

# Assurance on Sustainability / Environmental Social and Governance (ESG) Reporting: Update on IAASB Activities

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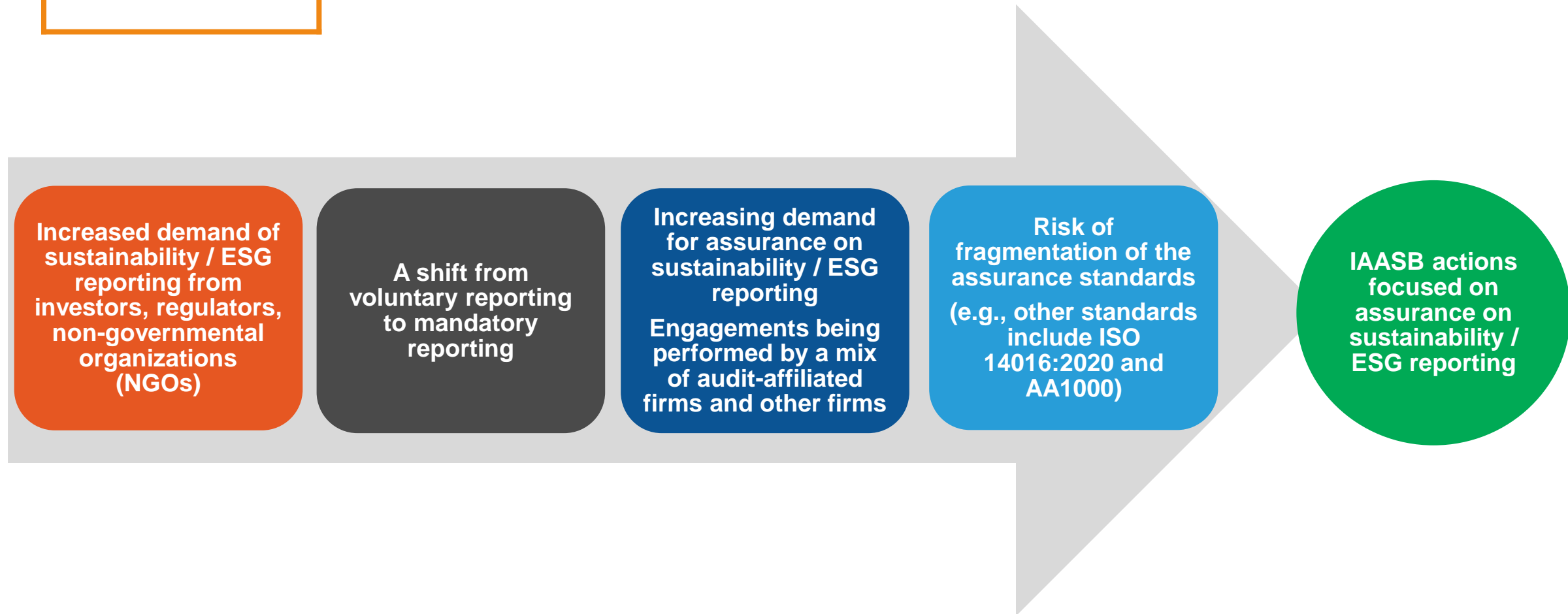
**Lyn Provost**, *IAASB Member and  
Sustainability Assurance Consultation  
Group (SACG) Chair*

IAASB CAG Meeting  
March 8–9, 2022

Agenda Item G.1



# A Global Movement Driving a Need for Assurance Standards

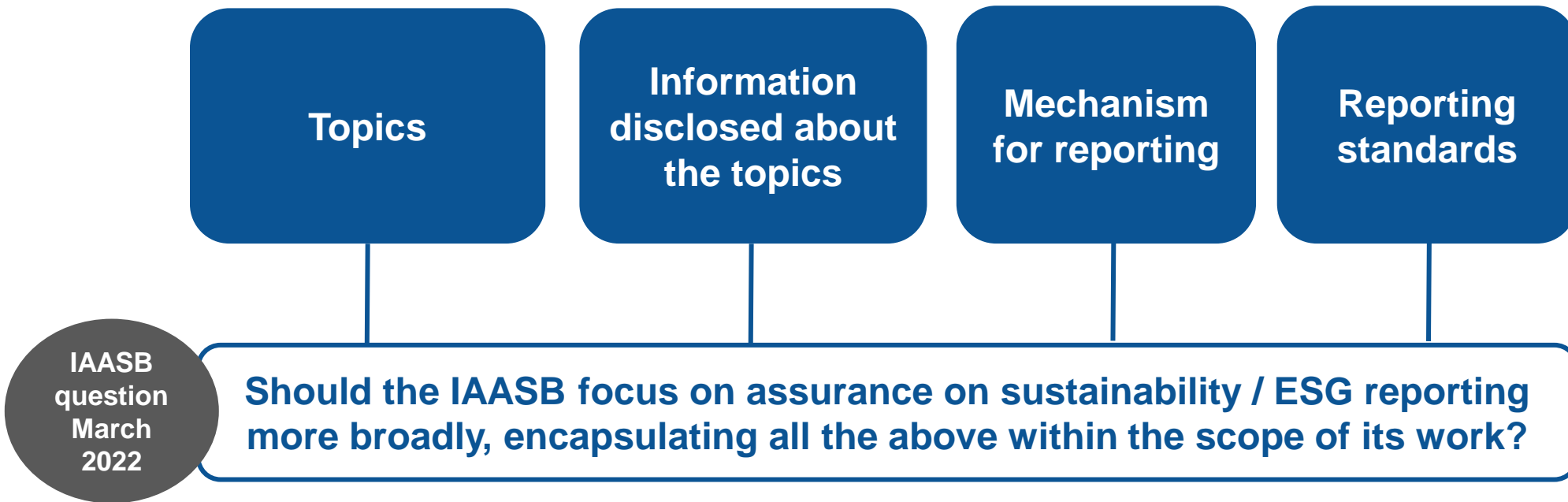


# Clarify the Scope of the IAASB's Work

Topics (Underlying Subject Matter)	Information Disclosed About the Topics (the Resulting Subject Matter Information)	Mechanism for Reporting (the Collation and Presentation of the Subject Matter Information)
<ul style="list-style-type: none"> <li>• Climate, including emissions</li> <li>• Economic impacts, such as government assistance, tax strategy, anti-competitive behavior and market presence</li> <li>• Labor practices, such as diversity and equal opportunity and training and education</li> <li>• Human rights and community relations, such as local community engagement, impact assessments and development programs</li> <li>• Water and effluents, such as water consumption and water discharge</li> <li>• Energy, such as type of energy and consumption</li> <li>• Biodiversity, such as impacts on biodiversity or habitats protected and restored</li> </ul>	<p>Depending on the criteria, information about the topics may relate to elements such as:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Strategy and business model</li> <li>• Risks and opportunities</li> <li>• Risk management or mitigation</li> <li>• Innovation to address risks and opportunities</li> <li>• Metrics and key performance indicators</li> <li>• Targets</li> <li>• Internal control over monitoring and managing risk</li> <li>• Scenario analysis</li> <li>• Impact analysis, including magnitude of impact</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated report</li> <li>• Sustainability report</li> <li>• CSR Report</li> <li>• ESG Report</li> <li>• Annual report</li> <li>• Management commentary related to the financial statements</li> </ul>

# Clarify the Scope of the IAASB's Work (Continued)

- Variety of topics, information disclosed about the topics, and mechanism for reporting
- Variety of reporting frameworks, standards, recommendations, or laws or regulations (criteria)



# Identify / Understand the Challenges

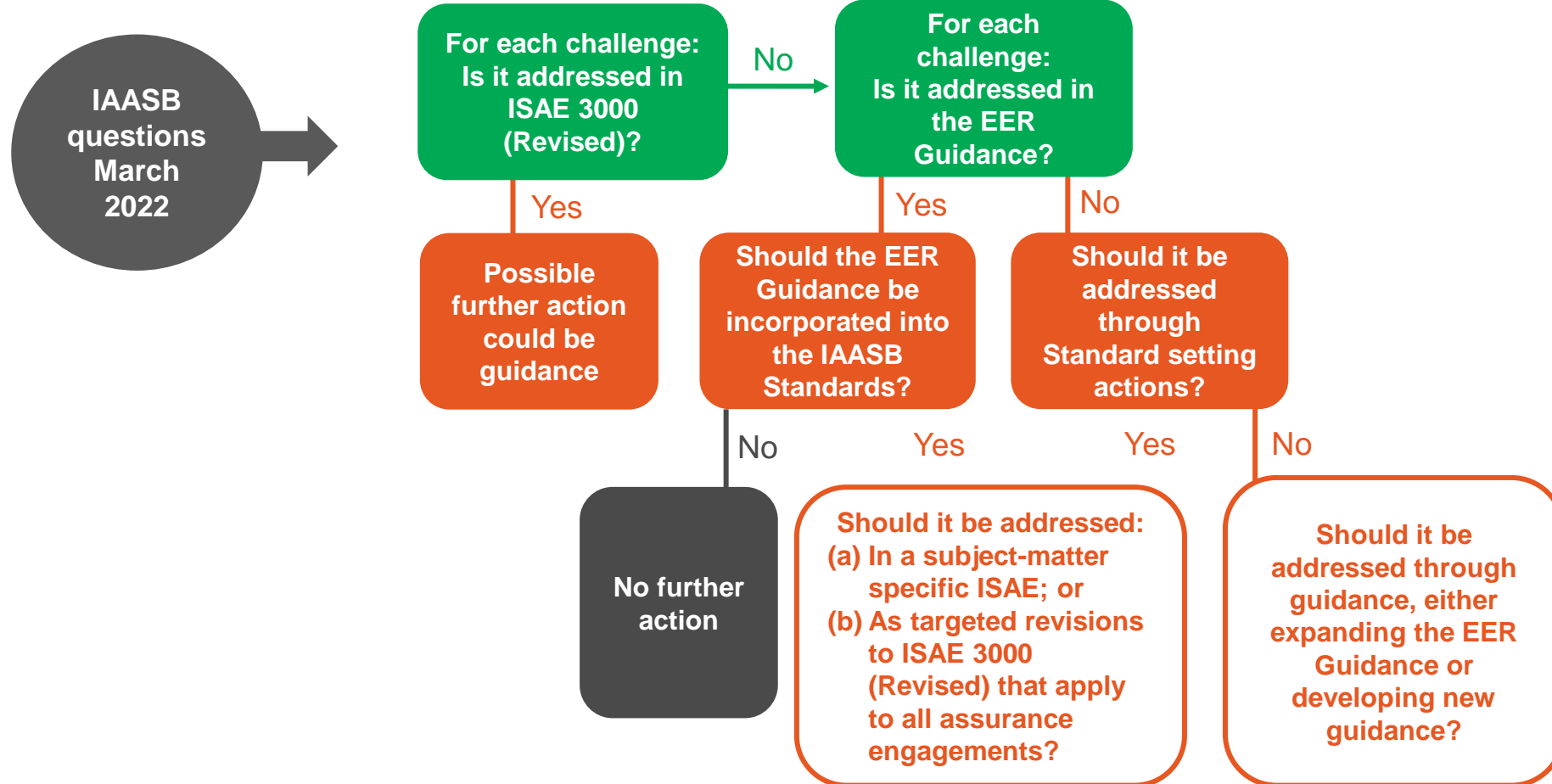
- Current standards and guidance issued by the IAASB that deal with assurance
  - Standards: ISAE 3000 (Revised), ISAE 3410
  - EER Guidance – issued in April 2021

IAASB  
question  
March  
2022

**What are the challenges?  
(across the variety of topics /  
information disclosed about the  
topics / mechanisms / reporting  
standards)**

- Applying appropriate competence and capabilities
- Exercising professional skepticism and professional judgment
- Determining preconditions and agreeing the scope of the EER assurance engagement
- Considering the entity's process to identify reporting topics
- Determining the suitability and availability of criteria
- Considering the process used to prepare, or internal control over the preparation of, the subject matter information
- Using assertions
- Obtaining evidence
- Considering the materiality of misstatements
- Addressing qualitative EER information
- Addressing future-oriented EER information
- Communicating effectively in the assurance report

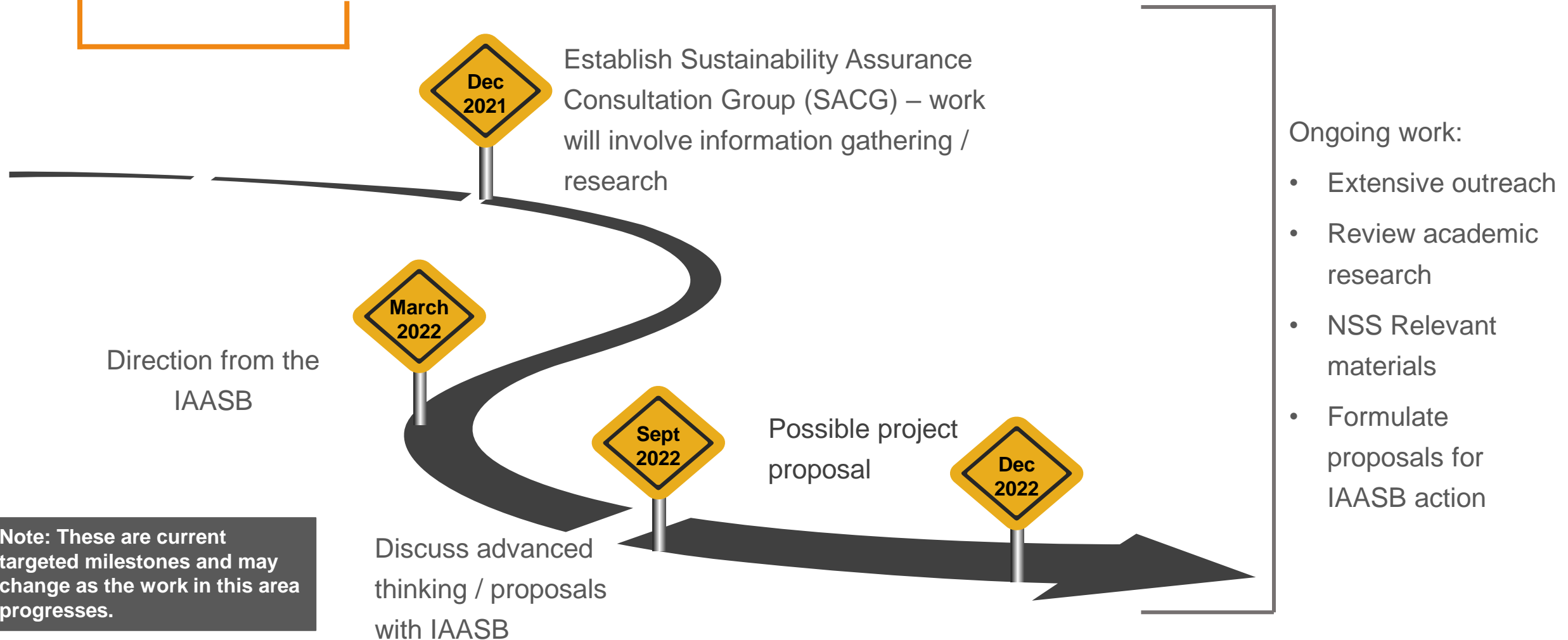
# Focusing the IAASB's Actions



# Other Considerations for the IAASB in March 2022

- Integration of sustainability / ESG information within the financial statements
- Approach to soliciting stakeholder input on the IAASB's work regarding assurance on sustainability / ESG reporting

# Timeline and Way Forward



# Questions or Comments?





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