Supporting Credibility and Trust in Emerging Forms of External Reporting: Ten Key Challenges for Assurance Engagements
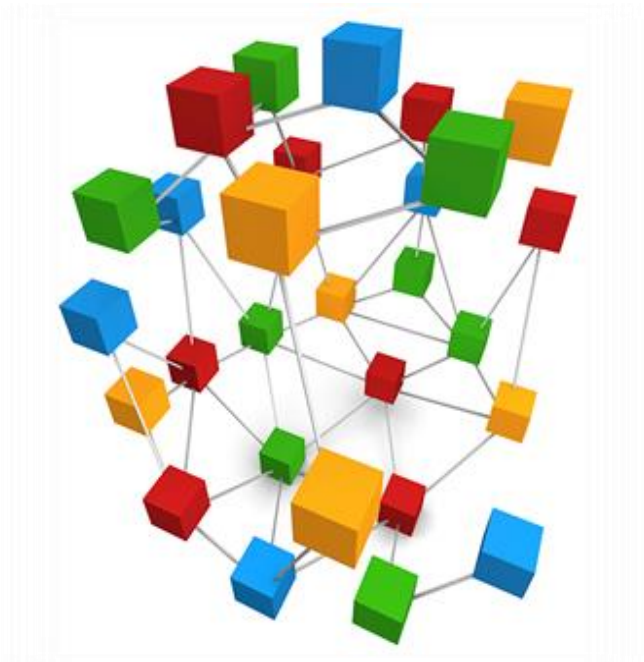
IAASB

International Auditing and Assurance Standards Board

About the IAASB

This document has been prepared by the Staff of the International Auditing and Assurance Standards Board. It does not constitute an authoritative pronouncement of the IAASB, nor does it amend, extend or override the International Standards on Auditing or other of the IAASB's International Standards.

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Consultative Advisory Group, which provides public interest input into the development of the standards and guidance. The structures and processes that support the operations of the IAASB are facilitated by the International Federation of Accountants (IFAC).

For copyright, trademark, and permissions information, please see page 20.

SUPPORTING CREDIBILITY AND TRUST IN EMERGING FORMS OF EXTERNAL REPORTING: TEN KEY CHALLENGES FOR ASSURANCE ENGAGEMENTS

Introduction

In August 2016, the International Auditing and Assurance Standards Board (IAASB) issued a Discussion Paper, *Supporting Credibility and Trust in Emerging Forms of External Reporting: Ten Key Challenges for Assurance Engagements*.

Emerging Forms of External Reporting (EER) are still evolving and there is demand for action to support credibility and trust in EER reports. The responses received from a range of different stakeholder groups expressed broad support for the approach suggested in the Discussion Paper, and provided additional useful insights from the experience of the respondents.

This Feedback Statement summarizes what we have heard.

Why the IAASB Undertook the Initiative

The purpose of the Discussion Paper was to set out the principal findings from the IAASB's initial research and outreach on developments in EER frameworks and in relevant professional services. The Discussion Paper also sought to understand the views of stakeholders about the potential role of the IAASB and where others can or need to play a role in a holistic and interactive process to support credibility and trust in EER reports.

Background to the Discussion Paper

The Discussion Paper was issued by the Integrated Reporting Working Group (IRWG). This was set up by the IAASB in September 2014 to: 1) explore emerging developments in integrated reporting and in other forms of external reporting (which go beyond traditional financial reporting); 2) gather information on demand for assurance engagements on such reports (including their scope and key assurance issues); and 3) explore how and when the IAASB could most effectively respond.

The Discussion Paper issued in August 2016 requested responses to nine questions covering:

- Credibility and Trust (Q1-Q3)

- Scope of the IAASB's International Standards and Related Guidance (Q4-Q6)

- Ten Key Challenges in Relation to EER Assurance Engagements (Q7)

- Potential Demand for Assurance Engagements and Other Professional Services (Q8)

- Collaboration with Other Organizations (Q9)

Purpose of this Feedback Statement

This Feedback Statement provides an overview of the key messages from the responses to the questions in the Discussion Paper. The responses have helped inform the IAASB as to what its next steps should be to progress with its project in this area. Developing guidance to help overcome the Ten Key Challenges identified in the Discussion Paper will require close collaboration with a wide range of stakeholder groups.

Sharing what we have heard so far with stakeholders is therefore important in this process and the IAASB believes it may be useful in stimulating further thinking about, and discussion of, EER.

**WHO IS THIS FEEDBACK STATEMENT FOR?**

We believe there continues to be value in a wide range of stakeholders being involved in ongoing discussion on EER, including:

- Investors and other users
- Preparers
- Those in governance roles
- Standard setters
- Regulators
- Practitioners
- Internal auditors
- Academics
- Other stakeholders

Overview of Respondents

39 responses were received which have been categorised into the following stakeholder groups and geographic areas:

Total	39
Investors and Analysts	1
Regulators and Oversight Authorities	2
National Auditing Standard Setters	8
Accounting Firms	6
Member Bodies and Other Professional Bodies	14
Other Organizations	1
Preparers of Financial Statements	1
Those Charged with Governance	1
Academics	1
Individuals and Others	4

- Global
- Europe
- Middle East and Africa
- Asia Pacific
- North America
- South America
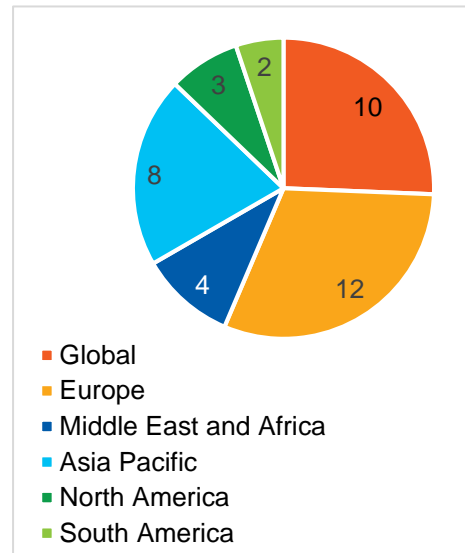
A majority of respondents were from the profession, although they also included a key international EER investor signatory body, Principles for Responsible Investment (PRI), and two regulators from jurisdictions in which EER is evolving (UK and South Africa). In addition, the IAASB is aware of support to take forward its work in this area from two particular international organizations engaged in significant EER initiatives; the International Integrated Reporting Council (IIRC) and the World Business Council for Sustainable Development (WBCSD).

A full list of the respondents to the Discussion Paper is included at the end of this Feedback Statement.

What We Heard

The key messages from respondents to the Discussion Paper were:

- Although current demand for assurance is limited, the majority thought it was likely to increase as EER continues to evolve.

- Several thought user credibility and trust engendered by work of financial statement auditors under ISA 720 (Revised)[i] was not sufficient when EER is included in the annual report and gives rise to an expectation gap for some users.

- Broad agreement with, and additional insights provided in relation to, the IAASB's understanding of:

    ○ The Four Factors that enhance credibility and trust.

    ○ The professional services and other external inputs provided or called for to support credibility of EER reports.

    ○ The Ten Key Challenges.

- Strong agreement with the IAASB's proposals to develop guidance in applying existing international assurance standards, rather than developing new standards, at the present time, and related messages, as follows:

    ○ Guidance to address each of the Key Challenges would be helpful.

    ○ General consensus that focus should be on guidance for application of ISAE 3000 (Revised)[ii] rather than International Standards for other types of engagement, but with some support for the latter

    ○ Caution expressed that the IAASB should develop guidance in a manner that does not stifle innovation in EER and related assurance engagements.

    ○ Varying levels of explicit support for, and of priority attached to, guidance on each Key Challenge.

    ○ The highest priority Key Challenges, based on the overall level of support and priority attached to each by respondents were Suitability of Criteria; Materiality; and Form of the Assurance Report.

    ○ ISAE 3410[iii] is not widely used geographically, and there is little support for further subject-matter specific assurance standards.

    ○ However, some said a subject-matter specific standard on EER, broader than ISAE 3410 but narrower than ISAE 3000 (Revised), might be appropriate at some time in the future.

- The IAASB should continue to provide thought leadership on assurance issues and co-ordinate its work with that of a wide range of other relevant organizations.

Q1 **Factors that enhance credibility**

Respondents generally agreed with the factors identified in the Discussion Paper, and provided further detail and suggestions on the specific conditions that affect credibility and trust of EER reports:

Key:
- The four factors are shown in yellow.
- The output is shown in red.
- The outcomes are shown in green.

Discussion Paper Description	Further Insights From Responses
Factor 1 – Sound Reporting Framework	
Essential first and foremost is the framework – the objectives of which are closely aligned with the user's information needs.	Key attributes of a sound reporting framework include transparency, the ability to drive consistency across time and between entities, and the need for the framework to be generally accepted.
Factor 2 – Strong Governance	
Reporting processes, controls and potentially external professional services engagements are initiated under strong governance oversight.	The competence and accountability of preparers of EER reports is important to create credibility and trust. Furthermore, entities need appropriate and reliable information and IT systems, and may need to use relevant external specialists.
Factor 3 – Consistent Wider Information	
Users perform their own evaluation of the consistency of the EER report with wider available sources of information to which they have access.	Ensuring the completeness of EER reports would also contribute towards achieving consistency between various sources of information available, enhancing credibility of the reporting.
Factor 4 – External Professional Services and Other Reports	
Users also have access to any published reports issued under external assurance or other professional services engagements that relate to the EER report.	Practitioners' competence, objectivity and independence are central to trust. Regulatory involvement (e.g., in standards, oversight or otherwise) may increase trust in any reports issued by professional services providers, which in turn contribute to enhancing the credibility of the EER itself.
Possible additional factor – External User Experience and Education	
	There may be a need to educate users of EER reports, particularly to improve understanding of the different levels of assurance that can be obtained by external professional services, and therefore reduce the risk of confusion or misunderstandings.

"It might … be worthwhile for the IAASB to elaborate further and educate the public on how to read an assurance report in order to be able to clearly understand what was subjected to the assurance engagement and the level of assurance obtained."

Deloitte Touche Tohmatsu Limited

Q₂ **Professional services that enhance credibility and trust**

In addition to those listed in the Discussion Paper, four other types of professional services were identified by respondents that are, or may in the future be, relevant in enhancing credibility and trust. The services identified in the discussion paper and respondents are set out in the table below:

Existing Professional Services	Emerging Professional Services	
Services identified in the Discussion Paper		Others suggested by respondents
Reasonable assurance engagements	Consultancy (advisory) engagements	Benchmarking[iv]
Limited assurance engagements	Assurance readiness engagements	Expert opinions[v]
Agreed-upon procedures engagements	Maturity assessments	Hybrid engagements[vi]
Compilation engagements	Expert insight reports	'Presentation' type engagements[vii]
Certifications		

Q₃ **ISA 720 (Revised)**

Several respondents stated that ISA 720 (Revised) is not sufficient when EER information is included in the annual report because when ISA 720 (Revised) reporting applies, some users expect that this information has been subjected to an 'assurance' process beyond the requirements of ISA 720 (Revised), which gives rise to an expectation gap.

Most respondents were in agreement that the responsibilities of the financial statement auditor should not be enhanced because:

- EER is not mature enough;

- There is no clear demand for doing so;

- financial statement auditors may not possess the required in-depth specialist knowledge and skills to work with the wide range of topics covered in EER; or

- Changing auditor responsibilities globally would require involvement of regulators around the world.

There is potentially demand for assurance beyond ISA 720 to enhance credibility and trust in EER information in the annual report, and this may increase in the future. The general consensus from the responses was that the extent of assurance over EER information in the annual report should be decided by the market (investors, those charged with governance, regulators and other stakeholders). Stakeholders encouraged the IAASB to consider improving awareness of the limitations of the auditor's responsibilities under ISA 720.

> *"There remains both an expectation gap around 'other information' with regards to some stakeholders and a misunderstanding as to the auditors´ role with some other stakeholders. This expectation gap risk increases considerably as more EER are included in the annual report and users place reliance on it."*
>
> **Accountancy Europe**

Q4

Introducing guidance on the IAASB's existing international standards

28 respondents explicitly supported the idea to introduce guidance for applying the IAASB's existing international assurance standards, principally ISAE 3000 (Revised). Generally, this was the preferred option to introducing a new standard. Some respondents indicated that guidance was urgently needed.
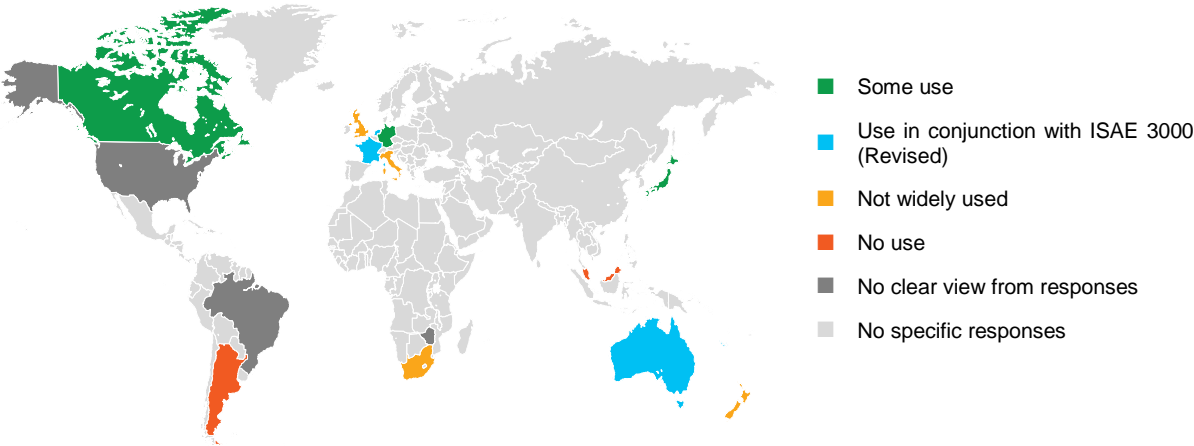
Many supported extending guidance to cover agreed-upon procedures and compilation engagements, although the general consensus was that ISAE 3000 (Revised) should be the priority.

Some respondents warned against guidance being seen to be too authoritative, as it could have the effect of stifling innovation, or it becoming quickly out of date in this rapidly developing field.

Q5

Usefulness of subject-matter specific assurance standard ISAE 3410

Although ISAE 3410 is used in some specific jurisdictions (see map below), it seems not to be in widespread usage globally, and, where it is used, this is often in conjunction with ISAE 3000 (Revised).

Legend:
- ■ Some use
- ■ Use in conjunction with ISAE 3000 (Revised)
- ■ Not widely used
- ■ No use
- ■ No clear view from responses
- ■ No specific responses

Country Specific Use of ISAE 3410 (Based on Country-Specific Discussion Paper Responses Only)[viii]

The reasons given for this included:

- That there was limited demand for Greenhouse Gas (GHG) reporting where there are no regulatory requirements; and

- Where GHG reporting is more common, often the demand or requirement is for broader sustainability reporting, and hence the need for an assurance engagement is wider than the narrow scope of ISAE 3410.

Some of the larger accounting firms noted that ISAE 3410 had, however, been useful, including by applying the material within it to develop methodologies for broader assurance engagements.

Not many respondents indicated whether any further pronouncements specific to GHG reporting would be useful, given the limited use of ISAE 3410.

Q6

Developing further subject-matter specific assurance standards

The majority of the respondents agreed with the Discussion Paper that it was too early to develop a subject-matter specific assurance engagement standard on EER or particular EER frameworks.

Respondents agreed with the Discussion Paper's rationale that EER frameworks and related standards were insufficiently developed. The following additional reasons were given as to why it is too early to develop a new standard:

- Entities do not have sufficiently mature reporting systems, controls and oversight;

- Entities are not following existing EER frameworks uniformly;

- A new standard might impose rigidity and inflexibility in performing assurance engagements; and

- ISAE 3000 (Revised) is sufficient for the time being.

Q7 **Ten Key Challenges in relation to EER assurance engagements**

All respondents directly answering this Discussion Paper question agreed with the IAASB's analysis of the key challenges, and also that guidance in addressing the challenges would be helpful.

Respondents also made observations that were relevant to how each challenge should be addressed:

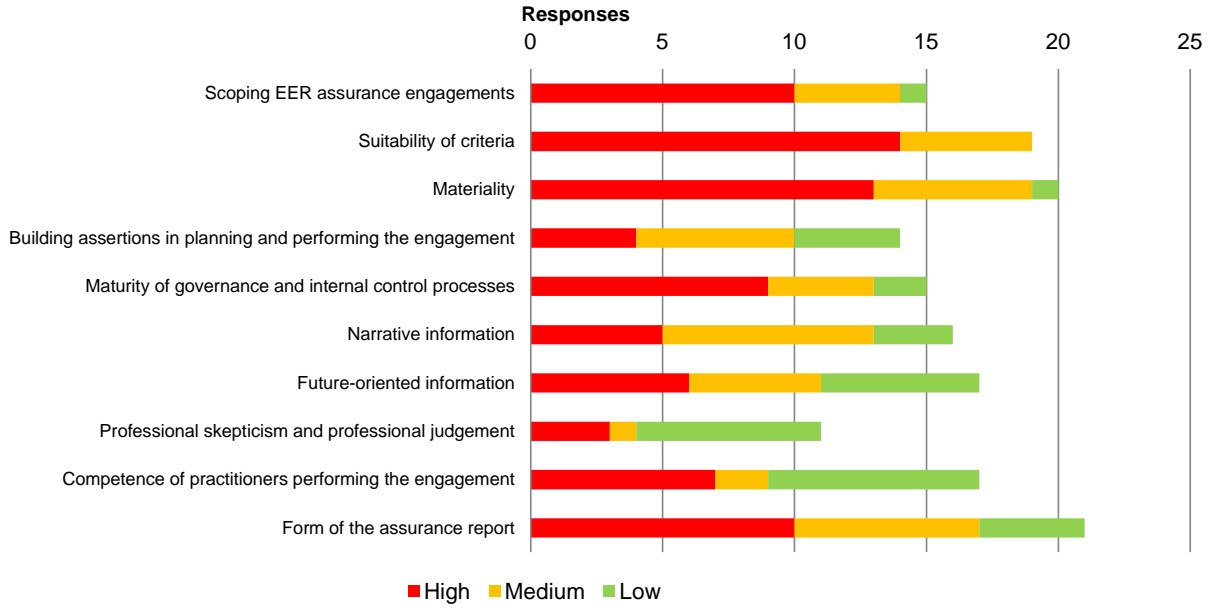| Challenge	Areas to Consider Arising From Responses
1 Determining the Scope of an EER Assurance Engagement Can Be Complex	• Whether engagement should cover all material issues to avoid user misunderstanding about scope • Whether pre-conditions for an EER assurance engagement have been met • Factors that should be considered when determining whether to accept the different types of assurance engagement • Whether an engagement over a complete EER report should be accepted when governance and controls are developing • Cost considerations • Use of experts by management and practitioners
2 Evaluating the Suitability of Criteria in a Consistent Manner	• Completeness, balance and neutrality
3 Addressing Materiality for Diverse Information with Little Guidance in EER Frameworks	• Assessing qualitative misstatements in aggregate • Materiality with respect to completeness, balance and neutrality assertions • Identifying the intended users
4 Building Assertions for Subject Matter Information of a Diverse Nature	• Providing examples of typical assertions for EER engagements • Building completeness, balance and neutrality assertions • Designing appropriate procedures to obtain sufficient appropriate evidence about assertions relating to EER information
5 Lack of Maturity in Governance and Internal Control over EER Reporting Processes	• *None raised*
6 Obtaining Assurance with Respect to Narrative Information	• Potential sources of evidence with respect to different types of narrative disclosures, with illustrative examples • Determining sufficiency and appropriateness of evidence • Evaluating completeness, balance and neutrality of narrative information • Addressing measurement or evaluation uncertainty

7	Obtaining Assurance with Respect to Future-Oriented Information	• Addressing risk that there may be expectation gaps with respect to the work done on such information
		• How such information could be included within the scope of an EER assurance engagement
		• Determining sufficiency and appropriateness of evidence
8	Exercising Professional Skepticism and Professional Judgment	• *None raised*
9	Obtaining the Competence Necessary to Perform the Engagement	• Competence of the engagement leader (including consideration of non-accountants)
		• Assessing competence, including what competences are needed for such engagements
		• Use of experts
10	Communicating Effectively in the Assurance Report	• Minimizing the expectation gap regarding the level of assurance
		• How reports should address: different levels of assurance; the parts of the EER report within the scope of the assurance engagement; the identity and competence of the engagement leader; describing the work performed
		• Identifying the intended users in the EER report

There was a wide range of responses to the request to indicate what priority the IAASB should give to addressing each of the challenges. With some of the challenges, a similar number of respondents ranked a challenge high priority as the number ranking it a lower priority[ix].

Three challenges emerged as being the highest priority, based on the overall level of support and priority attached to each by respondents:

• Suitability of criteria

• Materiality; and

• Form of the assurance report

Responses

Challenge	
Scoping EER assurance engagements	
Suitability of criteria	
Materiality	
Building assertions in planning and performing the engagement	
Maturity of governance and internal control processes	
Narrative information	
Future-oriented information	
Professional skepticism and professional judgement	
Competence of practitioners performing the engagement	
Form of the assurance report	

■ High   ■ Medium   ■ Low

Suggested Priority for the IAASB to Address Each Challenge

Respondents made some suggestions for other key challenges, many of which were refinements or extensions to the challenges in the Discussion Paper. These are summarised in the following table:

Challenge	Related to Originally Proposed Challenges
Establishing how to deal with completeness, balance and neutrality of EER information disclosed	1, 2, 3
Articulating the level of assurance provided and minimizing the expectations gap	10
Identifying the users	1, 3, 10
Obtaining sufficient appropriate evidence	4, 6, 7, 8
Measurement uncertainty	3, 6, 7, 8
Use of experts	1, 9
Cost of providing assurance	1, 5

Some respondents noted the inter relatedness of the challenges and made suggestions of how they could be combined or addressed together.

Q8 **Potential demand for assurance engagements and other professional services**

The general consensus was that demand for EER assurance engagements will increase as EER becomes more widespread. Many respondents suggested current low demand was more related to the immaturity of reporting frameworks and regulatory requirements of EER itself rather than the key challenges of assurance engagements being the principal barrier. Cost of assurance is another key barrier for some.

Demand is likely to come from both internal and external users. Respondents suggested:

- External demand would accelerate development of EER itself;

- Demand from investors would drive growth in voluntarily obtained assurance engagements; and

- EER and related assurance would only be extensively adopted in jurisdictions with specific regulatory requirements.

> *"Signals from our membership indicate increasing interest in EER assurance engagements. While this demand remains relatively low, it is with this in mind that we are undertaking our own research. Helping to address, reduce or remove barriers would increase interest. It would also help to normalize the content and language in EER so that the topics covered are more regularly seen in financial reporting, helping to build capacity across reporting."*
>
> **Principles for Responsible Investment**

Q9 **Collaboration with other organizations**

Respondents helpfully suggested a wide range of different organizations the IAASB could look to collaborate with, the most commonly suggested of these were:

- International Integrated Reporting Council (IIRC)

- Global Reporting Initiative (GRI) & Global Sustainability Standards Board (GSSB)

- World Business Council for Sustainable Development (WBCSD)

- International Corporate Governance Network (ICGN)

- International Organization for Standardization (ISO)

- Sustainability Accounting Standards Board (SASB)

- Corporate Reporting Dialogue

- International Accounting Standards Board (IASB) & Financial Accounting Standards Board (FASB)

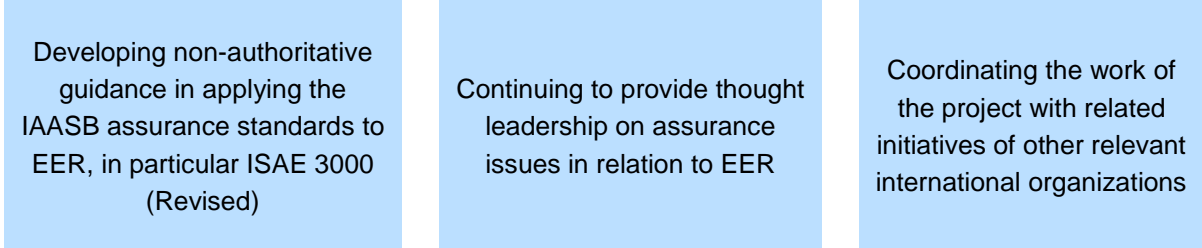- International Organization of Securities Commissions (IOSCO)

> *"We strongly encourage the IAASB to continue to collaborate with other organizations to promote awareness of the need for assurance over EER and to help progress the development of EER frameworks so that the pre-conditions of an assurance engagement can be met."*
>
> **Chartered Accountants Australia and New Zealand**

- International Accounting Education Standards Board (IAESB)

- Carbon Disclosure Project (CDP)

The Way Forward

The IAASB plans to progress with the project through activities in three areas:

Developing non-authoritative guidance in applying the IAASB assurance standards to EER, in particular ISAE 3000 (Revised)	Continuing to provide thought leadership on assurance issues in relation to EER	Coordinating the work of the project with related initiatives of other relevant international organizations

We see it as important to collaborate with bodies including the Corporate Reporting Dialogue, the WBCSD, and the PRI. A Project Advisory Panel (PAP) will be established to enable the IAASB to receive input from a wide range of stakeholders.

The IAASB's existing staff resources will be focused on completion of its priority audit related projects in 2017 and 2018. Grant funding being provided by the WBCSD will enable the first of two phases of the EER project on assurance over EER to be undertaken, through 31 December 2018, with the second phase subject to the ability to allocate the necessary resources thereafter. For further details of how the project will be taken forward, see the approved Project Proposal:

https://www.iaasb.org/projects/integrated-reporting

Key Contacts

Prof. Arnold Schilder, IAASB Chairman (arnoldschilder@iaasb.org)

Matt Waldron, IAASB Technical Director (mattwaldron@iaasb.org)

Marek Grabowski, Chair of the Project Task Force (m.grabowski@frc.org.uk)

Questions Asked in the Discussion Paper

Q1	Section III describes factors that enhance the credibility of EER reports and engender user trust.	(a)	Are there any other factors that need to be considered by the IAASB?
		(b)	If so, what are they?
Q2	Sections II and IV describe different types of professional services that are either currently performed or could be useful in enhancing credibility and trust.	(a)	Are there other types of professional services the IAASB needs to consider, that are, or may in future be, relevant in enhancing credibility and trust?
		(b)	If so, what are they?

Q3	Paragraphs 23–26 of Section II describe the responsibilities of the auditor of the financial statements under ISA 720 (Revised) with respect to the other information included in the annual report.	(a)	Is this sufficient when EER information is included in the annual report; or
		(b)	Is there a need for assurance or other professional services, or for further enhancement of the responsibilities of the financial statement auditor, to enhance credibility and trust when EER information is in the annual report?
Q4	Section IV describes the different types of engagements covered by the IAASB's International Standards and Section V suggests that the most effective way to begin to address these challenges would be to explore guidance to support practitioners in applying the existing International Standards for EER assurance engagements.	(a)	Do you agree?
		(b)	If so, should the IAASB also explore whether such guidance should be extended to assist practitioners in applying the requirements of any other International Standards (agreed-upon procedures or compilation engagements) and, if so, in what areas? (For assurance engagements, see Q6-7)
		(c)	If you disagree, please provide the reasons why and describe what other action(s) you believe the IAASB should take.
Q5	The IAASB would like to understand the usefulness of subject-matter specific assurance standards. ISAE 3410, a subject matter specific standard for assurance engagements relating to Greenhouse Gas Statements, was issued in 2013.	(a)	Please indicate the extent to which assurance reports under ISAE 3410 engagements are being obtained, issued or used in practice by your organization.
		(b)	If not to any great extent, why not and what other form of pronouncement from the IAASB might be useful?
Q6	Section V suggests it may be too early to develop a subject-matter specific assurance engagement standard on EER or particular EER frameworks due to the current stage of development of EER frameworks and related standards.	Do you agree or disagree and why?	

Q7	Section V describes assurance engagements and the Ten Key Challenges we have identified in addressing EER in such engagements (see box below) and suggests that the most effective way to begin to address these challenges would be to explore guidance to support practitioners in applying the IAASB's existing International Standards to EER assurance engagements.	(a)	Do you agree with our analysis of the key challenges?
		(b)	For each key challenge in Section V, do you agree that guidance may be helpful in addressing the challenge?
		(c)	If so, what priority should the IAASB give to addressing each key challenge and why?
		(d)	If not, why and describe any other actions that you believe the IAASB should take.
		(e)	Are there any other key challenges that need to be addressed by the IAASB's International Standards or new guidance and, if so, what are they, and why?
Q8	The IAASB wishes to understand the impact on potential demand for assurance engagements, if the Ten Key Challenges we have identified can be addressed appropriately, and in particular whether: • Doing so would enhance the usefulness of EER assurance engagements for users • Such demand would come from internal or external users or both • There are barriers to such demand and alternative approaches should be considered.	(a)	Do you believe that there is likely to be substantial user demand for EER assurance engagements if the key challenges can be appropriately addressed?
		(b)	If so, do you believe such demand:
		(i)	Will come from internal or external users or both?
		(ii)	Will lead to more EER assurance engagements being obtained voluntarily or that this outcome would require legal or regulatory requirements?
		(c)	If not, is your reasoning that:
		(i)	EER frameworks and governance will first need to mature further?
		(ii)	Users would prefer other type(s) of professional services or external inputs (if so, what type(s) – see box below for examples of possible types)?
		(iii)	There are cost-benefit or other reasons (please explain)?
Q9	The IAASB would like to understand stakeholder views on areas where the IAASB should be collaborating with other organizations in relation to EER reporting.		For which actions would collaboration with, or actions by, other organizations also be needed?

List of Respondents to the Discussion Paper

The Feedback Statement has been prepared highlighting what the IAASB has learned from the responses to the Discussion Paper. If readers wish to read the full responses, they can be found at www.iaasb.org.

Investors and Analysts
Principles for Responsible Investment
Regulators and Oversight Authorities
Financial Reporting Council (UK)
Independent Regulatory Board for Auditors in South Africa
Those Charged with Governance
Institute of Internal Auditors
National Auditing Standard Setters
American Institute of Certified Public Accountants' Auditing Standards Board
Australian Auditing and Assurance Standards Board
Compagnie Nationale des Commissaires aux Comptes and the Conseil Supérieur de l'Ordre des Experts-Comptables
Institut der Wirtschaftspruefer
Japanese Institute of Certified Public Accountants
Malaysian Institute of Accountants – Auditing and Assurance Standards Board
Nederlandse Beroepsorganisatie van Accountants (Royal Netherlands Institute of Chartered Accountants)
New Zealand Auditing and Assurance Standards Board
Accounting Firms
Crowe Horwath International
Deloitte Touche Tohmatsu Limited
Ernst & Young Global Limited
KPMG LLP
Moore Stephens LLP (UK)
PricewaterhouseCoopers Network of Firms
Preparers of Financial Statements
IFAC Professional Accountants in Business Committee
Member Bodies
Accountancy Europe
Association of Chartered Certified Accountants

Associazione Italiana Revisori Contabili (Association of the Italian Auditors)
Chartered Accountants Australia and New Zealand
Charted Professional Accountants of Canada
CPA Australia
European Federation of Accountants and Auditors for SMEs
Federación Argentina de Consejos Profesionales de Ciencias Económicas
Institute of Chartered Accountants in England and Wales
Institute of Chartered Accountants of Scotland
Institute of Chartered Accountants of Zimbabwe
Malaysian Institute of Certified Public Accountants
South African Institute of Chartered Accountants
Other Professional Bodies
IFAC Small and Medium Practices Committee
Other Organizations
Integrated Reporting Committee of South Africa
Academics
Deakin University
Individuals and Others
Chris Barnard
Jean Thomas Giraud
Denise Juvenal
Gertjan Storm (European Partners for the Environment)

ENDNOTES

[i] International Standard on Auditing 720 (Revised), The Auditor's Responsibilities Relating to Other Information

[ii] International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

[iii] International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements on Greenhouse Gas Statements*

[iv] For a description, refer to page 2 of the response from the Association of Chartered Certified Accountants (ACCA), available at https://www.ifac.org/publications-resources/discussion-paper-supporting-credibility-and-trust-emerging-forms-external:

> *"Benchmarking: for example, where a professional benchmarks one EER report against another report that is considered to be best practice for that particular business sector."*

[v] For a description, refer to page 4 of the response from the Institut der Wirtschaftspruefer (IDW), available at https://www.ifac.org/publications-resources/discussion-paper-supporting-credibility-and-trust-emerging-forms-external:

> *"Expert opinions: which involve the evaluation of a matter based upon the expertise and experience of a professional accountant in circumstances in which the prerequisites of an assurance engagement either cannot be met or are not cost-effective"*

[vi] For a description, refer to page 3 of the response from the Institute of Chartered Accountants of Scotland (ICAS), available at https://www.ifac.org/publications-resources/discussion-paper-supporting-credibility-and-trust-emerging-forms-external:

> *"Hybrid engagements: which can comprise an agreed upon procedures type engagement being supplemented with additional assurance procedures. Whilst these will vary from scenario to scenario the common thread is the need for the practitioner to exercise professional judgement both in determining the work to be undertaken as well as in interpreting the results."*

[vii] For a description, refer to page 4 of the response from Compagnie Nationale des Commissaires aux Comptes and the Conseil Supérieur de l'Ordre des Experts-Comptables (CNCC-CSOEC), available at https://www.ifac.org/publications-resources/discussion-paper-supporting-credibility-and-trust-emerging-forms-external:

> *"Presentation engagement: Specific to France, the presentation engagement is mainly used to help SMEs prepare their financial statements while providing a certain form of assurance on the latter. In such assignment, the professional accountant can help the entity to prepare its financial statements but also add credibility by expressing a conclusion on the consistency and plausibility of the entity's financial statements taken as a whole."*

[viii] Responses from global and regional respondents have not been included in the map; however, they indicate a pattern consistent with that presented in the map.

[ix] In the analysis of the respondents' ranking preferences, where the challenges were numerically ranked in order of priority, a respondent's top 3 challenges are categorized as 'high' priority, those ranked 4 to 7 as 'medium' priority, and challenges ranked 8 to 10 as 'low' priority.