

## Extended External Reporting (EER) Assurance Issues Paper

### Objectives of Agenda Item

The objectives of this Agenda Item are to:

- Present the progress made by the EER Task Force since the September 2019 IAASB meeting.
- Present and obtain feedback on a preliminary illustration of the restructured EER Guidance and aspects of its redrafting, before the Task Force finalizes the draft restructured EER Guidance for presentation at the December 2019 IAASB meeting.
- Set out and receive feedback on:
  - a. The Task Force's proposed updated approach to the terminology used in the EER Guidance; and
  - b. The proposed next steps for finalization of the EER Guidance.

### Introduction and Overview of the Agenda Items

1. Since the September 2019 IAASB meeting, the Task Force met for three days to discuss and agree detailed proposals for combining the phase 1 and phase 2 draft guidance and for restructuring it. The Task Force also addressed the detailed drafting comments received on the phase 1 draft guidance during that meeting. Since then, the Task Force has combined and restructured the phase 1 and 2 draft guidance and completed the redrafting of three chapters of the combined material. In doing so, the Task Force has:
  - Implemented the Task Force restructuring proposals, as set out in the September 2019 Issues Paper (Agenda Item 6 September 2019); and
  - In the three redrafted chapters, addressed the comments received from respondents to the February 2019 Consultation Paper *Extended External Reporting (EER) Assurance*, comments from Board members at the September IAASB meeting, and written comments received from Board members and Project Advisory Panel members.
2. The Task Force is continuing work on redrafting the remaining chapters.
3. This Issues Paper is divided into the following sections and appendices:
  - Section I: Approach Taken in Restructuring and Redrafting the Guidance
  - Section II: Updated Approach to Terminology Used in the Guidance
  - Section III: Proposed Next Steps for Finalization of the Guidance
  - Appendix 1: Table of moves between chapters and appendices, and a summary of other key additions, deletions and changes made to date, in restructuring the guidance.
  - Appendix 2: Table of Contents for the restructured guidance.

4. A clean copy of the combined restructured draft guidance, including the three chapters redrafted to date, is attached as **Agenda Item 1-A. Supplement 1-B** to this Agenda Item is a marked-up version of the same document, which is provided for reference purposes only.
5. In Agenda Item 1-A, the three redrafted chapters are:
  - Chapter 1: Introduction
  - Chapter 4: Determining the Preconditions and Agreeing Scope
  - Chapter 8: Using Assertions
6. Other than in those three chapters, the combined and restructured text in Agenda Item 1-A has not yet been redrafted and is 'greyed out'. The Board is not being asked to consider the 'greyed out' text in Agenda Item 1-A and the chapters containing that text will not be discussed during the Board conference call.
7. In Agenda Item 1-A, a number shown at the beginning of a paragraph, in square brackets, is the number of the paragraph in the draft guidance included in the February 2019 Consultation Paper (when in black text) or the number of the paragraph in the draft phase 2 guidance presented as Agenda Item 6-A at the September 2019 IAASB meeting (when in blue text).
8. The Task Force is looking for the Board's input and feedback on the proposed restructuring of the Guidance, as illustrated in Agenda Item 1-A, the Task Force proposed updated approach to the terminology used in the Guidance, and the proposed next steps to finalize the Guidance. During the conference call, there will be two rounds of feedback on the questions raised in the 'Matters for Board Consideration' boxes below. The first round will address Questions 1 and 2 and the second round will address Question 3.

## **I Approach Taken in Restructuring and Redrafting the Guidance**

9. A key theme in the feedback from respondents to the phase 1 Consultation Paper was that the phase 1 draft guidance was already lengthy and could become unduly long when the phase 2 material was added. In addition, there were comments that some of the new terminology used in the draft guidance, rather than aiding understanding, could add unnecessary complexity, and a number of suggestions for re-ordering the chapters. There were also calls for the purpose and audience of the draft guidance to be clarified, for a broader range of EER examples to be provided, and for a navigation aid to the guidance in the form of a flow chart or other diagram.
10. Consistent with the Task Force proposals at the September 2019 IAASB meeting, the Task Force has begun restructuring the guidance for presentation at the December 2019 IAASB meeting, with a view to:
  - Retaining, in the main body of the guidance, only concise practical guidance in the specific context of EER engagements (hereafter referred to in this Issues Paper as the "Guidance" or the "combined Guidance");
  - Confining the examples in the combined guidance to short examples, and move or add longer examples outside the combined guidance – the Task Force initially proposed to use an Appendix but is now proposing to use a separate Supplement to the Guidance (Supplement B) for this purpose;

- Moving conceptual or background material to the existing Supplement (hereafter referred to as Supplement A) of similar material, if it is contextually useful to a practitioner using the combined guidance, and deleting such material if it is not;
- Broadening the range of examples used, to address other common forms of EER reports such as integrated reporting and management commentary;
- Including references (with hyperlinks when possible) to requirements of the Standard rather than repeating them in the main body of the guidance;
- To aid navigation, using cross references (with hyperlinks when possible) within the Guidance (including its two Appendices) and between the Guidance and Supplements A and B.

#### *The restructured Guidance presented*

11. The Task Force has presented in Agenda Item 1-A:
  - A skeleton draft of the overall combined Guidance to illustrate how it will appear once the longer examples and conceptual material have been moved to a separate Supplement; and
  - Chapters 1, 4 and 8 of the Guidance, redrafted to address in detail the matters highlighted in paragraph 9.

#### *The Supplements*

12. Supplement A, which will include additional contextual information moved out of the Guidance, and the proposed new Supplement B have not been presented for consideration by the Board on this conference call, but see below under ‘Proposed Next Steps for Finalization of the Guidance’. As explained in paragraph 9E of Agenda Item 1-A, each Supplement will describe the matters that it addresses and how they may assist a practitioner using the Guidance. However, it is intended that the Guidance can be used by a practitioner without reference to the Supplements.

#### *Overall restructuring*

13. The Guidance has been restructured in chapters that can be related to specific stages and other aspects of an assurance engagement performed in accordance with the Standard. Ordering of the chapters in this document now follows the flow of stages and other aspects of the performance of an engagement. A revised title for the Guidance is proposed as ‘*Special Considerations in Performing Assurance Engagements on Extended External Reporting*’.
14. Short examples have been retained in the Guidance. Longer examples have been moved to the Supplement B. The Task Force is currently developing further longer examples, with input from certain members of the PAP, to illustrate the application of various aspects of the combined Guidance in the context of EER assurance engagements on EER information prepared using a wider variety of EER frameworks. These will also be included in Supplement B.

#### *Structure and content of Chapter 1*

15. Chapter 1, which provides an introduction to the Guidance sets out the scope and authority of the Guidance, the purpose and intended audience, the nature and meaning of ‘EER information’ and ‘EER report’. To support this, it refers to the Table in Appendix 2 to the Guidance, which gives

examples of different types of EER assurance engagements, and indicates whether or not they are EER assurance engagements and therefore covered by the Guidance.

16. Chapter 1 also sets out circumstances commonly encountered in relation to EER engagements that were identified by the IAASB as commonly giving rise to challenges for practitioners in applying the requirements of ISAE 3000 (Revised) ('the Standard'). Chapter 1 also explains how to use the Guidance and how terminology, icons and cross-references are used in the Guidance.
17. A new diagram has been included in Chapter 1 of the Guidance to assist in navigating the Guidance and relating it to the requirements of the Standard in the context of performing an EER assurance engagement (see paragraph 9E of Agenda Item 1-A for further explanation). As a result, the Task Force proposes to delete the material that was in Chapter 2 of the phase 1 draft guidance.

#### *Structure and content of other chapters*

18. The approach being taken by the Task Force in addressing the other chapters of the Guidance is to focus on the 'What', 'Why' and 'How' of the Guidance (see explanation in paragraphs 9B and 9C of Agenda Item 1-A).

#### *Chapter 4: Determining the Preconditions and Agreeing Scope*

19. The material in restructured Chapter 4 (previously Chapter 3 in the phase 1 guidance) has been reordered to address the determination of the preconditions before addressing the agreement of scope, to bring forward some of the draft material from later chapters in the phase 1 guidance, and to move material on 'other information' to a later chapter in the Guidance.
20. In response to comments received to the Consultation Paper, the diagram in paragraph 46 of the Consultation Paper has been replaced. The considerations for the practitioner set out in paragraph 74 (paragraph 47 of the Consultation Paper) have been reorganized and updated to be consistent with the new diagram, and are cross-referenced from the diagram.

#### *Chapter 8: Using Assertions*

21. Chapter 8 (previously Chapter 9) has been redrafted by moving significant elements of the conceptual and background material to Supplement A, and restructuring the remaining content to explain the 'What' and the 'Why' and then to focus on 'how' categories of assertions may be used to consider the potential types of misstatements that may occur. The guidance explains that using assertions is not required by the Standard and that, if the practitioner does not wish to do so, they may choose to identify potential types of misstatements by direct consideration of the criteria.
22. Chapter 8 also explains that the criteria for reporting EER information may be different in nature from the criteria in other types of assurance engagements addressed by IAASB standards that require the use of assertions (ISA 315 and ISAE 3410). However, it also notes that the practitioner may wish to use the categories of assertions set out in such other IAASB standards to identify the types of potential misstatements and therefore to assist in designing and performing assurance procedures in an EER engagement. If so, the guidance explains how this may be achieved.

## Matters for IAASB Consideration

In relation to the draft Guidance in Agenda Item 1-A, the IAASB is asked for its views on:

- Q1. The revised structure and order of the Guidance.
- Q2. The content of the redrafted Chapters 1, 4 and 8 presented.

## II Updated Approach to Terminology Used in the Guidance

- 23. In redrafting the combined Guidance, the Task Force is, whenever possible, using the terms used in the Standard, when the concepts being discussed are addressed in the Standard. When necessary, other terms are identified and explained in the Guidance and will be summarized in a list of terms in an appendix to the Guidance. Updates to the terminology used in each redrafted chapter are included in the Table in Appendix 1 to this Agenda Item and the updated proposals of the Task Force for certain terminology used in the phase 1 draft guidance are discussed below.

### *Materiality process*

- 24. The term ‘Materiality Process’ was used in the phase 1 guidance to describe a preparer’s process to develop the entity’s own criteria for identifying topics to be reported about in an EER report and to apply those criteria to select such topics. Comments received from respondents to the Consultation Paper suggested that the term ‘materiality process’ could be confusing, because referring to it in quotation marks did not seem to be sufficient to distinguish the meaning of the word ‘materiality’, in the context of the term ‘materiality process’, from the concept of materiality, as used in the Standard.
- 25. The Task Force proposes to discontinue the use of the term ‘Materiality Process’ in the Guidance, and to use the term ‘Entity’s Process to Identify Reporting Topics’ instead. The Task Force considers that the new term describes the process more clearly. It is a two-step process to develop the entity’s own criteria, and then to apply them, to identify appropriate reporting topics. It avoids using the term ‘materiality’ in a manner that is inconsistent with the concept of materiality. The Task Force decided not to use the word ‘relevant’ in this term because the criteria developed in this process need to meet all the characteristics of suitable criteria not just relevance.
- 26. Chapter 7 *Considering the Entity’s Process to Identify Reporting Topics* (previously Chapter 8 *Considering the Entity’s ‘Materiality Process’*) will provide linkage to the matters for consideration by the practitioner in determining the suitability of criteria. Chapter 7 is still being redrafted and is not presented in Agenda Item 1-A. However, Board members are asked to consider the proposed new term.

### *Elements and qualities of the underlying subject matter*

- 27. Comments from respondents to the Consultation Paper raised questions about the use of the terms ‘elements’ of the underlying subject matter and a ‘quality(ies)’ of such elements in the draft phase 1 guidance and Supplement A. Respondents noted that these terms were not used in the Standard and some questioned whether it was necessary to use them or whether different terms already used in the Standard could be used instead. It was also suggested that the term ‘quality(ies)’, which was intended to be interpreted as an attribute or characteristic of an element could be misinterpreted the degree of excellence of an element, since the word ‘quality’ has both meanings in the English

language. It was further suggested that, for the same reason, the term ‘quality’ could give rise to translation challenges.

28. The Task Force agreed that it is not necessary to use either of the terms in the Guidance itself. Rather, the Task Force proposes to use the term ‘aspect(s) of the underlying subject matter’ in the Guidance as this term is already used in the Standard. That term is used in the Standard in the same context as the Task Force used the terms ‘element’ and ‘quality(ies)’ in the phase 1 draft guidance and Supplement A, i.e. to address disaggregation of the underlying subject matter into component parts.
29. Such disaggregation may be necessary to apply criteria that are relevant in the circumstances of the engagement. It involves not only identifying the relevant type(s) of parts but also the relevant feature(s) (or properties, attributes or characteristics) of such parts, which are to be measured or evaluated by the criteria. In completing the redrafting of Supplement A, the Task Force proposes to use the terms ‘element(s)’ to describe a type(s) of part of the underlying subject matter and the term ‘attribute(s)’ to describe a feature of such. The Task Force will use these terms in explaining in Supplement A how disaggregation of the underlying subject matter into relevant aspects may be relevant in identifying suitable criteria. These terms will not be used in the Guidance. When necessary, the more general term ‘aspects of the underlying subject matter’ will be used in the Guidance.

### **III Proposed Next Steps for Finalization of the Guidance**

30. The Task Force will present the fully redrafted combined Guidance for consideration by IAASB members, for approval to be issued for public consultation at the December 2019 IAASB meeting. The only wholly new material to be included in the redrafted Guidance is the proposed guidance on performance materiality.
31. It is proposed that updated drafts of Supplements A and B will be included as supplementary papers for the December 2019 IAASB meeting. The draft Supplements will be provided to enable Board members to have the ‘whole picture’, and for reference by Board members only if they wish to do so in considering the draft Guidance document. It is not proposed that the Board will discuss the Supplements at the December 2019 Board meeting. A call is scheduled with the PAP to discuss the draft Guidance in advance of the December 2019 IAASB meeting.
32. Board members will be invited to provide written comments on the Guidance to the Task Force before the December meeting, and will be welcome to provide detailed written comments on the Supplements before or soon after the meeting. After the meeting, all Board members will be encouraged to provide written comments on Supplements A and B by about the end of the first week in January 2020.
33. A number of individual Board members and technical advisors who are not members of the Task Force will also be targeted to provide their detailed input on the Supplements during that period.
34. Based on these inputs, the Task Force will aim to finalize the Guidance and Supplements, and to draft the Explanatory Memorandum, during or soon after its January 2020 meeting.
35. Following the January 2020 Task Force meeting, it is proposed that the updated Guidance and Supplements will be circulated to those Board members and technical advisors targeted for any final

input (see paragraph 33) and that the Explanatory Memorandum be circulated to Board members for a 'fatal flaw' review.

36. The Task Force will then finalize the Explanatory Memorandum, Guidance and Supplements, following which the Task Force, with the recommendation of the Task Force Chair, will submit them for approval by the Chairman and the Technical Director, for public consultation of the Guidance in February 2020 (i.e., public exposure on the proposed Guidance). The intention is to publish the Supplements alongside the proposed Guidance, and to invite respondents to comment not only on the Guidance but also on the Supplements, should they wish to do so. A comment period of about 120 days is proposed.

#### **Matters for IAASB Consideration**

The IAASB is asked for its views on:

- Q3. The proposed updated approach to the terminology used in the Guidance, including:
- Replacing 'Materiality Process' with 'Entity's Process to Identify Reporting Topics'; and
  - Referring to 'aspects of the underlying subject matter' rather than 'element(s)' and 'quality(ies)' in the Guidance, and to further explain this in the Supplement.
- Q4. The proposed next steps for finalizing the EER Guidance for public consultation.

**Table of Principle Changes**

Feedback received from CP respondents / issue raised at September 2019 IAASB meeting	Task Force response
<p><b>Structure of guidance</b></p> <ul style="list-style-type: none"> <li>• The guidance is lengthy</li> <li>• The guidance is complex and conceptual in places</li> <li>• It is unclear how the guidance:               <ul style="list-style-type: none"> <li>○ relates to ISAE 3000 (Revised)</li> <li>○ how chapters within the guidance relate to each other</li> <li>○ how the guidance follows the flow of a typical assurance engagement</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual and background material has been moved to Supplement A</li> <li>• Longer examples have been moved to Supplement B</li> <li>• The main body of the guidance is, consequently, shorter; it also sets out the ‘what’ and ‘why’ at the start of each chapter so that it is clear what is to be addressed in the chapter, the reasons for needing to provide guidance in an EER context; the ‘how’ that follows in each chapter generally sets out a diagram and a thought process for the practitioner</li> <li>• Chapter 1 includes a diagram that illustrates the stages of an assurance engagement under ISAE 3000 (Revised), the requirement paragraphs of that standard, and how the Guidance links to those requirements.</li> <li>• Chapters have been reordered to follow the flow of the diagram.</li> <li>• Hyperlinks will be included in the final document to link between chapters and between the Guidance and the Supplements.</li> </ul>

<b>Feedback received from CP respondents / issue raised at September 2019 IAASB meeting</b>	<b>Task Force response</b>
<p><b><i>Purpose and audience of the guidance</i></b></p> <ul style="list-style-type: none"> <li>• Clarification needed that the guidance is intended to be non-authoritative guidance which may be used by practitioners when performing EER engagements under ISAE (Revised). It should not add requirements or suggest the only way of performing such engagements.</li> <li>• Clarification needed as to whether the guidance is intended for practitioners, preparers or both.</li> <li>• The guidance should not be general educational material but should focus on challenges that are unique to EER.</li> <li>• Some general guidance may be helpful to practitioners who do not have an audit background.</li> </ul>	<p>The Task Force has clarified in Chapter 1 of the Guidance that:</p> <ul style="list-style-type: none"> <li>• The Guidance is non-authoritative and does not introduce new requirements or application material over and above that set out in the Standard.</li> <li>• The Guidance is intended for practitioners performing assurance engagements in compliance with ISAE 3000 (Revised); although others, such as preparers or users may find the Guidance useful to understand respective roles and responsibilities, it is not written with such others in mind.</li> <li>• Useful conceptual material is retained in Supplement A and will be cross referenced from the Guidance.</li> <li>• The Guidance focuses on EER specific challenges.</li> </ul>
<p><b><i>What is meant by an EER Report?</i></b></p> <ul style="list-style-type: none"> <li>• It is unclear: <ul style="list-style-type: none"> <li>○ what is meant by an EER Report; and</li> <li>○ what is and is not covered by the guidance.</li> </ul> </li> <li>• The examples used are predominantly sustainability-type examples, but EER encompasses a broader range of reporting; a broader range of examples should be included.</li> </ul>	<ul style="list-style-type: none"> <li>• The terms ‘EER information’ and “EER report’ are defined in Chapter 1</li> <li>• Table 1 (in Appendix 2 to the Guidance) sets out types of EER reports, example frameworks that may be used to report the EER information, and whether or not the type of report is covered by the Guidance</li> <li>• A broader range of examples is included in the Guidance and further longer examples are under development for Supplement B to illustrate different EER reports and frameworks used, such as GRI sustainability reporting, integrated reporting, public sector service performance reporting, and management commentary.</li> </ul>
<p><b><i>Use of terminology</i></b></p> <ul style="list-style-type: none"> <li>• Terminology used to describe the entity’s process for developing and applying criteria as the ‘materiality process’ is confusing as it is not to do with the concept of materiality as used in</li> </ul>	<p>The Task Force:</p> <ul style="list-style-type: none"> <li>• Proposes the term ‘entity’s process to identify reporting topics’ in place of ‘materiality process’ as this terminology more accurately</li> </ul>

<b>Feedback received from CP respondents / issue raised at September 2019 IAASB meeting</b>	<b>Task Force response</b>
<p>the standards and commonly understood by practitioners</p> <ul style="list-style-type: none"> <li>• Terminology describing ‘elements’ and ‘qualities’ of the underlying subject matter information is unduly complex and introduces new terms unnecessarily.</li> <li>• Terminology should generally be in line with that used in ISAE 3000 (Revised). If new terms are considered necessary, then a glossary of terms would be useful.</li> </ul>	<p>describes the process and avoids confusing it with ‘materiality’ as it is commonly understood</p> <ul style="list-style-type: none"> <li>• Has simplified the way in which the underlying subject matter is described by referring to ‘aspects’ of the underlying subject matter</li> <li>• Has explained in Chapter 1 of the Guidance, that the terminology used in the Guidance is aligned with that used in the Standard, where the Standard already describes the concepts. Where new terminology is introduced to describe a concept not dealt with in the Standard, the term is defined and will also be included in an Appendix of ‘Terms used in this Guidance’.</li> </ul>
<p><b><i>Determining the presence of pre-conditions and the entity’s system of internal control</i></b></p> <ul style="list-style-type: none"> <li>• Clarity needed on the work effort to determine the presence of preconditions compared with the work effort needed in obtaining an understanding of the entity during the early stages of planning, particularly with respect to the suitability of criteria and the entity’s system of internal control</li> <li>• Guidance needed on readiness assessments, including work effort and ethical considerations</li> <li>• The guidance should not suggest that a controls-based approach is always required</li> <li>• The level of assurance should not be determined based on the control environment; the controls should be sufficient to provide the preparer with a reasonable basis for the subject matter information, and should be able to support reasonable assurance even if a limited assurance engagement is chosen.</li> </ul>	<ul style="list-style-type: none"> <li>• The work effort pre- and post-acceptance has been clarified in Chapter 4 of the Guidance; this chapter of the Guidance clarifies that the determination of the presence of pre-conditions is based on a preliminary knowledge of the engagement circumstances, rather than on the more detailed considerations that are undertaken during the planning stage; however, where the engagement is an initial engagement and a more complex engagement, more extensive consideration may be needed than when the engagement is less complex or a recurring engagement – the preliminary knowledge needs to be sufficient for the practitioner to make a reasoned consideration</li> <li>• The Guidance sets out several options for how a practitioner may obtain the preliminary knowledge of the engagement circumstances, including how a readiness assessment may be performed as a non-assurance engagement before deciding whether to accept an initial EER assurance engagement; ethical considerations in relation to such engagements are included in the Guidance</li> </ul>

<b>Feedback received from CP respondents / issue raised at September 2019 IAASB meeting</b>	<b>Task Force response</b>
<p><b><i>Using assertions</i></b></p> <ul style="list-style-type: none"> <li>• The material in this chapter is complex and conceptual in nature; the guidance should be more practical, and include examples, to assist those practitioners who may be unfamiliar with the concept</li> <li>• It should be made clear that the use of assertions is not required</li> <li>• The categories of assertions set out in the guidance should be as used in other standards</li> <li>• There could be different or additional assertions for EER reporting</li> </ul>	<p>The Task Force has:</p> <ul style="list-style-type: none"> <li>• Moved the background and conceptual material on the use of assertions to Supplement A, and linkage will be made from Chapter 8 to Supplement A</li> <li>• Clarified that the use of assertions is not required, but may be a useful tool for practitioners in considering how misstatements might arise in the subject matter information; when assertions are not used, the practitioner will need to consider misstatements by direct reference to the criteria used</li> <li>• Included example categories of assertions consistent with those used in ISA 315 and ISAE 3410, and the Guidance recognizes that there may be other ways in which assertions may be categorized</li> </ul>

## Appendix 2

### Reordering and Renumbering of the Chapters of the Guidance

The left-hand column of the table below shows the previous ordering of chapters and their headings; the right-hand column sets out the reordered chapters and chapter headings. Those redrafted chapters of the Guidance shown in **bold text** in the right-hand column below are presented in Agenda Item 1-A; those shaded in grey are work in progress and are not presented for the Board's consideration with Agenda Item 1-A.

Chapter	Previous ordering of chapters	Reordered chapters Agenda Item 1-A
1	Introduction	<b>Introduction</b>
2	Overview of an EER Engagement*	Applying Appropriate Competence and Capabilities
3	Determining Preconditions and Agreeing Scope	Exercising Professional Skepticism and Professional Judgment
4	Applying Appropriate Skills	<b>Determining Preconditions and Agreeing Scope</b>
5	Exercising Professional Skepticism and Professional Judgment	Determining the Suitability of Criteria
6	Considering the System of Internal Control	Considering the System of Internal Control
7	Determining the Suitability of Criteria	Considering the Entity's Process to Identify Reporting Topics
8	Considering the Entity's 'Materiality Process'	<b>Using Assertions</b>
9	Performing Procedures and Using Assertions	Obtaining Evidence
10	Obtaining Evidence	Considering the Materiality of Misstatements
11	Assuring Narrative Information	Preparing the Assurance Report
12	Assuring Future-Oriented Information	Obtaining Evidence on Narrative Information
13	Considering the Materiality of Misstatements	Obtaining Evidence on Future-Oriented Information

Chapter	Previous ordering of chapters	Reordered chapters Agenda Item 1-A
14	Preparing the Assurance Report	*One fewer chapter as chapter 2 in the previous version has been deleted and replaced by the diagram and related text in redrafted Chapter 1