AASB
Auditing and Assurance Standards Board

Re-exposure Draft

Canadian Standard on Sustainability Assurance (CSSA) 5000

Canadian Amendments Related to Indigenous Matters in CSSA 5000, General Requirements for Sustainability Assurance Engagements

April 2025

This Re-exposure Draft closes for comments on July 18, 2025.

The Auditing and Assurance Standards Board (AASB) welcomes feedback from any interested party on any or all the questions posed in this Re-exposure Draft.

You can provide feedback to the AASB on the proposals in a variety of ways:

- Connect directly with the AASB on this Re-exposure Draft by:
  - Attending a discussion session. Session dates and registration information will be posted to Re-exposure Draft, Canadian Amendments related to Indigenous Matters in the Canadian Standard on Sustainability Assurance (CSSA) 5000, *General Requirements for Sustainability Assurance Engagements*.
  - Requesting a meeting. AASB Director contact information is below.
- Practitioners are welcome to participate in field testing aspects of the amendment. Registration information will be posted to Re-exposure Draft, Canadian Amendments related to Indigenous Matters in the Canadian Standard on Sustainability Assurance (CSSA) 5000, *General Requirements for Sustainability Assurance Engagements*.
- Write a response letter and upload it via our online form. Response letters can be addressed to:

Karen DeGiobbi, CPA, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
145 King St West, Suite 500,
Toronto, ON M5H 1J8

Note: Response letters will be posted online shortly after this Re-exposure Draft closes for comment. Confidentiality can be requested when uploading letters via the online form.

Helpful tips when providing feedback:

- Comments are most helpful if they relate to a specific paragraph or group of paragraphs found in the Re-exposure Draft.
- If you identify a potential issue in this Re-exposure Draft's proposals, we encourage you to clearly explain the issue and include a suggested alternative, supported by specific reasoning.
- The AASB does not expect you to respond to every single question posed – only those to which you feel you can or should respond.

HIGHLIGHTS

The AASB proposes, subject to comments received during the re-exposure process, a Canadian amendment addressing Indigenous matters to the International Standard on Sustainability Assurance (ISSA 5000), *General Requirements for Sustainability Assurance Engagements*, issued by the International Auditing and Assurance Standards Board (IAASB). This Re-exposure Draft consists of:

- the project background, including a link to the IAASB's final standard ISSA 5000;
- an explanation of why a Canadian amendment is in the public interest; and
- a discussion of proposed Canadian amendments related to Indigenous matters.

Please review "**Comments requested**" on page 6 for information on preparing your response to this Re-exposure Draft.

Project background

In September 2022, the IAASB approved a project proposal to develop a new overarching standard for sustainability assurance engagements: ISSA 5000. In January 2023, the AASB approved a project proposal to concurrently adopt ISSA 5000 as an Other Canadian Standard under a new Canadian Standard on Sustainability Assurance (CSSA) series of standards.

During the IAASB's exposure period on ISSA 5000, the AASB contemporaneously issued Exposure Draft, "CSSA 5000, *General Requirement for Sustainability Assurance Engagements*" (ED-CSSA 5000), for consultation. Feedback received from ED-CSSA 5000 informed both the AASB's response to the IAASB on ISSA 5000 and provided input on Canadian-specific matters.

In September 2024, the IAASB approved ISSA 5000. The standard is effective for assurance engagements on sustainability information reported for periods beginning on or after – or at a specific date on or after – December 15, 2026.

One of the Canadian-specific matters explored in ED-CSSA 5000 was a potential Canadian amendment that would have had the practitioner evaluate the entity's consultation with Indigenous Peoples when evaluating whether the criteria are suitable. The AASB asked respondents for feedback on the potential Canadian amendment's necessity and proposed wording. The most prominent feedback from respondents, including Indigenous Peoples and other interested parties, was support for further consultation on the matter. In addition, comments were expressed on:

- **The term "consultation"**: Due to the varied interpretations and applications of the term "consultation," it may not be the most appropriate term for the Canadian amendment.
- **The narrow focus**: A commitment to meaningful consultation is just one of many actions that can be taken toward reconciliation with Indigenous Peoples.

Based on the feedback, the AASB engaged further with respondents to ED-CSSA 5000 as well as with other parties with Indigenous perspectives to arrive at the proposed Canadian amendment in this Re-exposure Draft.

In March 2025, after further engagement and refinement of the proposed Canadian amendment, the AASB approved the amendment for re-exposure,[1] recognizing the importance of further engagement. In planning for outreach, the AASB emphasized its commitment to continued engagement with all interested and affected parties, particularly Indigenous Peoples (and their communities) and practitioners.

1 Other Canadian amendments to ISSA 5000 are not included in this Re-exposure Draft. For further background and details on these amendments, please refer to ED-CSSA 5000.

As a result of that decision to re-expose, the approval of CSSA 5000 has been postponed until the re-exposure process is complete. The effective date of CSSA 5000, including any Canadian amendments related to Indigenous matters, will be determined when the standard is finalized and approved.

Relationship to ISSA/CSSA 5000

To fully understand the proposed Canadian amendments and how they would be included in CSSA 5000, this proposal should be considered within the context of the IAASB's finalized ISSA 5000.

Public interest considerations

Sustainability information is a subject matter with relevance and impact on Indigenous Peoples. The Government of Canada has accepted the *Truth and Reconciliation Commission* (TRC) report, which includes 94 Calls to Action. Among these, TRC's Call to Action 92 highlights the necessity of incorporating Indigenous rights into corporate policies and core operational activities. It states:

> We call upon the corporate sector in Canada to adopt the *United Nations Declaration on the Rights of Indigenous Peoples* as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources. This would include, but not be limited to, the following:
>
> i. Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.
>
> ii. Ensure that Aboriginal peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects.
>
> iii. Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, Treaties and Aboriginal rights, Indigenous law, and Aboriginal–Crown relations. This will require skills based training in intercultural competency, conflict resolution, human rights, and anti-racism.

In the context of ISSA 5000, practitioners may face challenges in understanding how an entity's corporate policies and operational activities consider Indigenous rights, particularly when sustainability information reported was prepared using criteria that are not designed to meet the information needs of a broad range of interests.

The AASB acknowledges that sustainability reporting and assurance thereon is an evolving practice in Canada, necessitating additional direction and guidance for practitioners. This support is in the public interest, as it will ensure matters that are important to the integrity and reliability of sustainability reporting are considered in assurance engagements.

The AASB proposes a Canadian amendment[2] in CSSA 5000 that requires practitioners to identify and assess the risks of material misstatement that are pervasive throughout the sustainability information related to the entity's adherence to Indigenous rights, as described in the United Nations Declaration on the Rights of Indigenous Peoples Act (the UNDRIP Act) and TRC's Call to Action 92. By incorporating this amendment, practitioners in Canada will be better equipped to provide assurance on sustainability reporting in a manner that considers Indigenous rights and fosters ethical corporate practices.

2 Appendix 3 outlines the amendment criteria the AASB followed.

Proposed Canadian amendment related to Indigenous matters

Subject to input from Canadian interested and affected parties, the AASB proposes Canadian amendments related to Indigenous matters. In the context of sustainability information subject to assurance, these amendments, as detailed in Appendix 1, would require practitioners to obtain an understanding of the entity's response to TRC's Call to Action 92 as a basis to:

- Identify risks of material misstatement that are pervasive throughout the sustainability information related to the entity's response to TRC's Call to Action 92.
- Assess risks of material misstatement that are pervasive throughout the sustainability information and determine an overall response.

In addition, Appendix 2 demonstrates how the proposed Canadian amendments will flow through the requirements and application material in CSSA 5000.

Clarity on terms used in the amendment

To support application of the proposed Canadian amendment, the AASB's rationale for the terms used is as follows:

- **Why TRC's Call to Action 92 and not UNDRIP directly?** While UNDRIP sets out the rights of Indigenous Peoples, it lacks the specificity that TRC's Calls to Action provide. Further, TRC's Call to Action 92 incorporates the principles of UNDRIP as a reconciliation framework, embedding them into an entity's systems, processes and controls.
- **Why Call to Action 92 instead of other Calls to Action?** Each of the 94 Calls to Action are directed at specific groups (e.g., governments, museums or educators). Call to Action 92 specifically targets the corporate sector, making it directly relevant for entities whose operations affect Indigenous Peoples and their rights. However, entities in certain industries may also have responsibilities under other Calls to Action, either directly (through their industry) or indirectly (through relationships with customers, partners or vendors to whom those Calls to Action apply). To address this broader scope, paragraphs A46A and CA351D(c) are proposed.
- **Reference to the "corporate sector".** The term "corporate sector" in the context of TRC's Call to Action 92 may be ambiguous regarding its applicability beyond private and public for-profit entities to not-for-profit organizations and public sector entities. To address this ambiguity, the proposed amendment refers to the "the entity's response" when referring to TRC's Call to Action 92. It also clarifies in paragraph CA351C that the practitioner's risk assessment procedures may vary based on engagement circumstances, including the entity's legal structure and other relevant characteristics.

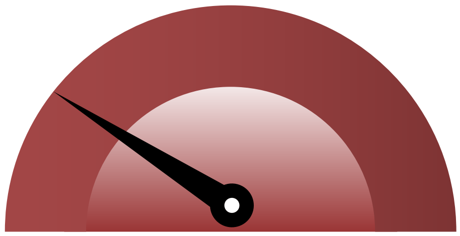
The practitioner’s risk assessment

This diagram illustrates how the proposed Canadian amendment may impact the practitioner’s risk assessment, specifically the nature and extent of risk assessment procedures to identify and assess the risks of material misstatement that are pervasive throughout the sustainability information.

Lower pervasive risk

Assurance over metrics unrelated to Indigenous rights. Entity operates inside or outside of Indigenous contexts.

Risk assessment procedures may be less in extent but will vary based on professional judgment (CA351A-CA351E).



Higher pervasive risk

Assurance over metrics related to Indigenous rights. Entity operates inside of Indigenous contexts.

Risk assessment procedures greater in extent but will vary based on professional judgment (CA351A-CA351D).

Entity operates inside of Indigenous contexts = Operations involve Indigenous Peoples and their lands and resources, or the entity operates within an Indigenous intensive industry.

Scalability across engagement and entity circumstances

The proposed Canadian amendment is designed to be scalable, ensuring it is adaptable to a variety of entity and engagement circumstances:

- **Context for the amendment:** The proposed requirement is applied in the context of “the sustainability information subject to assurance” (see para. C111A).
- **Risk assessment procedures:** The type, nature and extent of risk assessment procedures varies depending on (see paras. CA351A-CA351D):
  - the engagement circumstances, such as the scope of the engagement; or
  - whether the entity’s operations involve Indigenous Peoples, their lands and resources, or the entity operates within an Indigenous intensive industry.
- **Circumstances where risk assessment procedures may be less in extent:** Acknowledges that when the scope of the assurance engagement is on a discrete metric that is unrelated to Indigenous rights or the entity operates outside of Indigenous contexts, the risk assessment procedures may be less in extent (see para. CA351E).

Comments requested to the AASB

The AASB would appreciate receiving responses to the questions set out below.

General questions

1. Do you support the proposed Canadian amendment to paragraph C111A and related application material? If no, what revisions do you suggest and why? (See Appendix 1.)

2. Do you agree with use of the term “TRC’s Call to Action 92”? If no, what do you suggest and why? (See clarity on terms used in the amendment.)

3. What implementation opportunities and challenges, if any, might the proposed amendment create? What suggestions do you have for addressing any challenges?

4. Do you have any other comments or questions on the proposed Canadian amendment that you believe the AASB should consider?

Additional practitioner-specific questions

5. Scalability of the proposed amendment (see scalability across engagement and entity circumstances):
   (a) Do you believe, and if no, why not (including specific examples), the proposed amendment is scalable to accommodate:
      i. The engagement circumstances (e.g., limited vs. reasonable assurance, whether the scope of the assurance engagement encompasses all or part of the sustainability information)?
      ii. When the entity operates inside or outside Indigenous contexts?
   (b) Are the examples and guidance provided in paragraphs CA351A to CA351E sufficient to support practitioners in applying the requirements across diverse scenarios?
   (c) Is there additional application material or clarification needed to ensure practitioners can appropriately tailor their work-effort based on the context and assessed risks?

The deadline for providing your comments to the AASB is **July 18, 2025**.

APPENDIX 1

Proposed Canadian amendment related to Indigenous matters

The table details the proposed Canadian amendments related to Indigenous matters. Amendments are underlined, whereas existing text remains unmarked.

The practitioner may have other obligations under Canadian Standard on Sustainability Assurance (CSSA) 5000, *General Requirements for Sustainability Assurance Engagements*, beyond those in the amended requirement and application material paragraphs. For example:

- paragraphs 82-83 have the practitioner consider the impact on the engagement and assurance report if they discover after the engagement is accepted that some of the applicable criteria are unsuitable or some of the sustainability matters are not appropriate; and
- paragraph 152(a) has the practitioner "document their overall responses in accordance with paragraphs 128L and 128R and the reasons for such responses."

Requirements	Application Material
Definitions	
<u>C18. TRC's Call to Action 92</u><u>: Call to Action 92 from the Truth and Reconciliation Commission's (TRC) final report calls upon the corporate sector to adopt the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous Peoples and their lands and resources. (Ref: Para. CA46A-CA46B)</u>	<u>*TRC's Call to Action 92*</u> **<u>CA46A.</u>** <u>The TRC's final report includes 10 principles for reconciliation and 94 Calls to Action. These Calls to Action apply across all sectors of Canadian society, including government, healthcare, education, cultural, media, sports, justice and corporate. Depending on its operations or industry, an entity may have responsibilities under the TRC's Calls to Action beyond Call to Action 92.</u> **<u>CA46B.</u>** <u>An entity's application of UNDRIP's principles, norms and standards to their corporate policies and procedures and core operational activities involving Indigenous Peoples (domestically (in Canada) and in other jurisdictions), and their lands and resources may include, an entity designing and implementing policies and procedures surrounding (from TRC's Call to Action 92):</u> • <u>Meaningful consultation, building respectful relationships and obtaining the free, prior and informed consent of Indigenous Peoples before proceeding with economic development projects;</u> • <u>Equitable access to jobs, training and education opportunities in the corporate sector for Aboriginal peoples, and that Aboriginal communities gain long-term sustainable benefits from economic development projects; and</u> • <u>Education for the entity's management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, UNDRIP, Treaties and Aboriginal rights, Indigenous law and Aboriginal–Crown relations.</u>

Requirements	Application Material
Risk Assessment Procedures	
Understanding the Entity's Response to TRC's Call to Action 92 **C111A.** The practitioner shall obtain an understanding of the entity's response to TRC's Call to Action 92, in the context of the entity's sustainability information. (Ref. Para. CA351A-CA351E)	*Understanding the Entity's Response to TRC's Call to Action 92 (Ref: Para. C111A)* **CA351A.** TRC's Call to Action 92 may not have a direct effect on the determination of the disclosures in the sustainability information, but the entity's response to TRC's Call to Action 92 may be important to the operating aspects of the business. In such circumstances, an entity's response to TRC's Call to Action 92 may affect the practitioner's assessment of the risks of material misstatement.
	CA351B. To obtain an understanding of the entity's response to TRC's Call to Action 92, in the context of the entity's sustainability information, the practitioner may, for example: • Use the practitioner's existing knowledge of the entity; and • Inquire of management, or others within the entity, who may have information related to the entity's response to TRC's Call to Action 92.
	CA351C. When obtaining an understanding of the entity's response to TRC's Call to Action 92, in the context of the entity's sustainability information, the practitioner uses professional judgment to determine the nature and extent of the risk assessment procedures to be performed. The depth of understanding that is required by the practitioner may depend on the engagement circumstances and other factors, such as whether: • The operations of the entity involve Indigenous Peoples (domestically (in Canada) and in other jurisdictions) and their lands and resources; or • The entity operates within an Indigenous intensive industry (i.e., an industry that disproportionately affects Indigenous Peoples, by operating on their lands or otherwise). These industries may include mining, energy, oil and gas, utilities and pipelines, telecommunications and financial services.

Requirements	Application Material
	CA351D. When obtaining an understanding of the entity's response to TRC's Call to Action 92, in the context of the entity's sustainability information, the type of risk assessment procedures performed by the practitioner may include the following: (a) Inquiring of management whether the entity applied UNDRIP's principles as a reconciliation framework by applying its principles, norms and standards to corporate policy and core operational activities involving Indigenous Peoples, and their lands and resources. (b) If the entity determines their operational activities involve Indigenous Peoples and their lands and resources, or the entity operates within an Indigenous intensive industry, inquiring of management whether the entity's policies and procedures to respond include (from TRC's Call to Action 92): • Commitments to meaningful consultation, building respectful relationships, and obtaining the free, prior and informed consent of Indigenous Peoples before proceeding with economic development projects; • Equitable access for Aboriginal peoples to jobs, training and education opportunities at the entity, and that Aboriginal communities gain long-term sustainable benefits from any economic development projects that are part of the entity's operational activities; • Education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the UNDRIP, Treaties and Aboriginal rights, Indigenous law and Aboriginal–Crown relations; • Application of relevant UNDRIP principles, norms and standards as a reconciliation framework with Indigenous Peoples to the entity's corporate policy and core operational activities; and • Appropriate disclosures, if any, regarding the entity's response to TRC's Call to Action 92 and its application of UNDRIP's principles, norms and standards as a reconciliation framework with Indigenous Peoples. (c) Inquiring of management whether the entity, based on its operations or its industry, has determined it has further responsibilities under the other TRC's Calls to Action, and if so, how the entity considered and responded to those Calls to Action.
	CA351E. When the scope of the assurance engagement is limited to discrete metrics that are unrelated to Indigenous rights or the entity operates in a non-Indigenous intensive industry and its operations do not impact Indigenous Peoples, and their lands and resources, the practitioner's risk assessment procedures may be less in extent.

Requirements	Application Material
Understanding Components of the Entity's System of Internal Control The Information System and Communication **117.** The practitioner shall obtain an understanding of the entity's information system and communication relevant to the sustainability matters and the preparation of the sustainability information, including: (Ref: Para. A377-A381) (a) The entity's process to identify sustainability information to be reported. (Ref: Para. A382-A384) (b) How information from external sources, such as service organizations or other organizations in the entity's value chain, is recorded, processed, corrected as necessary and incorporated into the sustainability information. (Ref: Para. A385) (c) For estimates and forward-looking information, how the entity identifies the relevant methods, assumptions or sources of data, and the need for changes in them, that are appropriate in the context of the applicable criteria.	*Understanding Components of the Entity's System of Internal Control* (Ref: Para. 113L, 113R) The Information System and Communication (Ref: Para. 117-118) **A378.** The understanding of the information system may include an understanding of the entity's information processing activities, its data and information, the resources to be used in such activities and the policies or procedures that define, for the sustainability information: (a) How data and information, including qualitative information, are captured, recorded, processed, reviewed, corrected, and presented, including whether, and if so, how, the entity centralizes activities relevant to sustainability reporting. Such policies or procedures may include internal verification processes whereby the data and information are checked by a reviewer for accuracy and completeness, and signed off to evidence that the review has taken place; (b) Supporting records and other relevant information about the sustainability matters relating to the flow of information in the information system; and (c) The processes used to prepare the sustainability information, including the aggregation process used, including, if any, aggregation adjustments. **CA378A** The understanding of the entity's information system and communication relevant to the sustainability matters and the preparation of the sustainability information may include an understanding of the entity's response to TRC's Call to Action 92 in the context of the sustainability information. Example: In obtaining an understanding of the entity's information processing activities, its data and information, the resources to be used in such activities and the policies or procedures that define their response to TRC's Call to Action 92, the practitioner may obtain an understanding of the entity's: • Reconciliation action plan; • Indigenous representation on the board, senior management, and across all business lines; • Indigenous contractors or measurable targets for procurement from Indigenous owned businesses; • Equity partnerships with Indigenous government business enterprises; and • Records of recent and publicly available consultations with Indigenous rights holders on material decisions or operations.

Requirements	Application Material
	A379. The practitioner's understanding of the information system may be obtained in various ways and may include: (a) Inquiries of relevant personnel about the procedures used to initiate, record, process and report events and conditions related to the topics and aspects of the topics; (b) Inspection of policy or process manuals or other documentation of the information system; (c) Observation of the performance of the policies or procedures by the entity's personnel; or (d) Selecting events or conditions and tracing them through the applicable process in the information system (i.e., performing a walk-through).
	A380. The entity's information system and communication are likely to involve the use of IT to collect or process data and information. Entities may use complex IT applications, simple spreadsheets or paper-based records, or a combination of these. The information system includes the IT environment, IT applications and other aspects of the IT environment that are relevant to the flows and processing of information in the information system. The entity's use of IT applications or other aspects of the IT environment may give rise to risks arising from the use of IT. For example, changes in the flow of information within the information system may result from program changes to IT applications, or direct changes to data in databases involved in processing or storing that information.
Identifying and Assessing the Risks of Material Misstatement	
Evaluating the Evidence Obtained from the Risk Assessment Procedures **124.** The practitioner shall determine whether the evidence obtained from the risk assessment procedures provides an appropriate basis for the identification and assessment of the risks of material misstatement. If not, the practitioner shall perform additional risk assessment procedures until evidence has been obtained to provide such a basis. (Ref: Para. A419-CA419A)	*Evaluating the Evidence Obtained from the Risk Assessment Procedures (Ref: Para. 124)* **A419.** The practitioner's evaluation of the components of the entity's system of internal control and understanding of controls, along with any control deficiencies identified, may: (a) Influence the identification and assessment of risks of material misstatement for the disclosures; and (b) Indicate risks of material misstatement that may affect many disclosures, and thus may require overall responses in accordance with paragraphs 126L and 126R.

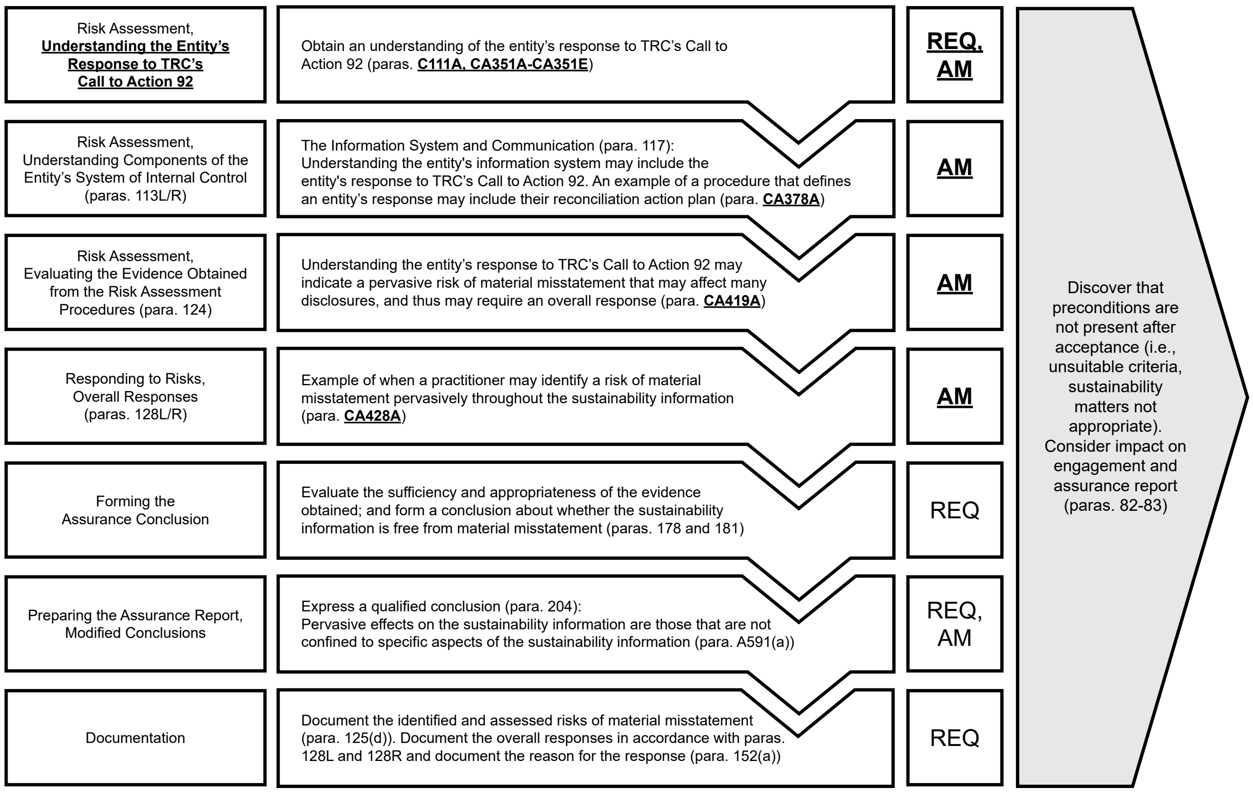
Requirements	Application Material
	CA419A. In addition, the practitioner's understanding of the entity's response to TRC's Call to Action 92, in the context of the entity's sustainability information, may indicate a risk of material misstatement that may affect many disclosures, and thus may require an overall response in accordance with paragraphs 128L and 128R.
Responding to Risks of Material Misstatement	
Overall Responses **128L.** The practitioner shall design and implement overall responses to address the risks of material misstatement if the practitioner identifies: (Ref: Para. A428-A429) (a) Control deficiencies in the control environment that undermine the other components of the system of internal control; (b) Fraud or suspected fraud or non-compliance or suspected non-compliance with law or regulation; or (c) Risks of material misstatement pervasively throughout the sustainability information.	*Overall Responses (Ref: Para. 128L, 128R)* **A428.** Paragraphs 126L and 126R require the practitioner to design and perform further procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement, whether due to fraud or error, at the disclosure level (limited assurance) or at the assertion level for the disclosures (reasonable assurance). However, the practitioner may identify circumstances that indicate that overall responses may be needed in accordance with paragraph 126L or 126R, such as the following: • Deficiencies in the control environment may undermine the effectiveness of other controls, in particular in relation to fraud. In such cases, material misstatements may occur in any assertion or in multiple assertions. • There may be incentives for intentional misstatement of the sustainability information, for example, those who are directly involved with, or have the opportunity to influence, the reporting process may have a significant portion of their compensation contingent upon achieving aggressive targets or complying with laws and regulations that have a direct effect on the sustainability information. • The practitioner may identify an increased risk of material misstatement pervasively throughout the sustainability information (that is, not related to one disclosure or assertion, or a few disclosures or assertions).

Requirements	Application Material
128R. The practitioner shall design and implement overall responses to address the risks of material misstatement if: (Ref: Para. A428-A429) (a) The practitioner's evaluation of the control environment indicates that: (i) Management, with the oversight of those charged with governance, has not created and maintained a culture of honesty and ethical behavior; (ii) The control environment does not provide an appropriate foundation for the other components of the system of internal control considering the nature and complexity of the entity; or (iii) Control deficiencies identified in the control environment undermine the other components of the system of internal control; (b) The practitioner identifies fraud or suspected fraud or non-compliance or suspected non-compliance with law or regulation; or (c) The practitioner identifies risks of material misstatement pervasively throughout the sustainability information.	<u>**CA428A.** Example:</u> <u>If the entity's operations involve Indigenous peoples and their lands and resources, or it operates within an Indigenous intensive industry, and the entity's response to TRC's Call to Action 92, in the context of the entity's sustainability information, is insufficient, the practitioner may identify a risk of material misstatement pervasively throughout the sustainability information.</u>

APPENDIX 2

Flow through the engagement of the Canadian amendment related Indigenous matters

This diagram illustrates how the Canadian amendment flows through the stages of the engagement.



REQ = Requirement, AM = Application Material, Underline = amendment

APPENDIX 3

Amendment criteria used by the AASB when adopting international standards as Canadian standards

With respect to the adoption of International Standards on Auditing (ISAs) as Canadian Auditing Standards, the adoption of an International Standard on Assurance Engagements as a Canadian Standard on Assurance Engagements, an ISSA as a CSSA, and an International Standard on Related Services as a Canadian Standard on Related Services on a case-by-case basis, the AASB's overriding goal is to adopt ISAs (and other international standards, where applicable) into the Assurance Handbook without amendment. However, there may be circumstances where amendments are required. The following sets out the limited circumstances when the AASB will make amendments to ISAs (and other international standards, where applicable):

1. The AASB will limit additions to an ISA to those required to comply with Canadian legal and regulatory requirements.

2. The AASB will limit deletions from, or other amendments to, an ISA to the following:
   (a) The elimination of options (alternatives) provided for in the ISA.
   (b) Requirements or guidance, the application of which Canadian law or regulation[3] does not permit, or which require amendments to be consistent with law or regulation.
   (c) Requirements or guidance, where the ISA recognizes that different practices may apply in different jurisdictions and Canada is such a jurisdiction.

3. The AASB may make amendments to an ISA with respect to requirements or guidance that do not fall within 1 or 2 above when it believes that there are circumstances particular to the Canadian environment where such amendments are required to serve the Canadian public interest and maintain the quality of auditing and reporting in Canada.

4. To the extent possible, amendments that are:
   (a) Additions to an ISA will not be inconsistent with the current requirements or guidance in the ISA; and
   (b) Deletions from, or other amendments to, an ISA will be replaced by an appropriate alternative that achieves the objective of the deleted requirement.

Proposed amendments to an ISA are highlighted in exposure drafts of proposed Canadian standards. The AASB will indicate the reasoning for the amendments and respondents will be invited to comment on them, including when the amendment will not result in convergence with the ISA in accordance with the IAASB's guide for national standard setters. Amendments to ISAs will be separately identified in the final Assurance Handbook material.

3 Canadian incorporating and other governing legislation often require entities to prepare financial statements in accordance with Canadian generally accepted accounting principles (GAAP). Accordingly, if Canadian GAAP necessitates a different audit response in Canada, these differences fall within the definition of a legal or regulatory requirement.

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