Conseil des normes d'audit et de certification

Deuxième exposé-sondage, Adaptations canadiennes relatives aux questions autochtones dans la Norme canadienne de certification en matière de durabilité (NCCD) 5000, Exigences générales relatives aux missions de certification en matière de durabilité

Réponses au Deuxième exposé-sondage

Avril 2025

La période de commentaires sur ce deuxième exposé-sondage prend fin le 18 juillet 2025.

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July 17, 2025

AASB's Re-exposure Draft Canadian Amendments Related to Indigenous Matters in CSSA 5000

Dear Ms. DeGiobbi,

I am writing regarding the AASB's Re-exposure Draft Canadian Amendments Related to Indigenous Matters in CSSA 5000, General requirements for sustainability assurance engagements.

I commend the AASB on their recognition of the importance of addressing Indigenous matters.

I am schooled in ecological economics, accounting and forestry, advised several national governments, communities and businesses on well-being. I began my professional career articling with Coopers & Lybrand in 1980. Since then I've been an international leader in natural capital and ecosystem services accounting dating back to 1990, while an economist with the Alberta Government. I was part of Alberta Treasury's efforts to introduce outcome-based or goal-based budgeting and auditable performance measurement systems in the mid-1990s. I was senior advisor to China (2003-2006) in their efforts to develop Green GDP national income accounting systems and China's xiaokang (well-being)-based performance indicators for all municipal governments in China.

For many years I have had an interest in sustainability matters and have helped many clients develop sustainability reporting systems (e.g. VanCity, Suncor, EPCOR, EQUS, China, Singapore, City of Edmonton, and Alberta). I was one of the key contributors to the development of the Global Reporting Initiative (GRI) Guidelines released in 2000, along with Mark Brownlie and Alan Willis (CICA). I am known as a global expert in ESG accounting and reporting, as well as the UN SDGs, having advised many clients in the development of integrated multi-capital asset accounting and sustainability reporting systems. For the past

5 years I have been an advisor to several First Nations in developing their own land and natural asset accounting systems.

My work has now evolved into more comprehensive multi-capital asset accounting that helps clients account for the well-being conditions and impacts of their human, social, natural, built and financial assets.

I am pleased that we now have reached the level of accounting maturity where the conditions of key assets and well-being impacts (namely a Well-being ROI) can be accounted for. Measuring well-being impacts from the highest and best use of various asset classes (or genuine wealth) is in my view the ultimate maturity of double entry bookkeeping that Luca Pacioli, the father of accounting from 1497, first developed in Venice and Florence. I am pleased that the assurance standards have matured as well, specifically sustainability assurance.

Over the last several years, I have worked with various First Nations of Canada to advance issues related to well-being, natural assets and sustainability. These issues necessarily overlap. The well-being of a First Nation's human, natural and social-cultural capital can be quickly eroded via actions of corporations or governments. In working with First Nations, I have come to understand the importance of history, treaties, First Nations sovereignty, actions of the Crown, UNDRIP, and the history that led to the Truth and Reconciliation Commission, and ultimately to its calls to action. It is difficult to reduce all these to specific, direct and actionable words that can be effectively incorporated into auditing standards. The explanations in the document on clarity of terms used in the amendment are sensible.

Governments have long reported various ESG indicators and their reporting will evolve, in my view in the direction of well-being and genuine progress indicators. As it evolves, AASB can consider whether it should expand the requirements to other TRC calls to action or to a different basis, such as Treaties.

In my book *An Economy of Well-Being,* I explore issues relating to well-being across many domains, including First Nations. I noted a shift from traditional economic indicators to well-being indicators in measuring progress and that First Nations, Metis and Inuit communities understand the value of family, traditions, culture and Mother Nature. Improvements in land and water stewardship can ensure long-term well-being benefits while guaranteeing flourishing ecosystems and a future of win-win-win scenarios among First Nations, governments and industry.

I support the AASB's efforts to make this amendment to sustainability assurance as an important step forward. There are various ESG frameworks in Canada's voluntary ESG reporting marketplace and many companies as well as some First Nations (e.g. the Cree Nation

(Eeyou Itschee) of Quebec) report ESG information, including companies that impact First Nations, so this is an important amendment to make at this time.

Well-being data uses various statistics and if the underlying data is not reliable, then well-being is at risk. Improving audit quality with the amendment ensures that underlying data will be reliable and relevant. In a direct way, the AASB's amendment will contribute to the well-being of all communities in Canada, including First Nations.

I would finally like to alert the AASB, along with other associated international auditing and standards bodies, of the importance of honouring the 'spirit and intent' of the many treaties established between First Nations and the Crown (namely the monarchs of Great Britain) which date back to 1710 (Queen Anne), the Royal Proclamation of King George III (1764) and subsequent numbered treaties, Treaties 1 through 11 (between 1871 and 1921). This honouring extends to the respect of the inherent rights of First Nations, under Treaties with the Crown, to establish their own accounting and auditing standards under their own constitution and financial governance codes. Some First Nations such as the Cree Nation Government (Eeyou Itschee) of Quebec have exercised these sovereign rights by establishing a Constitutional framework. The Cree Nation Constitution, for example, recognizes the Cree as a distinct Indigenous Nation with inherent rights—including governance, culture, laws, language, land stewardship, and spirituality—"since time immemorial." The Cree Nation asserts the right of self-government and self-determination, never surrendered, and evolving to meet changing conditions. This extends to all other matters of financial governance, accounting, auditing and sustainability measurement and reporting.

In this context, the AASB related to indigenous matters, must extend to the inherent rights of First Nations with respect to their treaties, beyond honouring of UNDRIP and extends beyond TRC Call to Action #92 which is directed at the corporate sector in Canada, especially those involved in resource development. TRC #92 calls for meaningful consultation, respect for Indigenous rights, and the creation of sustainable economic opportunities for Indigenous peoples. I would urge the AASB to consider carefully extending amendments to the CSSA 5000 that consider inherent treaty rights of all First Nations in Canada.

The implications of not making amendments to the AASB CSSA 5000 is to ultimately risk dishonouring of the Crown (namely King Charles III as descendant of the original British monarchs who signed treaties) and dishonouring those First Nations who entered into historical treaties with the Crown.

I have copied all respective Treaty Nations, grand chiefs, chiefs and executive of this important issue that they be made aware of the ramifications to their treaty rights of any changes to accounting standards that affect their financial accounting, reporting and auditing protocols.

I would be pleased to provide further counsel and commentary to your office and others involved with the AASB on this important subject.

You may contact me by email (anielski@gmail.com) or on my cell at (780) 964 0090 in Edmonton.

Sincerely,

Mark Anielski
President & Chief Well-being Officer
Anielski Management Inc.
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cc:
Wendy Berman, Chair of CSSB (Canadian Sustainability Standards Board)

Jolene Mercer	Executive Director, Treaty 1 Nations
Grand Chief Cornell McLean	Grand Chief, Treaty 2 Nations
Grand Chief Francis Kavanaugh	Grand Chief, Treaty 3 Nations
Yorkton Tribal Council	Treaty 4 Nations
Chief Clarence Easter	Chief and Co-Chair, Treaty 5 Nations
Grand Chief Leonard Standingontheroad	Grand Chief, Treaty 6 Nations
Treaty 7 First Nations Chiefs' Association	
Chief Sheldon Sunshine	Chief of Sturgeon Lake Cree Nation, Treaty 8 Nations
Jamie Koe	CAO, Treaty 8 Nations of Alberta
Chief Alvin Fiddler	Grand Chief, Treaty 9 Nations: Nishhawbe Aski Nation), member of the Muskrat Dam First Nation.
Meadow Lake Tribal Council	Treaty 10
Chief Bartholomew J. Tsannie	Hatchet Lake First Nation, member of Treaty 10 Nations
Chief Doreen Arrowmaker	Chief of Tłı̨chǫ Nations, Treaty 11 Nations
Gimaa Craig Nootchai	Atikameksheng Anishnwabek Nation, member of the Robinson Huron Treaty Nations, Ontario
Pascal Chadronnet, CPA	Senior Manager of Finance, Cree Nation Government of Quebec (Eeyou Itschee)

About Mark Anielski & ANIELSKI Management Inc.

President & Chief Well-being Officer (CWO)
Anielski Management Inc.

Mark Anielski, BA (Economics), BS (Forest Science), MSc (Forest Economics), is a well-being economist, professional forester and natural capital accountant. He has developed and led many socio-economic-environmental analytic frameworks for the assessment of economic, societal and ecological impacts of a variety of public policies.

As founder and president of Anielski Management Inc. (est. 1995) Mark has conducted numerous economic, financial and environmental accounting and impact studies that take a unique full-cost-life-cycle analysis approach to assessing the genuine value of projects, public policies and programs. Anielski Management conducts full-cost analysis and well-being impact investment analysis of economic development opportunities particularly renewable energy development opportunities for First Nations.

For the last 8-years he has been working almost exclusively with First Nation communities in Canada conducting natural capital asset assessments, community asset accounting and the development of a community economic well-being plan. He has also been advising First Nations on how to develop sovereign wealth funds or trusts that will ensure intergenerational economic self-determination.

Mark is an international expert in natural capital accounting and recently completed the most comprehensive natural capital account for Treaty 8 First Nations. Mark has served as natural capital accounting advisor to nations including China, Canada and French Polynesia.

Mark has developed advanced analytic tools that combine conventional cost-benefit analysis, financial analysis and societal impact analysis into what he calls Genuine Wealth value analysis and Well-being Impact Analysis. This approach to analysis provides policy makers the capacity to assess the broadest range of economic, societal and ecological impacts of policies, programs and services to help demonstrate value from investment in public programs.

Mark is the author of the award-winning-best-selling book *The Economics of Happiness: Building Genuine Wealth* (New Society Publishers, 2007) and his second book *An Economy of Well-being: Practical Tools for Building Genuine Wealth and Happiness* (2018).

Mark has served as an economic strategist and advisor to governments, business, non-profits, financial institutions (investment banking) in Canada, the US, Europe, China, Bhutan and Tahiti. His intuitive analytic skills combining the best of economics, accounting and forest ecology into a new form of economic analysis that focuses on well-being impacts and well-being value investment.

He holds three degrees from the University of Alberta (Edmonton); bachelor degrees in Economics (1981) and Forest Science (1984) and a Masters in Science in Forest Economics (1991).

Mark lives in Edmonton, Alberta, Canada with his wife Jennifer.

July 18, 2025

Via Email

The Auditing and Assurance Standards Board (AASB)
c/o Karen DeGiobbi, Director, Auditing and Assurance Standards
145 King St West, Suite 500, Toronto, Ontario M5H 1J8

Re: Re-exposure Draft Canadian Standard on Sustainability Assurance (CSSA) 5000

Dear Ms. DeGiobbi,

We are writing on behalf of the Chartered Professional Accountants of Ontario (CPA Ontario) and the Order of Chartered Professional Accountants of Quebec (CPA Quebec) in response to your request for comment on the AASB's Re-exposure Draft, Canadian Amendments related to Indigenous Matters in the Canadian Standard on Sustainability Assurance (CSSA) 5000, General Requirements for Sustainability Assurance Engagements (Re-exposure Draft).

We are the largest Chartered Professional Accountants (CPA) bodies in Canada. Through legislative and delegated authority directly from the government, provincial CPA bodies in Canada are responsible for overseeing CPAs and in certain jurisdictions, accounting firms. CPA Ontario regulates more than 103,000 members and 18,000 students, and CPA Quebec regulates more than 42,000 members and 4,500 students. Together we govern and oversee over 60% of CPAs in Canada. We provide oversight of the CPA profession through our respective governing acts, bylaws and regulations and are governed primarily by elected members and public representatives. CPA Quebec is also overseen by the Office des professions du Québec and subject to the provisions of the Code des professions that provides specific obligations for all regulated professionals orders in Québec. Our primary purpose is to protect the public while supporting our members and students. We enforce the highest professional and ethical standards, provide guidance for Canada's business leaders, and support the continuing professional development of our members and students. We exercise these functions, namely through inspections of members practicing public accounting. Together, our organizations inspect close to 2,000 CPA firms every year; and we therefore have a first-hand understanding of how members understand and apply standards.

We appreciate the opportunity to provide input on the AASB's Re-exposure Draft. We commend the AASB for its transparent and consultative approach. As part of this consultation, we obtained feedback from CPA Ontario's Sustainability Strategic Advisory Committee, which is comprised of sustainability experts with both CPA and non-CPA backgrounds, including representatives from public practice, academia and industry. We also gathered feedback from a roundtable in Quebec which included participants from firms and preparers. Their insights have helped inform our response.

In summary, we are broadly supportive of the proposed inclusion of paragraph C111A in CSSA 5000. However, a consistent concern raised was the lack of Indigenous-specific requirements in the Canadian Sustainability Disclosure Standards (CSDS). As a result, the proposed requirement in paragraph C111A may:

- Present implementation challenges for practitioners when an entity has not explicitly responded to the Truth and Reconciliation Commission's (TRC's) Call to Action 92
- Create an implicit expectation that practitioners will enforce or evaluate adherence to the TRC's Call to Action 92.

Please find below our feedback to questions under the respective sections.

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?

Paragraph C111A of the re-exposure draft introduces a requirement for practitioners to understand an entity's response to TRC's Call to Action 92 in the context of sustainability assurance engagements.

While we are broadly supportive of the proposed requirement and its related application material, we respectfully offer the following comments and suggestions for further clarification and effectiveness.

We believe that additional clarity would be beneficial regarding the applicability and scope of paragraph C111A. While the proposed application material provides some guidance, greater clarity is required with respect of the following:

- **Paragraph CA351A**: To enhance clarity and support practitioners in understanding the relevance of an entity's response to TRC's Call to Action 92, we recommend further explanation under application guidance of how such a response may influence the practitioner's risk assessment of material misstatement.

- **Paragraph CA351C**: This paragraph outlines two factors that influence the depth of a practitioner's understanding of the entity's response to TRC Call to Action 92.

  The first factor "*The operations of the entity involve Indigenous Peoples (domestically (in Canada) and in other jurisdictions) and their lands and resources;*" would benefit from further clarification regarding the threshold for involvement, such as whether this applies to entities with only a single Indigenous client, supplier, or location situated on Indigenous land.

  In the second factor, the term "disproportionately" as used in the phrase "*an industry that disproportionately affects Indigenous Peoples*" would also benefit from further clarification. We suggest including illustrative examples that demonstrate how an entity may have disproportionate impact on Indigenous Peoples, along with guidance to assist practitioners in identifying whether an entity operates within an Indigenous intensive industry.

- **Paragraph CA351D**: The term "meaningful consultation" could benefit from further clarification. While we understand that this term can be inherently subjective, providing illustrative examples of meaningful and insufficient consultations as well as guidance on the types of supporting evidence that would demonstrate compliance would enhance clarity and support consistent application.

- **Paragraph CA351E**: The phrase "*the practitioner's risk assessment procedures may be less in extent*" could benefit from additional clarification. It may not be immediately clear to practitioners whether the procedures outlined in CA351D should be partially performed or omitted entirely, and under which circumstances such adjustments would be appropriate. To support consistent interpretation and practical application, we suggest that the AASB consider offering brief guidance or examples to illustrate the intended scope of procedures in these scenarios.

In addition to the above, as sustainability assurance is still an emerging practice, and as many practitioners may be less familiar with the TRC's Call to Action 92, we believe that comprehensive illustrative examples would be highly beneficial. Such examples would support a clearer understanding and more consistent application of paragraph C111A and its related application material.

Accordingly, we recommend that the comprehensive illustrative examples address the following key areas to support consistent application of paragraph C111A:

- **Scope and applicability**: Guidance on the types of engagements and sustainability contexts in which C111A applies, and when it may not be relevant.
- **Risk identification**: How an entity's response or lack thereof to TRC's Call to Action 92 may give rise to risks of material misstatement in sustainability information (as per CA351A).
- **Practitioner response**: Examples of appropriate procedures practitioners might perform to address these risks.
- **Evaluation and conclusion**: Considerations for evaluating the sufficiency of evidence obtained and forming appropriate conclusions in light of the entity's response.

Furthermore, some stakeholders expressed that in the absence of specific Indigenous-related requirements in the CSDS, the proposed requirement in paragraph C111A may be challenging for practitioners to apply effectively. There is a concern that the proposed requirement would create an implicit expectation that practitioners will enforce or evaluate adherence to TRC's Call to Action 92. Additionally, some stakeholders noted the importance of maintaining a reconciliation framework-neutral approach by AASB, as entities may engage with Indigenous Peoples through a variety of frameworks, agreements, or practices.

To enhance the understanding and consideration of sustainability-related risks and opportunities in relation to Indigenous matters we encourage the AASB to collaborate closely with the Canadian Sustainability Standards Board (CSSB) to explore the inclusion of appropriate Canadian amendments for Indigenous matters to the CSDS. This would help ensure that practitioners are supported with relevant context and guidance.

2. Do you agree with use of the term "TRC's Call to Action 92"? If no, what do you suggest and why?

We acknowledge and appreciate that the AASB has engaged with Indigenous Peoples in the development of this Re-exposure Draft.

Building on the feedback gathered during this consultation process, it appears the AASB may have chosen to highlight TRC's Call to Action 92 to provide clearer direction for practitioners, particularly in response to earlier concerns around ambiguity in terminology related to Indigenous matters. While we agree that referencing TRC's Call to Action 92 can provide clarity for practitioners, we recommend that the AASB consider whether a broader or more inclusive reference might better reflect the diversity of Indigenous engagement approaches in Canada.

For example, C111A can state "*The practitioner shall obtain an understanding of the entity's engagements with and obligations to Indigenous Peoples and how the entity meets such obligations".*

TRC's Call to Action 92 and other commonly used reconciliation frameworks can be included as examples in the application material.

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

The proposed amendments present both meaningful opportunities and notable implementation challenges for practitioners.

The proposed amendment offers a valuable opportunity to enhance sustainability assurance engagements by incorporating Indigenous perspectives, thereby aligning with the realities of doing business in Canada and supporting reconciliation. It encourages professional growth by prompting practitioners to develop competencies in Indigenous history, rights, and cultural awareness. Additionally, it positions the accounting profession to lead in advancing reconciliation and may elevate Canada's global standing in sustainability assurance standards.

The proposed amendment also presents implementation challenges. A key implementation challenge is when an entity has not explicitly responded to the requirements under TRC's Call to Action 92. In such cases, it is unclear how practitioners should proceed, particularly when the reporting framework or criteria used by management does not require such a response. The draft application material (CA351A–E) focuses on the practitioner obtaining an understanding of the entity's response to TRC's Call to Action 92 but does not provide sufficient guidance on how to address its absence or how this might affect the practitioner's conclusion.

Similarly, as discussed in Question 2, some entities may engage with Indigenous Peoples through alternative frameworks or approaches, such as a reconciliation action plan grounded in United

Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) or other community-specific agreements, or industry standards like the Equator Principles or Mining Association of Canada protocols. These approaches may not align directly with TRC's Call to Action 92, and the current wording of paragraph C111A may create challenges for practitioners when evaluating such practices.

We respectfully refer the AASB to our responses to Questions 1 and 2 for additional recommendations on how these issues might be addressed.

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

In our response to the CSSB 2025-2028 Strategic Plan consultation, we encouraged the CSSB to prioritize embedding Indigenous rights and knowledge into the CSDS. For greater impact and consistency, the AASB should consider coordinating the publication of the final CSSB 5000 standard (including Canadian amendments) with the CSSB's future revision of the CSDS to include Canadian amendments related to Indigenous matters.

We also recommend that the AASB coordinate with the CSSB to ensure that the assurance and reporting standards are well aligned, and their respective requirements interact effectively without overlap or contradiction.

Thank you for this opportunity to provide feedback on the CSSB's CSSA 5000 Re-exposure draft. We would be pleased to further discuss these with you.

Respectfully submitted,

Janet Gillies, CPA, CA
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July 18,2025

By online form

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

Dear Ms. DeGiobbi,

Re: Comments on Re-exposure Draft - Canadian Amendments Related to Indigenous Matters in Canadian Standard on Sustainability Assurance (CSSA) 5000, *General Requirements for Sustainability Assurance Engagements*

We are pleased to provide our comments on the Canadian Amendments related to Indigenous matters that the Auditing and Assurance Standards Board ("AASB") has proposed as part of CSSA 5000, *General Requirements for Sustainability Assurance Engagements.*

The views expressed in this submission are those of the Canadian member firm of Deloitte Touche Tohmatsu Limited global network.

Overall, we believe the requirements in ISSA 5000 adequately support the practitioner's responsibilities to consider Indigenous matters, as applicable to the sustainability information being assured, making the proposed amendment to paragraph CI 11A unnecessary and not applicable for all sustainability assurance engagements. Not amending the requirements of ISSA 5000 will avoid the risk of fragmentation of adoption of CSSA 5000 across Canada. See our responses to the specific questions raised in the re-exposure draft for more detail.

We would be pleased to discuss any questions or comments you may have with respect to our comments included herein. Pease contact Caroline Nadeau (canadeau@deloitte.ca) for further information.

Yours truly,

CNadeau

Caroline Nadeau
Deloitte LLP

Responses to Canadian amendments questions

General Questions

QI. *Do you support the proposed Canadian amendment to paragraph CI11A and related application material? If no, what revisions do you suggest and why?*

We continue to support the AASB's efforts to ensure the standard-setting process in Canada, including sustainability standards, reflects and responds to the unique rights of and responsibilities to Indigenous Peoples.

However, we have concerns about whether the Canadian amendment as proposed in paragraph CIIIA meets the qualitative stand-setting characteristic that the International Auditing and Assurance Standards Board (IAASB) achieves in ISSA 5000 of "implementability", which focuses on the standard being able to be consistently applied and operable across engagements of all sizes (e.g., scalable to entities of different sizes that may be subject to multiple reporting frameworks), as well as being adaptable to the conditions present in the current sustainability reporting and regulatory landscape in Canada. We believe the requirements in International Standard on Sustainability Assurance (ISSA} 5000 adequately support the practitioner's responsibilities to consider indigenous matters as part of obtaining assurance on sustainability information without further amendment.

ISSA SOOO requirements sufficient

If Indigenous Peoples are intended users of the sustainability information subject to assurance (see paragraph A36 of ISSA 5000), they will be considered by both the entity and the practitioner as they determine what topics to report and what could be materially misstated.

If the applicable criteria include Indigenous Rights as a required disclosure (for example: if the metric being measured and assured was "Rights of Indigenous Peoples" under *GRI Standard 411},* then the existing requirements in ISSA 5000 are sufficient, and the practitioner would conclude whether that disclosure is materially misstated.

We also note that as instruments such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP} are enacted as law, complying with the existing requirement in paragraph 111 of ISSA 5000 requires the practitioner to "obtain an understanding of the legal and regulatory framework applicable to the entity and the industry or sector in which it operates, in the context of the entity's sustainability information."

Current sustainability assurance landscape

In Canada at present there are no mandatory reporting or regulatory requirements for disclosing sustainability information or requiring assurance on this information. All our current sustainability assurance engagements are on information that is reported on a voluntary basis and the entity has requested limited assurance on some of the information reported (i.e., discrete metrics}. Entities are free to choose the criteria they decide to measure their sustainability information against, and there is currently a mix of standards and frameworks being used by preparers of sustainability information.

Public interest and how it relates to the objective of the standard

The Re-exposure draft explained that this amendment responds to the public interest because "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". It is not clear how this connects to the objective of an assurance engagement, which is to obtain assurance about whether the sustainability information (subject to assurance} is free from material misstatement (adapted from paragraph 16(a} of ISSA 5000).

Paragraph 18 of ISSA 5000 defines:

- misstatement as "a difference between the disclosure{s) and the appropriate measurement or evaluation of the sustainability matters in accordance with the applicable criteria."
- sustainability information as "information about sustainability matters" and in {d) "If the engagement does not cover the entirety of the sustainability information reported by the entity, the term "sustainability information is to be read as the information that is subject to assurance."

Therefore, in situations where we are obtaining limited assurance on discrete metrics such as greenhouse gas emissions (the majority of sustainability assurance engagements in Canada today), we are concluding that based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the sustainability information (discrete metrics) is materially misstated. In other words, we are obtaining evidence about whether the sustainability matters are appropriately measured or evaluated against the applicable criteria. When the applicable criteria is the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* and the metric being assured is scope 1 and 2 emissions, in order to meet the objective of ISSA 5000 the practitioner should not need to understand how or if the entity is responding to TRC Call to Action 92 as it will not impact whether greenhouse gas emissions could be materially misstated.

As written, the proposed amendments to CSSA 5000 contemplate that based on the practitioner's understanding of the entity's response to TRC's Call to Action 92, there could be a risk of material misstatement pervasively throughout the sustainability information related to an insufficient response by the entity to TRC Call to Action 92 (excerpt from CA428A). There is no guidance or direction for the practitioner on what would be considered "an insufficient response". If the practitioner comes to a conclusion that the response to TRC Call to Action 92 was insufficient, the practitioner would need to design a response to that pervasive risk. Other examples of risks that are applicable to many assertions or are pervasive from paragraph A428 of ISSA 5000 are deficiencies in the control environment that may undermine the effectiveness of other controls, intentional misstatements of the sustainability information (fraudulent reporting), or risks that relate to more than one disclosure or assertion. In all these cases, the practitioner can design a response to address these risks such as: testing other controls, additional substantive testing, testing journal entries, etc. It is unclear how the practitioner can design a response to address the situation when an entity has no, or an insufficient, response to TRC Call to Action 92 as the entity has no criteria requiring a response to TRC Call to Action 92.

If the AASB's intention was that an insufficient response to TRC Call to Action 92 could lead to a modified conclusion under paragraph 204 of the standard (as depicted in the diagram in Appendix 2 of the Re-Exposure Draft), it would have to be because the practitioner made the judgment that the matter was not so material or pervasive to require an adverse conclusion or a disclaimer of conclusion (adapted from paragraph 204). Paragraph A591 explains that "the term "pervasive" describes the effects on the sustainability information of misstatements or the possible effects on the sustainability information of misstatements, if any, that are undetected due to the inability to obtain sufficient appropriate evidence" (adapted from paragraph A591). To have a misstatement, as defined in paragraph 18, there must be a difference between the disclosure(s) and the appropriate measurement or evaluation of the sustainability matters in accordance with the applicable criteria. As already stated, if the applicable criteria do not require a response to TRC Call to Action 92 then there is nothing for the practitioner to compare the disclosure (or lack thereof) to.

Suggested revisions to the proposed amendments

We believe it is not appropriate to require practitioners in all sustainability assurance engagements to obtain an understanding of the entity's response to the TRC's Call to Action 92, which would require the practitioner to inquire about policies and practices related to Indigenous rights and ethical corporate practices when those subject matters are not part of the information subject to assurance.

The understanding required in proposed paragraph CIIIA is disproportionate to the information subject to assurance.

We suggest that the AASB remove the proposed amendment in paragraph CIIIA. The requirements in ISSA 5000 adequately support the practitioner's responsibilities to consider Indigenous matters, as applicable to the sustainability information being assured. This will avoid the risk of fragmentation of adoption of CSSA 5000 across Canada if the requirements remain aligned with ISSA 5000.

We recognize there could be an opportunity to include Canadian amended application material paragraphs to support considering Indigenous matters in a Canadian context. We include comments in response to Q5 on suggestions for application material. Application material could provide examples and context for practitioners engaged to assure Indigenous rights.

We also believe revisions should be made to the sustainability reporting standards before the assurance standard and encourage the AASB to collaborate with the Canadian Sustainability Standards Board (CSSB) on this. We supported the CSSB in their priority of advancing the inclusion of Indigenous Peoples in sustainability standard setting in our response to their proposed strategic plan.

Q2. *Do you agree with the use of the term "TRC's call to action 92"? If no, what do you suggest and why?*

Given our response to QI, we do not believe the Truth and Reconciliation Commission of Canada Call to Action 92 needs to be defined as we have suggested that an amendment to the requirements of ISSA 5000 is not necessary.

If the MSB proceeds with the amendment, or refers to TRC Call to Action 92 in the application material, here are some considerations provided from practitioners involved in our Deloitte Indigenous, Purpose and Sustainability practice:

- Referring directly to the UNDRIP strengthens the inquiries of management as it is a foundational document for the understanding of the evolving nature of Indigenous rights and interests (i.e., it is continually evolving in terms of relevant international standard setting and Canadian case law).
    - Canada, and some provinces, have already explicitly adopted UNDRIP.
    - The UNDRIP contains many clauses and provisions that may be of interest to companies operating in various sectors. There may be an interest or an imperative for an entity to consider the UNDRIP in order to mitigate risk, improve relationships, lower costs and improve efficiency and profitability.
- In the first instance of use of "TRC" it should be spelled out as the Truth and Reconciliation Commission of Canada and a footnote reference to the final report should be included.
- The last bullet of CA315D(b) could be expanded to inquiring whether management has published an Indigenous strategy or reconciliation plan.

Q3. What implementation opportunities and challenges, if any, might the proposed amendment create? What suggestions do you have for addressing any challenges?

we identified several implementation challenges that practitioners may face which are included in response to Q5.

In addition to those identified in response to QS, the entities that are engaging us may not have knowledge of the TRC's Calls to Action. Many entities have a limited number of resources (both financial and head count) dedicated to sustainability reporting. It could be challenging for entities to invest more to track and report information that is not required by their applicable criteria, law or regulation.

On the other hand, there are many organizations making investments in reconciliation efforts, community investment and other efforts such as investing in Indigenous-led businesses or offering scholarships for Indigenous peoples. These are positive efforts that may not be directly related to the operations of the entity. Should the AASB decide to proceed with a Canadian amendment for Indigenous matters, there is an opportunity for the AASB to consider other types of positive efforts an entity may be making.

Q4. Do you have any other* comments *or questions* on *the proposed Canadian amendment that you believe the AASB should consider?

We have no further comments or questions.

Practitioner Specific Questions

QS. Scalability of the proposed amendment:

<u>Overall comment on 05:</u>

Even though our response to QI did not support the proposed amendment, we include comments in response to this question to help the AASB should they decide to proceed with an amendment.

(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)?

The proposed amendment is not clearly scalable when the scope of the assurance engagement is only part of the sustainability information reported. The most common assurance engagement today is an engagement on a limited number of metrics reported, typically related to greenhouse gas emissions. Even though the proposed amendment in paragraph CII IA refers to obtaining an understanding "in the context of the entity's sustainability information", the application material does not make it clear how the principles of TRC Call to action 92 around equitable access to jobs, training, education; education on the history of aboriginal peoples; or meaningful consultation and obtaining free, prior and informed consent before proceeding with economic development projects would relate to the sustainability information being assured (for example: discrete metrics on greenhouse gas emissions). There is no guidance for the practitioner on how they would scale the requirement in the context of the entity's sustainability information being assured.

ii. ***When the entity operates inside or outside Indigenous contexts?***

It wasn't clear to all who provided input to us on this re-exposure draft what "operating inside Indigenous contexts" means. For example, in paragraph CA351C it refers to "the operations of the entity involve Indigenous Peoples (domestically (in Canada) and in other jurisdictions) and their lands and resources". Questions and comments raised during our field testing included:

- If the entity has one person employed who identifies as Indigenous, does that mean the operations involve Indigenous Peoples?
- Regarding the reference to "their lands":

  - is this appropriate given all North America as a whole is considered Turtle Island {Indigenous land)?
  - is the reference to land and resources broad enough or should it be broadened to equitable access to opportunities, training, education and employment?
- Do the proposed amendments contemplate when an entity does community outreach, volunteering or provides support for Indigenous led initiatives and activities? These examples may not have a direct relationship to the entity's operations, but they are examples of activities an entity may be doing that have a positive impact towards reconciliation.
- It's not clear what is expected in the risk assessment procedures of a group engagement with respect to the reference to "in other jurisdictions" in CA351C. If the entity has operations in other jurisdictions, is the practitioner required to make inquiries about how the entity responded to TRC Call to Action 92 in relation to Indigenous groups in those other jurisdictions? The Truth and Reconciliation Commission of Canada's Call to Action were calls to action issued in Canada. How would it impact the risk assessment if the operations in other jurisdictions hadn't considered TRC Call to Action 92?

In terms of the guidance in paragraph CA351C regarding an Indigenous intensive industry, it isn't clear how a practitioner determines whether the entity's operations "disproportionately affects Indigenous Peoples"? There are some industries listed in this same paragraph as examples of Indigenous intensive industries, but it is not clear why some, such as telecommunications, are considered indigenous intensive industries. We suggest that if the AASB includes guidance to scale the work effort based on an industry that they provide factors or characteristics that would cause that industry to require more or less work effort.

(b) Are the examples and guidance provided in paragraphs CA351A to C351E sufficient to support practitioners in applying the requirements across diverse scenarios?

It isn't clear whether the practitioner must inquire of management or others within the entity about the entity's response to TRC Call to action 92 to meet the requirement in paragraph C111A. The guidance in paragraph CA351B indicates the practitioner may use existing knowledge of the entity, but it uses "and" to also list inquiry of management which we believe means the expectation is that there will be some inquiries expected in all cases. If the engagement is to obtain assurance on a subject matter that does not include Indigenous rights, and the entity does not operate inside of Indigenous contexts, then we do not believe inquires of management are necessary.

While paragraph CA351E acknowledges that risk assessment procedures may be less in extent when the scope of the engagement is limited to discrete metrics that are unrelated to Indigenous rights, it isn't clear what the resulting impact to the assurance engagement is if the entity does not have a response to TRC Call to Action 92. Does the reference to "less in extent" mean that it is sufficient to include documentation explaining that the practitioner believes that the metrics within scope are unrelated to Indigenous rights, the entity does not operate inside Indigenous contexts, therefore there is no expectation for a response to TRC Call to Action 92 and no impact on the identified risks of material misstatement?

We also question whether the second qualifier in paragraph CA351E is needed. The paragraph reads:

> *"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 fess in extent."*

The work done in any assurance engagement is limited to the information we are being asked to assure. All other information is "other information". Therefore, if the scope of the assurance engagement is limited to discrete metrics that are unrelated to Indigenous rights the practitioner should not need to consider whether the entity operates in an Indigenous intensive industry or whether the operations impact Indigenous Peoples, or their lands or resources as this is outside the scope of the assurance engagement.

(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?

Yes. There is guidance in paragraph A345 of ISSA 5000 in reference to the understanding of the entity's operations, legal and organizational structure, ownership and governance, and business model that says (bold emphasis added):

> *"The practitioner uses professional judgment to determine the characteristics of the entity and its environment that are **relevant to the sustainability information and therefore are necessary to understand.** The practitioner's primary consideration is whether the understanding that has been obtained is sufficient to meet the objective of the risk assessment procedures. The practitioner's understanding may involve Jess effort when the scope of the assurance engagement is limited to certain sustainability information (e.g., discrete metrics). On the other hand, a broader understanding of the entity and its environment may be necessary if the scope of the assurance engagement addresses multiple topics or aspects of the topics. Similarly, the depth of understanding of the entity and its environment necessary for a limited assurance engagement may be less than the depth of understanding necessary in a reasonable assurance engagement."*

It is not clear how the understanding required by proposed paragraph Cll IA aligns with this guidance in ISSA 5000 which indicates that if aspects of the operations, governance and business model are not relevant to the sustainability information (subject to assurance) then they would not be necessary to understand.

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July 18, 2025

Ms Karen DeGiobbi, CPA, CA
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AASB Re-Exposure Draft – Proposed Canadian Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements

Dear Ms. DeGiobbi,

We are pleased to offer our response to the Auditing and Assurance Standards Board on the Re-Exposure Draft, Canadian Amendments related to Indigenous Matters in the *Canadian Standard on Sustainability Assurance (CSSA) 5000, General Requirements for Sustainability Assurance Engagements.*

Overall, we deeply support the consideration and inclusion of Indigenous People in sustainability standard setting. We acknowledge the tremendous effort that has gone into developing the Re-Exposure Draft to ensure Indigenous perspectives and values are appropriately incorporated into the standard. However, we do not believe the introduction of a new requirement, as described in the proposed Canadian amendment paragraph C111A, is necessary. We are of the view that International Standard on Sustainability Assurance (ISSA) 5000 is fit for purpose and provides sufficient requirements for the practitioner to design and perform risk assessment procedures to ensure consideration of Indigenous matters, where relevant to the engagement. That being said, we do appreciate and strongly support the proposed related application material and examples and believe they will be useful to practitioners as a framework 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 when relevant.

In our view, it is unclear how a requirement for the practitioner as part of the assurance standard can be applied without a corresponding enforceable requirement for the entity in the applicable criteria for the preparation of the sustainability information or in the legal and regulatory framework applicable to the entity. The objective of a practitioner is to obtain assurance about whether an entity's sustainability information is free from material misstatement and this evaluation is performed with reference to the applicable criteria, which may include a reporting framework that outlines specific disclosure requirements to be included in the sustainability information. In performing procedures to identify and assess risks of material misstatement of the sustainability information, it is challenging to understand what actions are required by the practitioner when the entity has not responded to TRC's Call to Action 92 in circumstances when neither the applicable criteria nor the requirements of the legal and regulatory framework applicable to the entity include requirements that align with TRC's Call to Action 92. We recommend working with the CSSB to incorporate requirements within the sustainability reporting standards that consider the TRC's Call to Action 92. This would help guide an assurance practitioner in its determination of whether an entity's disclosures of their response to TRC's Call to Action 92 were free from material misstatement, in the context of the entity's sustainability information.

While we recognize the societal importance of the TRC's Call to Action 92 and believe Canadian entities should adopt these recommendations as part of their corporate responsibility, we feel that the inclusion of a specific requirement within the assurance standard is not necessary. However, where the TRC's Call to Action 92 is applicable in the context of the sustainability engagement, we would be of the view that the practitioner may consider it as part of their risk assessment procedures. From that perspective, the existing assurance standard under ISSA 5000 provides practitioners with the basis to perform sufficient risk assessment procedures through understanding the sustainability matters and the sustainability information (par. 106-107) and understanding the entity and its environment (par. 110) in order to identify and assess the risks of material misstatement in the sustainability information, including those related to Indigenous matters, where relevant.

In addition to the proposed related application material and examples, further Canadian specific application material and examples under the current risk assessment requirements (paragraphs 122L and 122R) would be helpful to guide the practitioner through applying TRC's Call to Action 92 when identifying and assessing the risks of material misstatement when Indigenous matters are relevant to the sustainability information. Guidance and examples related to the practitioner's use of judgment in determining the risk of material misstatement would be useful in varying scenarios, such as:

- when understanding the entity and its environment, how to assess the sufficiency of an entity's response to TRC's Call to Action 92 where the entity's operations involve Indigenous Peoples or are within an Indigenous intensive industry, compared to where they do not or are not, and the impact on the assessed risk of material misstatement

- when understanding the sustainability matters and the sustainability information, how the risk of material misstatement of the entity's disclosures related to TRC's Call to Action 92 may vary depending on the scope of the sustainability information (e.g. discrete metrics vs full report)

- when a risk of material misstatement that is pervasive throughout the sustainability information could be identified in relation to Indigenous matters and what the expected response would be from the practitioner

- supporting material to ensure the assurance practitioner has the skills and competence to understand the issues being addressed by TRC's Call to Action 92

Based on our feedback above, we have some minor editorial recommendations to the proposed application material. Firstly, we believe the application material under CA351 would be better suited under paragraph 110(c) as it relates to an entity's strategic decision to adopt TRC's Call to Action 92. Secondly, as it relates to the wording in CA46A and CA351D(c) we believe that the term 'responsibilities' implies a level of obligation that is not appropriate in this context. Since the TRC's Calls to Action do not constitute law or regulation and are instead recommendations, we believe the use of the term 'expected actions' or 'called for actions' may more accurately reflect its nature.

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Finally, we believe that introducing incremental requirements in CSSA 5000 may have the effect of making the Canadian standards more challenging to apply than the ISSA and could be detrimental to their adoption, especially considering that sustainability reporting is still in its infancy. This additional complexity has the potential to discourage entities from embracing sustainability reporting or may cause practitioners to opt to provide assurance under ISSA 5000 instead of using CSSA 5000.

We appreciate the opportunity to comment on the proposed Canadian amendments to CSSA 5000. Please contact Zahid Fazal (Managing Partner – Assurance) or Eric Spiekman (Professional Practice Director) if you wish to discuss these or any other matters.

Yours sincerely,

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

July 18, 2025

Karen DeGiobbi, CPA, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
145 King St West, Suite 500
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Re: Re-exposure Draft: Canadian Amendments Related to Indigenous Matters in CSSA 5000, *General Requirements for Sustainability Assurance Engagements*

Thank you for the opportunity to comment on this Re-Exposure Draft ("ED").

MNP LLP ("MNP") is one of Canada's largest chartered professional accountancy and business advisory firms. Our client base is focussed on small to mid-size entities (SME's) covering a broad range of industries including agriculture, agribusiness, retail, and manufacturing as well as credit unions, co-operatives, medical and legal professionals, not-for-profit organizations, municipalities, government entities, and publicly traded companies. MNP is also the largest professional services provider to Indigenous groups and businesses in Canada. We believe that we are well-positioned to provide feedback on this ED.

Overall, MNP supports the objective to amend ISSA 5000 *General Requirements for Sustainability Assurance Engagements* to include considerations related to Indigenous matters that reflect Indigenous rights and reconciliation efforts. Our responses to specific questions in the ED are provided below and are limited to specific areas.

Questions

Question 1: Do you support the proposed Canadian amendment to paragraph C111A and related application material? If no, what revisions do you suggest and why?

Yes, we support the proposed Canadian amendment to paragraph C111A and the related application material. We appreciate the movement away from determining whether an entity has consulted with Indigenous groups, given the meaning of a "duty to consult" enshrined in Canadian law and instead focusing on an entity's response to TRC's Call to Action 92 and whether the response (or lack thereof) is indicative of a risk of material misstatement in the sustainability information.

Consistent with our previous CSSA 5000 comment letter, we continue to be of the view that the sustainability reporting standards (e.g., IFRS S1 and S2 as adopted by the Canadian Sustainability Standards Board) should scope in reporting on material sustainability matters arising from an entity's response to TRC's Call to Action 92. We believe that the introduction of the requirement in the assurance standard rather than the reporting standard might make it appear to preparers that the assurance practitioner is the one requiring an entity's response to TRC Call to Action 92 and while we acknowledge that is not the intention of the amendments, it may be perceived as unusual and overly burdensome. We encourage the Canadian Sustainability Standards Board to consider additional Canadian amendments to the Canadian Sustainability Reporting Standards to address this gap.

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

We believe there will be some implementation challenges. Determining what constitutes a pervasive risk in the context of Indigenous rights will be challenging, especially in particular situations where the exercise of significant judgement is necessary. For example, if an entity is operating in an industry that is not considered to be Indigenous intensive, it may nonetheless be difficult to determine whether their operational activities involve Indigenous Peoples and their lands and resources. If this same entity does not have a formal response to TRC's Call to Action 92, but emits higher levels of greenhouse gases, could Indigenous stakeholders take issue with this because of the potential for those emissions to have broader environmental impacts that can affect Indigenous lands and communities? If an entity has economic projects that impact Indigenous communities and they have activities and processes implemented to respond to TRC's Call to Action 92, what level of expertise related to Indigenous matters and TRC's Call to Action 92 does the assurance practitioner need to have in order to assess whether that response is indicative of a potential risk in the relevant sustainability information? In the absence of specific sustainability reporting requirements related to Indigenous matters, we expect these situations to be frequent. Illustrative examples as part of implementation guidance will be necessary for practitioners to operationalize the amendments.

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

Sustainability reporting in Canada is currently voluntary, with future mandatory requirements still unclear. There is a risk that Canadian assurance practitioners may consider using ISSA 5000 instead of CSSA 5000 if this amendment makes it onerous for both preparers of sustainability information and assurance practitioners. We are supportive of the proposed amendments however we do believe that additional guidance with clear examples on identifying pervasive risks related to an entity's response to TRC's Call to Action 92 will be needed to help practitioners operationalize the amendments and prevent Canadian practitioners from using the international standard.

Question 5a: Scalability of the proposed amendment: 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?**

We believe that the proposed amendment is scalable to accommodate the engagement circumstances (such as the examples noted in the question) and when the entity operates inside or outside Indigenous contexts, however we do believe that additional implementation guidance will be needed, especially where an entity operates inside Indigenous contexts and whether their response to Call To Action 92 (or lack thereof) may indicate a pervasive risk of material misstatement in the sustainability information.

Whether or not an entity operates inside or outside Indigenous contexts, including whether an industry is "Indigenous intensive," may be a matter of judgement. Accordingly, we recommend the development of further implementation guidance, including illustrative examples, to assist practitioners in understanding these distinctions.

Question 5b: Scalability of the proposed amendment: Are the examples and guidance provided in paragraphs CA351A to CA351E sufficient to support practitioners in applying the requirements across diverse scenarios?

The guidance provided in paragraphs CA351A to CA351E is helpful in supporting practitioners in applying the requirements across diverse scenarios, however as noted above, additional implementation guidance and examples will be needed to educate practitioners on how to apply the requirements.

Question 5c: Scalability of the proposed amendment: Is there additional application material or clarification needed to ensure practitioners can appropriately tailor their work-effort based on the context and assessed risks?

Yes, we believe that implementation materials including illustrative examples are needed to ensure practitioners can appropriately tailor their work-effort based on the contexts and assessed risks. Please see our responses to Question 3 and 5A.

In closing, we commend the AASB for its commitment to inclusive standard-setting and for taking concrete steps to reflect Indigenous perspectives in assurance engagements. We look forward to continued dialogue and collaboration as these amendments are finalised. We would be pleased to offer assistance to the AASB in further exploring issues raised in our response or in finding alternative solutions.

Yours truly,

MNP LLP

Maryse Vendette,

Maryse Vendette, CPA
Partner, Assurance Professional Standards Group

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

18 July 2025

Karen DeGiobbi, CPA, CA
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Re: Re-exposure Draft – Canadian Amendments Related to Indigenous Matters in CSSA 5000, General Requirements for Sustainability Assurance Engagements

Thank you for the opportunity to provide feedback on the above Re-exposure Draft. I am responding on behalf of the Office of the Auditor General of Canada.

We are pleased to submit to the Auditing and Assurance Standards Board our response below to the specific questions posed in the Re-exposure Draft.

Yours sincerely,

Heather Miller, CPA, CMA
Assistant Auditor General

240 Sparks Street
Ottawa, Ontario K1A 0G6

Question 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.)

Yes, we support the proposed Canadian amendment to paragraph C111A and related application material. We have the following improvement suggestions for your consideration:

First, we suggest paragraph CA351D, which outlines example procedures a practitioner may perform when management has considered CTA 92. It does however not address situations where management has not considered these issues. To enhance the usefulness and completeness of the guidance, the standard could include additional application material that provides direction or illustrative examples for such circumstances. This would support practitioners in determining appropriate risk assessment procedures when management has not consulted Indigenous Peoples, or considered CTA 92, and would promote greater consistency and clarity across assurance engagements.

Second, as currently written, the requirement C111A has a narrow scope focus on CTA 92 for the corporate sector, however it does not reflect the broader responsibilities assigned to public sector entities across multiple CTAs. Public sector entities, such as governments and governmental organizations, may have responsibilities related to many of the CTAs and UNDRIP beyond CTA 92.

We also believe there is a disconnect between the requirement (that is, the mandatory requirement a practitioner must comply with) and the application material (that is, the guidance, explanation and examples to help the auditor understand and apply the requirements) in that C111A requires risk assessment procedures to be performed specifically with reference to CTA 92 however the accompanying application material in CA351D(c) appears to broaden the interpretation beyond this narrow scope.

In our view, it would be more appropriate for the requirement C111A to be framed broadly in respect to all CTAs, or even a step further to include inquiry of other Indigenous risks and opportunities known to the entity, thereby encompassing all entity types and industries, and the application material then provide sector-specific guidance. This would be an inverse of how the requirement and related application material is currently presented. For example, the corporate sector could be directed to CTA 92, while other sectors such as the public sector could be guided by the broader set of relevant CTAs and UNDRIP as applicable.

Alternatively, if C111A is not amended, we suggest the AASB consider the following options:

- Incorporate additional guidance into CA351D(c) to include clearer, sector-specific guidance for practitioners—particularly for public sector entities—on addressing indigenous related risks and opportunities, such as those arising from CTAs and UNDRIP. We believe providing this guidance would support consistent interpretation and application by practitioners across engagements. If this path is chosen, it may be beneficial to reorder the application paragraphs, placing this paragraph first to establish expectations before delving into guidance for procedure steps.
- Take an approach to provide sector specific non-authoritative guidance in the future, similar to that of Assurance Guideline (AuG) 50 – Conducting a Performance Audit in the Public Sector in Accordance with CSAE 3001, whereby the AASB provided guidance to practitioners conducting performance audits in the public sector when applying CSAE 3001 – Direct Engagements.

Question 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.)

Yes, we agree with use of the term "TRC's Call to Action 92".

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

We believe the amendment will create the following implementation opportunities and challenges:

#1 – Readiness of Entities to Respond to Practitioner Inquiries

It is common with the introduction of any new, complex assurance standard that entities may not initially be fully prepared to respond to practitioner inquiries. In the case of the amendments in this re-exposure draft, while entities are generally responsible for producing sustainability information in accordance with applicable frameworks—such as the Canadian Sustainability Disclosure Standard S1—these frameworks do not typically require management to consult with Indigenous Peoples or address obligations under CTA 92. Moreover, CTA 92 is not legally binding on the corporate sector. As a result, one potential implementation challenge is that management may lack the necessary awareness or readiness to respond effectively to practitioner inquiries related to these matters. However, we view this as a practical, but not insurmountable, challenge. In particular, public sector entities are likely to be positioned to respond, given their established understanding of the sectors in which they operate and their presumed awareness of obligations arising from CTAs and UNDRIP that apply to their specific contexts.

In question 1, we have suggested application paragraph C351D be expanded to offer additional application material containing guidance or illustrative examples on how practitioners might proceed in circumstances where management has not considered Indigenous rights or CTA 92. This could help standardize approaches across engagements and reduce uncertainty.

#2 – Imposition on Management

We do not view the proposed standard as having a direct imposition on management as the practitioner's assessment of risk would reflect management's assessment. For example, if a practitioner inquired management in accordance with CA351D(b) and determined their operational activities involve Indigenous Peoples and their lands and resources, but management's policies and procedures do not respond to CTA 92, this may cause the practitioner to conclude on a higher pervasive risk as noted in proposed paragraph CA428A, and thus would design and perform procedures responsive to that higher risk.

#3 - Implementation Burden on Firms

While above we have noted that we expect public sector entities to be well-prepared to respond to practitioners' inquiries, it is equally important to consider firms' capacity to fulfill their responsibilities under C111A. In our previous analysis of CSSA 5000, we highlighted that implementation of the complete standard will result in an overall implementation burden as it will require the development of appropriate methodologies and tools, as well as comprehensive staff training to ensure the necessary competencies are in place to conduct this new line of assurance work. Although we believe these steps are achievable, the addition of C111A will further increase the implementation burden on firms.

#4 – Applicability to Global Operations

As sustainability reporting covers global operations, the application of the amendment, which is jurisdictionally specific to Canada, could present a practical implementation challenge for practitioners. The current wording of the requirement, other than to make note in application paragraph CA46B that operational activities may involve Indigenous Peoples domestically and in other jurisdictions, does not distinguish between the practitioners' responsibility related to sustainability information within management's prepared report that is global versus Canadian in scope. For example, companies operating in the mining sector often have operations across multiple countries. In such cases it is not clear if CTA 92, which is specific to the Canadian context, would apply to sustainability information reported on operations outside of Canada, but contained within the same report. We believe there is ambiguity around the auditor's responsibilities in respect to C111A for operations outside Canada, and practitioners could therefore benefit from further application guidance to clarify their responsibilities.

Question 4

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

No, we do not have any other comments or questions on the proposed Canadian amendment that we believe the AASB should consider.

Question 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?

(a) Yes, we believe the proposed amendment is scalable to accommodate the engagement circumstances and when the entity operates inside or outside Indigenous contexts.

(b) Yes, other than suggestions we have provided to other questions, the examples and guidance provided in paragraphs CA351A to CA351E are sufficient to support practitioners in applying the requirements across diverse scenarios.

(c) No, other than suggestions we have provided to other questions, no additional application material or clarification is needed to ensure practitioners can appropriately tailor their work-effort based on the context and assessed risks.

pehta foundation

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July 12, 2025

Auditing and Assurance Standards Board (AASB)
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Subject: Response to Re-Exposure Draft – Canadian Amendments Related to Indigenous Matters (CSSA 5000)

Dear Ms. DeGiobbi,

1 | Purpose and Key Recommendations

Thank you for the opportunity to provide comments on the April 2025 Re-Exposure Draft of Canadian amendments to CSSA 5000 as they relate to Indigenous matters.

The Pehta Foundation welcomes and strongly supports the Board's decision to incorporate the Truth and Reconciliation Commission's Call to Action 92 (TRC 92) into the practitioner's risk-assessment responsibilities. Transforming a reconciliation principle into a tangible, auditable requirement represents a significant step toward rights-holder-centred sustainability assurance in Canada.

To help operationalize this important shift and avoid unnecessary implementation friction, we respectfully recommend the following refinements—all of which are editorial in nature and do not alter the normative content of the standard:

1. List the Pehta Indigenous Community Benefit Disclosure Standard in Appendix 3 and reference it in CA351C-D.

   Rationale: Pehta directly translates the clauses of TRC 92 and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) into measurable key performance indicators (KPIs) and assurance-ready data standards. Naming Pehta provides practitioners with an immediately usable, Indigenous-governed set of criteria—eliminating the need for ad hoc approaches and reducing compliance burdens.

2. Clarify in CA351D(b) that engagement teams addressing Indigenous rights should normally include an Indigenous assurance specialist.

   Rationale: Both practical experience and academic evidence confirm that the inclusion of an Indigenous professional enhances the quality of evidence, builds community trust, and reduces the likelihood of cultural missteps.

3. Insert a sentence following CA46B encouraging practitioners to corroborate Indigenous-related disclosures with rights-holders and to observe OCAP® and CARE data sovereignty principles (*OCAP® and CARE are First Nations data-sovereignty principles; trademarks of the First Nations Information Governance Centre.*).

   Rationale: In the absence of such guidance, assurance teams may rely exclusively on management representations, potentially weakening the credibility that CSSA 5000 aims to secure.

4. Include a non-authoritative statement in the Basis for Conclusions or implementation guidance suggesting a phase-in period: limited assurance by fiscal year-end 2027 and reasonable assurance by 2029.

   Rationale: A clearly defined glide path gives preparers and practitioners the necessary lead time to develop capacity and provides markets with early visibility into the growing materiality of Indigenous rights risk.

At-a-Glance Evolution of the Pehta Framework (see Annex A)

To assist the Board's review (and given that we are close to publicly releasing Pehta Framework v1.05), Annex A distils the substantive refinements made since Exposure Draft 1.02 and shows how Version 1.05 responds directly to the Indigenous amendments proposed for CSSA 5000. Key enhancements include:

- Separation of auditable "shall" requirements into a standalone *Normative Disclosure Standard*, with all non-authoritative guidance moved to an *Implementation & Guidance Manual*;

- Explicit rights-holder primacy, OCAP®/CARE data-sovereignty safeguards, and a clear grievance channel;

- A phased assurance timetable that escalates from internal verification through limited to reasonable assurance (2026 → 2029); and

- Formal cross-references to IFRS S1/S2, CSDS S1/S2, GRI 2024, CCIB PAIR, and other frameworks—preserving the "one dataset, many frameworks" efficiency.

Together, these updates provide preparers with a clear, auditable pathway while giving assurance practitioners the boundary rules, controls, and evidence traces needed to apply CSSA 5000 with confidence.

2 | Overall Support for the Draft Amendment

We are pleased to support the draft amendment in its current form, particularly the new risk-assessment requirement in C111A. This provision appropriately centers TRC 92 as the foundation for Indigenous-related assurance engagements, while avoiding prescriptive disclosure requirements better left to rights-holder-led preparer frameworks such as Pehta.

We also commend the Board's decision to anchor the standard in TRC 92 rather than UNDRIP alone. TRC 92 offers a Canadian-specific articulation of global Indigenous rights principles, bridging policy and corporate practice in a manner accessible to auditors and management teams alike.

3 | Alignment of the Pehta Framework with CSSA 5000

The Pehta Framework (v1.05), developed by First Nations through the Pehta Foundation, was designed to operationalize TRC 92's intent—making meaningful consultation, Free, Prior and Informed Consent (FPIC), equitable economic participation, and culturally appropriate training auditable.

Each of the Framework's nine disclosure topics contains:

- Nation-defined KPIs mapped to TRC 92 clauses and UNDRIP articles;
- Generalised Data Standards for Assurance Purposes, which define terms, specify allowable data sources, and prescribe required controls; and
- Governance protocols aligned with OCAP® and CARE, ensuring that Indigenous Nations retain control over data collection, lineage, and interpretation.

These features directly correspond with the suitability criteria in CSSA 5000—relevance, completeness, reliability, neutrality, and understandability—positioning Pehta as an Indigenous-governed, audit-ready framework suitable for immediate use in assurance engagements.

4 | Responses to the Board's Consultation Questions

Question 1 – Support for C111A:

It rightly embeds Indigenous-rights risk in the practitioner's risk assessment without prescribing a single disclosure template, respecting the diversity of Nation contexts.

At the same time, meaningful comparability will still be essential for capital-market users. The Pehta Indigenous Community Benefit Disclosure Standard (v 1.05) answers that need by offering a *uniform, Indigenous-governed set of criteria*—nine disclosure topics, each with standardised data definitions and OCAP®/CARE-aligned controls—while still allowing each Nation to validate outcomes that matter locally.

We therefore consider C111A and Pehta to be complementary: the paragraph establishes the obligation, and Pehta provides a ready-made, rights-holder-validated path for entities and practitioners to fulfil it consistently across industries.

Question 2 – Terminology:

We agree that anchoring the amendment in "TRC's Call to Action 92" is appropriate and preferable to citing UNDRIP alone.

TRC 92 distills UNDRIP's broad principles into concrete, company-facing obligations—consultation and FPIC, equitable employment and procurement, and culturally relevant training—that fit squarely within Canadian corporate practice and existing audit scopes.

Critically, TRC 92 also creates a direct bridge to standardised disclosure. Each clause is already operationalised as a measurable KPI inside the Pehta Indigenous Community Benefit Disclosure Standard (v 1.05), which supplies field-level data definitions, OCAP®/CARE-aligned controls, and an assurance-ready evidence chain.

By citing TRC 92, the amendment implicitly points practitioners toward Pehta as the most fully developed Indigenous-governed criteria set available today. We therefore recommend that the Board make that connection explicit—e.g., by listing Pehta in Appendix 3 and referencing it in CA351C-D—so auditors can move directly from the principle in C111A to a uniform, rights-holder-validated disclosure framework without reinventing criteria engagement by engagement.

Question 3 – Opportunities and Challenges:

Opportunities.

The amendment immediately allows entities to rationalise Indigenous-related data collection by adopting a single, rights-holder-governed framework—Pehta—rather than building ad-hoc spreadsheets for every engagement. Because Pehta's "Generalised Data Standards" already sit on top of information that lives in most ERPs (purchase orders, payroll, training logs), issuers can convert existing datasets into assurance-ready evidence with minimal re-tooling. Early adopters gain an additional benefit: demonstrably lower Indigenous-rights risk premiums in the capital markets, where investors are beginning to price FPIC disputes and procurement controversies. Finally, the Board's principle-based approach gives First Nations a seat at the table by letting them validate local outcomes without forcing a one-size-fits-all metric, thus strengthening social licence and audit credibility at the same time.

Challenges—and practical fixes.

The most acute constraint is human capital: few assurance teams today combine audit expertise with deep Indigenous-rights knowledge. We believe the Board can close this gap quickly by (i) signalling an expectation that at least one Indigenous assurance specialist join any engagement that covers Indigenous rights (CA351D(b)), and (ii) encouraging firms to use the Pehta cross-walk and procurement test plan as turnkey training tools. A second barrier is data sovereignty; without explicit guidance, well-meaning practitioners might rely solely on management representations, overlooking OCAP®/CARE requirements and eroding community trust. A single sentence after CA46B—advising corroboration with rights-holder representatives or Indigenous-governed mechanisms such as Pehta—solves the problem without re-exposure. Finally, preparers need time to build internal controls; publishing a glide path (limited assurance FY 2027, reasonable assurance FY 2029) will give them that runway while keeping the market on notice. Taken together, these low-friction fixes convert the amendment's promise into an implementable reality.

Question 4 – Other Comments:

Formal recognition of Pehta in Appendix 3 and CA351C would send a strong signal to capital markets and preparers that Indigenous-governed standards meet the suitability criteria envisioned by CSSA 5000.

Question 5 – Scalability and Guidance:

Pehta's built-in "Maturity Ladder" (Commit → Measure → Assure → Lead) aligns well with the scalability intent of CSSA 5000. Additional guidance is not strictly necessary, though a short, illustrative procurement test plan could accelerate implementation. We are pleased to offer a draft upon request.

5 | Proposed Editorial Enhancements

CSSA 5000 Location	Suggested Text	Intended Effect
CA351D(b)	“When an engagement includes Indigenous-rights matters, the engagement team should normally include at least one Indigenous assurance specialist.”	Enhances evidence quality and community trust.
After CA46B	“In gathering corroborating evidence for Indigenous-related disclosures, the practitioner may obtain validation from rights-holder representatives or rely on Indigenous-governed data stewardship mechanisms (e.g., the Pehta Framework), consistent with OCAP®/CARE principles.”	Embeds data sovereignty and rightsholder validation.
CA351C-D & Appendix 3	“Pehta Framework – Indigenous Community Benefit Disclosure Standard (v1.05 or later)”	Introduces a turnkey, Indigenous-led solution.
Basis for Conclusions (new)	“The Board expects practitioners to plan for limited assurance on Indigenous-rights disclosures for periods ending on or after 31 Dec 2027 and reasonable assurance by 31 Dec 2029.”	Provides clarity on the assurance trajectory.

6 | Implementation Considerations

Indigenous rights are already priced into the market: over 60% of TSX-listed companies operate on or near Indigenous lands, and leading investors increasingly monitor FPIC disputes as material risk factors.

By formally recognising Pehta and incorporating the above clarifications, the Board can provide the market with a coherent, nationally consistent pathway—one that is governed by Indigenous Nations, technically sound, and fully aligned with CSSA 5000.

The suggested phase-in schedule ensures that preparers have adequate time to adopt Pehta’s standards while giving firms the space to recruit and train Indigenous assurance specialists. Because Pehta’s own implementation trajectory mirrors this timeline, preparers can “build once, report many”—leveraging one dataset across Pehta, CSSA 5000, and complementary frameworks such as IFRS S1/S2 and GRI 2024.

Pehta’s design also anticipates the need for cross-framework efficiency. Its disclosure topics and controls are structured to satisfy not only CSSA 5000 requirements, but also align with CCIB PAIR, UN SDGs, GRI 2024, the federal 5% Indigenous procurement target, and IFRS S1/S2 frameworks. This interoperability allows preparers to rely on a single, auditable dataset to fulfill multiple reporting obligations—maximising efficiency and integrity across the assurance ecosystem.

7 | Why Procurement as a Starting Point?

Procurement offers the most efficient and reliable entry point for TRC 92 clause ii ("equitable access … and long-term sustainable benefits"). Most entities already track purchase-order and invoice data in their ERP systems, making it a low-friction but high-credibility source of assurance evidence.

Pehta Topics 7 and 8 structure this data into verifiable Indigenous-owned and community-affiliated categories, with embedded safeguards to mitigate "front" vendor risks. Importantly, procurement data can be validated without accessing sensitive personal-identity information, which is often required in employment metrics.

This focused entry point allows the Board to pilot CSSA 5000's Indigenous risk assessment requirements on a clean, high-integrity dataset—paving the way for future extensions into employment, community investment, and other economic indicators.

8 | Offer of Assistance

The Pehta Foundation stands ready to support the AASB by:

- Providing a TRC 92-to-Pehta crosswalk and a specimen engagement-letter appendix (enclosed);
- Drafting an illustrative procurement test plan, should the Board wish to include such a tool in implementation guidance; and
- Supporting outreach efforts to Indigenous organisations, preparers, and assurance firms to build readiness across the ecosystem.

9 | Broader Endorsement and Institutional Alignment

The Pehta Framework has received strong national-level endorsement. On 6 March 2025, the National Chief Cindy Woodhouse-Nepinak of the Assembly of First Nations submitted a letter to the Canadian Sustainability Standards Board (CSSB) formally requesting that the CSSB recognise and align with Pehta as the Indigenous Community Benefit Disclosure Standard. That letter was grounded in a resolution passed at the July 2024 AFN Annual General Assembly (AFN Resolution 56/2024), which affirmed the right of First Nations to govern how Indigenous impacts are defined, measured, and validated in Canada's sustainability reporting ecosystem.

This formal resolution and the accompanying correspondence demonstrate that Pehta is not only Indigenous-governed, but Indigenous-mandated. Its recognition within CSSA 5000 would directly support this resolution and give effect to a clearly expressed position of First Nations leadership across the country.

10 | Conclusion

The AASB's Re-Exposure Draft is an important and commendable step in advancing credible Indigenous rights assurance in Canada. By pairing that principle with explicit recognition of the Pehta Framework, the

Board can offer a ready-made, high-credibility pathway that advances TRC 92, reflects UNDRIP principles, and aligns with Canada's broader public-interest mandate.

We would welcome the opportunity to discuss this submission in more detail at your convenience.

Sincerely,

Aaron Lambie
Executive Director - Pehta Foundation

Cc:

National Chief Cindy Woodhouse-Nepinak - Assembly of First Nations
Chiefs Committee on Economic Development - Assembly of First Nations

Enclosures:

- Annex A - Pehta Framework Changelog – Key Enhancements from ED 1.02 (2024) to Version 1.05 (2025)
- Annex B - Specimen Engagement Letter Appendix
- Letter from National Chief Cindy Woodhouse-Nepinak to the CSSB, 6 March 2025
- Resolution 56/2024 - Assembly of First Nations 2024 Annual General Assembly

Annex A- Pehta Framework Changelog – Key Enhancements from ED 1.02 (2024) to Version 1.05 (2025)

#	Theme / Clause	What ED 1.02 said / lacked	What v 1.05 adds or changes	Rationale for the AASB (why it matters)
1	Document architecture	Single 150-page exposure draft mixing principles and "how-to" content	Split into two companion texts—Normative Disclosure Standard (auditable "shall" requirements) and Implementation & Guidance Manual (non-mandatory tools, templates, maturity ladder)	Mirrors the CSSA 5000 model of a core standard plus application guidance, making assurance scoping easier.
2	Guiding principles	High-level ethics narrative only	New clauses on *Rights-Holder Primacy, Indigenous Data Sovereignty (OCAP®/CARE), Universal Accountability*	Aligns Pehta language with AASB's Indigenous amendments (e.g., FPIC, OCAP) to support rights-based assurance.
3	Boundary & Scope (Clause 5)	No formal boundary rule; preparers improvised	Mandatory Unit- vs- Enterprise lens decision, Boundary_Tag field in every dataset	Gives auditors an explicit starting point for materiality and sampling—exactly what CSSA 5000 requires.
4	Governance & Accountability (Clause 7)	Governance implied but not prescriptive	Board-level Indigenous competency, Pehta Disclosure Officer (PDO), grievance channel, record-keeping duties	Converts principles into verifiable controls; supports AASB's call for "demonstrable Indigenous oversight."
5	Conformance & Verification	Assurance referenced abstractly	Four-phase timetable (2026-2029) with escalating assurance levels (Internal → Limited → Reasonable)	Provides the "on-ramp" AASB requested: lets entities phase in Topics while giving auditors clear yard-sticks.

6	Community Co-Assurance option	Not addressed	Rights-holders may appoint a joint auditor; reports are co-signed	Responds to AASB feedback on Indigenous participation in assurance engagements.
7	New Topic 9 – Custom Targets	Topics 1–8 only	Optional, FPIC-activated community-defined metrics with full data schema and audit rules	Shows how Pehta can host nation-specific indicators without losing comparability—“one dataset, many frameworks.”
8	Maturity Ladder & Road-Map	Not provided	Four-rung ladder + 12-step route-map, gap-checklist and quick wins	Gives preparers (and auditors) a turnkey implementation path, reducing readiness risk flagged by AASB.
9	Implementation tool-set	Narrative guidance only	AMDA® employment calculator, contribution valuation sheet, contract data clause, RBAC patterns	Converts “should” into repeatable procedures; auditors can trace numbers to standardised work-papers.
10	Alignment references	Generic ESG cross-walk	Formal normative cross-references to CSSA 5000/1400, IFRS S1/S2, CSDS S1/S2 and LBG framework	Demonstrates Pehta’s interoperability with the assurance ecosystem AASB is building.
11	Data-sovereignty safeguards	Mentioned only in passing	Rules for community-level traceability, flagging non-attributable data, and mandatory FPIC refresh	Addresses AASB concern that data collection respect Indigenous privacy and control.

Annex B - Specimen Engagement-Letter Language (CSSA 5000 context)

[CLIENT LETTERHEAD]
Sustainability Assurance Engagement Letter – Indigenous Community Benefit Disclosures

Date:

To: [Assurance Firm]

1. Objective and criteria
We engage you to provide [limited / reasonable] assurance on the Indigenous Community Benefit information presented in Sections X-Y of our 2025 Sustainability Report ("the Report"). The subject matter has been prepared in accordance with the *Pehta Framework – Indigenous Community Benefit Disclosure Standard, Version 1.05* ("Pehta"), which we deem to be suitable criteria for the purposes of Canadian Standard on Sustainability Assurance CSSA 5000.

2. Management's responsibilities
• Preparing the Report in conformity with Pehta disclosure topics 1-9 and the associated *Generalised Data Standards for Assurance Purposes*;
• Implementing internal controls to ensure completeness, accuracy and FPIC-compliant collection of Indigenous data;
• Providing you with access to all records, explanations and confirmations (including Indigenous Community Testimonials) necessary to complete your work.

3. Practitioner's responsibilities
• Conduct the engagement in accordance with CSSA 5000, including the Canadian amendment on Indigenous matters (TRC 92 / UNDRIP);
• Identify and assess risks of material misstatement related to the entity's response to TRC Call 92, with reference to Pehta criteria;
• Obtain sufficient appropriate evidence to express an [independent assurance conclusion / limited assurance statement].

4. Indigenous data sovereignty & confidentiality
You will respect OCAP®/CARE principles in handling community-specific data and will not disclose any community-attributed information outside the assurance report without prior written consent of the relevant rights-holders and will return or securely delete raw community-level data upon request.

5. Reporting
Your assurance report will include:
• Identification of Pehta v1.05 as the applicable criteria;
• A description of how the engagement addressed the risks related to TRC 92;
• Your conclusion/opinion.

Please acknowledge acceptance of this engagement by signing and returning the duplicate of this letter.

[Name], CFO / Sustainability Lead [Name], Engagement Partner
[Entity] [Assurance Firm]

March 6, 2025

Lisa French
Vice-President, Sustainability Standards
Canadian Sustainability Standards Board (CSSB)
277 Wellington Street West
Toronto, ON M5V 3H2

Subject: Advancing Indigenous-Focused Sustainability Disclosure Standards

Dear Ms. French,

On behalf of the Assembly of First Nations (AFN) I commend the CSSB's commitment to advancing reconciliation and integrating Indigenous rights and perspectives into sustainability disclosure standards, as outlined in your proposed 2025–2028 Strategic Plan.

In alignment with the CSSB's strategic priorities, particularly Priority B—Advancing the Inclusion of Indigenous Peoples in Sustainability Standard Setting, I wish to bring to your attention the Pehta Framework, developed by the Pehta Foundation. This framework is a foundational approach to addressing gaps in current sustainability disclosures by incorporating Indigenous-led metrics such as employment, procurement, and community benefits.

We look forward to further engaging with the CSSB and invite your team to collaborate with the AFN Chiefs Committee on Economic Development and the Pehta Foundation to explore opportunities for partnership and implementation. Thank you for your commitment to advancing reconciliation and for your efforts to enhance sustainability disclosure in Canada.

Megwetch,

CWoodhouse.

Cindy Woodhouse Nepinak
National Chief

CC: Chiefs Committee on Economic Development
Aaron Lambie, Executive Director, Pehta Foundation (aaron@pehta.org)

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ANNUAL GENERAL ASSEMBLY
July 9, 10, 11, 2024, Montreal, QC **Resolution no. 56/2024**

TITLE:	**Support for the Pehta Foundation and First Nations Involvement in the Pehta Framework**
SUBJECT:	Governance, Impact / Benefit Reporting
MOVED BY:	Chief Trevor John, Kehewin Cree Nation, AB
SECONDED BY:	Chief, Kelsey Jacko, Cold Lake First Nations, AB
DECISION	Approved by the AFN Executive Committee by consensus

WHEREAS:

A. The United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration) states:

- **i.** Article 3: Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.
- **ii.** Article 4: Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.
- **iii.** Article 19: States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them.

B. Industry and government report their claimed impacts and benefits on First Nations communities using metrics like employment, procurement, and community benefits. These metrics often fail to reflect the true context of industry and government relationships with our Nations and lack true utility to our Nations or the general public.

C. Disparate data collection and reporting methods by industry and government lead to a lack of comparability, confidence, and credibility.

D. The federal government has created reporting standards for companies with respect to greenhouse gas reporting and forced labour and for financial institutions under the Office of the Superintendent of Financial Institutions (OSFI) and related legislation.

Certified copy of a resolution adopted on the 9th day of August, 2024 in Ottawa, Ontario

CWoodhouse.

E. The provincial and territorial governments and their securities (Canadian Securities Administrators) and financial regulators have created reporting standards under securities and other financial legislation. The accounting, audit, and sustainability standard setters (Financial Reporting and Assurance Standards Canada/Chartered Professional Accountants Canada) have created reporting standards for accounting, audit, and sustainability.

F. First Nations are the authorities on what evidence of impact ought to be collected, how to collect and aggregate it, and what and how to report to achieve the desired outcomes our Nations expect.

G. The Pehta Foundation was established to create, govern, and steward the standards by which industry and government report to First Nations, ensuring metrics align with our Nations' desired outcomes. Metrics must resonate with our Nations first before they resonate with anyone else.

H. The Pehta Foundation is open to any First Nation in Canada, offering direct governance, insight, and input into the standards and disclosure topics we demand.

I. The Pehta Framework provides structure around commonly used metrics by industry and government, such as Indigenous employment, benefits and contributions, and procurement and offers additional practical requirements such as public commitments to our communities and honouring our voices in industry and government reporting.

THEREFORE BE IT RESOLVED that the First Nations-in-Assembly:

1. Direct the Assembly of First Nations (AFN) to work with the Pehta Foundation to share information on the Pehta Framework with First Nations, governments, and relevant stakeholders, and to provide First Nations with information about how to become signatories to the Pehta Foundation.

2. Direct the AFN to assist and advocate for funding for First Nations who choose to work with the Pehta Foundation in defining the standards and metrics to be included in the Pehta Framework.

3. Direct the Chiefs Committee on Economic Development to engage with the Pehta Foundation to consider the Pehta Framework and make recommendations to the First Nations-in-Assembly on the Pehta Foundation, as determined by the Chiefs Committee on Economic Development.

Certified copy of a resolution adopted on the 9th day of August, 2024 in Ottawa, Ontario

CWoodhouse.

CINDY WOODHOUSE NEPINAK, NATIONAL CHIEF

July 23, 2025

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

Dear Ms. DeGiobbi:

Re: 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*

We welcome and thank you for the opportunity to comment on the re-exposure draft on Canadian Amendments related to Indigenous Matters in CSSA 5000 (hereinafter referred to as Re-ED 5000). Our responses to the request for comments are included below.

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.)**

   While we agree with the sentiment behind paragraph C111A (Understand the Entity's Response to TRC's Call to Action 92 - 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), and concur that the TRC's Call to Action 92 (hereafter, TRC92) should be responded to by entities, there is no current legal requirement for an entity to respond, and no requirement for Canadian companies to use Canadian Sustainability Reporting Standards (or other established reporting frameworks).

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We fully support Indigenous matters being included in sustainability reporting frameworks and standards, as this would ensure consistency in sustainability reporting across other countries who have similar matters. This is important when considering multinational groups.

The onus to ensure that an entity responds to TRC92 appears somewhat disproportionately weighted on the assurance provider as opposed to the entity.

Further, as there are no legal requirements to use the Canadian Sustainability Assurance Standards (unlike financial statements which are required to use CAS by securities rules or Corporations acts), there is a risk that assurance providers may default to less onerous international standards from a cost vs benefit perspective.

To the extent that the sustainability information is not fit for purpose (inclusive oflndigenous matters), there are existing requirements in CSSA 5000 that cover the risk in this area (such as precondition assessment, the requirement to understand the entity and the environment, assessment of laws and regulations including non-compliance, risk assessment for non-suitable metrics, etc.).

Our view is that the requirements in the amendment could potentially be better served as educational guidance or application material within the above areas of CSSA 5000 and cover more holistic considerations rather than being issued as one discrete amendment.

In addition, the application material refers to the assurance provider obtaining an understanding directly from the entity (i.e. management and/or governance) itself. This does not appear to consider that many Indigenous nations in Canada are independent sovereign nations with their own autonomy, customs, traditions and viewpoints, and the approach to an engagement would differ between nations. As such, to approach an assessment of the adequacy of an entity's policies and procedures for engagement with Indigenous groups as something that can be uniformly applied (i.e. through engagement only with the entity itself) to all situations and circumstances may be incomplete. Applying a one size fits all policy approach with a single entity might potentially miss important differences in communities' perspectives.

It would be helpful for the amendment to include consideration as to what would be acceptable evidence demonstrating that an entity has appropriately engaged with Indigenous communities/stakeholders, particularly given many of the stakeholders may use verbal communications. Currently, the nature of appropriate evidence is not covered in the proposed amendment.

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.)**

We agree with the use of the term "TRC's Call to Action 92".

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

The key challenges we foresee the proposed amendment creating are twofold.

i) **Lack of clarity in certain terms and definitions.**

The proposed amendment states that a higher risk engagement might be where there is "assurance over metrics related to Indigenous rights...or...the entity operates inside of indigenous contexts...or operations involve indigenous peoples". The amendment, as it stands, lacks clarity as to these definitions and therefore could create inconsistencies across similar client engagements, particularly around the completeness of identified metrics subject to the risk assessment.

It is also unclear as to how the amendment should apply in other jurisdictions, which is referenced in the amendment. The TRC 92 is Canadian specific, but where an entity operates in multiple countries or territories, it is unclear how the risk assessment procedures performed by the practitioner should be tailored.

With respect to "Indigenous rights metrics", it is unclear what is truly considered to be an Indigenous rights metric. For example, should a GHG emission metric, or air quality metric be discussed with Indigenous communities if the entity operates in a province where indigenous communities reside? Or is this part of the amendment attempting to target more explicit metrics such as DEI metrics (e.g. % of management level staff represented by indigenous communities). This is currently unclear in the application material, and we would recommend that additional clarifying examples be added.

Taking Indigenous contexts into account, based on our feedback in question 1, given the vast number of Indigenous communities in Canada, many operating as sovereign nations, it is unclear how practically the amendment would consider all of these groups.

Further guidance material would help address some of the above challenges.

ii) Lack of clarity regarding the implications of an entity not having a response to TRC92.

In cases where an entity does not respond to TRC92 and has not sufficiently factored TRC92 into their criteria, policies and processes (given that there is currently no legal requirement for them to do so), it is unclear in the proposed amendments what the AASB anticipates the impact of this would be on assurance providers. For example, is it expected that an assurance provider does not accept an engagement if management cannot demonstrate how they respond to TRC 92 as part of their precondition assessment, or would an assurance provider be expected to issue qualified assurance opinions and conclusions? The proposed amendment and application material appear silent on this important matter, and we would encourage clarity to be added to the amendment.

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

Many clients report under their own internally developed criteria, but some may report in accordance with or with reference to internationally recognized criteria (such as GHG Protocol, GRI). Many clients might also:

- report under a recognized framework or standard (such as ESRS), where there is no reference to Indigenous Matters; or
- report under a recognized framework or standard with reference to Indigenous Matters (such as the SASB (ISSB) standards) which are used in a voluntary capacity (i.e. no mandatory assurance).

It is unclear if following the CSSA 5000 proposed amendment would be a departure from the criteria, frameworks or standards. In addition, does the AASB anticipate any issues if clients use internally developed criteria (particularly when considering Bill C-59 asks organizations to use internationally recognized methods)?

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?**

i) **Engagement circumstances**

We appreciate that part of the goal of the amendment is to support scalability in engagements and agree that scalability is clear in the amendment in some areas and respects. However, the requirement and application material, as it currently stands, is not entirely clear regarding the differentiation of the level of work between limited and reasonable assurance engagements in the same way that other elements of scalability are.

The amendment is not clear in respect of expected differences in the application of the material to an assurance engagement over select performance metrics versus a full sustainability statement (e.g. ISSB, CSRD). Paragraph CA351E attempts to cover this point, but as covered in response to question 3, the lack of clarity in what is meant by "unrelated to Indigenous rights" leaves some uncertainty around this scalability point.

ii) **When the entity operates inside or outside Indigenous contexts**

Refer to response to question 3.

(b) Are the examples and guidance provided in paragraphs CA351A to CA351E sufficient to support practitioners in applying the requirements across diverse scenarios?

Refer to question 3 above. The guidance in application material paragraphs CA351A to C351E gives some good examples to support practitioners (particularly in paragraph C351D), however some are less clear and therefore could result in application differences in practice.

For example, in paragraph 351C, this states that the depth of understanding may depend on engagement circumstances, such as whether the operations involve Indigenous Peoples and their land and resources. There are no examples given, but what is deemed to be an operation involving Indigenous Peoples their land and resources could be wide ranging. The scope of this is unclear and open to interpretation. Further examples in the application material would prove beneficial to the assurance provider.

For example, paragraph 351E states that where the scope of the assurance engagement is limited to discrete metrics unrelated to Indigenous rights, the practitioner's risk assessment procedures may be less in extent. *As* noted in response to question 3, what is deemed to be a metric related or not related to Indigenous rights is somewhat unclear in the amendment and open to interpretation and therefore potential inconsistency in application.

(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?

Refer to responses and examples in the questions above.

If you have any questions about any part of this response, we would be happy to explore this further with you by reaching out to Sophie Gaudreault, at sophie.gaudreault@pwc.com or Alex Young, at alex.young@pwc.com.

Yours truly,

PricewaterhouseCoopers LLP

Chartered Professional Accountants

CHARTERED PROFESSIONAL ACCOUNTANTS

July 18, 2025

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

sent via email

Re: Re-exposure Draft, Canadian Amendments related to Indigenous Matters in the Canadian Standard on Sustainability Assurance (CSSA) 5000, *General Requirements for Sustainability Assurance Engagements*

On behalf of the Standards and Ethics Consultation Group (Working Group) of CPA Manitoba, CPA New Brunswick, CPA Newfoundland and Labrador, CPA Nova Scotia, and CPA Saskatchewan, we appreciate the opportunity to provide feedback on the Auditing and Assurance Standards Board (AASB)'s re-exposure draft on Canadian Amendments related to Indigenous Matters in the Canadian Standard on Sustainability Assurance (CSSA) 5000, *General Requirements for Sustainability Assurance Engagements*.

EXPOSURE DRAFT RESPONSE

There were two Working Group participants who participated in this project.

The first participant provided the following comments:

- The request for feedback for CSSA 5000 seems to be based on the Truth and Reconciliation Commission report that was accepted by the Government of Canada and contains 94 Calls to Action. That being the case, it would be helpful to have that report to identify which Calls to Action would be affected by something that our members would be involved with.
    - Perhaps standard setters could advise how to get access to this report and the 94 Call to Action or indicate specifically which ones of these are being addressed by this re-exposure draft.
- The member's initial read of the re-exposure draft seems to indicate guidance similar to what would be used for any client requiring services from a CPA. In very simple terms, this member would ask: "What's different with these clients that requires different standards for the preparation of financial statements and reports on financial statements?"

The second participant provided the following comments:

- Question 1 – Broad agreement with paragraph C111A; however, there is a strong reliance on having a qualified practitioner with experience in the area, as some of the guidance is open to interpretation, which could lead to inconsistency with risk assessments.
    - Examples CA351B and C – providing some parameters or definitions as to how to validate 'meaningful conversation' or 'informed consent' would be helpful to practitioners in this space.
- Question 2 – No concerns

- Question 3 – Consider establishing more detailed instructions and training such that the policy is applied or operationalized in a consistent manner across practitioners.
    - Consider required training or certification to be a practitioner in this specialized area.
- Question 4 – No other comments
- Question 5 – Additional considerations regarding scalability:
    - A378 a) – go one step further to require segregation of duties between preparer and reviewer.
    - A378 c) – consider mentioning use of End User Computing (EUCs) or data models.

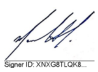
CONTACT INFORMATION

This specific Exposure Draft response has been submitted with contributions from the following individuals:

- Ross Harwood, FCPA
- Dale McErlean, CPA, CMA

If you require any clarification regarding this response, please contact the Working Group leader, Marilyn Flaman, CPA at rules@cpask.ca.

Regards,



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Edmonton, Alberta

July 18, 2025

Karen DeGiobbi, CPA, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
Toronto, Ontario

Dear AASB,

Our response to the AASB's Re-Exposure Draft – Canadian Amendments Related to Indigenous Matters in CSSA 5000, General Requirements for Sustainability Assurance Engagements is below.

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

   We support the amendment for the following reasons:
   - The amendment is principle based;
   - The amendment is in the public interest in Canada as a response to Canadian historical and current context;
   - The amendment is consistent with society's expectations of what a standard setter should do in context of sustainability assurance and also what practitioners should be considering in the context of sustainability assurance engagements; and
   - The amendment is applicable to potentially thousands of entities in the corporate sector and able to be applied in the public sector.

   The amendment is an important achievement for AASB and the assurance profession and demonstrates AASB's commitment to the public interest.

   We support that the amendment is a requirement versus only application material. Requirements in standards reflect principles and this requirement reflects an important principle. In our view an amendment solely to application material would not be in the public interest.

We support the application material. It is clear, direct and applicable. We agree with application material CA351C that clarifies the requirement applies to both domestic and operations in other jurisdictions: this has the effect of incorporating impacts on Indigenous communities within the area of Canada that are sovereign, and also is consistent with Truth and Reconciliation Commission's Call to Action 92 (TRC 92's) inclusion of UNDRIP. We note that the concept of "Indigenous intensive industry" is a new term, not in the TRC; we understand that as application material it may aid application of the requirement.

We believe the AASB should issue the standard, including the amendment, as drafted.

2. *Do you agree with the use of the term "TRC's Call to Action 92"? If no, what do you suggest and why?*

   We agree with the use of the term "TRC's Call to Action 92" and the re-exposure draft's reasons for using TRC rather than UNDRIP, and for referring to Call to Action 92 instead of other TRC's. The reference is understandable, clear and appropriate, and reflects what will be the widest application of the Calls to Action – the corporate sector – in terms of number of entities and therefore the number of sustainability assurance engagements that will be improved by the requirement (see Appendix B).

   We note that drawing from TRC 92, rather than UNDRIP, or only "meaningful consultation" as was in the initial exposure draft, achieves a balance between the very broad UNDRIP and the narrow "meaningful consultation." This amendment is therefore an appropriate basis for a principle based standard.

   TRC 92 calls for application of principles of UNDRIP and refers to meaningful consultation, building respectful relationships and prior and informed consent. In contrast, if an entity has no knowledge of TRC 92 and operates in an Indigenous intensive industry, we agree the practitioner likely should assess an increased pervasive risk of misstatements.

   We note that moving the requirement to risk assessment rather than pre-conditions as in the initial potential amendment is an improvement. This makes it clearer that the amendment is about the practitioner's risk assessment, and alleviates concerns raised in comment letters to the initial exposure draft that the assurance standard was perhaps being commingled with a reporting standard. The requirement is now aligned with and enhances many other 5000 requirements, such as understanding how management has created and maintained a culture of honest and ethical behavior, or having a risk assessment process. It appears based on comment letters to the initial exposure draft respondents do not think these existing requirements of 5000 translate into the entity having to report on these, even though they could be considered reasonable governance matters, perhaps because they are in the "Risk assessment procedures" section of the standard, where the amendment is now.

We note that, reviewing comment letters received to the initial exposure draft, it appears the revised amendment is inclusive of specific comments raised by the First Nations Financial Management Board (FNFMB) in its response letter to the initial exposure draft. This is an important recognition by AASB of the importance of Indigenous input into the standards.

We agree with the approach of a straightforward and specific requirement (as is proposed), with application material in paragraphs A46A and CA351D(c) that refines application of that requirement to other entities. In our view, this does not diminish the importance of the other calls to action, but reflects the status of sustainability reporting in the public sector. AASB's approach is sufficient for the public sector at this time, and is consistent with other AASB standards where the application material adapts the requirement for the public sector, or even suggests that public sector practitioners may have additional responsibilities. There are examples of this elsewhere in 5000 itself e.g. paragraph A64 says to "adapt their approach to promote compliance with paragraph 34", and in other assurance standards e.g. CAS 315.A26 explains public sector auditors may have additional responsibilities with regard to internal control and compliance with appliable laws and regulations.

We include some options in Appendix A of this letter that AASB could consider to refine the amendment for entities not in the corporate sector. If AASB adjusts the proposed amendment because it wants to make 5000 more fit for the public sector, we caution that the issue is far beyond only this amendment, as many sections of 5000 itself need to be changed to make 5000 more fit for the public sector. We note these in Appendix C.

We suggest the best approach for AASB is to promptly issue 5000 with the Indigenous amendment as proposed, and perhaps provide non-authoritative guidance for public sector and other entity engagements. AASB should monitor IPSASB and Canadian public sector sustainability reporting developments, and undertake a separate Canadian project to update all 5000 requirements for public sector, addressing the matters we note in Appendix C.

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

In our view, there are no implementation challenges that are significant enough to obviate the need for the amendment as a requirement. Implementation challenges can be overcome with education, non-authoritative guidance, and willingness of all parties involved to recognize the importance of Indigenous issues and concerns.

We note that an implementation opportunity is that this amendment will enable all those that support Indigenous concerns to act in accordance with that support. We also encourage the AASB to make public all the comment letters it receives; given the importance and nature of this amendment, it is critical that all Canadians understand the views expressed by individuals or organizations that provided input or criticism into this amendment. We also encourage the AASB to stream public observation of their meeting where approval of the amendment is discussed, and extend invitations to Indigenous peoples for that meeting, in the spirit of cooperation and reconciliation.

We note that CA46B mostly aligns with the wording used in TRC 92 as reproduced on page 4 of the re-exposure draft. However, it has some differences, such as including the reference to domestic and foreign jurisdictions which is not in TRC 92's wording, and omitting the last sentence of the last bullet of TRC 92 which refers to education of corporate management and staff on intercultural competency, conflict resolution, human rights and anti-racism. To avoid confusion with having two "versions" of TRC 92, we suggest AASB reproduce in CA46B the full text of TRC 92 as per the TRC. A separate application paragraph can explain that if the scope of the sustainability information includes foreign operations, this requirement also applies. We also suggest that paragraph CA351D also be aligned with TRC wording, specifically the third bullet of CA 351D(d).

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

We believe the amendment is in the public interest. We believe as part of an assurance standard it will improve assurance quality across all engagements, regardless of reporting framework.

We encourage AASB to consider the negative consequences of not making the amendment. Negative consequences may include:

- Audit failures: issuing an unqualified assurance report when sustainability information omits or contains misleading disclosures, reducing public confidence in the profession's ability to audit sustainability information
- Incorrect decisions by users based on undetected misstatements in impacts, risks and other sustainability information, leading to lawsuits against practitioners
- Harm to Indigenous Peoples or others
- Public perception that the profession and its institutions do not meaningfully recognize importance of Indigenous Peoples in the Canadian context and do not themselves embrace the intent of TRC 92 itself, if it applied to them

- Public perception that the profession and its institutions are not responding promptly to the spirit of the IRCSS's recognition that Indigenous peoples may be affected by ESG factors, by not taking concrete actions such as adding requirements to standards.

5. *Scalability of the proposed amendment:*
   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 CA 351A 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?*

We believe the amendment is scalable. The proposed application material is well done with sufficient guidance. Diverse scenarios have been handled, including such issues as whether the guidance applies to operations within or outside Canada, "Indigenous intensive" industries, etc.

We suggest AASB consider adding application material or include in non-authoritative guidance examples of the practitioner's response when the practitioner determines the entity has not considered TRC call to action 92. The graphic in the re-exposure draft suggests that the "dial" for pervasive risk would increase to higher pervasive risk, but the "dial" is not in 5000 itself. Additional guidance could help guide how to "scale up" the practitioner's response.

We believe that as part of an overall sustainability assurance engagement, with the application material provided, meeting the proposed requirement would not be excessive, and certainly not onerous. We also note that contrasting or privileging assurance efficiency with the public interest importance of the amendment is not in the public interest.

We note that there are several pages of amendments, perhaps unusual for Canadian amendments, which could make it appear as the proposals are too "long." However, when considered in context, among the hundreds of paragraphs of application material, it is apparent that the proposals are not too lengthy. We note that when embedded into 5000, the 10 application material paragraphs will be spread among the 602 application paragraphs already in 5000, so AASB may consider whether further cross-referencing among the application material will be helpful, or include Appendix 2 of the re-exposure draft in the standard.

We note that the AASB, as a standard-setter of principles-based standards, does not need to anticipate every circumstance that may occur and include guidance relevant to all those situations.

We also note that as practitioners become more familiar with 5000 itself, that scalability and implementation challenges will resolve.

In our view, the requirement appropriately applies equally in both limited and reasonable assurance engagements.

Overall, we note that the re-exposure draft explains that Indigenous perspectives have been included in the revised amendment. In our view, these carry considerable weight. AASB should consider the further comments received and in particular ensure that is has adequately consulted with Indigenous peoples and communities as it finalizes the amendment.

Sincerely,

Wayne Morgan

Colin Semotiuk

Appendix A - Options for Public Sector Considerations

AASB's CSSA 5000 (5000) Indigenous amendment as worded is an appropriate requirement for the corporate sector and with application material can be applied, as is, for the public sector. We present some other alternatives below for future consideration by AASB.

We encourage AASB to gather data on public sector sustainability engagements. While public sector auditors perform CSSA 3001 assurance engagements on various sustainability matters, the number of public sector attest sustainability engagements may be low relative to those in the corporate sector (see Appendix B). Given the public interest impact AASB will achieve with the amendment, as proposed, on corporate sector sustainability engagements, delaying the release of this amendment would not be prudent.

In our view, 5000 with the Indigenous amendment as proposed, is in the public interest and appropriate for the corporate sector sustainability engagements. The potential improvements noted below are secondary considerations. We highlight that as is, 5000 with the Indigenous amendment as proposed can be used for existing public sector engagements.

Removing "92" from the requirement or changing the wording to "…obtain an understanding of the entity's response to relevant TRC calls to action" would make it applicable to all entities. A disadvantage is this may imply each of the 94 calls to action need to be evaluated by the practitioner for their risk of material misstatement relevance to the entity. Alternatively, AASB could consider precedents in assurance standards where there are requirements for particular entities (such as listed entities) and generic requirements for everyone else (we also note the same differential requirement is in 5000.191 for name of the engagement leader). This is option B below.

Option A [very general, but makes it unclear for many entities which TRC to apply, although something like Appendix B could be provided in non-authoritative guidance**]**

> C111A: The practitioner shall obtain an understanding of the entity's response to TRC's calls to action, in the context of the entity's sustainability information.
>
> Application material: For paragraph C111A, the entity's response may be based on whether the TRC recommendation is directed to the entity or its sector. For example, TRC 92 is directed to the corporate sector.

Option B [specific for corporate sector, general for everyone else; consistent with many precedents in assurance standards such as listed entity differential requirements; per Appendix B based on thousands of corporate entities impacted but only limited number of other entities**]**

C111A: The practitioner shall obtain an understanding of the entity's response to TRC's calls to action, in the context of the entity's sustainability information, as follows:

(i) For an entity in the corporate sector, the entity's response to TRC call to action 92;

(ii) For all other entities, the entity's response to the TRC call(s) to action applicable to the entity.

Option C [specific to every entity so straightforward to follow, similar to CAS 701.C6 regarding Key Audit Matters; but may be too specific and is further away from principle-based requirement**]**

C111A. The practitioner shall obtain an understanding of the entity's response to TRC's calls to action, in the context of the entity's sustainability information, as follows [note: the list below is illustrative only; see Appendix B for what the full list might include]:

(i) For an entity in the corporate sector, the entity's response to TRC call to action 92;

(ii) For the federal government, the entity's response to TRC calls to action 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 23, 25, 26, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 47, 50, 51, 52, 53, 54, 55, 57, 62, 64, 65, 66, 67, 68, 70, 72, 73, 74, 75, 78, 79, 80, 81, 84, 87, 88, 89, 90, 93, 94;

(iii) For a provincial or territorial or municipal government, calls to action 1, 3, 5, 12, 17, 18, 22, 23, 26, 30, 31, 33, 34, 36, 38, 40, 42, 43, 47, 52, 55, 57, 62, 64, 82, 87, 88;

(iv) For the Federation of Law Societies and law schools, TRC calls to action 27 and 28;

(v) For Library and Archives Canada, TRC calls to action 69 and 77;

(vi) For the Canadian Council for the Arts, TRC call to action 83;

(vii) [etc. See Appendix B….]

Appendix B - Analysis of TRC Calls to Action

Below is an analysis of TRC Calls to Action, by who each call is directed towards, number of calls, and number of organizations by type. We agree with AASB that TRC 92 is the appropriate basis for the amendment. The table below may assist AASB in evaluating alternatives in Appendix A, if in the future they adapt 5000 for the public sector.

We note the Federal government has the most calls directed towards it, but TRC Call to Action 92 has the majority of organizations affected (thousands). The amendment's reference to TRC Call to Action 92 is relevant for the most number of entities in Canada, and therefore may be a suitable basis for the amendment. This does not mean the other TRC calls are less important, but reflects the wider applicability of TRC 92, and is also consistent with the IRCSS consultation paper highlighting TRC 92. We are unable to determine how many companies there may be whose operations involve Indigenous Peoples and their lands and resources, or are in the "Indigenous-intensive" industries in CA351C, but it is likely at least thousands. Therefore, AASB's amendment as proposed will improve sustainability assurance quality on many engagements and has wide applicability.

Who call to actions is directed towards	**Call #**	**# Calls**	**# organizations of this type in Canada (estimates per google)**
All levels of government [including in collaboration with others]	3, 17, 23, 40, 55, 64, 87, 88	8	Federal plus 10 provincial and 3 territorial About 4,500 municipal, but only 6 large ones (> 1 million people)
Parliament of Canada, in consultation and collaboration with Aboriginal Peoples	53	1	1; plus Aboriginal Peoples
Federal/Government of Canada, provincial, territorial and Aboriginal	1, 5, 12, 18, 38	5	14 plus Aboriginal governments
Federal/Government of Canada, provincial, and territorial	26, 30, 31, 33, 34, 36, 42, 62	8	14 (Federal plus 10 provincial and 3 territorial)
Federal/Government of Canada, provincial, territorial and municipal	43, 47, 57	3	14 + 4,500 municipal, but only 6 large ones (> 1 million people)

Federal/Government of Canada, provincial, territorial and the courts	52	1	14 governments; about 50 courts
Federal government, in collaboration with [another organization] or in consultation with [another organization] or working with	2, 19, 41, 45, 50, 65, 68, 73, 74, 75 79, 80, 81, 93	14	Several
Federal or “Government of Canada”	4, 6, 7, 8, 9, 10, 11, 13, 14, 15, 20, 21, 25, 29, 32, 35, 37, 39, 44, 51, 54, 66, 67, 70, 72, 78, 84, 89, 90, 94	30	1
Prime Minister of Canada	56	1	1
Provincial and territorial governments	82	1	13
Council of Ministers of Education	63	1	1
Library and Archives Canada; provincial, territorial, municipal and community archives	69, 77	2	1 plus individual archives
Chief coroners	71	1	13
Parties engaged in work regarding residential school cemeteries	76	1	Unknown
Canada Council for the Arts	83	1	1
Aboriginal Peoples Television Network	85	1	1
Post secondary institutions, Canadian journalism programs and medical schools, medical and nursing schools	16, 86, 24	3	About 450
Federation of Law Societies, law schools	27, 28	2	24
Health care system	22	1	13
Officials and host countries of sporting events	91	1	Several
Corporate sector	92	1	1 million small, 17000 medium, 4000 large; about 3500 listed
The Pope/ Church/ faith organizations / Parties to Residential Schools Settlement	46, 48, 49, 58, 59, 60, 61	7	1 Pope; 4 organizations
Total		94	

Appendix C - Public Sector Changes to CSSA 5000 (5000)

This appendix describes recommended changes to 5000 to make it more appropriate for the public sector in Canada, if at a later date AASB decided to undertake such a project.

We note there is no public sector sustainability reporting standard setter in Canada. It is unclear if it will be PSAB, CSSB, or even a separate standard setter. It is unclear if such a standard setter would adopt IPSASB's sustainability standards currently under development, but we note these include reporting government sustainability policy, reflecting the public sector's unique role in sustainability as policy maker and regulator. This unique role leads to unique challenges in applying 5000.

We understand that the re-exposure draft has a limited scope – the Indigenous amendment – and it is not a re-exposure of 5000. However, in our view if the AASB is going to make a change to the proposed amendment specifically for the public sector, it should make all the improvements to make CSSA 5000 a better fit for use in the public sector. These should be done as a separate project with separate timelines, and should not delay prompt approval of and issuance of 5000 with the amendment as proposed for the corporate sector. Given Canada's resource-intensive economy, importance of the public sector in Canada, and impact of sustainability matters, further Canadian amendments to 5000 (or a separate standard or guideline) are in the public interest, as public sector sustainability reporting standards come into place in Canada.

In our view. a separate public sector sustainability assurance standard (such as something like AuG-50 or 5001) would also have its own tailored TRC amendment.

Improvements to 5000 for public sector sustainability assurance engagements:

- Public sector auditors may be prevented by legislative mandates or convention to comment on policy. 5000 requirements on preconditions may need to be changed to clarify how the engagement could proceed in this circumstance if policy is included in the sustainability information.
- Materiality process. 5000.76 requires consideration of whether the entity has a process to identify sustainability information to be reported. In the context of the public sector where policy is part of the sustainability information, guidance may be needed regarding whether the practitioner would consider the legislative process itself as a materiality process. It may be within scope of the assurance engagement that a public sector auditor would need to understand the development of policy, including determination of priorities, as a "materiality" process, but this is usually considered part of the legislative branch of government, while public sector auditors typically focus on the executive branch, and may be outside the mandate and scope of a public sector auditor.
- In a public sector sustainability assurance engagement, it may be unclear how paragraph 112 should be applied. It is probably not sufficient to use only inquiry to understand non-compliance with laws and regulation, in a public sector context, and especially when the

subject matter of the engagement may include policy, as implemented in laws or regulation. Paragraph 112 would likely need to say "… shall make inquiries and perform other procedures…" or paragraph 130 expanded.

- Regarding internal control, information and communication relevant to the preparation of sustainability information, and risk assessment requirements (paragraphs 113, 114, 115, 116), if public sector sustainability reporting includes policy, application of these paragraphs is unclear. To meet these requirements, a public sector auditor may need to understand how policy itself is formed, which is usually beyond the scope of public sector auditors' mandates. The issue could be similar to budgets included in public sector financial statements, where the auditor agrees the information to the passed budget documents, but is not "auditing" the budget information itself. Under 5000, if sustainability policy is part of the scope of the engagement, can the practitioner simply agree the policy sections being assured to the very document they exist in? What additional work would be needed, and what if it is beyond the mandate of the public sector auditor, or what if the specific internal control and information and communication relevant to preparation of the sustainability policy is subject to Cabinet confidentiality? Would the preconditions 85 (c)(v) be met? Could they be met by the executive branch on behalf of information in the legislative branch? These are all unclear.
- Additional guidance on application of reporting boundaries concept may be needed. Public sector entities may be directly or indirectly impacted by wider agreements – such as climate accords – so these international agreements potentially could become "reliance on another practitioner" situations with respect auditing risks, opportunities, feasibility, etc. In effect, the auditor of a municipal entity could have to rely on a provincial government auditor, who may be relying on a federal government auditor, who then relies on an international auditor, for particular agreements. The issue of relying on another practitioner is already in 5000, but given it may be much more complicated in the public sector, additional guidance could be useful. We also note that if Scope 3 emissions include upstream emissions from many participants in the economy (such as Scope 3 emissions associated with all tax revenue or royalties), additional guidance on what work, if any, would be needed with respect to other practitioners in the value chain would be useful.
- The requirements with respect to estimates and future oriented information are likely insufficient or inapplicable for public sector sustainability assurance, particular assurance on policy included in a public sector entity's sustainability reporting. It is not clear how a public sector auditor would test how the information was developed (what are "methods" of policy development? Should practitioners consider elections, or other legislative processes?), or what a "point estimate" of a policy is, and obtaining evidence up to the date of the report is likely not possible for long-range policy. Additional application material would be needed, or perhaps changes to requirements.
- It is unclear what misstatements would be with respect to policy. Policy probably is considered "forward looking information." Paragraph A453R provides guidance that the practitioner may consider the forward-looking information "unrealistic." If a public sector

auditor considers sustainability policy unrealistic, and is a material misstatement, it seems they are commenting directly on policy, which is usually beyond the mandate of a public sector auditor. Additional application material would be needed, or perhaps changes to requirements.

- In general, 5000's concept of internal control is based on internal control relevant to preparation of the sustainability information, not internal control with respect to reducing sustainability impacts or achieving/mitigating sustainability opportunities/risks. For public sector engagements, public sector auditors may require an attest standard that places more emphasis on effectiveness of internal control with respect to sustainability impacts or achieving/mitigating sustainability opportunities/risks. 5000.A475 may need a "public sector consideration" because legislators and the public may have increased expectations that the scope of the engagement includes whether description of processes and systems or controls fairly present their design, operation or effectiveness. As well, public sector auditors' mandates may specifically require reporting of weaknesses observed in such systems, so 5000.A491 may need amendment.
- It would be useful to clarify relationships between performance auditing of government programs under 3001 and sustainability assurance engagements. Public sector auditors may undertake performance audits of program economy, efficiency or effectiveness. These programs may be part of the subject matter of sustainability reporting. Guidance to clarify what the public sector auditor should do when they have already performed or are performing performance audits under 3001 would be useful.
- We note that IPSASB has unfortunately, to date, followed ISSB's limited focus on climate change rather than GRI's multi-topic approach. Climate change is intrinsically related to many other sustainability topics, including biodiversity, energy, water, pollution, and social and governance issues as well. This is a problem for corporate sector focusing on only emissions as well, but for public sector sustainability reporting the problem is more complicated because public sector entities' remit with respect to policy making is very wide i.e. economy and society. As other sustainability topics are also eventually included in IPSASB or its local Canadian equivalent's public sector sustainability reporting standards, additional guidance may be necessary in these areas.

We note in particular for the Indigenous amendment and potential public sector sustainability reporting including policy in its scope that several other TRC recommendations may include policy. For example, call to actions 4, 10, and 53 call for enactment of legislation; call 6 is for repealing particular legislation. This overlap does not exist for the private sector, because the private sector does not enact or repeal legislation. AASB may have to address the concerns noted above with respect to policy, because existing or potential legislation (policy) may be more in the scope of the engagement.