



Subject:	Agenda for the 171st meeting of the AUASB
Venue:	Virtual meeting by Zoom
Time:	Tuesday, 6 January 2026, 1:30 pm – 3:00 pm

Time	No.	Item	Responsibility
1:30 pm	1	Welcome and Chair Update 1.0 Declaration of interests 1.1 Draft minutes of meeting 170 for approval 1.2 Other matters *	Doug Niven
1:35 pm	2	Illustrative Corporations Act Sustainability Assurance Reports 2.0 Agenda Paper 2.1 Draft illustrative Corporations Act Assurance Report Years 2 and 3 – marked up between ASSA 5000.190(c)(vi) and ASSA 5000.84 versions 2.2 ASIC submission on ED 03/25 2.3 AUASB staff paper for meeting with ASIC on 22 December 2025 2.4 Matters noted by ASIC staff at meeting on 22 December 2025 2.5 Relevant Corporations Act extracts 2.6 Relevant ASSA 5000 extracts	Doug Niven
2:55 pm	3	Close *	Doug Niven

** These items are verbal updates only and there are no associated board papers.*

The timing of Agenda items is subject to change on the day of the meeting.



AUASB DECLARATION OF INTERESTS

As at 6 January 2026

AUASB Meeting 171
Agenda Paper 1.0

AUASB Member	Professional/Organisational Affiliations	Employment/Other Positions Held	Other Relevant Interests
Mr Doug Niven (Chair)	<ul style="list-style-type: none">Fellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Chair of the Auditing and Assurance Standards Board, AUASB Statutory Authority and Office of the AUASBMember, Australia's Financial Reporting CouncilMember, New Zealand Auditing and Assurance Standards Board	<ul style="list-style-type: none">Member, IAASB/IESBA Stakeholder Advisory CouncilMember, IAASB Jurisdictional Standard Setters Group
Ms Julie Crisp (Deputy Chair)	<ul style="list-style-type: none">Registered Company AuditorFellow, Chartered Accountants Australia and New ZealandFellow, CPA AustraliaFellow, Governance Institute of AustraliaFellow, Institute of Public Administration AustraliaGraduate, Australian Institute of Company DirectorsCertified Internal Auditor, Certified Government Audit Professional, Certification in Risk Management Assurance – Professional Member, Institute of Internal AuditorsMember, Association of Certified Fraud Examiners	<ul style="list-style-type: none">Non-Executive Director, CPA AustraliaMember – Performance Statements Audit Expert Advisory Panel, Australian National Audit OfficeFormer Northern Territory Auditor-General (concluded 12 September 2024)	<ul style="list-style-type: none">Director and Shareholder, Family Trust CompanyDirector and Shareholder, Asterism Assurance and Advisory Pty LtdBoard Director and Chair of the Auditing & Risk Committee of Aboriginal Investment NT, a Commonwealth statutory entity regulated by the ACNCNon-Executive Director, Larrakia Development CorporationDirector, Darwin Hotel Partnership Pty LtdMember, Audit & Risk Committee, Charles Darwin UniversityMember, Audit & Risk Committee, Department of Local Government, Industry Regulation and Safety (a department of the Government of Western Australia)



AUASB Member	Professional/Organisational Affiliations	Employment/Other Positions Held	Other Relevant Interests
Ms Marilyn Gwan	<ul style="list-style-type: none">Fellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Partner, Grant Thornton Australia	<ul style="list-style-type: none">Member of Australian Institute of Company Directors Reporting CommitteeMember of the Australian Accounting and Assurance Public Policy Committee – Audit Quality Working GroupMember of the Australian Accounting and Assurance Public Policy Committee – ESG Working GroupDirector and Shareholder, Family Trust Company(s)Trustee – personal family trusts
Mr Klynton Hankin	<ul style="list-style-type: none">Member, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Partner, PricewaterhouseCoopers	<ul style="list-style-type: none">Member, Finance, Risk and Audit Committee - Cancer Council Australia
Dr Noel Harding	<ul style="list-style-type: none">Member, CPA Australia	<ul style="list-style-type: none">Professor and Head of School of Accounting, Auditing and Taxation, UNSW Sydney	<ul style="list-style-type: none">Editor, International Journal of AuditingDeputy Editor, Accounting and FinanceCo-chair of AFAANZ Auditing and Assurance Standards Committee
Mr Terence L Jeyaretnam	<ul style="list-style-type: none">Degree in Environmental Engineering (UWA)Chartered Professional EngineerFellow and Engineering Executive of the Institute of Engineers, Australia	<ul style="list-style-type: none">Director, Foresight Consulting Group Pty LtdClean Energy Regulator Accredited Category 2 AuditorAssociate Professor of Practice at Monash University's Department of Accounting, Faculty of Business and EconomicsFormerly APAC Leader and Partner, Climate Change and Sustainability Services, Ernst & Young in Melbourne	<ul style="list-style-type: none">Board member, Australian Conservation FoundationChair, Amnesty International AustraliaChair, Global Citizen, Australia
Ms Joanne Lonergan	<ul style="list-style-type: none">Member, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Partner, Ernst & Young	<ul style="list-style-type: none">Director & Shareholder, Family Trust Company



AUASB Member	Professional/Organisational Affiliations	Employment/Other Positions Held	Other Relevant Interests
Mr Graeme Pinfold	<ul style="list-style-type: none">Fellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Chair, New Zealand Auditing and Assurance Standards Board	<ul style="list-style-type: none">Board Member and Treasurer, Okawa Rotoiti Timeshare Owners AssociationChair, Sustaining the Audit Profession Working GroupDirector, The Auckland Theatre Company
Mr Andrew Porter	<ul style="list-style-type: none">Fellow, Institute of Chartered Accountants in England and WalesMember, Australian Institute of Company DirectorsFellow, Chartered Accountants Australia and New Zealand	<ul style="list-style-type: none">Chief Financial Officer, Australian Foundation Investment Company LimitedCFO for Djerriwarrh Investments, Mirrabooka Investments and AMCIL Limited	<ul style="list-style-type: none">Director of Australian Investment Company Services Ltd.Director of a Family Trust CompanyDirector of the Melbourne Anglican Foundation and trustee of related entities
Ms Jennifer Travers	<ul style="list-style-type: none">Member, Chartered Accountants in Australia and New Zealand	<ul style="list-style-type: none">Partner, KPMG	<ul style="list-style-type: none">Chair of the Australian Accounting and Assurance Public Policy Committee – Audit Quality Working GroupMember of the Australian Accounting and Assurance Public Policy Committee – ESG Working GroupChair of the Trans-Tasman Audit and Advisory Committee (CA ANZ)Director and Shareholder, Family Trust Company(s)Trustee, personal family trusts
Mr Jason Thorne	<ul style="list-style-type: none">Fellow, Institute of Chartered Accountants in England and WalesMember, Chartered Accountants in Australia and New ZealandRegistered Company Auditor	<ul style="list-style-type: none">Partner, Deloitte Touche Tohmatsu	<ul style="list-style-type: none">Director and Shareholder, family trust company
Mr Chi Mun Woo	<ul style="list-style-type: none">Member, Chartered Accountants Australia and New ZealandMember, Institute of Chartered Accountants in England and Wales	<ul style="list-style-type: none">Partner, Climate and Sustainability practice, Deloitte	-



Subject: Minutes of the 170th Meeting of the Auditing and Assurance Standards Board (AUASB)
Venue: Virtual meeting by Zoom
Date: Wednesday, 17 December 2025, 8:30 am – 11:06 am

Attendance:

AUASB Members:	Doug Niven (Chair) Julie Crisp (Deputy Chair) Graeme Pinfold (NZAuASB Chair) Meryl Gwan Prof Noel Harding Terence Jeyaretnam	Joanne Lonergan Andrew Porter Jason Thorne Jennifer Travers Chi Mun Woo
Office of the AUASB staff:	Anne Waters Rene Herman Marina Michaelides Jeff Muir	Tim Austin Arti Naidu Dr Sheryl Huang
Guests	Brenton Newlands	
Apologies	Klynton Hankin	

Minutes

(Agenda Item 1 – Minute 1816) Welcome and Chair Update

The AUASB Chair welcomed members to the 170th meeting of the AUASB.

The minutes for meeting 169 were approved.

There were no changes to the declarations of interests.

(Agenda Item 2 – Minute 1817) Amendments to ASSA 5010 re directors' declaration and legislation for voluntary reporting under Corps Act

The AUASB approved ASSA 2025-10 Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*, subject to minor editorial changes. ASSA 2025-10 amends ASSA 5010 to apply the phasing in of assurance for entities that voluntarily report under the *Corporations Act 2001* consistent with the phasing for Group 1, 2 and 3 entities.

AUASB members agreed to consider possible amendments to ASSA 5010 for the directors' declaration in Years 2 and 3 at the 25 February 2026 Board meeting. This would allow more time for the Office of the AUASB to consider available guidance from other parties on the 'reasonable steps' criterion and then guidance on the work of the auditor.

(Agenda Item 3 – Minute 1818) Illustrative Corps Act Sustainability Assurance Reports

AUASB members discussed feedback received on ED 03/25 Proposed Australian Standard on Sustainability Assurance ASSA 2025-11 Amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements*, in particular feedback on the wording of the conclusion/opinion in the draft Illustrative Corporations Act Sustainability Assurance Reports.

Further information was sought from ASIC by email on 16 December 2025 as to whether ASIC would accept either form of the conclusion/opinion in the illustrative Corporations Act Sustainability Assurance Reports (i.e. Corporations Act wording only or combined Corporations Act and ASSA 5000 wording). ASIC responded 'Our view is that the form of the conclusion/opinion in the illustrative Corporations Act Sustainability Assurance Reports should use the Corporations Act wording only, with additional wording included as required by the standard.'



At the 17 December 2025 Board meeting it was:

- (a) Agreed that the Office of the AUASB should seek to meet with ASIC to better understand its submission on ED 03/25 before the Board decides on whether to include the ASSA 5000.19(c)(vi) wording as well as the Corporations Act wording in the auditor's conclusions/opinions. Board members would be invited to observe any such meeting;
- (b) Agreed that the final illustrative reports would be issued as non-authoritative guidance on the AUASB website rather than as examples in an appendix to ASSA 5000;
- (c) Agreed that the auditor should not be required to conclude on a fair presentation under [AASB S2 Climate-related Disclosures](#) (AASB S2) in Year 1 when the auditor is only required to conclude on selected disclosures; and
- (d) Suggested that the example inherent limitation paragraph from the IAASB Supplementary Illustrative Sustainability Assurance Reports be re-included in the Illustrative Corporations Act Sustainability Assurance Reports for completeness.

Matters not decided at the 17 December 2025 meeting were:

- (a) Whether or not to include the wording from ASSA 5000.190(c)(vi) in the conclusion/opinions in the Illustrative Reports, pending discussion between the Office of the AUASB and ASIC on the ASIC submission;
- (b) Whether the reporting framework is a fair presentation framework in Years 2 onwards; and
- (c) Whether to include text on the differences between limited assurance on information in a sustainability report and the review of a half-year financial report in the 'Summary of Work Performed' section of the illustrative review reports.

Close of the Meeting

The Chair closed the meeting at 11:06 am.

Next Meeting

The AUASB will hold its next meeting in person in Melbourne on 25 February 2026.

Approval

Signed as a true and correct record.

Douglas Niven
Chair

Date: 6 January 2026



AUASB Agenda Paper

Title:	Illustrative Corporations Act sustainability assurance reports	Date:	6 January 2026
Office of AUASB:	Doug Niven	Agenda Item:	2.0

Objective of Agenda Item

1. The objective of this agenda item is to seek the views of AUASB members on the approach to Illustrative Corporations Act Sustainability Assurance Reports (Illustrative Reports) presented in [AUASB ED 03/25 Proposed Australian Standard on Sustainability Assurance ASSA 2025-11 Amendments to ASSA 5000 General Requirements for Sustainability Assurance Engagements](#) (ED 03/25).

Questions for AUASB Members

No.	Question
1	<p>Do AUASB members agree with the following approach:</p> <ul style="list-style-type: none">(a) Subject to giving ASIC staff an opportunity to informally comment on any concerns with the draft report, issuing Illustrative Reports that use Corporations Act wording for the conclusions/opinions with additional explanation to cover the matters in ASSA 5000.190(c)(vi) (see Agenda Paper 2.1 for draft Years 2 and 3 report);(b) Issuing a Feedback Statement with the draft reports explaining that the AUASB has issued the Illustrative Reports pending obtaining and considering legal advice relevant to whether the ASSA 5000.190(c)(vi) wording can be included in the conclusions/opinions;(c) Directly emailing those who provided a written submissions on ED 03/25 referring to the Feedback Statement and approach to the conclusion/opinion;(d) Seeking AGS advice in the next couple of months on legal matters affecting the form of the conclusion/opinion in the reports (Board members would be given 5 business days to provide comments on the proposed AGS briefing); and(e) The AUASB reviewing the approach to the conclusions/opinions in the reports in light of the AGS advice. <p>(See paragraphs 17 to 22 of this paper and Agenda Papers 2.1 to 2.6).</p>
2	<p>Do AUASB members agree with including the proposed text that auditors can consider including in the 'Summary of Work Performed' section of their review reports on the differences in work performed between:</p> <ul style="list-style-type: none">(a) limited assurance on information in a sustainability report; and(b) the review of a half-year financial report <p>(See paragraphs 23 to 26 of this paper and Agenda Paper 2.1)?</p>

Background information

ED 03/25

2. The AUASB issued ED 03/25 for comment on 3 November 2025 to obtain feedback from stakeholders on proposed amendments to ASSA 5000 for illustrative sustainability assurance reports under the *Corporations Act 2001* (the Act). ED 03/25 contained four Illustrative Reports, being:
 - (a) Illustration 1: Year 1 – Review report of specified sustainability disclosures prepared in accordance with the *Corporations Act 2001* (compliance framework).

- (b) Illustration 2: Year 1 – Audit and review report on specified sustainability disclosures prepared in accordance with the *Corporations Act 2001* (compliance framework).
 - (c) Illustration 3: Years 2 and 3 – Review report on a sustainability report prepared in accordance with the *Corporations Act 2001* (fair presentation framework).
 - (d) Illustration 4: Year 4 – Audit report on a sustainability report prepared in accordance with the *Corporations Act 2001* (fair presentation framework).
3. For convenience, only the illustrative Year 2 and 3 report is included in these Board papers (see Agenda Paper 2.1). The final version of that illustrative report will be used as the basis for the other illustrative reports.

Submissions on ED 03/25

4. At its meeting on 17 December 2025, the AUASB discussed the feedback received on ED 03/25 (see submissions at [Closed for comment](#)). In particular, the AUASB discussed feedback on the wording of the conclusion/opinion in the draft Illustrative Reports and whether the wording from ASSA 5000.190(c)(vi) should be included as well as the wording in s1707F(2) (reviews) and s309A (audits). ASSA 5000.190(c)(vi) requires inclusion of:
- (a) For reviews the lead in words ‘Based on the procedures we performed and the evidence we obtained ...’; and
 - (b) Reference to a fair presentation in all material respects.
5. Feedback on whether or not to include the ASSA 5000.190(c)(vi) wording (see extract from ASSA 5000.190 in Agenda Paper 2.6) as well as the wording from the Act in the conclusion/opinion paragraphs (see s1707F(2) and s3 in Agenda Paper 2.5) was as follows:
- (a) Eight submissions supported combining the wording of the Act and ASSA 5000.190(c)(vi) (AAA-PPC, Deloitte, EY, KPMG, PwC, IPA, ACAG and confidential submission);
 - (b) One submission (Grant Thornton) disagreed with including ‘in all material respects’ in the conclusion in Year 1 because it could be covered more clearly in the additional words under the alternative approach. However, Grant Thornton supported including the ASSA 5000.190(c)(vi) wording otherwise;
 - (c) One submission (ASIC) supported not including the ASSA 190(c)(vi) wording (see Agenda Paper 2.2); and
 - (d) Two submissions (CA ANZ and CPAA) highlighted legal uncertainty as to whether the combined wording is inconsistent with the Act and suggested seeking legal advice. CA ANZ and CPAA preferred the combined wording and suggested that if the legal advice did not allow that, the legislation should be changed.

ASIC submission and ASSA 5000.84

6. Among other matters, the ASIC submission (see Agenda Paper 2.2) highlighted ASSA 5000.84 (see text of ASSA 5000.84 in Agenda Paper 2.6)). ASSA 5000.84 provides for the wording in law and regulation with additional explanation to cover the matters in ASSA 5000.190(c)(vi) so that the report is not misunderstood by intended users. ASSA 5000.84 is not contingent on an inconsistency between law/regulation and ASSA 5000.190(c)(vi), only that the wording in the Act and ASSA 5000 are different.
7. ASSA 5000.84 was not referred to in ED 03/25 or Board papers before the 17 December 2025 Board meeting papers. ED 03/25 and the earlier Board papers stated that conclusions/opinion paragraphs that only used the Corporations Act wording would not be ASSA 5000 and ISSA 5000 compliant. ED 03/25 and the earlier Board Papers indicated that using the wording in the Act only in the conclusions/opinions with additional explanations would require an amendment to ASSA 5000.190 and the ‘compelling reasons’ test to be satisfied.
8. Following ASSA 5000.84 would allow full compliance with ASSA 5000 and ISSA 5000 with no amendment to ASSA 5000.190.

9. We understand that ISSA 5000.84 was intended to avoid the situation where large numbers of countries could not be consistent with ISSA 5000 due to requirements in law and regulation.
10. Further information was sought from ASIC by email on 16 December 2025 as to whether ASIC would accept either form of the conclusion/opinion in the illustrative Corporations Act Sustainability Assurance Reports (i.e. Corporations Act wording only or combined Corporations Act and ASSA 5000 wording). ASIC responded 'Our view is that the form of the conclusion/opinion in the illustrative Corporations Act Sustainability Assurance Reports should use the Corporations Act wording only, with additional wording included as required by the standard.'

AUASB staff views

11. Among other matters, AUASB staff are of the view that following ASSA 5000.84 does not give sufficient prominence to the matters required by ASSA 5000.190(c)(vi) (see Agenda Paper 2.3). ASSA 5000.190(c)(vi) is consistent with the AUASB *Framework for Assurance Engagements*.

Board meeting on 17 December 2025

12. At the 17 December 2025 Board meeting it was:
 - (a) Agreed that the Office of the AUASB should seek to meet with ASIC to better understand its submission on ED 03/25 before the Board decides on whether to include the ASSA 5000.19(c)(vi) wording as well as the Corporations Act wording in the auditor's conclusions/opinions;
 - (b) Agreed that the final illustrative reports would be issued as non-authoritative guidance on the AUASB website rather than as examples in an appendix to ASSA 5000;
 - (c) Agreed that the auditor should not be required to conclude on a fair presentation under [AASB S2 Climate-related Disclosures](#) (AASB S2) in Year 1 when the auditor is only required to conclude on selected disclosures; and
 - (d) Suggested that the example inherent limitation paragraph from the IAASB Supplementary Illustrative Sustainability Assurance Reports be re-included in the Illustrative Corporations Act Sustainability Assurance Reports for completeness.
13. Matters not decided at the 17 December 2025 Board meeting were:
 - (a) Whether or not to include the wording from ASSA 5000.190(c)(vi) in the conclusion/opinions in the Illustrative Reports, pending any meeting with ASIC on its ASIC submission;
 - (b) Whether the reporting framework is a fair presentation framework in Years 2 onwards, pending any meeting with ASIC on its submission; and
 - (c) Whether to include text on the differences between limited assurance on information in a sustainability report and the review of a half-year financial report in the 'Summary of Work Performed' section of the illustrative review reports.

Meeting with ASIC staff on 22 December 2025

14. A meeting was held with ASIC staff on 22 December 2025 to discuss:
 - (a) The AUASB staff views (see Agenda Paper 2.3); and
 - (b) The ASIC submission (see Agenda Paper 2.2).
15. A number of Board members observed the meeting.
16. AUASB staff views are covered in Agenda Paper 2.3. Agenda Paper 2.4 outlines matters raised by ASIC staff at the meeting.

Conclusions/opinions

Arguments for each approach

17. Some of the arguments for the following options are summarised in the following table:

- (a) Option 1 - Combining ASSA 5000.190(vi) words and Corporations Act words in the conclusions/opinions; and
- (b) Option 2 – Using only Corporations Act wording in the conclusions/opinions.

The table has regard to the ASIC submission (Agenda Paper 2.2), AUASB staff views (Agenda Paper 2.3) and the matters raised by ASIC on 22/12/25 (Agenda Paper 2.5). Those agenda papers should be referred to for more information.

No.	Arguments for Option 1	Arguments for Option 2
1	The lead in words 'Based on the procedures we have performed and the evidence we have obtained' give prominence to the nature of a limited assurance engagement and establish clear expectations for users. It also gives prominence to the application of materiality, and where relevant, a fair presentation framework. Some users will only read the conclusion and not additional explanation.	The additional explanations can be given more prominence by: <ul style="list-style-type: none"> (a) Locating them at the start of the 'Basis for Conclusions/ Opinion; and (b) Highlighting the conclusion/opinion and related explanation by placing them in boxes. There is a possibility that the ASSA 5000.190(c)(vi) lead in words for a review report could have unintended consequences.
2	The words in ISSA 5000.190(c)(vi) were developed through a robust global due process and are consistent with The AUASB Framework and ASAE 3000.	The approach in ASSA 5000.84 was developed through a robust global due process and is consistent with ASAE 3000.
3	There is insufficient information at this time to conclude whether a user would misunderstand the additional explanation could be misunderstood. The supplementary illustrative reports issued by the IAASB in November 2025 that refer to ISSB S1 assume that there is a fair presentation framework.	The proposed addition explanation (see Agenda Paper 2.1) includes all of the elements of ASSA 5000.190(c)(vi) and may explain these matters more clearly than a conclusion/ opinion that includes the ASSA 5000.190(c)(vi) words: <ul style="list-style-type: none"> (a) <i>The nature of a limited assurance engagement</i> – The 'Basis for Conclusion' is proposed to: <ul style="list-style-type: none"> (i) include the words from 5000.190(c)(vi); and (ii) refer to the 'Summary of work performed' section (possibly, including a comparison with a half-year review); (b) <i>Materiality</i> – It is made clear that the auditor applies materiality under ASSA 5000 (rather than AASB S2) ; and (c) <i>Presents fairly</i> - The fair presentation framework in AASB S2 can be referred to. This avoids: <ul style="list-style-type: none"> (i) Linking fair presentation to disclosures to which it may not apply (e.g. the two prescribed climate scenarios); and (ii) An issue if the definition of 'fair presentation criteria' in ASSA 5000.18 (see extract in Agenda Paper 2.6) is not met because AASB S2 does not permit departures.

No.	Arguments for Option 1	Arguments for Option 2
4	May provide comparability with ISSA 5000 assurance reports in other countries. ASSA 5000.84 might be read to apply to a combined conclusion/opinion with only similar corresponding words in the Act replacing words required by ASSA 5000.190(c)(vi).	ASSA 5000.84 may be applied in other countries where the conclusion/opinion is prescribed in legislation. ASSA 5000.84 requires the use of the words in the Act only in the conclusions/opinions. ASSA 5000.84 was intended for use and required in the circumstances where the conclusion/opinion is prescribed in law or regulation.
5	Subsections 1707F(2) and 309A may not have been intended to prescribe the exact and only words that may be used by auditors.	The conclusion/opinion must use only the words in s1707F(2) and 309A. Reports that include the words in ASSA 5000.190(c)(vi) would not be compliance in ASIC's view.
6	The requirements of ASSA 5000.190(c)(vi) may not be inconsistent with the Act.	There is no need to consider inconsistency with the Act because ASSA 5000.84 applies.

Possible questions

18. If AUASB members were minded to proceed with Option 1, some matters of interpretation that might be considered to be addressed by legal advice may include:
 - (a) Do s1707F(2) and s309A of the Act:
 - (i) Only outline the scope and objective of assurance of the sustainability report; or
 - (ii) Prescribe the words for the conclusion/opinion?
 - (b) Are the words required by ASSA 5000.190(c)(vi) inconsistent with s1707F(2) and s309A of the Act for the purposes of applying s336(1) of the Act?
 - (c) Do subsections 1707E(4) and 309A(3) of the Act allow the AUASB to require the words in ASSA 5000.190(c)(vi) to be included in the conclusions/opinions or only in additional statements?
 - (d) If the Act prescribes the words for the conclusion/opinion, is ASSA 5000.84 required to be applied? If so, does ASSA 5000.84 require conclusions/opinions that:
 - (i) Only use the wording in s1707F(2) and s309A with additional explanation; or
 - (ii) Use the words in ASSA 5000.190(c)(vi) with only similar corresponding words in the Act replacing words required by ASSA 5000.190(c)(vi)?
 - (e) Is it possible that the additional explanation for the purposes of ASSA 5000.84 cannot mitigate possible misunderstanding by intended users because it cannot not be sufficiently prominent compared to including the words in ASSA 5000.190(c)(vi) in the conclusion/opinion?
 - (f) How would ASSA 5000.84 apply if additional explanation cannot mitigate possible misunderstanding by intended users:
 - (i) The auditor cannot accept the engagement, unless required by the Act to do so (but then unable to claim compliance with ASSA 5000); or
 - (ii) ASSA 5000.84 does not apply and the words in ASSA 5000.190(c)(vi) can be included in the conclusion/opinion?
 - (g) Are the disclosures required by the Act (other than AASB S2) subject to a fair presentation framework?
19. Were AGS advice to be sought on any matters, any draft briefing would be provided to AUASB members for comment at least 5 business days before being provided to AGS. The briefing would not be issued until the concerns of members are addressed, including in a Board meeting if necessary.

Possible approaches

20. The table below outlines some possible approaches.

No.	Possible approach	Considerations
1	Release Option 2 illustrative reports while waiting for legal advice on Option 1 illustrative reports	<ul style="list-style-type: none"> Option 2 illustrative reports do not require legal advice. If members are minded to issue Option 1 illustrative reports in due course, legal advice may assist in making a decision. Auditors may need to adapt to any change. Work effort on obtaining and considering legal advice may take resources away from other important matters.
2	Release Option 1 illustrative reports while waiting for legal advice on Option 1 illustrative reports	<ul style="list-style-type: none"> Option 1 reports would not be compliant in ASIC's view. Legal advice may assist in making a permanent decision. Work effort on obtaining and considering legal advice may take resources away from other important matters.
2	Release Option 1 and 2 illustrative reports while waiting for legal advice on Option 1 illustrative reports	<ul style="list-style-type: none"> Option 1 reports would not be compliant in ASIC's view. May lead to inconsistent reporting by auditors. Legal advice may assist in making a final decision. Auditors may need to adapt to any change. Work effort on obtaining and considering legal advice may take resources away from other important matters.
3	Release Option 2 illustrative reports	<ul style="list-style-type: none"> Option 2 illustrative reports do not require legal advice. Provides certainty to auditors.
4	Release Option 1 illustrative reports	<ul style="list-style-type: none"> Potential for action on reports lodged by auditors. Otherwise provides certainty to auditors.

21. Under all possible approaches a Feedback Statement would be published and respondents to ED 03/25 informed by email. Before publishing any Option 2 illustrative reports, ASIC would be given an opportunity to informally comment on any concerns.

22. See Question 1 in paragraph 2 of this paper.

Limited assurance on sustainability information vs review of half-year financial report

23. A number of stakeholders suggested that the illustrative review reports should include an explanation of the differences between the work performed in a limited assurance engagement on sustainability information and half-year reviews of financial reports.

24. Wording that auditors may consider including in the 'Summary of the Work Performed' section of the illustrative review reports is shown in the draft report in Agenda Paper 2.1.

25. Arguments for and against providing this example wording are:

No.	Arguments for providing example wording	Arguments against providing example wording
1	Responds to stakeholder feedback that preparers and users may not understand the work effort and cost involved in limited assurance over sustainability information.	The target audience for the auditor's report is users not preparers. Adds to the length of the report and the AUASB website includes relevant 'Key messages' for preparers and auditors.
2	Preparers and users may be familiar with the work effort for reviews of half-year financial reports and assume that the work effort and cost would be similar for a 'review' of sustainability information.	The wording that refers to a half-year review report may be confusing to users in an auditor's report on a full year sustainability report. Further, some entities required to prepare sustainability reports will not be listed entities or disclosing entities, and may not be required to prepare half-year financial reports.
3	Including the wording in the auditor's report would be optional.	Adds to the length of the auditor's report.

26. See Question 2 in paragraph 2 of this paper.

Materials presented

Agenda paper	Description
2.1	Draft illustrative Corporations Act Assurance Report Years 2 and 3 – marked up between ASSA 5000.190(c)(vi) and ASSA 5000.84 versions
2.2	ASIC submission on ED 03/25
2.3	AUASB staff paper for meeting with ASIC on 22 December 2025
2.4	Matters noted by ASIC staff at meeting on 22 December 2025
2.5	Relevant Corporations Act extracts
2.6	Relevant ASSA 5000 extracts



DRAFT ILLUSTRATIVE CORPORATIONS ACT ASSURANCE REPORT – YEARS 2 AND 3

Subject to review by AUASB Board.

Differences between the Option 1 (combining ASSA 5000.190(vi) words and Corporations Act words in the conclusions/opinions) and Option 2 (using only Corporations Act wording in the conclusions/opinions) reports are shown in revision marks and yellow highlighting.

The boxes and bold text are intended to:

- (a) not make it appear that there is a second conclusion but rather additional explanation giving context to the conclusion; and
- (b) address concerns that the additional explanation is not sufficiently prominent and might not be read by users.

INDEPENDENT AUDITOR'S REVIEW REPORT ON ABC COMPANY LIMITED'S SUSTAINABILITY REPORT

To the Members of ABC Company Limited

Review Conclusion

We have conducted a review of the sustainability report of ABC Company Limited (the Company), which comprises the climate statements for the year, notes to the climate statements, any statements required under subsection (5) of section 296A of the *Corporations Act 2001* and the directors' declaration for the year ended XX XXX 20XX as required by Australian Standards on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) issued by the Auditing and Assurance Standards Board (AUASB).

~~Based on the procedures we have performed and the evidence we have obtained, we~~ We have not become aware of any matter in the course of the review that makes us believe that the sustainability report ~~does not comply~~ is not fairly presented, in all material respects, in compliance with Division 1 of Part 2M.3 of the *Corporations Act 2001*, including the requirements of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures*¹.

Basis for Conclusion

~~We conducted a~~ Our review is required by the Act to be conducted as a limited assurance engagement in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) and ASSA 5010 issued by the AUASB to obtain limited assurance that the sustainability report is free from material misstatement. Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* requires a complete set of disclosures to present fairly all climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

The procedures we have performed and the evidence we have obtained in accordance with ASSA 5000 enabled us to make the above conclusion. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under this standard are further described in the Auditor's Responsibilities section of this section of our report.

¹ Subsection 1707F(3) of the *Corporations Act* requires a description of any matter and a statement as to why that matter makes the auditor believe that the sustainability report, to the extent that it is required to be reviewed, does not comply with Division 1 of Part 2M.3.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to *[insert 'June 2024' or 'July 2025', as applicable]*) (the Code), together with the ethical requirements in the *Corporations Act 2001*, that are relevant to our audit of the sustainability report and public interest entities in Australia². We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Emphasis of Matter

We draw attention to [identify the specific disclosure in the Nature Information], which describes [...].

Our conclusion is not modified in respect of this matter.

Other Information

The Directors of the Company are responsible for the other information. The other information comprises *[describe the other information]*.

Our conclusion on the sustainability report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the sustainability report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the sustainability report, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the Sustainability Report

The Directors of the Company are responsible for:

- The preparation and fair presentation of the sustainability report in accordance with the *Corporations Act 2001* (including AASB S2 *Climate-related Disclosures*).
- Designing, implementing and maintaining such internal controls necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the *Corporations Act 2001* that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in Preparing the Sustainability Report

[Example - Greenhouse gas emissions quantification relating to [identify source of emissions] is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied³].

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the sustainability report is free from material misstatement, whether due to fraud or error, and to

² Omit reference to public interest entities if not applicable.

issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability report.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the sustainability report. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

[Insert a summary of the nature and extent of procedures performed that, in the auditor's judgement, provides additional information that may be relevant to the users' understanding of the work performed to support the auditor's conclusion and the level of assurance obtained.]

[An auditor may consider including the following text in their review report. The text may need to be tailored to the circumstances of individual engagements.]

Our review of the climate-related information (i.e. a limited assurance engagement under ASSA 5000) required more work than an ongoing half-year review of a financial report because:

- (a) ***[For Year 2 (and Year 1) only]* Certain information was subject to assurance for the first time and we needed to:**
 - (i) **gain an enhanced understanding of the business;**
 - (ii) **understand relevant systems and processes;**
 - (iii) **consider the climate-related financial risks and opportunities and required disclosures, and we could not perform non-substantive analytical procedures using assured comparative information;**
- (b) **The entity's ongoing systems and controls for the climate-related information are still under development;**
- (c) **Limited assurance under ASSA 5000 involves work that is not specified for a review of a half-year financial report in areas such as risk identification and assessment; and**
- (d) **The full year financial report is subject to reasonable assurance and this affected the extent of work on connected climate-related information in the sustainability report.**

Other Matter⁴

The other comparative information was not subject to review in the prior year. We conducted a review only on selected climate-related disclosures in the sustainability report of ABC Company for the year ended XX XXX 20XX (which is a different engagement scope to the current engagement), and issued an unmodified conclusion.

In connection with our review of the sustainability report, our responsibility is to determine whether the comparative information not subject to review in the prior year, is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the

⁴ ASSA 5000 paragraph 209 requires the auditor to state in an Other Matter paragraph that the comparative information was not subject to assurance in the prior period. ASSA 5000 paragraph 210 requires the auditor to state in an Other Matter paragraph that the comparative information had a different engagement scope than the current period. This description is applicable for Year 2.

consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

The following comparative information was subject to review in the prior year and an unmodified conclusion was issued:

- (a) Governance, in accordance with paragraph 6 of AASB S2 *Climate-related Disclosures* (AASB S2), on pages X to X of the Sustainability Report;
- (b) Strategy (risks and opportunities), in accordance with subparagraphs 9(a), 10(a) and 10(b) of AASB S2, on pages X to X of the sustainability report; and
- (c) Scope 1 and Scope 2 greenhouse gas emissions, in accordance with subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v) of AASB S2, on pages X to X of the sustainability report.

[Signature in the name of the audit firm or authorised audit company]

[Signature of the lead auditor]

[Auditor's address]

[Date of the auditor's report]



ASIC SUBMISSION ON ED 03/25



ASIC
Australian Securities &
Investments Commission

The Chair
Auditing and Assurance Standards Board
PO Box 204
Collins Street West, VIC 8007

**Australian Securities
and Investments Commission**

Office address (inc courier
deliveries): Level 7, 120 Collins Street,
Melbourne VIC 3000

Mail address for Melbourne office:
GPO Box 9827,
Melbourne VIC 3001

Tel: +61 1300 935 075
www.asic.gov.au/

Sub 13 ED03 2025

By email only: dniven@auasb.gov.au

3 December 2025

Dear Doug

**ASIC submission in response to the Auditing and Assurance Standards Board's
(AUASB) exposure draft ED 03/25 (Exposure Draft)**

ASIC is Australia's integrated corporate, markets, financial services and
consumer credit regulator.

ASIC is responsible for administering, and where appropriate enforcing, the
sustainability reporting & assurance requirements under Chapter 2M of the
Corporations Act 2001 (Cth) (**Corporations Act**).

From 2026, ASIC will undertake its first review of sustainability reports lodged
with ASIC. Over time, ASIC will also review the auditor's reports on the
sustainability reports that are lodged with ASIC. ASIC will publicly report on its
findings to drive continued improvement in reporting & assurance practices.

Our focus is on ensuring that users are provided with high-quality, consistent
and comparable climate-related financial disclosures that comply with the
Corporations Act and AASB S2: *Climate-related Disclosures* ([AASB S2](#)); see
paragraph 20 of ASIC Regulatory Guide 280: *Sustainability reporting* ([RG 280](#)).

We welcome the opportunity to provide officer-level submissions to the
AUASB on its Exposure Draft relating to proposed changes to ASSA 5000:
General Requirements for Sustainability Assurance Engagements (**ASSA 5000**).

Submission on Exposure Draft

Our submission is focused on the AUASB's proposal to combine the words
required under s309A(1) and s1707F(2) of the *Corporations Act* with the words
expressed in paragraph 190(c)(vi) of ASSA 5000 (**the Proposal**). This is
described at paragraph 9 (in relation to reviews) and paragraph 14 (in
relation to audits) of the Exposure Draft.

These combined words are proposed to be reflected in illustrative assurance reports that are proposed to form part of ASSA 5000.

We note that the AUASB has an alternative proposal, at paragraphs 10 to 12 and 15 to 17 of the Exposure Draft, which does not involve combining these words. We prefer this alternative approach. This is because:

- the requirements in s307AA, s309AA and s1707F of the Corporations Act prescribe what the auditor's report on the sustainability report must include. These are strict legal requirements that must be complied with. For example, s307AA(c) of the Corporations Act requires the auditor of the sustainability report to form an audit opinion about whether the entity that has prepared the sustainability report has kept sustainability records sufficient to enable the sustainability report to be prepared and audited. The requirements in s307AA, s309AA and s1707F of the Corporations Act also contribute to a consistent standard of audit quality in Australia by requiring auditors to consistently turn their minds to these matters in the auditor's report on the sustainability report; and
- the proposed combined words could be read as suggesting (incorrectly) that the concept of fair presentation applies to compliance with Division 1 of Part 2M.3 of the Corporations Act, so that in some circumstances it may be permissible to depart from these requirements. Paragraph 190(c)(vi) of ASSA 5000 includes the concept of fair presentation which ASSA 5000 defines elsewhere as involving going above, or departing from, the requirements of the relevant sustainability-related framework (see page 14 of current ASSA 5000).

We note that the requirements in the Corporations Act and ASSA 5000 are generally intended to operate together to the extent that ASSA 5000 is not inconsistent. For example:

- the auditor's report on the sustainability report could still comply separately with the requirement in paragraph 190(c)(vi) of ASSA 5000, notwithstanding the separate legal requirements under s307AA, s309A and s1707F of the Corporations Act. Both s309A(4) and s1707F(4) of the Corporations Act permit the auditor's report on the sustainability report to include any statements or disclosures required by the auditing standards (which would include paragraph 190(c)(vi) of ASSA 5000); and
- ASSA 5000 currently provides a mechanism to address the situation where law (such as the Corporations Act) or regulation prescribes a layout or wording in the auditor's report on the sustainability report that is different from the requirements of ASSA 5000. Paragraph 84 of ASSA 5000 requires the auditor to consider whether additional explanation in the auditor's report on the sustainability report could be included to mitigate any possible misunderstanding by intended users.

ASIC welcomes the opportunity for a further discussion with the AUASB on this submission. Please contact Claire LaBouchardiere at 02 9911 2226 or claire.labouchardiere@asic.gov.au should you wish to discuss this feedback further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Claire LaBouchardiere', with a stylized flourish at the end.

Claire LaBouchardiere

Senior Executive Leader

Australian Securities and Investments Commission



AUASB STAFF PAPER FOR MEETING WITH ASIC ON 22 DECEMBER 2025

Office of the AUASB Staff briefing notes for ASIC Staff

- All IAASB/AUASB standards are underpinned by the framework for assurance engagements which describes the objectives and elements of an assurance engagement. ISSA/ASSA 5000 was developed based on this framework. The framework outlines that for all limited assurance engagements, the conclusion is expressed in a form that conveys whether, based on the engagement performed anything has come to the auditor's attention.
- The wording of the opinion/conclusion under ISSA/ASSA 5000 has been through a robust global due process and is consistent with our framework and other assurance standards, which are currently used in the market (i.e. ASAE 3000). The lead in words for a limited assurance engagement (review) is an essential part of the conclusion.
- During the development of ISSA/ASSA 5000 there was concern expressed by stakeholders about potential confusion and misunderstanding among users of the difference between limited and reasonable assurance and the need to minimise expectation gaps. Stakeholders locally raised similar concern as part of responses to the AUASB's ED 03/25. Locally stakeholders also raised concerns around users misunderstanding of the difference between a review of a sustainability report and a half-year review of a financial report in particular as the Act requires the use of the term review. (All non-confidential submissions can be viewed on the [AUASB website](#).)
- The AUASB Staff's view is that retaining the lead in wording for the review conclusion is an important part of managing user expectation gap as limited assurance is a wide spectrum and the level of comfort that a user obtains from the engagement is dependent on the procedures performed by the practitioner. Framing the conclusion with reference to these procedures is fundamental to ensuring that a user does not misunderstand what the practitioner has done, and is consistent with our framework ([paragraph 85](#)) which says;

In a limited assurance engagement, the assurance practitioner's conclusion is expressed in a form that conveys whether, based on the engagement performed, a matter(s) has come to the assurance practitioner's attention to cause the assurance practitioner to believe the subject matter information is materially misstated, for example, "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."

- In the context of IAASB/AUASB standards, the phrases "present fairly, in all material respects," and "give a true and fair view" are regarded as being equivalent. Whether the phrase "present fairly, in all material respects," or the phrase "give a true and fair view" is used in any particular jurisdiction is determined by the law or regulation in that jurisdiction, or by generally accepted practice in that jurisdiction. The AUASB Staff view is as there is no equivalent of s297 – *True and fair view* for a sustainability report, the phrase "presents fairly, in all material respects" should be used in the conclusion/opinion as the criteria (AASB S2) is a fair presentation framework.
- Our understanding is that sections 1707F(2) and 309A (and 307AA) of the Corporations Act outline the scope and objective of assurance of the sustainability report. The form and content of the opinion/conclusion is determined by the AUASB standards. However, we do amend opinion/conclusion wording if legislation requires as long as the wording will not be misunderstood by users. (For example, in the auditor's report on a financial report "in compliance with" is used instead of "in accordance with" which is the default terminology.)
- In our view the intention of s 1707F(2) and 309A was not to prescribe the exact and only words which may be used by auditors to convey the auditor's conclusion and opinion. We are interested in ASIC's opinion on this matter.
- ED 03/25's proposed conclusion / opinion wording used both the words of ASSA 5000.190 and the words required by s 1707F(2) and s309A. We retained the fundamental elements (detailed above) as in the AUASB's Staff view these are not inconsistent with the Act as

subsections 1707E(4) and 309A(3) of the Act allows a practitioner to use the statements required by AUASB standards in their conclusion/opinion. We are interested in ASIC's views on why the combined wording is considered inconsistent with the Act. Are there any particular aspects?

- Whilst paragraph ASSA 5000.84 allows a practitioner, in certain circumstances, to use a layout or wording of an assurance report prescribed by law or regulation and still claim compliance with ISSA/ASSA 5000, this is premised on the practitioner evaluating and concluding that the layout or wording prescribed by law or regulation would not be misunderstood by users.
- There is insufficient information at this time to evaluate and conclude whether a user would misunderstand the proposed alternative auditor's conclusion in ED 03/25 which does not incorporate the fundamental elements in the conclusion / opinion discussed above. One of the key objectives of the IAASB's auditor reporting project (completed in 2015) was to provide prominence to the auditor's opinion due to concerns users may not read reports in their entirety. We do have a concern that by not having the fundamental elements in the conclusion / opinion it may be misunderstood for this reason. We rely on the IAASB's due process to determine the most appropriate wording and layout and modify only as required by the Act. Global consistency is also an important reason we limit modifications.
- We consider ASIC's views to be very important, and look forward to our discussions to understand the basis of the views in ASIC's submission in order to inform the AUASB on the appropriate way forward.



MATTERS NOTED BY ASIC STAFF AT THE MEETING ON 22 DECEMBER 2025

On 22 December 2025, AUASB staff and ASIC staff met to discuss the AUASB staff paper and ASIC submission on ED 03/25. The meeting was observed by most Board members. Matters noted by ASIC staff at the meeting included:

1. The Corporations Act ("the Act") is clear as to what an auditor must form an opinion about and what an auditor must report to members about (s307AA, s309A and s1707F).
2. If an opinion uses the Act words, it is clear that the Act obligations have been met. There are possible unintended consequences of modifying the Act words, such as by including the ASSA 5000.190(c)(vi) wording in the opinion.
3. Option 1 in ED 03/25 risks not complying with the Act. This is because not all disclosure requirements in Division 1 of Part 2M.3 of the Act are necessarily subject to fair presentation under AASB S2. ASIC staff did not hear in the meeting why the risk does not exist.
4. Section 336 of the Act requires that the standard must not be inconsistent with the Act. In ASIC's view, there is no inconsistency because both the Act and ASSA 5000 (paragraph 84) allow supplementing the opinion with additional explanations.
5. S309A(3) and s1707F(4) say the auditor's report must include statements required by the auditing standards.
6. ASSA 5000.84 allows additional explanation to be given to address any possible misunderstanding from using the Act words alone. ASIC hasn't considered the appropriateness or adequacy of any specific additional explanation.
7. The matters (lead in words for conclusions, fair presentation and materiality) can be explained more clearly and in more detail in the additional explanation as allowed by the Act and ASSA 5000.
8. Section 309A prescribes what to report to members, and this is different from the opinion requirements in section 307AA. The auditor could consider reporting on matters covered by the opinion to promote a discussion with directors, etc.
9. Stakeholders can put forward any proposed changes to the Act for the review of the legislation in 2028.



RELEVANT CORPORATIONS ACT EXTRACTS

REVIEW CONCLUSION WORDING

1. Subsection 1707F(2) of the *Corporations Act 2001* (the Act) outlines the required content of the auditor's review report on a sustainability report or information in a sustainability report.

1707F – Review of sustainability report before 1 July 2030

- (1) ...
- (2) An auditor who reviews the sustainability report must report to members in accordance with subsections (3), (4) and (5) of this section on whether the auditor became aware of any matter in the course of the review that makes the auditor believe that the sustainability report, to the extent that it is required to be reviewed by the auditing standards, does not comply with Division 1 of Part 2M.3.
- (3) A report under subsection (2) must:
 - (a) describe any matter referred to in subsection (2); and
 - (b) say why that matter makes the auditor believe that the sustainability report, to the extent that it is required to be reviewed by the auditing standards, does not comply with Division 1 of Part 2M.3.
- (4) The auditor's report must include any statements or disclosures required by the auditing standards for the purposes of this section. ...

AUDIT OPINION WORDING

2. Section 309A outlines the required content of the auditor's audit report on a sustainability report.

309A – Auditor's report on sustainability report

Audit of sustainability report

- (1) An auditor who audits the sustainability report for a financial year must report to members in accordance with subsections (2), (3), (4) and (5) on whether the auditor is of the opinion that the sustainability report is in accordance with this Act, including:
 - (a) subsection 296A(2) or 296B(1) (contents of climate statements); and
 - (b) section 296C (compliance with sustainability standards etc.); and
 - (c) section 296D (climate statement disclosures).

If the auditor is not of that opinion, the auditor's report must say why.

- (2) The auditor's report must describe:
 - (a) any defect or irregularity in the sustainability report; and
 - (b) any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 307AA(b).

Requirements for report

- (3) The auditor's report must include any statements or disclosures required by the auditing standards.
- (4) If the sustainability report includes additional information under paragraph 296A(3)(c), the auditor's report must also include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to make the disclosures required by section 296D...

CONSISTENCY OF STANDARDS WITH ACT

3. Subsection 336(1) of the Act provides that the auditing standards (which include sustainability assurance standards)

336 Auditing standards

AUASB's power to make auditing standards

- (1) The AUASB may, by legislative instrument, make auditing standards for the purposes of this Act or the ASIC Act. The standards must not be inconsistent with this Act, the ASIC Act or the regulations.



RELEVANT ASSA 5000 EXTRACTS

ASSA 5000.190(c)(vi) – Wording for conclusions/opinions

190. The assurance report shall include at a minimum the following basic elements: ...
- (c) The practitioner's conclusion in the first section of the assurance report, which: ...
- (vi) Expresses a conclusion, which: (Ref: Para. A545L–A547)
- For reasonable assurance, shall be expressed in a positive form, that the sustainability information is prepared or fairly presented, in all material respects, in accordance with the applicable criteria; or
 - For limited assurance, shall be expressed in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner's attention to cause the practitioner to believe that the sustainability information is not prepared or not fairly presented, in all material respects, in accordance with the applicable criteria; ...

ASSA 5000.84 – Wording in law that is different from ASSA 5000.190(c)(vi)

Assurance Report Prescribed by Law or Regulation

84. If law or regulation prescribes the layout or wording of the assurance report that is different from the requirements of the ASSAs, the practitioner shall evaluate:
- Whether intended users may misunderstand the practitioner's conclusion; and
 - If so, whether additional explanation in the assurance report can mitigate the possible misunderstanding.

If the practitioner concludes that additional explanation in the assurance report cannot mitigate the possible misunderstanding, the practitioner shall not accept the assurance engagement, unless required by law or regulation to do so. An assurance engagement conducted in accordance with such law or regulation does not comply with this ASSA. Accordingly, the practitioner shall not include any reference in the assurance report to the assurance engagement having been conducted in accordance with this Act.

ASSA 5000.18 – Definition – 'Fair presentation framework'

Definitions

18. For the purposes of this Standard on Sustainability Assurance, the following terms have the meanings attributed below: ...

Criteria	<p>The benchmarks used to measure or evaluate the sustainability matters. Criteria comprise either framework criteria, entity-developed criteria or both. Framework criteria are either fair presentation criteria or compliance criteria. (Ref: Para. A20, A195)</p> <p>The term "fair presentation criteria" is used to refer to a sustainability reporting framework that requires compliance with the requirements of the framework and: (Ref: Para. A528–A529)</p> <ol style="list-style-type: none">Acknowledges explicitly or implicitly that, to achieve fair presentation of the sustainability information, it may be necessary for management to provide information beyond that specifically required by the framework; orAcknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the sustainability information. Such departures are expected to be necessary only in extremely rare circumstances. <p>The term "compliance criteria" is used to refer to a sustainability reporting framework that requires compliance with the requirements of the framework but does not contain the acknowledgments in (a) or (b) above.</p>
----------	--