

Non-authoritative Guidance on Applying CSAE 3000 to Sustainability and Other Extended External Reporting Assurance Engagements

August 2021

This non-authoritative guidance has been prepared by the Auditing and Assurance Standards Board (AASB). To support accessibility by practitioners, the guidance has been published in the CPA Canada Standards and Guidance Collection, however, it does not form part of the CPA Canada Handbook – Assurance. Practitioners are expected to use professional judgment in determining whether to apply the material in this guidance in the circumstances of their assurance engagements.

Introduction

Extended External Reporting (EER) includes information about the financial and non-financial consequences of an entity's activities. It can be historical or future-oriented, and may be about the consequences of an entity's activities for:

- the entity's own resources and relationships;
- the wider well-being of the economy, environment or society; or
- both.

It may also go beyond information related to the entity's own activities.

EER encapsulates many different forms of reporting, including, but not limited to:

- sustainability or environmental, social and governance (ESG) reporting or corporate social responsibility;
- integrated reporting; and
- greenhouse gas statements.

To support EER assurance engagements, the International Auditing and Assurance Standards Board (IAASB) published its *Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting Assurance Engagements* (EER Guidance) in April 2021. The EER Guidance responds to key challenges commonly encountered on EER assurance engagements.

The IAASB's aim of the EER Guidance is to promote consistent, high-quality application of assurance standards in EER assurance engagements to:

- strengthen the influence of such engagements on the quality of EER;
- enhance trust in the resulting assurance reports; and
- increase the credibility of extended external reports so that they can be trusted and relied upon by their intended users.¹

The EER Guidance does not establish requirements for an entity's EER. However, preparers of EER, and others such as users or regulators, may find the EER Guidance useful.

The AASB was involved in monitoring and provided input as the IAASB developed the EER Guidance. The AASB's work has been supported by its EER Assurance Advisory Group, which includes individuals who prepare, assure and use extended external reports.

The AASB decided to use the IAASB's EER Guidance to support Canadian practitioners applying [Canadian Standard on Assurance Engagements \(CSAE\) 3000](#)² to EER assurance engagements. In doing so, the AASB has not changed the EER Guidance.

The EER Guidance refers to assisting practitioners in performing EER assurance engagements in accordance with ISAE 3000. The AASB adopted ISAE 3000 (Revised) for use in Canada as [CSAE 3000](#) with some amendments, including the development of [CSAE 3001](#)³ as a separate standard for direct engagements. This document explains differences between ISAE 3000 and CSAE 3000 to support Canadian practitioners using the EER Guidance.

When to use the EER Guidance

The table below lists some example types of reporting (and available reporting frameworks) where the EER Guidance may be useful when performing engagements under [CSAE 3000/3001](#).⁴

Subject	Example of available reporting frameworks or standards
Greenhouse gas emissions 5	<ul style="list-style-type: none"> • World Business Council for Sustainable Development • World Resources Institute's Greenhouse Gas Protocol
Integrated reporting	<ul style="list-style-type: none"> • International Integrated Reporting Framework
Intellectual capital	<ul style="list-style-type: none"> • World Intellectual Capital Initiative's Intangibles Reporting Framework
Sustainability or ESG reporting	<ul style="list-style-type: none"> • Climate Disclosure Standards Board Framework • Global Sustainability Standards Board Global Reporting Initiative Standards • Sustainability Accounting Standards Board Standards • Task Force on Climate-related Financial Disclosures Framework
Industry-specific sustainability reporting	<ul style="list-style-type: none"> • World Gold Council Principles • United Nations Principles for Responsible Investment • International Finance Corporation's Operating Principles for Impact Management
Public sector performance reporting	<ul style="list-style-type: none"> • Public Sector Accounting Board's Statements of Recommended Practices • Entity-defined performance measures
Country-by-country taxes	<ul style="list-style-type: none"> • Global Reporting Initiative 207: Tax 2019
Compliance 6	<ul style="list-style-type: none"> • Law or regulation • Contractual terms

In addition to the EER Guidance, to further support Canadian practitioners undertaking EER assurance engagements, the AASB will continue to consider the need for additional supporting resources and reference content. Readers can access this content as it is developed through the AASB's EER Project Page.

Understanding the Differences between ISAE 3000 (Revised) and CSAE 3000

Canadian practitioners should read the EER Guidance in the context of the differences between [CSAE 3000](#) and ISAE 3000 (Revised). These differences, set out in [Appendix 2](#) of the *Preface* to the CPA Canada Handbook – Assurance, appear below.

Separate Canadian standards for direct engagements 7

Assurance engagements can include both:

- **attestation engagements**, where a party other than the practitioner measures or evaluates the underlying subject matter against the criteria; and
- **direct engagements**, where the practitioner measures or evaluates the underlying subject matter against the criteria.

ISAE 3000 can be used for both types of assurance engagements.

Amendment

In Canada, a separate standard, [CSAE 3001](#), is used for direct engagements. [CSAE 3000](#) has amendments to wording in ISAE 3000 to clearly reflect that CSAE 3000 applies only to attestation engagements.

Relevance to EER assurance engagements and the EER Guidance

The EER Guidance includes a statement that the guidance was developed in the context of attestation engagements. It also states the practitioner may be able to adapt and supplement the guidance as necessary for a direct engagement. 8

[CSAE 3001](#), while based on [CSAE 3000](#), is a stand alone standard. The wording differences between the two standards address differences between the performance of an attestation engagement and a direct engagement. Accordingly, Canadian practitioners who wish to adapt the EER Guidance for use on direct engagements need to meet the requirements of CSAE 3001, not CSAE 3000, when applying the EER Guidance.

Relevant EER Guidance section: paragraph 17.

References to the IESBA Code 9

Amendment

Where appropriate, references to the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") in ISAE 3000 (Revised) have been replaced in [CSAE 3000](#) with references to "relevant ethical requirements".

Relevance to EER assurance engagements and the EER Guidance

Canadian practitioners are generally required to comply with the rules of professional conduct / code of ethics established by professional accounting bodies whose rules/code may differ from the IESBA Code. When performing EER assurance engagements, Canadian practitioners will need to ensure that they have complied with the relevant ethical requirements in their jurisdiction.

Relevant EER Guidance sections: paragraphs 47, 117-121, illustrative reports in Chapter 12.

Effectiveness of controls relevant to the engagement 10

Amendment

Certain paragraphs in [CSAE 3000](#) contain amended wording regarding how the practitioner approaches the effectiveness of controls relevant to the engagement. This wording is consistent with that in the Canadian Auditing Standards and other CSAEs.

Relevance to EER assurance engagements and the EER Guidance

As the amended requirement is considered a clarification of terms, it does not affect the practitioner's ability to comply with either [CSAE 3000](#) or ISAE 3000. Therefore, practitioners can use the EER Guidance as written and still comply with CSAE 3000.

Relevant EER Guidance section: Appendix 3 (pages 136-139).

Accessing the EER Guidance

Access the EER Guidance from the IAAB's website.

Other Resources

Alongside the EER Guidance, the IAASB published additional support material that may also assist practitioners performing EER assurance engagements.

The resources listed below provide further guidance on EER assurance engagements:

1. Frequently Asked Questions (FAQs) – Extended External Reporting (EER) Assurance - answers to common questions about sustainability or environmental, social and governance assurance
2. CPA Canada's Audit & Assurance Alert – *A CPA's Role in Third-Party Assurance over Sustainability Information*
3. CPA Canada's Audit & Assurance Alert – *FAQ for auditors: What you need to know about attestation engagements and direct engagements*
4. CPA Canada's Sustainability resources webpage

Keep up to date on the AASB's EER project via the EER landing page.

Footnotes

1. EER Guidance, paragraph 4

2. [CSAE 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information](#)
 3. [CSAE 3001, Direct Engagements](#)
 4. For engagements performed under CSAE 3001, refer to section "[Understanding the Differences between ISAE 3000 \(Revised\) and CSAE 3000](#)" of this document.
 5. Engagements performed under [CSAE 3410, Assurance Engagements on Greenhouse Gas Statements, which requires compliance with CSAE 3000](#).
 6. Engagements performed under [CSAE 3530, Attestation Engagements to Report on Compliance, or CSAE 3531, Direct Engagements to Report on Compliance, both of which require compliance with CSAE 3000 or CSAE 3001](#).
 7. CSAE 3000, paragraphs [C2](#), [C5](#), [C12C\(a\)](#), [CA8](#), [A21](#) note C3 and [Appendix C2](#)
 8. EER Guidance, paragraph 17
 9. CSAE 3000, paragraphs [C3C\(a\)](#), [C20](#), [C69C\(j\)](#), [CA30](#)-CA34, [CA60](#), [CA68](#) note C4, [CA128](#), [CA173](#)
 10. CSAE 3000, paragraphs [C48RC\(b\)\(i\)](#)
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