



Meeting: IAASB Consultative Advisory Group (CAG)
Meeting Location: Videoconference
Meeting Date: March 8–9, 2021

Agenda Item G

Extended External Reporting (EER) Assurance – Cover

Objective of Agenda Item

1. The objective of this agenda item is to receive an update on the status of the Extended External Reporting (EER) Assurance project.

Project Status

2. The EER Task Force will present, in plenary session in March 2021, the proposed non-authoritative EER Guidance: *Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Extended External Reporting (EER) Assurance Engagements* to the IAASB for approval for publication.
3. **Appendix A** to this paper provides a history of previous discussions with the IAASB CAG on this topic, including links to the relevant IAASB CAG documentation.
4. Since the March 2020 update, the IAASB has received and analyzed forty-three responses to its Public Consultation, *Proposed Guidance: Extended External Reporting (EER) Assurance (March 2020)* on the full combined phase 1 and phase 2 draft non-authoritative guidance (the ‘Guidance’). Respondents expressed strong support for the approach taken in developing the Guidance.
5. In August 2020, the EER Task Force met to consider the responses to the Public Consultation and to develop proposals for enhancements to the Guidance to address the feedback received. A summary of the consultation feedback, and Task Force proposals for addressing them, were presented to the IAASB for discussion at the IAASB September 2020 meeting. The Board supported the Task Force’s initial proposals - see **Agenda Item 5** from the **IAASB September 2020** (provided to the **CAG for reference as Agenda Item G.4**). The related papers for Agenda Item 5 to the IAASB September 2020 meeting are also available, on the IAASB [\[link\]](#), as are those for the IAASB December 2020 meeting [\[link\]](#) (see paragraph 6 below).
6. During October 2020, the Task Force sought written feedback from Board members on updated Chapter 2 and Chapter 12 (previously Chapter 10), as those were the chapters with the greatest change, to obtain feedback before proceeding with the remainder of the updates and enhancements to the Guidance. The Board expressed strong support for the redrafted materials, as was the case for the remaining chapters, which were presented to the Board at the IAASB December 2020 meeting - see Agenda Item 5 from the IAASB December 2020 (provided to the **CAG for reference as Agenda**

Item G.5). Since the IAASB December 2020 meeting, the Task Force has considered and addressed the Board's feedback, including offline comments received, to finalize the text of the Guidance.

7. The March 2020 Public Consultation also invited comment on two supplements to the Guidance. The Task Force continued work on the supplements based on respondents' comments to the Public Consultation, and the direction received from the Board in September and December 2020. The additional two documents, as non-authoritative support materials, will be cleared for issue in accordance with the IAASB's internal procedures applicable to such materials.
8. Agenda Item 3-B of the IAASB March 2021 agenda papers presents a clean version of the proposed EER Guidance (provided to the CAG as **Agenda Item G.2**).

CAG Discussion Overview

9. For the purposes of the CAG discussion, the EER Task Force Chair will present a high-level summary of matters raised by respondents to the Public Consultation, and activities to finalize the Guidance.
10. **Agenda Item G.3**, which accompanies this cover note, is the EER Issues Paper that will be presented at the IAASB's March 2021 meeting. In navigating **Agenda Item G.3**, which is an IAASB Board paper, Representatives are requested to note that the questions in **Agenda Item G.3** are those that will be posed to the IAASB, and therefore, Representatives are not being asked to respond to those questions; the question being asked of CAG Representatives is set out below.

Matters for IAASB CAG Consideration

Representatives are asked for their comments on the information provided in this note and in the briefing, including any other matters to note during the March 2021 IAASB meeting where the Guidance document is targeted for approval.

Outreach

11. Outreach included:
 - Business Leaders Forum's EER Assurance Workshop (June 2020)
 - City & Financial Global Virtual Summit (September 2020)
 - City & Financial Global Series of Virtual Roundtables (October 2020)
 - Update to the External Reporting Board New Zealand (October 2020)
 - United Nations Conference on Trade and Development – International Standards of Accounting and Reporting Webinar (October 2020)
 - International Association for Accounting Education and Research (IAAER), Indonesia Webinar – Developments in Auditing, The role of academic research (October 2020)
 - CPA Australia Congress, The Annual Allan Barton Memorial Research Lecture – Maintaining Confidence in Audit in a Changing World (October 2020)

- Chartered Accountants Australia and New Zealand Audit Conference, and NZ Audit Roundtable (November 2020)

Material Presented – IAASB CAG Papers

Agenda Item G.1	Presentation (PowerPoint)
Agenda Item G.2	Proposed <i>Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Extended External Reporting (EER) Assurance Engagements</i> – Clean Draft of Proposed Non-authoritative Guidance – For Reference
Agenda Item G.3	EER IAASB Issues Paper – March 2021 (IAASB Agenda Item 3) – For Reference
Agenda Item G.4	EER IAASB Issues Paper – September 2020 (IAASB Agenda Item 5 of that meeting) – For Reference
Agenda Item G.5	EER IAASB Issues Paper – December 2020 (IAASB Agenda Item 5 of that meeting) – For Reference

Appendix A

Project Details and History

Project: Extended External Reporting (EER)

Link to IAASB Project Page: [EER Project Page](#)

Task Force Members

The IAASB's EER Task Force comprises:

- Lyn Provost Task Force Chair
- Sachiko Kai IAASB Member
- Fernando Ruiz Monroy IAASB Member
- Roger Simnett IAASB Member (Correspondent Member)
- Paul Penler Executive Director, EY

Observers have been appointed from the World Business Council for Sustainable Development (WBCSD), the Corporate Reporting Dialogue (CRD) and Principles for Responsible Investment (PRI).

Summary of past meetings

	IAASB CAG Meeting	IAASB Meeting
Integrated Reporting Working Group (IRWG) – pre EER project. Issued a discussion paper in August 2016.	March 2015 September 2015 March 2016	December 2014 March 2015 June 2015 September 2015 March 2016 June 2016 June 2017
Pre-project approval	September 2017	September 2017 October 2017
Project commencement and phase 1	March 2018 September 2018	December 2017 March 2018 June 2018 September 2018 December 2018 January 2019

Commencement of phase 2 of the project and feedback on the phase 1 Consultation Paper	March 2019	March 2019 June 2019
Development of phase 2 Guidance and the combined phase 1 and phase 2 Guidance for Public Consultation	September 2019	September 2019 December 2019
Feedback on the combined phase 1 and phase 2 Consultation Paper, and finalization of the Guidance	March 2020	September 2020 December 2020

IAASB CAG Discussions: Detailed References

Information gathering by the Integrated Reporting Working Group (pre EER project)	<p><u>March 2015</u></p> <p>See IAASB CAG meeting material and meeting minutes (Agenda Item E): https://www.ifac.org/meetings/new-york-usa-5</p> <p><u>September 2015</u></p> <p>See IAASB CAG meeting material and meeting minutes (Agenda Item M): https://www.iaasb.org/cag/meetings/new-york-usa-0</p> <p><u>March 2016</u></p> <p>See IAASB CAG meeting material and meeting minutes (Agenda Item K): http://www.iaasb.org/cag/meetings/paris-france</p>
Pre-project approval	<p><u>September 2017</u></p> <p>See IAASB CAG meeting material (Agenda Item L) – presentation on the responses to the discussion paper and meeting minutes</p> <p>http://www.iaasb.org/cag/meetings/iaasb-cag-meeting-madrid-spain</p>
Project commencement and phase 1	<p><u>March 2018</u></p> <p>See IAASB CAG meeting material (Agenda Item F) – initial project update and meeting minutes (Agenda Item A)</p> <p>http://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny</p> <p><u>September 2018</u></p> <p>See IAASB CAG meeting material (Agenda Item E) and meeting minutes (Agenda Item A)</p> <p>http://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny-0</p> <p><u>March 2019</u></p> <p>See IAASB CAG meeting material (Agenda Item K) and meeting minutes (Agenda Item A)</p>

	https://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny-1
Development of phase 2 Guidance and the combined phase 1 and phase 2 guidance for Public Consultation	<u>September 2019</u> See IAASB Agenda meeting material (Agenda Item F) and meeting minutes https://www.iaasb.org/cag/meetings/iaasb-cag-meeting-new-york-ny-2
Report back of September 2019 and verbal update by IAASB Technical Director; the formal CAG update was cancelled shortly before the meeting due to the Covid-19 pandemic	<u>March 2020</u> See IAASB Agenda meeting material (Agenda Item C) and meeting minutes www.iaasb.org/cag/meetings/iaasb-cag-meeting-virtual