

Illustrative auditor's report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity's reporting criteria

Updated in November 2019 for Alignment to the IRBA Code of Professional Conduct (Revised November 2018)

This illustrative report has been updated to align with the IRBA *Code of Professional Conduct for Registered Auditors (Revised November 2018)*, which became effective from 15 June 2019.

The illustrative report below accompanies the Sustainability Report

The adaptations in the illustrative report are referenced to the appropriate notes

Circumstances include:

- Subject matter: Selected key performance indicators (KPIs) ^[N1]
- Criteria: ABC Limited's reporting criteria ^[N2]
- Reasonable and limited assurance engagement conducted in terms of ISAE 3000 (Revised) on the subject matter
- The engagement has been assessed as having all preconditions for an assurance engagement ^[N3]
- The auditor has concluded an unmodified opinion and conclusion are appropriate based on the evidence obtained
- **Note:** The links to websites (referencing legislation and requirements) included in the footnotes to the illustrative assurance report are those applicable at the time of the issue of this illustrative assurance report

Independent Auditor's Assurance Report on Selected Key Performance Indicators ^[N4]

To the Directors ^[N5] of ABC Limited

Report on Selected Key Performance Indicators

We have undertaken an assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 20xx Sustainability Report ^[N6] of ABC Limited (ABC) for the year ended (*insert date*) (the Report). This engagement was conducted by a multidisciplinary team including [*health, safety, social, environmental and assurance*] specialists with relevant experience in sustainability reporting. ^[N7]

Subject Matter ^[N8]

We have been engaged to provide a reasonable assurance opinion on the KPIs listed in table (a) and a limited assurance conclusion on the KPIs listed in table (b) below ^[N1]. The selected KPIs described below have been prepared in accordance with ABC's reporting criteria that

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

accompanies the sustainability information on the relevant pages of the Report (the accompanying ABC reporting criteria). ^[N2]

(a) Reasonable assurance on the following KPIs (marked with a ‘RA’ on the relevant pages in the Report)		
Category	Selected KPIs¹	Scope of Coverage
Environmental	<ul style="list-style-type: none"> • Carbon footprint (pg xx), • Total energy usage (pg xx) 	ABC operations at sites 1, 2 and 3
Health and Safety	<ul style="list-style-type: none"> • Lost time injury frequency rate (pg xx), • Number of noise induced hearing loss cases (NIHL) of more than 10% (pg xx) 	ABC Group

(b) Limited assurance on the following KPIs (marked with a ‘LA’ on the relevant pages of the Report)		
Category	Selected KPIs	Scope of Coverage
Environmental	<ul style="list-style-type: none"> • Total water usage (pg xx), • Waste generated (pg xx) 	ABC operations at sites 1, 2 and 3
Social	<ul style="list-style-type: none"> • Total training spend (pg xx), • Women in mining as a percentage of total employees (pg xx), • Percentage HDSA in management (pg xx) 	ABC Group

Directors’ Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the accompanying ABC reporting criteria^[N2]. This responsibility

¹ Page numbers used to make reference to the selected KPIs within the Report may be replaced with other appropriate specific references

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations^[N9]

[Insert text if applicable]

Our Independence and Quality Control **[When a registered auditor is the assurance provider: For an assurance provider’s report issued on or after 15 June 2019 in respect of assurance engagements for periods beginning before or on 14 June 2019]** **[Delete block if not applicable]**^[N10]

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants* and the *International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

[When a registered auditor is the assurance provider: For assurance engagements for periods beginning on or after 15 June 2019] **[Delete block if not applicable]**

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

[Name of firm] / *[The firm]* applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented

Illustrative auditor's report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity's reporting criteria

policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected KPIs as set out in section (a) and (b) of the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) ^[N11], *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected KPIs are free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

(a) Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the measurement of the selected KPIs and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected KPIs, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to ABC's preparation of the selected KPIs. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by ABC;
- Assessing the suitability in the circumstances of ABC's use of the applicable reporting criteria^[N2] as a basis for preparing the selected information; and
- Evaluating the overall presentation of the selected sustainability performance information

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

(b) Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of ABC's use of its reporting criteria ^[N2] as the basis of preparation for the selected KPIs, assessing the risks of material misstatement

Illustrative auditor's report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity's reporting criteria

of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the KPIs where limited assurance was obtained, we do not express a reasonable assurance opinion about whether ABC's selected KPIs have been prepared, in all material respects, in accordance with the accompanying ABC reporting criteria. ^[N2]

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we ^[N12]:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected KPIs; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at ABC.

Reasonable Assurance Opinion and Limited Assurance Conclusion

(a) Reasonable assurance opinion ^[N13]

In our opinion *[and subject to the inherent limitations outlined elsewhere in this report]*, the selected KPIs set out in section (a) of the Subject Matter paragraph above for the year ended *(insert date)* are prepared, in all material respects, in accordance with the accompanying ABC reporting criteria. ^[N14]

**Illustrative auditor’s report on selected key performance indicators disclosed
in a sustainability report prepared in accordance with an entity’s reporting
criteria**

(b) Limited assurance conclusion ^[N13]

Based on the procedures we have performed and the evidence we have obtained [*and subject to the inherent limitations outlined elsewhere in this report*], nothing has come to our attention that causes us to believe that the selected KPIs as set out in section (b) of the Subject Matter paragraph above for the year ended (*insert date*) are not prepared, in all material respects, in accordance with the accompanying ABC reporting criteria. ^{[N2] [N14]}

Other Matters ^{[N15] [N16]}

No assurance procedures were performed on the previous sustainability report. The information relating to the prior reporting periods has not been subject to assurance procedures. ^[N17]

Our report includes the provision of limited assurance on (*name of the new selected KPIs for the year*). We were previously not required to provide assurance on these selected KPIs. ^[N18]

The maintenance and integrity of the ABC’s website is the responsibility of ABC management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of its presentation on ABC website. ^[N19]

Restriction of Liability ^[N20]

Our work has been undertaken to enable us to express either a reasonable assurance opinion or a limited assurance conclusion on the selected KPIs to the Directors of ABC in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than ABC, for our work, for this report, or for the conclusion we have reached.

Report on Other Legal and Regulatory Requirements ^[N21]

[Form and content of this section of the assurance report will vary depending on the nature of the auditor’s other reporting responsibilities.]

(Company name of Registered Auditor) ^[N22]

Registered Auditor’s signature

Name of individual

Chartered Accountant (SA)

Registered Auditor

Capacity (e.g.) Director or Partner

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

Date

Registered Auditor’s address

Notes

N1. The subject matter may include qualitative matters other than the selected KPIs, for example: the Equator Principles², the International Council on Mining and Metals (ICMM) 10 Sustainable Development Principles (subject matter 1-3)³ and the Global Reporting Initiative (GRI) Standards⁴ qualitative general and specific disclosures, for example, strategy, governance and management approach. Where such additional subject matters are included in the scope of the assurance engagement, the practitioner should adapt the assurance report accordingly, including referring to “selected sustainability information” instead of “selected KPIs”. It is important that the practitioner clearly identifies the subject matter in the engagement letter and agrees this with the directors or the audit committee, as appropriate.

The disclosure of the selected KPIs within the assurance report may be presented in a number of ways. For the purposes of this illustration, the selected KPIs have been disclosed in a table within the body of the assurance report as the entity has presented the information in various sections of the Sustainability Report (the Report). In circumstances where the client has disclosed the information in a similar table within the Report, the assurance report need not repeat such table and may reference to the disclosed table within the body of the Report.

For example, the sentence may be worded as follows: “We are required to provide either a reasonable assurance opinion or limited assurance conclusion on the selected KPIs marked with “RA” and “LA” respectively, and presented in Table xx on pages xx of the Report. The selected KPIs have been prepared in accordance with the ABC’s reporting criteria that accompanies the performance information on the relevant pages of the Report (the accompanying ABC reporting criteria)”.

Alternatively, the assurance report may disclose the various selected KPIs, together with page numbers in a paragraph, instead of a table. For example: “*Environmental*

² The [Equator Principles](http://www.equator-principles.com/) is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects (for more information: <http://www.equator-principles.com/>)

³ International Council on Mining and Metals 10 Sustainability Development Principles (for more information: <http://www.icmm.com/>)

⁴ Global Reporting Initiative (GRI) Standards (for more information: <https://www.globalreporting.org/standards/gri-standards-download-center/>)

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

performance parameters – total water usage (pg xx), carbon footprint (pg xx), waste generated (pg xx) and total energy usage (pg xx).”

The table should be tailored to the circumstances of the engagement, including the relevant disclosures to be made by the client. If the criteria is going to be disclosed in the assurance practitioner’s limited assurance report, an additional column “Criteria” should be included.

N2. The source of the criteria is clearly described by the preparer in the Report.

The GRI Standards establish a framework for the reporting of sustainability information and determination of the selected KPIs. However, there is no specific guidance in terms of measurement of these selected KPIs within these Standards. This is overcome by the entity developing and making use of company / management internally developed guidelines that supplement the GRI Standards.

Entities may use other disclosures to support the GRI Standards or may use these disclosures as standalone reporting criteria for the selected KPIs. These may include internally developed guidelines or local legislation (for example, the Broad-Based Black Economic Empowerment Codes of Good Practice⁵, the Employment Equity Act⁶, the GHG Protocol⁷, the new Scorecard for Broad-Based Socio-Economic Empowerment Charter (BBSEEC) for the South African Mining and Minerals Industry (2010)⁸, and the ICMM⁹ Assurance Procedure).

The entity should disclose their complete reporting criteria which includes the basis for calculating the selected KPIs in the Report. This may be done through disclosure in a table, in an introductory paragraph within the Report, in each relevant section of the Report or by reference to a website where this information is available. Accordingly the wording in the assurance report should be updated to reflect this. For the purposes of this example, it has been assumed that the relevant reporting criteria is disclosed together with the selected KPIs on the relevant pages of the Report.

Where the criteria is a standalone disclosure that is applied to all the selected KPIs, then reference may be made to that specific disclosure. For example “We are required to provide either reasonable or limited assurance on the following selected KPIs, prepared in accordance with the Global Reporting Initiative Standards, marked with a “RA” and “LA” respectively, on the relevant pages of the Report.” The related references to the

⁵ For more information: https://www.thedti.gov.za/economic_empowerment/bee_codes.jsp

⁶ Employment Equity Act, 1998 (Act 55 of 1998) (for more information: <http://www.labour.gov.za/DOL/legislation/acts/employment-equity/employment-equity-act>)

⁷ The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions (for more information: <http://www.ghgprotocol.org/>)

⁸ For more information: <http://www.dmr.gov.za/mining-charter.html>

⁹ International Council on Mining and Metals (ICMM) (for more information: <http://www.icmm.com/>)

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

criteria through the assurance report would be updated accordingly to refer to the specific pronouncement.

- N3.** ISAE 3000 (Revised), paragraphs 24 and 25 “Preconditions for the Assurance Engagement” require that all preconditions be present prior to accepting an assurance engagement.
- N4.** ISAE 3000 (Revised), paragraph A160 states that “the practitioner may choose a “short form” or “long form” style of reporting to facilitate effective communication to the intended users. “Short-form” reports ordinarily include only the basic elements. “Long-form” reports include other information and explanations that are not intended to affect the practitioner’s conclusion. In addition to the basic elements, long-form reports may describe in detail the terms of the engagement, the applicable criteria being used, findings relating to particular aspects of the engagement, details of the qualifications and experience of the practitioner and others involved with the engagement, disclosure of materiality levels, and, in some cases, recommendations. The practitioner may find it helpful to consider the significance of providing such information to the information needs of the intended users. As required by paragraph 68 of ISAE 3000 (Revised), additional information is clearly separated from the practitioner’s conclusion and phrased in such a manner so as make it clear that it is not intended to detract from that conclusion.” This illustrative assurance report only includes the basic elements and is therefore a short-form report.
- N5.** The assurance practitioner’s report is addressed to the intended users or other third parties as required by the circumstances of the engagement.
- N6.** A Report may be presented as a standalone Report or may be included as part of the Integrated / Annual Report of a company. In such circumstances, this sentence should be worded as “We have undertaken an assurance engagement on the selected KPIs, as described below, and presented in the 20xx Sustainability Report included in the Integrated / Annual Report of ABC Limited (ABC) for the year ended (*insert date*) (the Report).”

With the introduction and presentation of more Integrated Reports, the presentation of sustainability information may take various formats, where it is disclosed in such a Report. These may include disclosure in a dedicated sustainability section of the Report, a specific table or in various sections throughout the Integrated Report. In such circumstances, the sentence should be worded to refer the user to the identified disclosure areas. Examples of such wording may be as follows:

- “We have undertaken an assurance engagement on the selected KPIs, as described below, and presented in the Sustainability Section included in the Integrated / Annual Report of ABC Limited (ABC) for the year ended (*insert date*) (the Report).”

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

- “We have undertaken an assurance engagement on the selected KPIs, as described below, and presented in the Table XX of the Integrated / Annual Report of ABC Limited (ABC) for the year ended (*insert date*) (the Report).”
- “We have undertaken an assurance engagement on the selected KPIs, as described below, and presented in the Integrated / Annual Report of ABC Limited (ABC) for the year ended (*insert date*) (the Report).”

N7. To provide a robust assurance process, expertise across diverse sustainability areas is usually provided by a multidisciplinary team. The assurance practitioner should explain the relevant expertise of the individuals who were involved in the engagement.

N8. The subject matter table used in the illustrative engagement letter and assurance report has been crafted using certain categories and selected KPIs that may differ from engagement to engagement depending on those reported on in the Report and those on which the assurance practitioner is requested to provide assurance.

The categories and selected KPIs included in the subject matter table represent those matters within the Report that the entity has requested the provision of assurance on. In general, the entity instructs the assurance practitioner as to which categories and selected KPIs they require assurance to be expressed on. The assurance practitioner is reminded of his / her responsibility under ISAE 3000 (Revised) to ensure that the preconditions for the assurance engagement are present, which includes that the underlying subject matter is appropriate.¹⁰ Paragraph A44 of ISAE 3000 (Revised) further states that in determining whether the engagement exhibits the characteristic of having an appropriate underlying subject matter in such cases, it may be appropriate for the assurance practitioner to consider whether information about the aspect on which he / she is asked to report is likely to meet the information needs of intended users as a group, and also how the subject matter information will be presented and distributed. The assurance practitioner may respond to this by reviewing the process that the entity has in place to determine the selected categories and selected KPIs to be included in the Report and may challenge the entity, if necessary, on the appropriateness of those selected KPIs they have been requested to provide assurance on.

N9. ISAE 3000 (Revised), paragraph 69(e) states “where appropriate, a description of any significant inherent limitation associated with measurement or evaluation of the underlying subject matter against applicable criteria” may be included in the assurance report. Paragraph A165 of ISAE 3000 (Revised) states “while in some cases, inherent limitations can be expected to be well-understood by the intended users of an assurance report, in other cases it may be appropriate to make explicit reference to them in the assurance report.” ISAE 3410, *Assurance Engagements on Greenhouse Gas*

¹⁰ ISAE 3000 (Revised), paragraph 24(b)(i)

Illustrative auditor’s report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity’s reporting criteria

Statements, refers to including a “statement on uncertainties related to emissions” in the assurance report content and explains that such a statement is required due to uncertainty being a significant characteristic in greenhouse gases. Where statements around significant inherent limitations are included in the assurance report, these should be specific and tailored to the engagement circumstances. However care should be taken so that the wording used does not suggest that the assurance practitioner’s conclusion is contradicted by the significant inherent limitations.

- N10.** Where the assurance practitioner is a Registered Auditor, such as in the case of a combined assurance engagement, reference should be made to the “*Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors (IRBA)”.
- N11.** ISAE 3000 (Revised) paragraph A169, states that “where a subject matter specific ISAE applies to only part of the subject matter information, it may be appropriate to cite both the subject matter specific ISAE and this ISAE”. For example, when greenhouses gases form part of the assurance scope, the wording will be as follows: “We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than the Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions, in accordance with ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*.”
- N12.** The procedures described in the illustrative report are examples and should be tailored to help the user understand the nature of the assurance conveyed. When limited assurance is expressed, the summary of work performed may be more detailed than for reasonable assurance because an appreciation of the nature, timing and extent of procedures performed is essential to understanding the conclusion expressed. ISAE 3000 (Revised), paragraph A176, provides guidance as to the factors to consider in determining the level of detail to be provided in the summary of the work performed. These may include:
- Circumstances specific to the entity, for example, the differing nature of the entity’s activities compared to those typical in the sector.
 - Specific engagement circumstances affecting the nature and extent of the procedures performed.
 - The intended users’ expectations of the level of detail to be provided in the report, based on market practice, or applicable law or regulation.
- N13.** ISAE 3000 (Revised), paragraph A178 sets out the following examples of conclusions expressed in a form appropriate for a reasonable assurance engagement:

Illustrative auditor's report on selected key performance indicators disclosed in a sustainability report prepared in accordance with an entity's reporting criteria

- When expressed in terms of the underlying subject matter and the applicable criteria, "In our opinion, the entity has complied, in all material respects, with XYZ law;"
- When expressed in terms of the subject matter information and the applicable criteria, "In our opinion, the forecast of the entity's financial performance is properly prepared, in all material respects, based on XYZ criteria;"
- When expressed in terms of a statement made by the appropriate party, "In our opinion, the [appropriate party's] statement that the entity has complied with XYZ law is, in all material respects, fairly stated," or "In our opinion, the [appropriate party's] statement that the key performance indicators are presented in accordance with XYZ criteria is, in all material respects, fairly stated."

ISAE 3000 (Revised), paragraph A180 sets out the following examples of conclusions expressed in a form appropriate for a limited assurance engagement:

- When expressed in terms of the underlying subject matter and the applicable criteria, "Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that [the entity] has not complied, in all material respects, with XYZ law."
- When expressed in terms of the subject matter information and the applicable criteria, "Based on the procedures performed and evidence obtained, we are not aware of any material amendments that need to be made to the assessment of the selected KPIs for them to be in accordance with XYZ criteria."
- When expressed in terms of a statement made by the appropriate party, "Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the [appropriate party's] statement that [the entity] has complied with XYZ law, is not, in all material respects, fairly stated."

N14. Where the circumstances of the engagement give rise to a modification to the conclusion, the paragraph should be amended accordingly. Guidance should be derived from ISAE 3000 (Revised) paragraphs 72 – 78, as well as the respective International Standard on Auditing (ISA) 705, *Modifications to the Opinion in the Independent Auditor's Report*.

N15. An "other matter" paragraph is used to communicate matters other than those that are presented or disclosed in the subject matter information that, in the practitioner's judgement, is relevant to the intended user's understanding of the engagement, the practitioner's responsibilities or the assurance report. For example, "Our report does not extend to any disclosures or assertions relating to future performance plans and / or strategies disclosed in the Report".

N16. ISAE 3000 (Revised), paragraph 62 states that "when documents containing the subject matter information and the assurance report thereon include other information, the

**Illustrative auditor’s report on selected key performance indicators disclosed
in a sustainability report prepared in accordance with an entity’s reporting
criteria**

practitioner shall read that other information to identify material inconsistencies, if any, with the subject matter information or the assurance report and, if on reading that other information, the practitioner:

- (a) Identifies a material inconsistency between that other information and the subject matter information or the assurance report; or
- (b) Becomes aware of a material misstatement of fact in that other information that is unrelated to matters appearing in the subject matter information or the assurance report,

the practitioner shall discuss the matter with the appropriate party(ies) and take further action as appropriate.”

The practitioner refers to ISAE 3000 (Revised) paragraph A142 for examples of further actions that may be appropriate if the practitioner identifies a material inconsistency or becomes aware of a material misstatement of fact.

N17. This sentence is included when assurance is provided for the first time, and hence identifies this fact to the reader. This paragraph may need to be adapted for client circumstances.

N18. Include this paragraph where there has been an increase in scope of assurance provided on the selected KPIs from the prior year. Where there has been an increase in the level of assurance provided over selected KPIs, the following sentence is included: “We previously provided limited assurance on (*name of the selected KPIs*).”

N19. Include this paragraph when the client published the information assured electronically in whatever appropriate electronic format, for example, Portable Document Format (PDF) and/or Hyper Text Mark-up Language (HTML). This paragraph is not required where the information is published in printed format.

N20. Circumstances may occur which warrant that a further restriction on use of the report be included in this paragraph. In such cases, the following wording may be used:

“Our work has been undertaken to enable us to express either a reasonable assurance opinion or limited assurance conclusion on the selected KPIs to the directors of ABC in accordance with the terms of our engagement, and for no other purpose. Save as set out in that agreement, our report may not be made available to any other party without our prior written consent.

We permit the disclosure of this report within the 20xx Sustainability Report of ABC for the year ended (*insert date*), to enable the directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report on the selected KPIs contained in the Report. To the fullest extent permitted by law, we do not accept or assume liability to any party other than the

**Illustrative auditor’s report on selected key performance indicators disclosed
in a sustainability report prepared in accordance with an entity’s reporting
criteria**

directors of ABC, for our work, for this assurance report, or for the conclusion we have reached.”

- N21.** Where the assurance practitioner has a statutory or other obligation to report matters to a regulatory oversight body or other person, such as the IRBA, the assurance practitioner needs to adhere to the statutory requirements imposed on him / her.
- N22.** As this is a combined assurance engagement, the signing convention as prescribed by the IRBA, is applicable.