAM in the future after a post-implementation review of the application of ISSA 5000.

Limited Assurance– Basis for Conclusion

- Strong agreement that the placement in the Basis for Conclusion section is sufficiently prominent.
- Additional clarity is needed about the meaning of a “substantially” lower level of assurance for a limited assurance engagement compared with a reasonable assurance engagement.
- User education about the differences between limited and reasonable assurance engagements, and the level of assurance obtained by the practitioner, would be in the public interest.

5. The charts below show an analysis of the responses to Question 21, 22 and 23 by theme and stakeholder group.

Reporting**Key Sustainability Assurance Matters**

Limited Assurance - Basis for conclusion**Reporting***Monitoring Group Responses*

7. The MG member that responded to Question 21, although agreeing, further suggested that the IAASB should consider:
 - (a) Requiring the opinion in the practitioner's report to also be stated in terms of the objective of the applicable criteria, in order to provide clarity given that reporting frameworks may have different scopes and objectives.
 - (b) Including additional guidance for circumstances where it could be more appropriate to issue a disclaimer of conclusion or for the practitioner to withdraw from the engagement.
 - (c) Requiring the addition of an explicit statement in the assurance report that the practitioner provides no assurance over other parts of the sustainability report in circumstances when only select parts of the sustainability information are subject to assurance.

*Other Respondents' Comments***Form and Content of the Assurance Report**

8. Overall, respondents that answered Question 21 were broadly supportive of the form and content of the assurance report and the illustrative reports in Appendix 2 of ED-5000.
9. A small number of respondents that were not supportive of the proposals variously noted that the requirements for the content of the assurance report were too prescriptive, and the lengthy descriptions of the responsibilities of management and the practitioners were not useful to users.
10. Respondents suggested that the IAASB provide more examples and illustrative reports, including on the following:
 - The inherent limitations statement.
 - Scenarios where a combined reasonable and limited assurance engagement was performed and both had modifications.
9. While generally expressing overall support for the form and content of the assurance report, respondents provided comments and suggestions on various aspects of the report. These comments

and suggestions are described in paragraphs 12-23 below.

Identifying Information Subject to Assurance

12. Respondents commented that the assurance report should allow the users to clearly identify the information sustainability information subject to assurance (including whether the information was subject to limited or reasonable assurance), and identify the information outside the scope of the assurance engagement.

Inherent Limitations

13. Respondents were generally supportive of the assurance report including, when applicable, an “Inherent Limitations in Preparing the Sustainability Information” section, noting that this section would facilitate a greater understanding of the limitations inherent in certain processes to measure or evaluate the sustainability information in accordance with the applicable criteria.
14. Other comments on the Inherent Limitations section of the report included:
 - (a) Suggestions to include application material and more examples of sustainability reports that include an “Inherent Limitations” section, in order to provide more clarity and guidance on the challenges related to obtaining assurance on estimates and forward-looking information, the immaturity of sustainability reporting systems and processes, and obtaining evidence for disclosures related to the value chain.
 - (b) Whether there is a need for a specific section in the assurance report as inherent limitations should be disclosed by the reporting entity.
 - (c) That an Emphasis of Matter paragraph could be used to appropriately address the inherent limitations if they are disclosed in the sustainability information. Two respondents recommended that proposed ISSA 5000 provide more clarity on the difference between the “Inherent Limitations” section and an Emphasis of Matter paragraph, in order to avoid duplication and inconsistencies in practice.

Summary of Work Performed

15. Some respondents recommended that the IAASB require a description of the work performed in the assurance report for both limited assurance and reasonable assurance engagements.
16. To support that suggestion, these respondents noted the following:
 - (a) When the practitioner is issuing a combined reasonable and limited assurance report on sustainability information, the inclusion of the Summary of Work Performed only for limited assurance may be perceived or misunderstood by users to mean a higher level of assurance since there is more explanation about the work performed.
 - (b) It is necessary to provide details of the procedures performed for both limited and reasonable assurance engagements for users to understand the assurance engagement in detail and the distinction between the two levels of assurance.
 - (c) That ISAE 3000 (Revised) paragraph 69(k) and ISAE 3410 paragraph 76(k)(ii) require the practitioner to include an informative summary of the work performed as the basis for the practitioner’s conclusion in both limited and reasonable assurance reports.

17. Respondents also called for more guidance and illustrative examples on the matters to be included in the summary of work performed.

Scope Limitations and Withdrawal from the Engagement

18. Respondents, including a MG member (see paragraph 7(b) above), were generally supportive of ED-5000 permitting the practitioner to withdraw from a sustainability assurance engagement, where withdrawal is possible under applicable law or regulation. However, these respondents noted that, in most instances, it may be more beneficial for the users of the assurance report if the practitioner provides a disclaimer of conclusion rather than withdrawing from the engagement.

Comparative Information

19. A respondent did not agree that the requirements related to comparative information should be based on ISA 710. This respondent noted that comparative information within sustainability reports is often distributed throughout the report and may cover multiple years. The respondent was of the view that, if trend analyses are provided based upon comparative information or comparative information about multiple years is disclosed, the comparative information should be subject to the assurance engagement or, if that is not possible, the trend information or comparative information about multiple years needs to be excluded from the scope of the assurance engagement.
20. A respondent commented that they did not believe that ED-5000 sufficiently addresses the scenario wherein comparative information may have been subject to assurance under ISAE 3000 (Revised) or ISAE 3410 in the prior period, and suggested for the IAASB to include a requirement for the practitioner to state under which standards the comparative information was assured.

Use of External Experts

21. Various comments were provided about paragraph 172 of ED-5000, including:
 - (a) Two respondents were not supportive of allowing the practitioner to refer to the work of a practitioner's expert in an assurance report and recommended the deletion of the paragraph. One of these respondents noted that the practitioner should take full responsibility for the conclusion and therefore not refer to any other practitioners or experts who performed work on the engagement, unless it is necessary to make such reference in order to provide the basis for a modified report.
 - (b) One respondent commented that for consistency with ISA 620,⁸ paragraph 172 should require that the assurance report shall not refer to the practitioner's expert in an unmodified report unless required to do so by law or regulation.

Relevant Ethical Requirements

22. Three respondents recommended including a requirement for the assurance report to identify the relevant ethical requirements applied by the assurance practitioner in addition to the identification of the jurisdiction of origin of the relevant ethical requirements. The respondents commented that jurisdictions may have multiple relevant ethical requirements with varying degrees of rigor, and therefore the public interest would benefit from this transparency.

⁸ ISA 620, *Using the Work of an Auditor's Expert*

Other Information

23. Comments related to other information were considered and addressed as part of the analysis of Question 25, and discussed by the Board at the March 2024 meeting.

Key Sustainability Assurance Matters*Monitoring Group Responses*

24. Two MG members agreed with the approach in ED-5000 and noted that requirements to include KSAM would not be relevant to all sustainability assurance engagements. Suggestions from these MG members included for the IAASB to consider:
- (a) Within ED-5000 or as part of its future work, whether it would be beneficial to users of sustainability information to address KSAM in a limited manner, such as for reasonable assurance engagements for listed entities.
 - (b) Extending the requirement to reasonable assurance engagements for public interest entities as defined by local jurisdictions.
25. One MG member expressed concerns that the lack of specific provisions on how to assess materiality will result in a wide variety of practices and encouraged the IAASB to pay particular attention to what users of the report articulate as being relevant information in the assurance report. This MG member was of the view that this will guide the IAASB in assessing whether to include requirements concerning the assurance report, such as KSAM for Public Interest Entities or materiality levels applied by the practitioner.

Other Respondents' Comments

26. Similar to the views expressed by the MG members, respondents strongly supported the current approach in ED-5000 of not requiring the practitioner to communicate KSAM.
27. Respondents supported addressing the KSAM in the future, either within ISSA 5000 or in a separate standard within the ISSA suite, and after a post-implementation review of the application of ISSA 5000.
28. Some respondents supported aligning the requirements for KSAM with the types of entities and engagements that are subject to ISA 701⁹ rather than having KSAM requirements for all sustainability assurance engagements. These respondents recommended including KSAM for reasonable assurance engagements of listed entities or public interest entities only, unless required by law or regulation.
29. A few respondents noted that paragraph 170(i) of ED-5000 requires limited assurance reports to include a section with the heading Summary of Work Performed that contains an informative summary of the work performed as a basis for the practitioner's conclusion. Respondents noted that this would lead to possible confusion with KSAM by users of the assurance reports.
30. A small number of respondents across stakeholder groups disagreed with the approach in ED-5000, indicating that not including KSAM would undermine the usefulness, transparency, and comparability of the sustainability assurance reports.

⁹ ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

Limited Assurance - Basis for Conclusion*Monitoring Group Responses*

31. The Monitoring Group member that responded to Question 23 agreed with the proposal to include the relevant statements in the Basis for Conclusion section. This MG member considered it reasonable to assume that the report will be read in its entirety. Therefore, the MG member also supported the inclusion of a summary of work performed in the assurance report for a limited assurance engagement.

*Other Respondents' Comments***Placement Provides Sufficient Prominence**

32. The majority of respondents that answered Question 23 agreed that the placement in the Basis for Conclusion section of the assurance report gives sufficient prominence to the statements about the difference between the procedures performed, and the level of assurance obtained, in a limited assurance engagement versus a reasonable assurance engagement. These respondents variously noted that the statements provide an appropriate lens for users to understand the scope of the engagement and also provide context for the practitioner's assurance conclusion. Other specific comments included the following:
- (a) Consistent with the MG member, there was support for the Summary of Work Performed section of the report. It was further noted that additional guidance would be helpful for practitioners regarding the level of detail to be provided in that section, including examples of descriptions of the procedures performed. Such additional guidance also could reinforce the need to avoid an overly lengthy list of procedures, as users may mistakenly equate this with a higher level of assurance.
 - (b) A few respondents noted that these statements provide important context regarding the nature and extent of procedures performed in a limited assurance engagement. Therefore, it was suggested that the statements either be replicated in, or a cross-reference made from the Basis for Conclusion section to, the Summary of Work Performed.
 - (c) While agreeing that the statements are sufficiently prominent, several respondents noted that there is a lack of clarity about the level of assurance obtained in a limited assurance engagement being "substantially" lower than in a reasonable assurance engagement. Some of these respondents also noted inconsistencies between the wording of the assurance report and certain paragraphs in ED-5000, similar to respondents that disagreed with the placement of the statements (see also paragraph 35 below).
 - (d) A few respondents mentioned that the IAASB should consider similar changes to the reports for other assurance engagements (e.g., ISAE 3000 (Revised), ISAE 3410, ISRE 2400).
33. Some respondents suggested a need for additional guidance or educational materials to help users better understand limited assurance engagements and to minimize the expectations gap.

Placement Does Not Provide Sufficient Prominence

34. A few respondents were of the view that the placement in the Basis for Conclusion section does not provide sufficient prominence to the statements. These respondents cited the importance of clarity in the assurance report and making users aware of the differences in work effort and level of assurance

obtained in a limited assurance engagement before reading the rest of the report. Among the comments and suggestions were to include the statements in:

- (a) The Limited Assurance Conclusion section of the report.
 - (b) A separate paragraph between the Conclusion and Basis for Conclusion sections of the assurance report, with a separate subheading to clearly describe the nature of the statements. Such paragraph could also be expanded to include more details about the differences between limited and reasonable assurance engagements.
 - (c) The Basis for Conclusion section but with expanded wording to link to the assurance conclusion or provide further clarity about the differences between limited and reasonable assurance engagements.
35. As noted in paragraph 32(c) above, some respondents asked for more clarity about the what is meant by a “substantially lower” level of assurance or pointed to inconsistencies between the wording of the assurance report and certain paragraphs in ED-5000. For example:
- (a) The statement in the Basis for Conclusion section of the limited assurance report that the level of assurance obtained is “substantially lower” than the assurance that would have been obtained had a reasonable assurance engagement been performed. This appears inconsistent with the statement that the procedures in a limited assurance engagement are “less in extent” than for a reasonable assurance engagement, particularly because some respondents viewed the required work effort in ED-5000 as not being much different between the two types of engagements. Respondents suggested changing this latter wording to “substantially less in extent” or otherwise clarifying how the procedures for limited assurance differ from a reasonable assurance engagement.
 - (b) The definition of a limited assurance engagement (paragraph 17(d)(ii) of ED-5000) refers to engagement risk being “greater” than for a reasonable assurance engagement, but the nature, timing and extent of procedures performed are “limited.”
 - (c) Paragraph 7 of ED-5000 referred to the level of assurance being “lower” in a limited assurance engagement, which is inconsistent with the statement in the assurance report that the assurance obtained is “substantially lower” than for a reasonable assurance engagement.
36. A respondent noted that limited assurance is not well understood and suggested allowing greater flexibility in the wording of the assurance report and not providing report examples in ISSA 5000.

SATF Views and Recommendations

Reporting

Relevant Paragraphs		
Introduction and Requirements Agenda Item 2-A.1	Application Material Agenda Item 2-A.2	Related Definitions
170(c)(iv), 189	-	-

Form and Content of the Assurance Report

37. Noting that respondents were broadly supportive of the form and content of the assurance report and the Board's decision to use ISA 700 (Revised) as a guide for elements of the assurance report, the SATF is not proposing any revisions to proposed ISSA 5000 relating to the overall form of the assurance report. The SATF's views and recommendations on specific aspects of the report are provided below.

Identifying Information Subject to Assurance

38. The SATF notes that there was a strong call from respondents for the assurance report to identify the information that was subject to the assurance engagement, including the level of assurance obtained, and the information that was not subject to the assurance engagement. However, the SATF notes that paragraphs 170(c)(iii) and 170(c)(iv) of **Agenda Item 2-A.1** already require the assurance report to identify or describe:
- The level of assurance, either reasonable or limited or different levels of assurance for different parts of the sustainability information, obtained by the practitioner; and
 - The sustainability information, including, if appropriate, the sustainability matters and how that information is reported.
39. Paragraph 17(uu) of **Agenda Item 2-A.1** explains that when the assurance engagement does not cover the entirety of the sustainability information, the term "sustainability information" is to be read as the information that is subject to assurance.
40. Notwithstanding the above, the SATF proposes clarifying the requirement in paragraph 170(c)(iv) of **Agenda Item 2-A.1** by referring to sustainability information that is subject to the assurance engagement.
41. The SATF believes that this proposed change will provide further clarity and help intended users of the sustainability information to identify sustainability information that is subject to the assurance engagement and information that was not subject to the assurance engagement.

Inherent Limitations

42. The SATF notes respondents' general support for the assurance report to include, when applicable, an "Inherent Limitations in Preparing the Sustainability Information" section. Therefore, the SATF is not proposing any changes to the requirement.
43. With respect to respondents' calls for the IAASB to include application material and examples for this section of the report, the SATF's view is that providing such an example(s) within the standard would not be appropriate as this section should be tailored to the facts and circumstance of the assurance engagement. Providing an example(s) within the standard may lead to boilerplate wording by practitioners. The SATF also examined actual assurance reports with an "Inherent Limitations" section and noted the sections in the report varied depending on the subject matter or the applicable criteria.
44. The SATF believes that the level of detail in proposed ISSA 5000 related to inherent limitations is appropriate and proposes that any additional guidance or examples be provided in the first-time implementation guidance or other non-authoritative guidance.

45. Regarding respondent comments that the inherent limitations should be disclosed by the reporting entity, the SATF notes that this is a matter to be addressed by the reporting frameworks. The SATF is of the view that the reporting requirements and application material in proposed ISSA 5000 are appropriate because they recognize that the disclosure of inherent limitations is in the public interest and provides for circumstances in which the reporting entity either has or has not provided such disclosure.

Summary of Work Performed

46. The SATF noted respondents' comments that the Summary of Work Performed for a limited assurance engagement may be perceived or misunderstood by users to mean that limited assurance is a higher level of assurance. The possibility of this perception or misunderstanding was previously considered and discussed by the Board prior to the approval of ED-5000. The Board supported only requiring a Summary of Work Performed for limited assurance engagements and suggested that the Basis for Conclusion section of the assurance report include the statement that procedures in a limited assurance are less in extent than for a reasonable assurance engagement.
47. The SATF believes that the possible incorrect perception or misunderstanding is further mitigated by the transparency provided by the statement in the Basis for Conclusion section that the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance in a reasonable assurance engagement. See also the discussion about "substantially lower" in paragraph 7 of **Agenda Item 2-A.1**.
48. The SATF does not propose to include further guidance on, or specific examples of, the matters to include in the Summary of Work Performed section in ISSA 5000. This is a matter of professional judgment and will vary based on multiple factors, including the sustainability information, the nature and size of the reporting entity, the system of internal control within the reporting entity, the sources of information/data and the engagement team's overall strategy and approach. Such guidance or examples could be considered for inclusion in the first-time implementation guidance or other non-authoritative guidance.

Scope Limitations and Withdrawal from Assurance Engagements

49. The SATF is not proposing any changes in proposed ISSA 5000 related to scope limitations or withdrawal from the engagement. The SATF's view is that the determination of the circumstances where it could be more appropriate to issue a disclaimer of conclusion or for the practitioner to withdraw from the engagement, when allowed, is a matter of professional judgment based on the facts and circumstances, for example, different laws and regulations may be applicable to a specific jurisdiction, or industry or type of entity.

Comparative Information

50. The SATF is proposing additional wording in paragraph 189 of **Agenda Item 2-A.1** to clarify that, when the comparative information is not referred to in the practitioner's assurance conclusion and was not subject to an assurance engagement in the prior period, it does not relieve the practitioner of the requirements in ED-5000 paragraphs 187 and 188 regarding appropriate presentation of the comparative information. The additional wording in paragraph 189 has been leveraged from paragraphs 14 and 19 of ISA 710.

51. The SATF does not propose any revisions to address the suggestion described in paragraph 20 above that proposed ISSA 5000 include a requirement to state the assurance standards used when comparative information was subject to assurance under ISAE 3000 (Revised) or ISAE 3410 in the prior period. The SATF noted that such a requirement or application material would only be relevant in the first year that the proposed ISSA 5000 is applied by the practitioner.

References to a Practitioner's External Expert

53. The reference to a Practitioner's External Expert in the assurance report was discussed by the Board in March, the Board was supportive of the SATF's proposals (see paragraphs 44-47 of Agenda Item 3-E for the March IAASB meeting).

Relevant Ethical Requirements

54. The SATF notes that respondents' comments related to the identification in the assurance report of the relevant ethical requirements applied by the assurance practitioner were considered as part of the analysis of Question 4 of the EM (see Agenda Item 3-C for the March IAASB meeting). As discussed with the Board in March, paragraph 170(d)(iv) of **Agenda Item 2-A.1** was revised to address these comments.

Guidance and Illustrative Examples

55. The SATF also notes the respondents' suggestions for guidance and illustrative examples. The SATF's view is that this should be considered in the development of the first-time implementation guidance or other non-authoritative guidance that supports the application of proposed ISSA 5000. The SATF also notes some matters are likely to be challenges in the first years of sustainability assurance engagements, but will become less challenging for practitioners as practice develops.

Key Sustainability Assurance Matters

56. Given the strong support from respondents, across all stakeholder groups, for the approach in ED-5000 of not requiring the practitioner to communicate KSAM in the assurance report, the SATF is of the view that the current approach remains appropriate.
57. The SATF noted the views expressed by two MG members and a number of other respondents that it would be beneficial to users of sustainability information to address KSAM in a limited manner, such as for reasonable assurance engagements for listed entities, or public interest entities as defined by local jurisdictions. However, the SATF remains of the view that it is more appropriate for the IAASB to consider the communication of KSAM after ISSA 5000 has been applied for a period of time, given the evolving nature of sustainability assurance.
58. The SATF also noted the views expressed by a small number of respondents, that proposed ISSA 5000 does not preclude a practitioner from reporting KSAM on a voluntary basis or if required by law or regulation.

Limited Assurance – Basis for Conclusion

Relevant Paragraphs		
Introduction and Requirements Agenda Item 2-A.1	Application Material Agenda Item 2-A.2	Related Definitions
7, 17(d)(ii), 170(d)(ii)	-	-

60. The SATF is not proposing any changes to the placement of the statements in the limited assurance Basis for Conclusion section, given the strong support from respondents as noted in paragraph 32 above. In addition:
- (a) Only a few respondents suggested moving the statements to the Conclusion section or a separate section between the Conclusion and Basis for Conclusion sections.
 - (b) The MG respondent and other respondents highlighted the importance of intended users reading the entire assurance report, including the Summary of Work Performed for a limited assurance engagement. Additional guidance for practitioners regarding the level of detail to be provided in that section of the report, including examples, may help to better explain the work effort in a limited assurance engagement.
 - (c) The location of the statements in the assurance report, while important, can only go so far in educating intended users about the differences between limited and reasonable assurance. Therefore, the SATF agrees that additional guidance and educational materials are needed to help minimize the expectations gap (see paragraph 33 above).
61. Regarding requests for clarity about the meaning of a “substantially” lower level of assurance and to address perceived inconsistencies within ISSA 5000, the SATF does not propose any changes to the wording of either the definition of a limited assurance engagement (paragraph 17(d)(ii) of **Agenda Item 2-A.1**) or to the wording of the statements in the example limited assurance reports in Appendix 2 of **Agenda Item 2-A.2**. The SATF view is based on the following:
- (a) This wording is consistent with the Assurance Framework, other IAASB standards, and the EER Guidance.¹⁰
 - (b) The wording in the assurance report that the level of assurance obtained is “substantially lower” than if a reasonable assurance engagement had been performed is consistent with ISAE 3000 (Revised). As explained in the Basis for Conclusions for ISAE 3000 (Revised), the IAASB was of the view that this mitigates the potential that the summary of work performed may be misunderstood by some users as conveying a level of assurance that is equal to or even higher than that conveyed by a reasonable assurance conclusion.
 - (c) The references to the procedures in a limited assurance engagement being “limited” in the definition of limited assurance is also consistent with ISAE 3000 (Revised) and the Assurance Framework. Based on the wide range of sustainability matters, the nature, timing and extent of procedures performed will depend on the level of assurance to be obtained that is meaningful

¹⁰ *Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements*

in the circumstances. Therefore, the Summary of Work Performed section is the most appropriate means for users to understand the work effort in limited assurance engagement.

62. The reference in paragraph 7 of ED-5000 to the level of assurance being “lower” in a limited assurance engagement was consistent with paragraph A3 of ISAE 3000 (Revised). However, to avoid confusion and make the wording consistent with the statements in the limited assurance report, the word “substantially” has been added in paragraph 7 of **Agenda Item 2-A.1**.

Matters for IAASB Consideration

1. The IAASB is asked for its views on the SATF’s recommendations and proposed revisions to ED-5000, as described above.