

Meeting: IAASB Consultative Advisory Group (CAG)
Meeting Location: New York, United States of America
Meeting Date: September 11–12, 2018

Agenda Item E

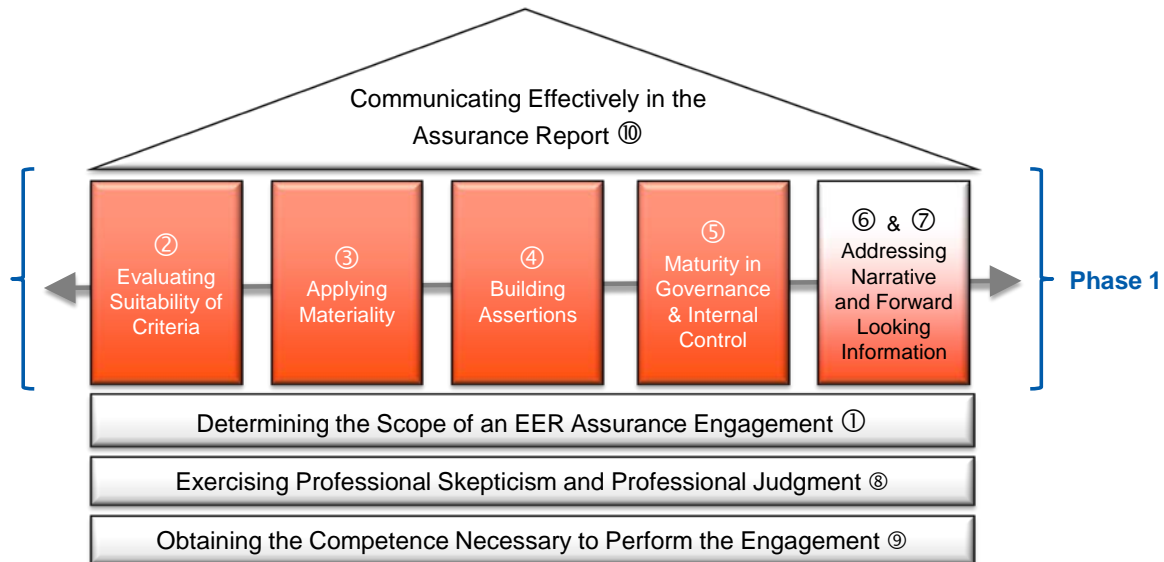
Emerging Forms of External Reporting (EER) – Report Back and Cover

Project Status – What Have We Done Since We Last Met?

1. Since the March 2018 IAASB CAG meeting, the EER Task Force has made significant progress to develop non-authoritative guidance to address key challenges in applying ISAE 3000 (Revised) to EER assurance engagements.

Phase 1 of the project (2018) addresses approximately half of the issues relating to the ten key challenges identified in the 2016 discussion paper (highlighted in orange in the diagram below). An initial draft of the guidance relating to these issues is being presented to the IAASB in September 2018.

The EER Assurance House (under construction)



2. The EER Task Force established a Project Advisory Panel (PAP) comprising of 26 individuals representing different stakeholder backgrounds and global regions. Very valuable input has been received from the PAP through monthly web-conferences assisting the EER Task Force in developing the draft guidance.

EER Task Force members have continued to undertake a significant amount of outreach with relevant organizations and individuals. A global series of [discussion events](#) is scheduled for October and November 2018 in seven locations to gather further feedback and input on the work completed to date.

3. **Appendix A** to this paper provides a history of previous discussions with the IAASB CAG and IAASB on this topic, including links to the relevant IAASB CAG documentation.

Feedback - What Did We Hear Last Time We Met?

4. Extracts from the draft minutes of the March 2018 IAASB CAG meeting, as well as an indication of how the Task Force or IAASB has responded to the Representatives' comments, are included in the table below.

Representatives' Comments	Task Force/IAASB Response
GENERAL	
Mr. Milholland supported the work of the EER Task Force and commended their approach to look at the frameworks conceptually. He asked what was driving the demand for assurance in this area and whether there were examples of assurance being provided currently.	Mr. Grabowski commented in March that there has been a consistent message from practitioners for some time that guidance is needed on how to apply ISAE 3000 (Revised) to EER, reflecting a demand for assurance from investors and in some cases governments and regulators. There are many examples of assurance currently being provided, although currently most engagements only provide limited assurance (rather than reasonable assurance) over selected parts of a report.
Mr. Milholland suggested that the EER Task Force could look at the experience of other forms of reporting that previously emerged, for example Embedded Value reporting by Insurance companies. He also noted that the relationship between materiality and reliability of information could be explored.	The EER Task Force has considered in further detail the relationship between materiality and the required characteristics for suitable criteria, including reliability and relevance. Guidance has been drafted regarding this to the extent it is considered potentially useful for practitioners.
Mr. Dalkin recommended that the EER Task Force should consider the different EER reporting requirements and circumstances for the government sector.	The EER Task Force continues to consider the wide breadth of reporting in this field, including in the public sector, and hopes that the draft guidance it is developing adequately addresses the differing requirements and circumstances.
Ms. Singh noted that the CFA Institute had published an Environmental, Social and Governance survey of their members which	The EER Task Force has reviewed the results of the survey and found them to be helpful context for its work.

Representatives' Comments	Task Force/IAASB Response
included questions regarding the demand for assurance.	
Referencing slide 9 of the presentation, Ms. Borgerth noted that the Integrated Reporting framework was not an exact equivalent of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board's (SASB) standards and suggested that the EER Task Force might look further at the differences. Ms. Borgerth noted the use of the Integrated Reporting framework in Brazil, and encouraged the EER Task Force to work further with the International Integrated Reporting Council (IIRC) in this area.	Mr. Grabowski acknowledged this in March 2018 and the EER Task Force has subsequently continued to explore the conceptual similarities and differences between the major frameworks. Liaison with the IIRC (and many other organizations) has continued through the PAP and the project's outreach activities.

What Does the EER Task Force Want Your Views On?

5. The EER Task Force Chair will give a presentation at the CAG meeting summarizing the issues addressed in phase 1 for which guidance has been drafted. CAG Representatives will be asked for their feedback on the EER Task Force's work to date.
6. CAG Representatives are to be provided with the draft guidance which the EER Task Force will present to the September 2018 IAASB meeting.

Material Presented – IAASB CAG Papers

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|-----------------|------------------------------|
| Agenda Item E-1 | Slide presentation of issues |
| Agenda Item E-2 | Draft guidance |

Project Details and History

Project: Emerging Forms of External Reporting (EER)

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

Task Force Members

The IAASB’s EER Task Force comprises:

- Marek Grabowski, IAASB Member and Task Force Chair
- Sachiko Kai, IAASB Technical Advisor
- Lyn Provost, IAASB Member
- Fernando Ruiz Monroy, IAASB Member
- Ron Salole, IAASB Member

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

	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	December 2017 March 2018 June 2018

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>