

GUIDANCE ON KEY CHALLENGES IN ASSURANCE OVER EXTENDED EXTERNAL REPORTING (EER) PROJECT UPDATE – MARCH 2019

Introduction

1. The IAASB approved a [project proposal](#) in October 2017 relating to the development of new non-authoritative guidance to address key challenges, identified by the IAASB, which arise in the performance of assurance engagements over EER in applying ISAE 3000 (Revised)¹.
2. Since the project proposal was approved, the funding grant from the World Business Council for Sustainable Development (WBCSD) was approved in November 2017 allowing phase 1 to begin. As at March 2019, phase 1 is now complete. This update document provides a review of phase 1 and an update in respect of the phase 2 timeline and resources.

Review of Phase 1

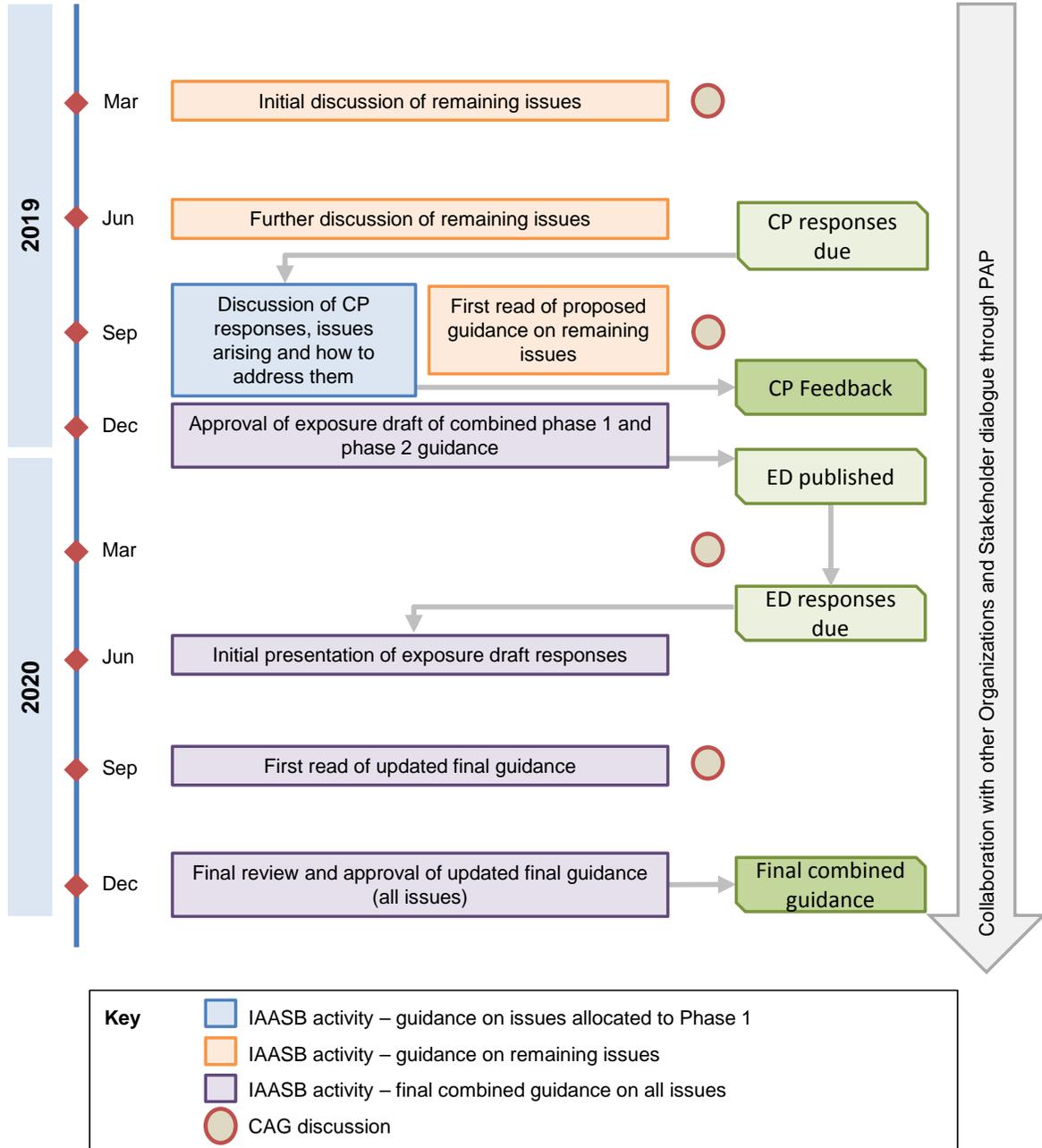
3. The IAASB's EER Task Force has developed draft guidance addressing the issues allocated to phase 1. The Task Force presented a first draft to the IAASB at its meeting in September 2018, and updated drafts at its meeting in December 2018 and at an IAASB teleconference call in January 2019. At the January teleconference, the Board agreed to consult on the progress to date in drafting guidance related to the issues allocated to phase 1 and to proceed immediately with Phase 2 of the project.
4. A consultation paper was published in February 2019. This contains the draft guidance developed to date and two additional papers; a draft paper containing contextual information and a draft of the updated version of the Four Key Factors model for Credibility and Trust referred to in paragraph 12(ii) of the project proposal. The consultation paper does not include an exposure draft of the non-authoritative guidance document. It is an interim consultation on the draft guidance, and its purpose is to assist the IAASB in updating the draft guidance, and completing the non-authoritative guidance document, in phase 2. During phase 2, an exposure draft of the complete non-authoritative guidance document (including the guidance developed in both phases) will be published for public comment, in accordance with the IAASB's normal due process.
5. A Project Advisory Panel (PAP) was established in early 2018 comprising 26 individuals from a range of stakeholder backgrounds and regions. Web-conferences have been held approximately monthly throughout phase 1 which have provided the Task Force with very helpful input and feedback on developing the guidance.
6. The Task Force has coordinated its work with initiatives of other relevant international organizations, and has delivered a program of outreach with a range of stakeholder organizations through meetings and participation in events.
7. In October and November 2018, a series of 'Global Discussion Events' and outreach meetings were successfully held in Tokyo, New York, São Paulo, Johannesburg, Singapore, Auckland, Sydney and

¹ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

Brussels. In total, over 250 people participated. The purpose was to obtain input and perspectives on the areas covered in the draft guidance, and to promote the work of the IAASB in this area ahead of issuing the phase 1 consultation paper.

Phase 2 Timeline

8. A revised timeline for the remainder of the project is set out below:



Phase 2 Resources

9. The resources required for phase 2 are expected to be the same as have been in place for phase 1 as set out in the project proposal.
10. The WBCSD has agreed in principle to provide a further grant that, combined with remaining grant funds from phase 1, will be used to support phase 2.
11. The project will therefore continue to be run with the support of the WBCSD. This work is part of a conservation and financial markets collaboration among Ceres, World Business Council for Sustainable Development, World Wildlife Fund and the Gordon and Betty Moore Foundation. For more information, please visit www.moore.org.