

## Emerging Developments in Assurance and Related Services - Integrated Reporting

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Chair

Agenda Item 11

IAASB Meeting

June 21-24, 2016

New York, USA

## IAASB March Meeting

- Support for DP
- Needs to be practical
- Separate appendix with background information
- Clarification credibility and trust
- Balance the prominence given to ISA 720
- More explicit about type of guidance needed
- More explicit about usefulness of existing standards in this context and whether an IPN might be sufficient

# Key Changes

- Background information on relevant developments in EER and organizations that actively participate in EER separately (with a reference to this information in Section I of the DP)
- Factors that affect credibility and trust in the context of EER further clarified
- The text on ISA 720 (Revised):
  - Further balanced, balance compared to the description of other professional services.
  - Included at the start of Section III to explore general expectations.
- New explanation of assurance engagements given different interpretations of ISAE 3000 (Revised)
- Inclusion of reference to work of the professional skepticism working group; and
- Section IV now includes more details on the type of guidance that might be useful

- I. Emerging forms of external reporting, including integrated reporting and sustainability reporting
- II. Credibility and trust and factors that play a role
- III. Professional services that enhance credibility and trust with open eye for innovation that may be needed in this evolving area
- IV. Challenges of EER to assurance engagements

# Assurance Issues Discussed

- Variety of underlying subject matters;
- EER frameworks:
  - Suitability of criteria
  - Materiality
  - Building assertions in planning and performing the assurance engagement
- Maturity of governance and internal control around the reporting process
- Narrative information and future oriented information
- Professional skepticism and professional judgment
- Competence of practitioners performing the engagement
- Form of assurance report

# Draft Discussion Paper: Overall Questions

- Length
  - How can the IRWG best manage the length of the DP and find an appropriate balance between being succinct yet providing the information necessary to facilitate a wholesome discussion?
- Clarity
  - Is the DP sufficiently clear for stakeholders to understand the issues?
- Questions
  - Are the questions appropriate to solicit feedback from a broad range of stakeholders?

## Draft Discussion Paper: Content Section by Section

- *The Broader Context of Credibility and Trust* (Section I-III):
  - Does the revised content contain sufficient background to enable the discussion on credibility and trust?
  - Is there sufficient balance between the information in the DP and the additional information in **Agenda Item 11-C**?
- *Professional services* (Section III):
  - Does the revised content reflect the range of professional services that may be relevant in strengthening credibility and trust in EER and what might be expected from the IAASB in this respect?
  - Does the IAASB agree with including the general information on assurance engagements in Section III?
  - Do you agree to include table 3 of **Agenda Item 11-B** in Section III?

# Draft Discussion Paper: Content: Section by Section and Additional Information

- *Assurance Issues* (Section IV):
  - Have the assurance issues been properly addressed?
  - Does the revised overview provide sufficient detail on the type of guidance that might be needed?
- Has the IRWG included sufficient background information in **Agenda Item 11-C**, in addition to that already included in the DP, to enable stakeholders to understand developments in EER relevant to the DP and the activities of various organizations that are actively participating in EER?

## Next Steps

- Publish the DP after responding to the comments received from the IAASB during the June 2016 meeting
- Develop a brief “At a Glance” document to guide stakeholders through the DP
- Publish the additional background information included in **Agenda Item 11-C** on the project page of the IRWG on the IAASB website
- Comment period of 120 days
- Continue the dialogue on the DP with stakeholders through various outreach activities

⇒ Views on the way forward

IAASB

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