13. Comments on Supplement A

13.1 Supportive comments

1. Investors and Analysts

ICGN - International Corporate Governance Network

Regarding Supplement A, the four key factor model for credibility and trust in relation to EER is useful in explaining the value of EER reporting, and assurance on such reporting (i.e., it is useful for stakeholders to easily understand the ‘value proposition’ of EER). Because this document has a wider intended audience than the practitioner, we support publishing this as a separate standalone Supplement with appropriate references in the EER Guidance.

2. National Auditing Standard Setters

AUASB - Australian Auditing and Assurance Standards Board

Whilst the AUASB considers the four key factor model for credibility and trust useful, published separately from the main body of the guidance document, we raise the issue of the IAASB aligning with a particular trust model of the many that are used in practice, for the same reasons that alignment with a particular reporting framework has been avoided.

Irrespective of the comment above, publishing this, and other information, separately in Supplement A helps to avoid confusion between guidance for the assurance practitioner and more contextual information. Our outreach with a broader range of stakeholders, including preparers and investors, supported the issue of Supplement A separately in this way.

3. Accounting Firms

GTI - Grant Thornton International Ltd

In particular, we support the creation of two supplements, Supplement A, Credibility and Trust Model and Background and Contextual Information and Supplement B, Illustrative Examples, as a means of providing further guidance for those less familiar with EER assurance engagements

KPMG - KPMG Network

We believe the document is structured in a clear and helpful way, with distinct chapters and additional material in Supplements A and B for ease of use.

5. Member Bodies and Other Professional Organizations

ACCA-CAANZ - Chartered Accountants Australia and New Zealand and Association of Chartered Certified Accountants

We support moving the background/contextual information, the information that is primarily targeted towards stakeholders other than practitioners and the more comprehensive examples, into the supplementary papers.
CPAA - CPA Australia

We support provision of this contextual information to help practitioners, who may not be familiar with the IAASB’s standards, to better understand how the concepts which underpin an assurance engagement fit together.

GRI - Global Reporting Initiative

The use of the supplements makes the content more accessible and navigable. Moving conceptual background information to Supplement A helps those practitioners who need this type of information to understand some of the underlying concepts easily reference it, whilst other more experienced practitioners who may not need this level of information can directly utilize the content in the main guidance.

SAICA - South African Institute of Chartered Accountants

SAICA agrees with this document being included as a supplement as this will reduce the length of the Draft Guidance. This supplement will prove useful to assurance practitioners, preparers and users of EER reports as it describes factors that enhance the credibility of EER reports and engender trust.

Supplement A could prove to be a very useful tool to ensure that users of EER reports are informed and can hold preparers accountable. Given that the information contained in this document is not primarily directed to assurance providers, the IAASB should promote this document separately as it is of great educational value to stakeholders. This will ensure that there is an “informed” EER market.

13.2 Improvements required

2. National Auditing Standard Setters

CAASB - Canadian Auditing and Assurance Standards Board

Section II: 1. Underlying Subject Matter, Criteria and Subject Matter Information

There is a lot of guidance in this section on subject matter elements. However, that term is only mentioned once in the main body of the guidance. We don’t believe the detail on subject matter elements in Supplement A is needed as it delves into a level below subject matter information that is not needed to understand that concept, and it is not used to support the main guidance document.

CNCC-CSOEC - Compagnie Nationale des Commissaires aux Comptes and Conseil Supérieur de l’Ordre des Experts-Comptables

We have a concern with the supplements. These are quite long documents (47 pages for the supplement A and 57 pages for the supplement B). We do not understand the nature of their interconnection with the Guidance. For example, supplement A contains 19 paragraphs that deal with materiality. We consider that for such a significant issue, all Guidance should be concentrated in one document only, i.e. in the proposed non-authoritative guidance.

JICPA - Japanese Institute of Certified Public Accountants

Supplement A II General

With regard to the content of Supplement A, paragraphs 13 to 21 of II in particular are highly abstract and difficult to understand. More concrete explanations should be provided by changing these into something more suitable for EER case studies.
Supplement A II paragraphs 50 to 51

Paragraphs 50 to 51 in Supplement A explain matters related to the competence and aptitude of practitioners, but the relationship to the main Guidance text (for example, paragraph 28) is unclear.

References to the main Guidance text must be added to Supplement A, and the relationship made clear.

**NZAASB - New Zealand Auditing and Assurance Standards Board**

The NZAuASB considers the four key factor model for credibility and trust will be useful and supports the publication separately from the guidance document. Our outreach with a broader range of stakeholders, including preparers and investors, supported the issue of supplement A. The need to assist all stakeholders, including practitioners, to engage with difficult technical terms such as “subject matter”, “subject matter information” and “criteria” is especially important. We consider that this material would benefit from being streamlined and simplified even further. Understanding these terms is a key part of engaging with the challenges. A one-page overview with examples may be more accessible than the current approach. The gender example in Supplement A was found to be especially helpful. As highlighted above, based on our experience in developing NZ AS 1, we consider that the phrase “suitable criteria” may pose a barrier to a practitioner’s understanding and use of the guidance. Even the most experienced practitioner in our experience, does not engage with this phrase. It may be helpful to define upfront that in an EER engagement the term “criteria” as described in the applicable standard encompasses many layers, firstly the identification of the reporting topics, and then more granularly to include in some detail the most appropriate techniques to measure or evaluate those topics and also to present and disclose the outcome of the evaluation. Some reporting frameworks address all of these layers, specifically and more granularly (as is typical in financial reporting frameworks), whereas many EER frameworks only address these elements at a high level principled level, necessitating the entity to develop their own specific basis of reporting, applicable to them. These layers could be referenced at appropriate times, to overcome the barrier that the phrase “criteria” might create. An onion analogy was used, to describe the layers that form the overarching “criteria”. Simpler language that references the specific layer of the “onion” at the appropriate time in the guidance may promote a better understanding of this term.

3. Accounting Firms

**BDO - BDO International Limited**

Finally, we suggest summarizing supplement A and merge it with the Guidance document to provide additional context for practitioners prior to planning their EER engagements.

The Credibility and Trust Model (Supplement A)

The model is thought-provoking and covers some key conceptual aspects that underlie the issue of trust. However, the points made relate to any form of reporting not just EER raising the question whether the model might not be better suited as a more overarching framework for use in the corporate reporting system and not just EER.

There are well-established academic models for trust e.g. the trust equation which the IAASB could use as a sound model for all forms of reporting including EER.
DTT - Deloitte Touche Tohmatsu Limited

Section I (Four key factor model for credibility and trust in relation to EER reports) is illustrative in showing the possibilities and boundaries of the draft guidance. As noted in our cover letter, we suggest the IAASB reach out to other organizations that can foster necessary advancements outside the IAASB’s remit.

Section II (EER assurance engagements – background and context): In the EER phase 1 consultation paper it was sometimes difficult for the reader to distinguish between content that is directly from ISAE 3000 (Revised) and new content. We therefore welcome the IAASB’s efforts to remove ISAE 3000 (Revised) contents from the main document into Supplement A, Section II. This section provides a good overview on the fundamental assurance concepts. However, some parts of this section seem to be adjusted to EER reporting and might therefore overlap with the main document (e.g., “factors affecting the effective exercise of professional skepticism and professional judgment”), while others are rather theoretical and probably of little help for EER assurance engagements in practice (e.g., “nature of criteria”). However, consideration might be given to including key paragraphs from ISAE 3000 (revised) in the draft guidance, e.g., in boxes, and further supporting contents from the Standard in the Supplement, accessible via hyperlinks.

EYG - Ernst & Young Global Limited

Regarding Supplement A and consistent with our previous comments on Phase 1, we find the four key factor model for credibility and trust in relation to EER to be useful in explaining the value of EER reporting, and assurance on such reporting (i.e., it is useful for stakeholders to easily understand the ‘value proposition’ of EER). Because this document has a wider intended audience than the practitioner, we agree with publishing this as a separate standalone Supplement with appropriate references in the EER Guidance.

Regarding Supplement A, paragraphs 99 and 101 appeared to be the only place in the EER Guidance that includes information on execution procedures. We believe that practitioners would benefit from additional practical examples of inquiry, analytics and substantive testing within Supplement A.

PwC - PriceWaterhouseCoopers

We support Part I of Supplement A (the proposed “four key factor model for credibility and trust in relation to EER”), as it has educational value as a stand-alone supplement. However, we continue to question Part II of Supplement A.

We are concerned that the supplement includes content addressing important conceptual principles that may be overlooked, while also setting expectations for assurance engagements more broadly. For example, the expanded discussion on professional judgment and professional scepticism is an important topic in its own right but is likely to be overlooked buried in Part II of a Supplement. ISAE 3000 (Revised), revised as recently as 2015, does not discuss either assertions or performance materiality and, notwithstanding that the guidance acknowledges these are not required by the standard, the Supplement has extensive sections describing these concepts. The discussion of evidence, including procedures and the characteristics of its pervasiveness and sufficiency, is the focus of the IAASB’s project to revise ISA 500 and it feels like this guidance should be part of that project rather than pre-empt the outcomes of that revision.

Furthermore, the many cross-references from the main guidance to Supplement A compel the reader to read the supplement to discover what additional content it includes. This largely negates the objective of shortening the guidance to enhance its perceived readability.

For these reasons, we suggest that Part II of Supplement A be reconsidered. Content that is necessary contextual information should be included in the body of the guidance to facilitate an appropriate
understanding of that guidance. The International Framework for Assurance Engagements includes sections on underlying subject matter and criteria, together with other useful “educational” material and is written in a more readily understandable style. A cross reference to this Framework could be made in the Introduction to the guidance as a source of relevant contextual material on assurance concepts. The IAASB could then consider whether the remainder of this background and contextual material could be relocated by incorporating into other more appropriate locations or projects.

5. Member Bodies and Other Professional Organizations

ISCA - Institute of Singapore Chartered Accountants

We found the discussion of the Four Key Factors useful, particularly on the EER framework.

Since the Guidance is aimed at practitioners who are familiar with financial reporting, the simplified examples in paragraphs 13 and 20 could use elements of financial reporting as illustration to better enable practitioners to relate EER subject matter, criteria and information to what they already know and practice.

13.3 No particular view

2. National Auditing Standard Setters

HKICPA - Hong Kong Institute of Certified Public Accountants

No comment

3. Accounting Firms

CG - Crowe Global

No comment on Supplement A or B and no response to General q

RSMI - RSM International Limited

No comment on Supplement

4. Public Sector Organizations

AGA - Office of the Auditor General Alberta

No comment

AGNZ - Auditor-General of New Zealand

No comment

AGSA - Auditor-General of South African

No additional comments.

GAO - United States Government Accountability Office

GAO’s
5. Member Bodies and Other Professional Organizations

AICPA - The American Institute of Certified Public Accountants
No comment on Supplement

Assirevi
No comment on Supplement.

BICA - Botswana Institute of Chartered Accountants
No comment

BRLF - Australian Business Reporting Leaders Forum
No comment Supplement A

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas
No comment on Supplements

FAR - Institute for the Accountancy Profession in Sweden
No comment on Supplement A or B

IAAA - Inter-American Accounting Association
No comment on Supplement A

ICAS - Institute of Chartered Accountants Scotland
No comment on Supplement A

ICPAR - Institute of Certified Public Accountants of Rwanda
No comment on Supplements

ICPAU - Institute of Certified Public Accountants of Uganda
No comment on Supplement

IIA - Institute of Internal Auditors
No comment on Supplement A

IIRC - International Integrated Reporting Council
No comment on Supplement A

MIA - Malaysian Institute of Accountants
No comment
MICPA - Malaysian Institute of Certified Public Accountants
No comment on Supplement

SASB - Sustainability Accounting Standards Board
No comment on Supplement A

SVI - Social Value International
No comments on Supplement A or B or o

6. Academics

DEAKIN - Deakin University Integrated Reporting Centre
No comment on Supplement A.

13.4 Not supported

2. National Auditing Standard Setters

IDW - Institut der Wirtschaftsprüfer
Appendix 4 to the Comment Letter to the IAASB:

Detailed Comments on Supplement A by Paragraph

As a general comment, we have identified a good number of instances where the supplement uses wording or concepts in a manner that is not consistent with IAASB standards – in particular ISAE 3000 (Revised) or in which the supplement goes beyond the standards in an inappropriate manner. Furthermore, there are a good number of instances where we have identified assertion in the text whose technical validity is questionable or where it appears that requirements are being set. The text of the supplement also contains the considerable use of superlatives, which can be regarded as representing rather reckless, unprofessional language that really should not be used in professional literature. Pressure may also result on the content of future projects (e.g., audit evidence) because the IAASB may feel bound in some way to what it would have approved. For these reasons and the reasons, we mention in our comment on paragraph 3 of the introduction, we do not believe that this supplement should be published at this time.

Introduction

3. According to this paragraph, the supplement provides background and contextual information about general assurance concepts and draws comparisons between EER and more established forms of reporting (we note – primarily reporting on financial statements) and how they relate to key assurance concepts reflected in the standard. We are very concerned with the breadth and nature of the guidance provided in this supplement. It seems to us to represent conceptual framework type material that properly belongs in a separate project on the conceptual foundations for assurance engagements – including audits and reviews. Furthermore, much of the conceptual guidance draws out particular issues on an eclectic basis without a systematic treatment of the conceptual issues that would constitute a proper conceptual framework, which means the supplement is not well-rounded in this respect, which can lead to misunderstanding. Furthermore, the conceptual issues addressed here have not been subject to the kind of due process that would be necessary for a conceptual framework. The de facto breadth of scope beyond EER reports bears with it the danger that there may be an expectation by stakeholders that the concepts in this supplement
ought to be applied by practitioners not only for assurance on EER reports, but also for other reports subject to engagements under the standard or even audits and reviews of financial statements. There are also a good number of “absolute statements” in the supplement that appear to imply the existence of requirements, which we seek to have remediated with our comments, but these statements also cause issues with the supplement too. For these reasons, despite some of the good work done on this supplement, we are not in favor of publishing this supplement at this time. Furthermore, even if it were published, in line with our comments on paragraph 19 of the guidance, no references should be included within the guidance to the supplement (please refer to our comments on paragraph 19 of the guidance).

Four Key Factor Model For Credibility and Trust In Relation to EER Reports

3. It is unclear to us what distinction is being drawn here between credibility and trust both in this paragraph and paragraph 16 of this supplement.

5. The word “greatest” should be changed to “greater” (no superlatives).

6. In item 3 within figure 1, the word “available” can be deleted, since no one expects users to use unavailable sources of information.

9. We have the following comments on the table subsequent to this paragraph:

In the second box on the left side, the word “material” should be replaced with “relevant”, since the standard uses the term “materiality” in another context

In the third box on the right side, the concept of “reliability” ought to be added because this concept deals with the issue of measurement under uncertainty

In the fourth box on the right side, the concept of “reliability” ought to be deleted because none of the issues on the left side relate to reliability.

10. The word “because” should be replaced with “when” since following items are prerequisites for credibility.

13. In line with our comments on the difference between relevance and materiality, in the first bullet the word “materiality” should be replaced with “relevance (sometimes called “materiality” by some EER frameworks)”.

15. We suggest the word “ordinarily” be inserted after the words “Strong governance” to make the statement less absolute.

16. In the first line the words “is therefore” should be changed to “may therefore be” to make the statement less absolute. We also suggest deleting “that is required” for the same reason. We have considerable difficulty with the statement that preparers should behave in a way that is consistent with the spirit of the objectives of the relevant EER framework to present EER information faithfully and without bias. First, some EER frameworks do not set forth objectives. Second, even if they did, in many frameworks, compliance is required with the requirements and seeking compliance with the objectives would be unenforceable. Third, faithful presentation is not required for all types of information in every EER framework: we suggest that the concept of reliability be applied instead, which would be consistent with the standard. For these reasons, we believe this part of the sentence ought to be deleted or appropriately redrafted.
18. This paragraph should be written in the IAASB jurisdiction-neutral form, in which “the Board of Directors and audit committee” is replaced with “those charged with governance or management, as appropriate”.

19. To prevent an absolute statement, we suggest inserting the word “generally” prior to “founded”.

21. We suggest inserting “may” after “engagement” to prevent an absolute statement. The word “material” should be replaced with “relevant” for reasons noted previously.

22. To avoid an absolute statement, we suggest changing the words to state “Management may routinely communicate and engage”.

23. In line with our comments on the use of “material” and superlatives, we suggest changing “most material” to “relevant”.

24. To avoid an absolute statement, we suggest that the second sentence begin: “This may include”.

25. Users (like practitioners) do not use all of the information available to them. Hence the word “available to” should be replaced by “used by”. The second sentence contains an unusual assertion – i.e., that EER reports need to describe all relevant issues and be complete if they are to be consistent with other information available about the entity. First, while generally EER reports should contain the relevant issues, if they include all of them, by definition, they are complete (so the words “and be complete” are superfluous and misleading). Second, there is no requirement in an EER framework of which we are aware that EER reports must be consistent with other information available about the entity. It seems to us that depends upon the nature of the other information available about the entity (i.e., its relevance, neutrality, completeness and reliability). For all of these reasons, we believe that the assertion in the second sentence is conceptually problematic and believe it ought to be deleted.

27. Change “most” to “more” to eliminate the superlative.

29. Delete both uses of “most” to eliminate the superlatives.

30. We suggest that the fifth bullet point begin with “Quality control or management, ...” to recognize that ISQM 1 will be applying a quality management approach (quality control needs to be retained because ISAE 3000 has not been revised to introduce a quality management approach).

33. There appears to be a doubling up of concepts in the second sentence: the clear structure of reports serves understandability, and well-balanced reports serve neutrality (lack of bias), so the references to “clearly structured” and “well-balanced” can be deleted.

34. To recognize that ISQM 1 will be applying a quality management approach, we suggest inserting “or quality management” after “quality control”.

35. Since related services engagements do not lead to assurance, the words “if any,” need to be inserted after the word “assurance”.

36. IAASB literature does not refer to “assurance providers” because, by definition, assurance engagements do not “provide assurance”. We therefore suggest that the term “assurance providers” be replaced with “practitioners”, which is broad to cover all those needing to be covered.
applying the criteria – not the attribute of the underlying subject matter. However, when measuring or evaluating the phenomenon, it is the attributes thereof that are measured or evaluated. We suggest that the sentence be revised to correctly make this distinction. The same applies to paragraphs 5, 6, 9, 19 and 22. Overall the supplement does not adequately deal with the relationship between the underlying subject matter, the attributes, and the criteria, which hinders a proper understanding of the issue. In any case, this is an issue that ought to be addressed in a conceptual framework rather than such a supplement or guidance. Based upon the use of the term “attribute” in science, research, and philosophy, we suggest deleting the word “inherent”, which is not a requirement for something to be an attribute. We also suggest that the definition in appendix 1 to the supplement be amended accordingly.

7. In the second bullet point, it should be clarified that quantitative disclosures are measured – not evaluated – under the usage in the standard. The fourth and fifth bullet points together represent the criteria under the standard. Consequently, it is not appropriate to separate out benchmarks (criteria are defined as such) for measurement from the criteria and the two bullet points should be merged. This also applies to the second sentence of paragraph 22: the criteria are defined in the standard as benchmarks and therefore the descriptions noted are a part of the criteria – not identified by the criteria.

8. The fourth and fifth bullet points together represent the criteria under the Framework. Consequently, it is not appropriate to separate out benchmarks (criteria are defined as such) for measurement, etc. from the criteria and the two bullet points should be merged.

10. In line with our comments on the guidance on this matter, not underlying subject matter, but subject matter information can be aggregated or disaggregated. The standard speaks of aspects of underlying subject matter, so the words “at level(s) of disaggregation” should be changed to read “at level(s) of detail of aspects of the underlying subject matter”. The same applies to the title prior to this paragraph, in which “its disaggregation” should be changed to “its level of detail”. This also applies to the first sentence of paragraph 13. In line with our comments on the guidance “assists decision-making by the intended users” should be changed to “is relevant”.

12. This paragraph introduces the concept of “subject matter elements” without having reconciled this concept of “aspects of underlying subject matter” as used in the standard. We do not see why a new concept needs to be introduced when the standard already sets forth an adequate concept in its application material. Adding new concepts causes misunderstanding and confusion.

19. The reference to “its” in the second sentence is unclear – we presume it intends to refer to the underlying subject matter. If so, that term should be used instead of “its”.

21. In the example box following this paragraph, both the description of time in a) and the description of location in b) can be attributes too, like color in c). We suggest this be clarified in a) and b).

Mathematically speaking, ordering on the basis of greater to lesser is an ordinal scale that is quantitative because it can be subjected to non-parametric mathematical methods. Consequently, the distinction between quantitative and qualitative in paragraphs 23 and 24 needs to be between nominal scales (qualitative, because no ordering is possible) and all other scales (quantitative, because these scales are expressions of quantity). Both of these paragraphs need to be amended accordingly.

28. We would like to point out that the descriptions of the inherent limitations on precision apply to scales other than absolute or ratio scales as described in this paragraph. For example, colors can be ordered by hue and classifications of hue can be undertaken. However, the limit on precision in
classification arises when attempting to attribute hues to one class or another. Another inherent limitation on precision even for simple counting is the qualitative determination whether particular items actually belong to the class in question being counted. Overall, we come to the conclusion that the supplement addresses some interesting questions in the area of measurement (as defined in measurement theory), but it does not do so in any systematic way, which is one reason why we believe that the supplement is not ripe for publication.

31. Since it is not in line with the definition of professional skepticism, we suggest deleting the words “of mind” within parentheses.

32. We believe it to be beyond the remit of the project to provide guidance on the application of the standard to EER reports to engage in a fundamental conceptual treatment of professional judgment and professional skepticism. However, we welcome the background and contextual information to the extent it deals with practical matters related to EER reports without seeking to deal with fundamental conceptual matters.

34. The references to “risk of material misstatement exists” and “control operated effectively” applies only to reasonable assurance engagements, and the reference to classes of transactions or balance means that this is not about an assurance engagement – but an audit. We believe that the example should be changed to be relevant to EER reporting and should take into account both reasonable and limited assurance engagements, or clarify that the example deals only with a reasonable assurance engagement. Since under the standard, materiality is not assessed, but considered, we suggest that at the end of the paragraph the word “consideration of” be inserted in between “or” and “materiality”.

35. In line with the Exposure Draft of ISA 220, the reference to “sufficiency and effectiveness” of direction, supervision and review should be changed to “sufficiency and appropriateness”. In addition, the word “procedures” should be deleted, since IAASB standards never address the “sufficiency and appropriateness” of procedures – only their nature, timing and extent.

38. To avoid the impression of a requirement, we suggest that the word “is” in the introductory phrase be changed to “may be”. We suggest that the word “challenge” in the first bullet be changed to “question”, since we do not believe that one can “challenge” oneself effectively. In the fourth bullet point, in line with the third bullet point, we suggest adding “… , where necessary,…” prior to the word challenge, since it may not always be necessary to move from inquiry to a challenge, which is a severe form of questioning. In the last bullet, the word “it” is missing in between “whether” and “corroborates”.

39. Under definition of professional skepticism, the critical assessment in exercising professional skepticism is of evidence: consequently, the words “of evidence” need to be inserted after the word “assessment”. Both uses of the word “involves” suggest the supplement is setting forth a new requirement. Therefore, the word “may” needs to be inserted prior to each “involves”.

41. The description of independence in the first sentence is not in line with the definition. To be in line with the definition, we suggest that the first sentence be written as follows: “Independence of mind avoids being affected by influences that compromise professional judgment in forming an assurance conclusion”. The words “in forming an assurance conclusion” at the end of the second sentence should be deleted, since these are not in line with the descriptions in A33 of the standard, and are not correct because the practitioner does not act with integrity, and exercise objectivity and professional skepticism, only when forming an assurance conclusion.

44. In line with the definition of professional skepticism, the “set” should be deleted from “mindset”.
45. This paragraph states that experts are “members of the engagement team”. This is not always correct: external experts are not members of the engagement team. Furthermore, when an external expert is used by the practitioner, neither under ISA 620 nor under ISAE 3000 (Revised) is that expert subject to direction, supervision or review as a member of the engagement team: ISA 620 and paragraph 52 of ISAE 3000 (Revised) set forth the requirements for the engagement team (not the engagement partner) for dealing with such experts and their work. For these reasons, this paragraph needs to be redrafted.

48. The word “underlying” needs to be inserted prior to the word “subject matter”. If “assessing the risks of material misstatement” is meant, then “of material misstatement” needs to be added after the word “risks”. However, this would be required to be applied only for a reasonable assurance engagement. Either this paragraph needs to be augmented for the situation for a limited assurance engagement, or clarification is needed that this applies to a reasonable assurance engagement.

49. In line with the IAASB Glossary of Terms and the requirements in ISA 620 and paragraph 52 of ISAE 3000 (Revised), the word “assess” should be changed to “evaluate”.

50. In line with the definitions of professional skepticism and objectivity, part of the first sentence should read “… level of competence to apply a questioning mind and objectivity…” (IAASB standards do not speak of a critical or questioning mindset or of an objective mindset). Since challenge is a severe form of questioning not always needed, we suggest adding “,if needed,” prior to the word “challenge”.

51. In line with our comments on paragraph 50, the last part of the sentence should read: “…apply a questioning mind and objectivity to the engagement”.

58. In line with the standard, the title to this paragraph should read “Assessing risk and considering materiality”. In line with the Glossary of Terms, the word “assess” in relation to the completeness of subject matter information should be changed to “evaluate”. The text in this paragraph refers to “risks of misstatement” and “obtaining an understanding of where risks may exist, and the possible causes of those risks” (which should be augmented to “risks of material misstatement”) and “designing assurance procedures to address those risks”. These words apply to reasonable assurance engagements – they are not required for limited assurance engagements. Either the paragraph needs to be augmented for limited assurance engagements, or clarification is needed that this is applies only to reasonable assurance engagements.

59. The words “influence their decisions” should be changed to “be relevant to them”. In line with the standard, the word “assessing” should be changed to “considering”.

60. In our view, this paragraph is not in line with what ISAE 3000 (Revised) requires for reasonable assurance engagements, and does not even address what is required for limited assurance engagements. This paragraph therefore requires considerable redrafting or should be deleted. Furthermore, the heading prior to this paragraph and the paragraphs under this heading refer to “evidence-gathering procedures”. The standard does not refer to “evidence-gathering procedures” as a separate phase or stage in the assurance engagement, since evidence is gathered throughout the engagement and prior to acceptance. We therefore suggest that this term not be used in these paragraphs.

61. The term “assurance evidence” is not used in IAASB standards, so we suggest that the word “assurance” be dropped.
62. The term “assurance evidence” is not used in IAASB standards, so we suggest that the word “assurance” be dropped. The second sentence appears to be requiring a “critical self-assessment” and a “reassessment” of the subject matter information, which inappropriately goes beyond the standard. In addition, in both cases the use of the word “assess” is not in line with the IAASB Glossary of Terms. We suggest that the words be changed to “critical evaluation” and “evaluate” and to insert the word “may” prior to “allows” to clarify that no requirement is intended.

Furthermore, there is no requirement or application material in the standard to evaluate the subject matter information and the sufficiency and, in particular, appropriateness of the evidence obtained “from the perspective of what would be likely to influence the users’ decision-making”. This phrase should therefore be deleted from the last sentence.

70. We are not convinced that if an EER framework establishes a guidance principle or characteristic that requires completeness of the subject matter information, the criteria therefore “have” (i.e., fulfill) the characteristic of completeness. More detailed criteria are likely to be necessary to ensure that the criteria are suitable with respect to completeness. For this reason, we suggest that the word “have” be replaced with “address”.

72. We are not clear on what is being referenced by “such” criteria at the end of the paragraph.

73. The identification of categories of assertions to identify potential types of misstatements is a matter that can only be required for reasonable assurance engagements under the standard, since for limited assurance engagements the practitioner is only required to identify those areas where material misstatements are likely to arise. Consequently, either this paragraph needs to be augmented for limited assurance engagements, or the paragraph needs to clarify that only reasonable assurance engagements are being dealt with in the paragraph. In line with our comments on the guidance on this matter, not underlying subject matter, but subject matter information can be aggregated or disaggregated. The standard speaks of aspects of underlying subject matter, so the words “at an appropriate level of disaggregation of the underlying subject matter” should be changed to read “at an appropriate level of detail of aspects of the underlying subject matter”.

74. To clarify the meaning of this sentence, we suggest adding “in the subject matter information as a whole” after the word “message” (this clarifies that this is not about the message in the assurance report), and adding the words “(i.e., not neutral)” after the words “misleading or biased” (this clarifies that the question being addressed here relates to the qualitative characteristic of criteria neutrality reflected in the subject matter information).

76. This paragraph states that it provides background and contextual information about the fundamental concepts of evidence and aggregation risk. As we point out in our response to paragraph 3 of the introduction, we believe that addressing fundamental issues relating to the concepts of evidence and aggregation risk, which apply to all assurance engagements, including audits and reviews, is beyond the scope of this project. Furthermore, this paragraph introduces the concept of “characteristics of persuasive evidence”, which we believe is such a fundamental issue beyond the scope of the project, and that for audits of financial statements is being addressed as part of the project on audit evidence. We believe that the reference should be to “persuasive evidence” without mention of the characteristics. Overall we believe that section 4 on obtaining evidence deals with fundamental issues about evidence and procedures that go far beyond the remit of the project on providing guidance for EER and has not been subjected to an appropriate due process for the treatment of
such fundamental issues. For these reasons, we believe this supplement should not be published at this time.

77. The reference should be to paragraph A147, not A146.

78. To clarify the first sentence further, we suggest adding the word “actual” prior to the first use of “subject matter information” and adding the term “(i.e., the “required subject matter information”)” in parentheses after the word “criteria”.

80. It seems to us that the procedures designed to be performed actually determine the evidence that is obtained when the procedures are performed – not that is available to be obtained, since the evidence that is available to be obtained is independent of the design of the procedures. We therefore suggest that the words “available to be” be deleted.

82. The reference in footnote 9 is incorrect: it ought to be to paragraph 62 in the Framework. Furthermore, as the Framework is not authoritative, reference should be made to paragraphs A148 and A149 in ISAE 3000 (Revised). We agree that relevance, reliability, and sufficiency are not binary qualities as there are different degrees of each of these. However, the decision of whether evidence is relevant, reliable and sufficient is a binary decision, and therefore the third sentence should add this at the end of that sentence. The last sentence appears to confuse the strength of the evidence as a concept of sufficiency with the concepts of relevance and reliability. The strength of an individual piece of evidence relates to the degree of belief or confidence that can be attached to that piece of evidence being as relevant and reliable as it purports to be – it does not relate to the “strength of the relevance and reliability of the evidence”, since this just expresses the degree of relevance and reliability and is already covered by these concepts as a part of “appropriateness”. Furthermore, sampling is not the only means of selecting pieces of evidence: as ISA 500 points out, there are other means of selection. For these reasons, the latter half of the last sentence needs to be changed to read: “...; the nature and extent of selection) and the strength of the individual piece of evidence, which represents the confidence that a piece of evidence is as relevant and reliable as it purports to be.”

83. We believe that this paragraph is difficult to understand. We find the explanation given in the first sentence of paragraph A27 of ISA 500 provides a succinct and technically less problematic explanation. We suggest that this paragraph therefore be redrafted on that basis.

84. The first sentence of this paragraph represents a shotgun blast of supposed reliability concepts (informational validity, representational faithfulness, authenticity, completeness, accuracy, neutrality (lack of bias), precision, and verifiability) that has no foundation in current IAASB standards (i.e. is either inconsistent with usage in current IAASB standards, including ISAE 3000 (Revised), or the terms are not addressed in these standards), measurement theory, psychometrics, or the natural sciences. We suggest that this sentence be deleted and replaced by the description of reliability as in line with its description as a characteristic of suitable criteria in line with ISAE 3000 (Revised).

85. The reference in footnotes 10 ought to be augmented by a reference to paragraph A149 in ISAE 3000 (Revised), which is authoritative, whereas the Framework is not. The same applies to footnotes 11 and 12, where the footnote references ought to be augmented by references to paragraph A149 and A150, respectively, in ISAE 3000 (Revised).

86. In line with our comments on paragraph 82, the latter portion of the first sentence should be changed to read: “... extent of evidence obtained and the strength of a piece of evidence which represents the confidence that a piece of evidence is as relevant and reliable as it purports to be.”
92. There are no grounds in current IAASB standards for the assertion that the “nature” of a procedure also refers to its “purpose”, even though the “purpose of a procedure” or “aim of a procedure” is addressed separately in some places in IAASB standard. By setting forth that the nature of a procedure also covers its purpose, this assertion would be in effect requiring not only that the type of procedure and the procedure itself be documented when documenting the nature, timing and extent of procedures, but also that a statement of purpose would need to be documented as well. We therefore disagree with that statement and recommend the sentence be changed to refer to the fact that procedures have a purpose. We also disagree with the statement that the type of procedure refers to the manner in which the procedure is performed: the type of procedure refers to the nature of the procedure – that is, is it a procedure to obtain an understanding or to consider something related a process, or is it a test of design or test of operating effectiveness of control, or does it relate to obtaining evidence with respect to subject matter information directly (e.g. a substantive procedure), and to kind of procedure is (observation, inquiry, etc.). The manner in which a procedure is performed relates to how it is performed. We believe that this paragraph needs to be redrafted to reflect current IAASB standards.

93. Some procedures are designed to assess inherent or control risk, which means they do not contribute to a reduction in detection risk, but contribute to the practitioner’s consideration of how far detection risk needs to be reduced to reduce engagement risk. The paragraph needs to be redrafted accordingly.

94. With regard to the first sentence, we refer to our comment on paragraph 93. It is unclear what “such procedures” refers to, since the previous sentence deals with classes of procedures.

95. At the end of the sentence, we do not believe it to be appropriate to refer to the procedures for limited assurance as “risk assessment procedures”, because no assessment of the risks of material misstatement is required for limited assurance engagements. When writing ISAE 3000 (Revised), the IAASB purposely avoided using that term in relation to limited assurance, and the guidance should respect that decision.

96. The problems with using the term “risk assessment procedures” as noted in our response to paragraph 95 becomes apparent in this paragraph: limited assurance does not require evidence about the operating effectiveness of a control.

98. ISAE 3000 (Revised) does not directly require the practitioner to evaluate the competence of another practitioner – only to evaluate whether the work is adequate for the practitioner’s purposes.

99. We refer to our comments on paragraph 92 on the meaning of “type of a procedure” vs. “manner in which it is performed”, which would mean that this paragraph requires some redrafting.

103. We are very concerned about the description of the steps in paragraphs 103 to 113. The way these paragraphs are written, they suggest that these are required steps and considerations for EER engagements, even though they go far beyond what ISAE 3000 (Revised) requires. Furthermore, their general nature means that expectations can be raised that these paragraphs ought to be applied to audits and reviews of financial statements. These paragraphs are another reason why we believe that the supplement should not be published at this time.

As noted, the first two sentences are written like requirements and therefore need to be redrafted.

104. The same applies to the first sentence of this paragraph.
106. The same applies to the first sentence of this paragraph. The last sentence asserts that at this stage the practitioner would be able to evaluate the reliability of evidence not yet obtained. We disagree: at most the practitioner would be able to evaluate the expected reliability of the evidence not yet obtained.

107. The first sentence reads like a requirement and therefore needs to be redrafted.

108. The same applies to the first sentence of this paragraph. The word “available” can be deleted, since practitioners neither seek to obtain unavailable evidence nor seek to obtain all of the evidence available.

109. The first sentence reads like a requirement and therefore needs to be redrafted. The phrase “what is likely to affect the decisions of intended users” is not relevant at this stage because at this stage the criteria are presumably suitable and in considering misstatements the practitioner would be considering materiality. Therefore, the noted phrase should be deleted.

110. The sentence reads like a requirement and therefore needs to be redrafted.

111. The first sentence reads like a requirement and therefore needs to be redrafted. The last portion of the first sentence after the comma needs to reflect our comments on paragraph 82, which means that it should be redrafted to read: “… and the confidence in the purported relevance and reliability of the evidence needed”.

112. The first sentence reads like a requirement and therefore needs to be redrafted.

113. The first sentence reads like a requirement and therefore needs to be redrafted. In the second sentence, the word “should” should be replaced with “may”.

114.-119. The bold heading prior to paragraph 114 is incorrect: this section does not deal with aggregation risk, but rather deals with addressing the level of detail at which aspects of the underlying subject matter are measured or evaluated. In line with our comments on the guidance and this supplement on the issue of disaggregation of underlying subject matter (actually, only subject matter information can be aggregated or disaggregated), we suggest the title be changed to “Addressing the Level of Detail Measured or Evaluated”. Likewise, the subheading in italic type would need to be changed to “Considering the level of detail of aspects of the underlying subject matter measured or evaluated.” In the first sentence, “disaggregation into” should be replaced with “measurement or evaluation of”. In the second sentence “disaggregation” should be changed to “detail”.

We also believe that considerations relating to the level of detail at which aspects of underlying subject matter ought to be measured or evaluated is an issue that ought to be addressed prior to the other evidence issues in this chapter (5) and probably ought to be moved to before considering assertions in previous chapter (4).

115. The word “disaggregation” should be replaced with “detail” in both sentences.

116. In the first sentence, “disaggregation” should be replaced with “detail”, but the use of “disaggregation” in relation to subject matter information is correct and should not be changed.

117. The word “disaggregation” should be replaced with “detail”.

118. The word “disaggregation” in the second sentence should be replaced with “detail”; no change should take place in the third sentence, since reference is made to subject matter information.
119. We do not understand the reference to the requirement in S.50, since this has nothing to do with the level of detail at which underlying subject matter is measured or evaluated.

120. It seems to us that considering performance materiality ought to be done prior to considering the other issues relating to the other evidence issues in this chapter (5) and probably ought to be moved to before considering assertions in previous chapter (4). However, this material naturally follows the previous material on considering the level of detail at which underlying subject matter is measured or evaluated.

123. In (e), the word “a” prior to “lesser” should be changed to “or”.

126. The last sentence in this paragraph deals with an issue that is not related to aggregation risk as defined. Inherent limitations in the assurance procedures beyond not detecting aggregated material misstatements due to only detecting individually material misstatements are not dealt with through performance materiality, but through other measures.

Consequently, this sentence ought to be deleted.

141. We are concerned with this section of the paper pronouncing upon “the nature of assurance reporting principles”. The requirements in ISAE 3000 (Revised) together with its related application material provide considerable obligations and guidance to the practitioner on what to include in an assurance report and how. Providing additional guidance in this supplement for particular issues is an acceptable goal, but setting forth assurance reporting principles is beyond the scope of the project on EER reporting. This is another reason why we believe this supplement is not ripe for publication.

143. Missing in the list of matters that might be described in the report is a more detailed description of the procedures performed and their results. The reference to S.A160 should be to S.A161. The final parenthesis in this paragraph is superfluous and can be deleted.

144. Since interpretations challenges and the expectations gap cannot be minimized by means of linear or non-linear programming, we suggest changing the word “minimized” to “reduced”.

145. The superlative “be most likely to be” should be changed to “likely be”. The following paragraph number is 150, which needs to be changed to 146 and all of the paragraphs thereafter renumbered accordingly.

146. In line with our comment on paragraph 144, we suggest changing the words “minimized” to “reduced”.

148. Since the communication by means of an assurance report is one-way, in line with IAASB drafting conventions, the word “with” in the first line should be changed to “to”. We do not understand what the second sentence is trying to say.

149. We are concerned about applying the characteristics of suitable criteria as reporting principles applicable to the assurance report. We believe that the requirements and application material in the standard provide an adequate anchor for assurance reports and therefore we believe this paragraph and the following paragraph can be deleted.

151. Insufficient clarity is provided in paragraphs 151 and 152 as to what is already required by ISAE 3000 (Revised) and what are “nice to haves”. Calling these matters “key elements” suggests that some of these could be considered required. We suggest that the requirements in ISAE 3000 (Revised) be provided here together with some additional guidance that draws on the application material in ISAE 3000 (Revised).
153. The reference in the footnote ought to be augmented by a reference to paragraph 3 in Appendix 3 of ISAE 3000 (Revised), which contains the same statement, but is authoritative.

160. The last phrase in this paragraph after the word “understandable” is, in our view, inappropriate. We note that ISAE 3000 (Revised) itself provides requirements and guidance on matters that must or may be included in the report to ensure that intended users or other users do not inappropriately rely on the report. These include:

The level of assurance obtained
Identification of the applicable criteria
Description of inherent limitations associated with the measurement or evaluation of the underlying subject matter against the applicable criteria
An alert to readers when the applicable criteria are designed for a specific purpose, and that as a result the subject matter information may not be suitable for another purpose
The description of the responsibilities of the appropriate parties
Description of the lesser procedures performed, and hence lesser assurance obtained for a limited assurance engagement
The context in which the conclusion is to be read
Any limitations on distribution or use

In some jurisdictions, reference may be made to limitations on liability and general terms of engagement.

Overall, therefore, such information limiting reliance is an appropriate part of an assurance report under ISAE 3000 (Revised) and the noted part of the sentence should be deleted.

However, we do not support the issuance of Supplement A at this time. We believe that the nature of the content in Supplement A and the nature and extent of the issues that we have identified in our detailed comments in Appendix 4 to this comment letter effectively preclude the issuance of Supplement A at this time.

Supplement A provides background and contextual information about general assurance concepts and draws comparisons between EER and more established forms of reporting (we note – primarily reporting on financial statements) and how they relate to key assurance concepts reflected in the standard. We are very concerned with the breadth and nature of the guidance provided in this supplement. It seems to us to represent conceptual framework type material that properly belongs in a separate project on the conceptual foundations for assurance engagements – including audits and reviews. Furthermore, much of the conceptual guidance draws out particular issues on an eclectic basis without a systematic treatment of the conceptual issues that would constitute a proper conceptual framework, which means the supplement is not well-rounded in this respect, which can lead to misunderstanding. The conceptual issues addressed here have also not been subject to the kind of due process that would be necessary for a conceptual framework. The de facto breadth of scope beyond EER reports bears with it the danger that there may be an expectation by stakeholders that the concepts in this supplement ought to be applied by practitioners not only for assurance on EER reports, but also for other reports subject to engagements under the standard or even audits and reviews of financial statements. Pressure may also result on the content of future projects.
(e.g., audit evidence) because the IAASB may feel bound in some way to what it would have approved. There are also a good number of “absolute statements” in the supplement that appear to imply the existence of requirements, which we seek to have remediated through our comments, but these ostensible requirements also cause issues with the supplement too. We have identified a good number of instances where the supplement uses wording or concepts in a manner that is not consistent with IAASB standards – in particular ISAE 3000 (Revised) or in which the supplement goes beyond the standards in an inappropriate manner. There are also a good number of instances where we have identified assertions in the text whose technical validity is questionable. In Appendix 4 we have provided our further detailed comments on Supplement A.

For these reasons, despite some of the good work done on this supplement, we are not in favor of the issuance of this supplement at this time. Furthermore, even if it were issued after considerable revision, in line with our comments in Appendix 3 on paragraph 19 of the guidance, no references should be included within the guidance to the supplement (please refer to our comments on paragraph 19 of the guidance).

5. Member Bodies and Other Professional Organizations

AE - Accountancy Europe

This equally applies to the supplement documents. We support Supplement B that include useful examples, but have reservations regarding Supplement A. It seems to address issues related to the conceptual framework that do not fit into such technical guidance. We would, therefore, not support Supplement A being published as such.

14. Comments on Supplement B

14.1 Supportive comments

2. National Auditing Standard Setters

AUASB - Australian Auditing and Assurance Standards Board

The AUASB considers that these examples will be very useful in practice. We also find that separately publishing the examples is a useful way of providing them without increasing the size of the main body of the guidance. Electronic links from each Chapter to the examples in Supplement B are recommended (and required to make the examples useful and available), especially where the example is illustrating a particular step or challenge in the EER assurance process. This will make the examples more accessible and user friendly.

During our outreach, key stakeholders identified the examples as the most useful part of the guidance and we commend the IAASB on the development of these mini case studies to illustrate the guidance.

NZAASB - New Zealand Auditing and Assurance Standards Board

The NZAuASB considers that these examples will be very useful in practice. We also find that separating these from the guidance may be a useful way of providing the examples without bulking up the guidance document. During our outreach, our constituents identified the examples as the most useful part of the guidance and we commend the IAASB on the development of these mini case studies to illustrate the guidance.
3. Accounting Firms

**EYG - Ernst & Young Global Limited**

Regarding Supplement B, we believe that there are both benefits and disadvantages to including Illustrative Examples as supplemental guidance. We can, perhaps, best describe including these examples as a separate Supplement as “imperfect but valuable”. The benefits include that they are helpful to provide additional context to specific circumstances and describe the thought process for those specific areas that are included. The disadvantages include that the practitioner may regard the fact patterns in the examples as definitive and not apply them to other situations which may be applicable. Conversely, as it is difficult to create examples that are sufficiently detailed to include all relevant information, practitioners may use them when it is inappropriate, resulting in risk to the practitioner. However, despite the disadvantages, we believe that the benefits outweigh the disadvantages and therefore agree with having Supplement B to the EER Guidance.

**GTI - Grant Thornton International Ltd**

In particular, we support the creation of two supplements, Supplement A, Credibility and Trust Model and Background and Contextual Information and Supplement B, Illustrative Examples, as a means of providing further guidance for those less familiar with EER assurance engagements

**KPMG - KPMG Network**

We believe the document is structured in a clear and helpful way, with distinct chapters and additional material in Supplements A and B for ease of use.

**PwC - PriceWaterhouseCoopers**

Several of the diagrams are helpful and the worked examples (Supplement B) are effective in illustrating the application of the guidance to scenarios likely to be encountered in practice.

5. Member Bodies and Other Professional Organizations

**ACCA-CAANZ - Chartered Accountants Australia and New Zealand and Association of Chartered Certified Accountants**

We support moving the background/contextual information, the information that is primarily targeted towards stakeholders other than practitioners and the more comprehensive examples, into the supplementary papers

**AE - Accountancy Europe**

This equally applies to the supplement documents. We support Supplement B that include useful examples, but have reservations regarding Supplement A. It seems to address issues related to the conceptual framework that do not fit into such technical guidance. We would, therefore, not support Supplement A being published as such.

**GRI - Global Reporting Initiative**

Moving longer and more complex case studies into Supplement B also makes the guidance more accessible. This was very much needed since the scope of Extended External Reporting is very wide ranging and having more detailed bespoke examples to address a range of needs make the guidance more
practical, digestible and accessible. These more detailed case-studies also provide more comprehensive examples that demonstrate application of the guidance in practice. For practitioners this is very helpful.

ICAS - Institute of Chartered Accountants Scotland

Having said that, the examples provided are extremely useful and we believe that assurance providers will perceive them as helpful sources of reference.

One further suggestion in relation to the examples is that these could be displayed by topic in order that a user can quickly identify and access the relevant example for their needs.

14.2 Improvements required

2. National Auditing Standard Setters

CAASB - Canadian Auditing and Assurance Standards Board

Example 1 - Illustrating practitioner judgments about the competence of the engagement team

At the top of page 4, the example seems to switch between referring to practitioner and audit engagement partner which is not clear whether this is referring to the same person or different engagement team members. It also infers that the engagement is always performed by a partner led firm which may not be the case.

We suggest using terminology such as “engagement lead” and “engagement team” throughout the illustrative examples.

Example 2 - Illustrating an EER assurance engagement that may not have a rational purpose

The stakeholders who provided feedback on this example thought the concept of materiality was missing. In practice they would consider materiality as one of the considerations of whether it is acceptable for the preparer to exclude the South African operations in their assurance request.

Example 3 - Illustrating a ‘rolling program’ of assurance that may have a rational purpose

We support this example.

Example 6 - Illustrating how the practitioner might use assertions in considering the type of misstatements that might arise in the subject matter information

We believe Supplement B should consider adding to this example, or adding a separate example, that applies assertions to narrative or qualitative information. Example 6 only considers key performance indicators but often the practitioner needs more help in evaluating qualitative information.

Also, Chapter 7 on assertions should have a reference to this example. The current paragraph referred to at the top of the example is in Chapter 11.

Example 7 - Illustrating practitioner considerations in obtaining evidence relating to public sector reporting on the quality of healthcare in a hospital

Media Search (pg. 25) - Last sentence does not make sense and may be combining two thoughts. Possible clarification:

“Media search: The engagement team intend to do a media search to help identify whether there is any information that comes to light that might suggest a likelihood of misstatement in the subject matter information (for example, reports of legal proceedings by the family of a patient who acquired MRSA during
an inpatient stay at the hospital, or reports of increased MRSA cases in the community, when that hospital is the only hospital in the community). The engagement partner agrees that it the media search may be useful to help identify where a misstatement of the subject matter information is likely to arise, or as a supplementary source of evidence, but it is insufficient on its own.”

CNCC-CSOEC - Compagnie Nationale des Commissaires aux Comptes and Conseil Supérieur de l’Ordre des Experts-Comptables

We have a concern with the supplements. These are quite long documents (47 pages for the supplement A and 57 pages for the supplement B). We do not understand the nature of their interconnection with the Guidance.

IDW - Institut der Wirtschaftsprüfer

We were also invited to comment on Supplement A and Supplement B. To this effect we refer to our general comments on these in Appendix 1 to this comment letter. In summary, we very much support the issuance of Supplement B subject to consideration of our overall comments above and the detailed comments in Appendix 5 to this comment letter, because we believe the examples will help practitioners better understand the guidance.

Supplement B

We support the publication of Supplement B because we find the examples and guidance in supplement B to be useful, but in line with our comments in Appendix 3 on paragraph 19 of the guidance, no references should be included within the guidance to the supplement (please refer to our comments on paragraph 19 of the guidance). However, we have identified a number of issues that we believe need to be addressed, primarily to align the examples closer to the concepts and wording in the standard: these detailed comments are included in Appendix 5.

Appendix 5 to the Comment Letter to the IAASB:

Detailed Comments on Supplement B by Example and Paragraph

As a general comment, we find the examples and guidance in supplement B to be useful, but have identified a number of issues that we believe need to be addressed that align the examples closer to the concepts and wording in the standard.

6. As we believe that supplement A should not be published at this time, the reference to supplement A should be deleted.

Example 1

The second sentence in the first paragraph on page 4, sounds like a requirement and is inconsistent with the fifth paragraph on this matter: we suggest that the wording be changed to: “The practitioner may find it necessary to include”.

In the fifth paragraph on page 4, the word “look” should be changed to “evaluate”. The reference should be changed from S.A120-134 to S.A121-135. The word “details” should be changed to “application and other explanatory material”.

In the sixth paragraph on page 4, the word “analysis” in the first bullet should be changed to “evaluation”, “knowledge” in the second bullet should be changed to “understanding”, and “knowledge” in the third bullet
should be changed to “identification”. It is unclear to us as to “risks of what” were identified at the end of that sentence.

In the last paragraph of the example on page 5, “with the rest of” should be replaced with “within” and “any” thereafter deleted.

Example 2

It seems to us that this example should first deal with the other relevant preconditions of an assurance engagement, such as the suitability of the criteria – in this case primarily neutrality and completeness – prior to seeking to apply the rational purpose test. The rational purpose test in ISAE 3000 (Revised) was intended to be applied to catch those cases where the other preconditions would not help avoid having the practitioner accept an engagement that is likely to lead to the association of the practitioner with misleading information. We also note our comments on the guidance in relation to the concept of the “coherence relationship” and the suggested wording that ought to be applied.

Example 3

As we pointed out for Example 2, the practitioner would first determine whether the other preconditions of an engagement will be fulfilled before making a determination of whether the engagement has a rational purpose.

To the extent that the rational purpose test is being applied, it may be helpful to relate the considerations in the bullet point list to particular bullet points in paragraph A56 of ISAE 3000 (Revised):

First and second bullets to first bullet of S.A56

Third bullet to second bullet of S.A56

The fourth bullet is not about whether the engagement has a rational purpose, but whether the requirements for suitable and available criteria have been met (S.24 (b)(i) and (iii)).

The first sentence in second last paragraph can be related to the first bullet of S.A56. It is unclear what the basis for the second sentence is.

Example 4

The bullet prior to item 3 uses the word “challenge”, which we believe should be changed to “question” unless there are reasons for severe questioning constituting a challenge.

In the introductory sentence to item 3, the rest of the description of reliability as set forth in the standard should be included (i.e., the references to presentation and disclosure).

Example 5

Our review of this example indicates that sometimes the term “materiality” is used as the GRI uses it, but sometimes it is used like ISAE 3000 (Revised) uses it. We suggest that at the beginning of the example, clarification is provided that the GRI use of “materiality” is cognate to the ISAE 3000 (Revised) concept of relevance of the suitable criteria and that when reference is made to the GRI materiality concepts, these are placed in quotation marks to distinguish them from the ISAE 3000 (Revised) materiality concept. This implies that such quotation marks would need to be used as described.

In the first paragraph on page 11, we suggest changing the wording at the end as follows: “… reporting topics, and relevant information about them (i.e., information that would influence intended users’ decision-making)”. This would align the usage to that in the standard.
In the second paragraph within the box on page 12, the term “material reporting topics” should be changed to “relevant reporting topics”, since this is not an instance of GRI materiality.

In the last bullet point on page 13, the words “assessment of materiality, including performance materiality” would need to be changed to “consideration of materiality, including determining performance materiality” to be in line with paragraphs 44 and A98 of the standard.

Throughout pages 14 and 15 (and in the right-hand box on page 16), reference is made to “material reporting topics” and “material topics”, when “relevant reporting topics” is meant. In the last bullet point in the first paragraph of page 14 and the bullet preceding this one, “material when preparing the report” should be changed to “relevant reporting topics” and “material topics” should be changed to “relevant topics”. In the last paragraph on this page, reference is made to “to allow for reasonably consistent identification, measurement or evaluation, related disclosures and presentation of the information to be reported and assured”. This should be changed to read “to allow for reliable information to be reported and assured”. In the following bullet points, issues regarding relevance and reliability are mixed together: the first five bullet points on page 14 relate to relevance, whereas the last one relates to reliability and therefore not to the identification of reporting topics and ought to be removed.

The first sub-bullet on page 15 relates to evidential consideration, not the identification of reporting topics and ought to be removed. The left box at the end of page 15 refers to “material matters”, when reference should be made to “relevant matters”.

Some of the bullet points in the right box on page 16 do not appear to be related to the identification of reporting topics. In particular, the bullet point on irrelevant information is an understandability and neutrality issue – not a relevance issue related to the identification of reporting topics. The information from the downstream value not necessarily being reliable is a reliability issue – not an issue in relation to identification of reporting topics. The same applies to the degree of uncertainty. That information may be presented in a misleading manner is a neutrality issue – not an issue for identifying reporting topics. The use of an inappropriate time horizon does not appear to relate to identifying reporting topics either. On page 17, the issues relate to reliability and its presentation – not the identification of reporting topics. Overall, there needs to be some reconsideration of these examples to ensure that these relate to the identification of reporting topics and not other issues, to determine whether they should be retained in this example.

On page 18, we presume that in the box on the left the reference to risks relates to risks from corruption: this should be clarified.

Example 6

The heading under the box on page 19 should include the word “for” in between “considerations” and “using”. In the last paragraph on this page, the words “areas where” needs to be inserted after the word “identified” and the word “that” deleted so that the example is in line with the requirements in the standard for limited assurance engagements.

In note 1 on page 22, the word “will” should be changed to “may”. In note 2, the word “should” should be changed to “may need to”. In note 3, both instances of “will” should be changed to “may”. The word “component practitioners” does not exist in IAASB standards and should therefore be changed to “other practitioners” in note 3. In note 4, the word “will” should be changed to “may”.

Example 7
The lowest level of work effort should be ascribed to intended users, so the word “assess” in the third line on page 23 should be changed to “consider”.

The first sentence on page 24 should be changed to read “The decisions that may need to be made include…”. In the sixth bullet point on this page, the words “for a user to be able to make decisions” should be changed to “to be relevant”. In the sentence prior to the last bullet point on this page the word “may” should be inserted after the word “team”.

In the fourth bullet point on page 25, in line with the requirements for limited assurance engagement, the word “where” should be replaced with “in which areas”.

Example 8

The statement in the second paragraph that water can be a scarce resource in some parts of the world which then requires the entity to use water responsibly in all its operations is inconsistent: water would then only be needed to be used responsibly when it is scarce. This issue is not addressed in the treatment of the assertions made below.

Example 9

We find some of the assertions in the first and second paragraphs on taxes paid on page 31 to be quite broad (the application of the supposed criteria for setting up operations, that all taxes due in all countries are paid – which implies considerable work effort to determine the taxes due for each country) etc. We ask ourselves why this issue was not addressed in the evaluation of misstatements section of this example.

In the second paragraph on page 33, the “will” should be changed to “may”.

On the top of page 37, the word “needs” should be replaced with “may need”.

Example 10

On the first filled black bullet on page 43, we suggest deleting the words “validity of its”, since the introduction of the concept of validity detracts from the need to obtain evidence to support what is reported.

At the very end of page 47, we do not understand the meaning of “form their opinion and inform their assurance conclusion”. Are there two assurance conclusions?

Example 12

In the first bullet point on page 54, the word “material” should be changed to “relevant”. The words “relevant to user decision-making” should be changed to “relevant to users”.

JICPA - Japanese Institute of Certified Public Accountants

In Chapter 11 paragraph 390, in cases where subjective information is included in qualitative information and preventing it from being considered subject matter information, the three options of (a) removing such subjective information, (b) delineating it as other information that is not covered by the assurance, or (c) eliminating the subjectivity by developing suitable criteria, are presented as parallel options for dealing with the situation.

However, in this case, from the perspective of the practitioner, they should not be considered in parallel. We believe the normal approach would be for (b) to be considered first, and in cases where that was not possible, either method (a) or (c) should be used.

Accordingly, we believe that the wording should be amended so as to indicate this order of preference.
Furthermore, even in cases where (c) is used to deal with the situation, the response described in Example 8 in Supplement B requires the setting of excessively detailed criteria in relation to subject matter, and would be difficult to follow in practice. We believe that Example 8 requires review.

3. Accounting Firms

DTT - Deloitte Touche Tohmatsu Limited

Example 1: P. 5: It may not be possible to accumulate all misstatements due to the variation in subject matter, e.g., a misstatement in CO2 cannot be added to (accumulated) to a misstatement for BOD. We believe each subject matter (perhaps aggregated to categories) should have its own materiality threshold, e.g., x% which would be lower for the reasonably assured metrics.

Example 2: This example perhaps does not go far enough in supporting the practitioner in considering what their options might be. It sets out the challenge and questions the practitioner might be asking of themselves and the preparer. It does not look at how this might be addressed—in the scope of the engagement, conducting the engagement, preparation of the disclosures, and drafting of the assurance report.

Example 3: As noted in comments relating to Chapter 3: Determining preconditions and agreeing the scope of the EER assurance engagement, we are concerned with the focus of the rolling program being on cost savings. It should be based on materiality and needs of users. The fact pattern covers this, i.e., makes clear users are most interested in the 'set up phase.' This should come through here, not just the cost element.

Example 8: p.28 states ‘delineating the other information may be able to be done by asking the preparer to move it to a separate unassured section of the report or to clearly separate or mark the information subject to assurance so that is clear what has, and what has not, been assured.’ How might this work in practice? If looking to use this in an assurance engagement on a whole EER report—which might be a sustainability report but could also be an annual report or management report—how could this realistically work? Preparers are likely to want to make context statements or statements of market trends. Practically it is unclear whether this example would really assist the practitioner and preparer both clearly understanding what might be 'allowable.' As currently proposed, this may create a barrier for preparers seeking assurance over the full report i.e., if they thought they might be forced to leave out certain information or have boxes and markings all over the EER showing what is and is not assured.

Example 10: p.43 references that the assurance is not to provide an opinion as to if the strategy is the right one but rather that the report has been prepared in accordance with criteria. It would be very helpful to include considerations regarding how the suitability of criteria have been assessed in relation to the integrated report.

Example 11: p.49 is this saying the practitioner will issue an unqualified opinion and just raise the matter with management, though the evidence needed to support a reasonable assurance conclusion cannot be obtained. As this is a repeat engagement if this was the approach adopted in the prior year it does not seem appropriate to do this again in this year if no changes have been made. Clearer guidance needs to be given for practitioners and preparers on how many years this approach is acceptable for.

Overall, our view is that the examples are helpful to the practitioner and are drafted in an accessible way. However, two overarching points to flag are:

The majority of the examples are 'Corporate Social Responsibility (CSR)' and 'non-financial data' examples. Consideration should be given to developing examples for more challenging subject matters, for example, business model, strategy, and the entire EER report.
Consideration should be given to have one comprehensive example of subject matter where a limited assurance engagement is performed is contrasted with the same example subject matter where a reasonable assurance engagement is performed.

As noted above, DTTL recommends making Supplement B a 'living document' where additional examples can be added as EER reporting evolves.

The overarching view is that these examples are helpful to the practitioner and are drafted in an accessible way. However, three overarching points to flag are:

The majority of the examples are ‘CSR’ and ‘non-financial data’ examples. What about the more challenging ones for assurance, such as business model, strategy, whole EER disclosure etc.? Example 8 tries to tackle assuring the wider EER report, however then zones into a specific disclosure around water use, which is still very CSR focused. Example 10 on Integrated Reporting also seeks to address this. However, one example does not feel sufficient for such a challenging area for practitioners. Given the focus throughout the guidance on using the standard for assurance of wider EER materials more examples of this nature would be beneficial.

In a number of instances (i.e., across multiple examples) the solution seems to be to get the preparer to move the information that cannot be assured to somewhere else. This is, practically, a challenging conversation to have with the preparer. In particular if the scope is the whole EER report, where do they move it to? Are we creating a risk that the assurance is stifling management’s ability to talk about areas of user interest, e.g., market context / positioning?

To achieve the goal of the proposed draft guidance to enable more consistent and appropriate application of ISAE 3000, it would be beneficial for practitioners (and also other audiences, such as preparers and users) to have one comprehensive example of subject matter where a limited assurance engagement is performed is contrasted with the same example subject matter where a reasonable assurance engagement is performed. This example could help inform the determination of site visit coverage necessary or to which extent internal controls should be tested to obtain sufficient evidence for a limited or reasonable assurance engagement.

RSMI - RSM International Limited
Supplement B could include practical implications covering a balance of frameworks including public sector

4. Public Sector Organizations
AGSA - Auditor-General of South African
Supplement B: Illustrative examples

20. Consider cross referencing App B example 7 to Chapter 9 as it also includes materiality principles. Consider elaborating on considerations and including qualitative considerations.

21. Example 9 – although noted that it may not be intended as a complete example, consider adding the aspects listed below to the example as it is necessary to understand the context of information provided:

a. What is the subject matter information and any disaggregation of the information especially because financial and non-financial information is provided?

b. Consider adding as planning consideration on p 32 – □ Determination of materiality and materiality considerations □ Identification of risk and risk assessments □ Use of assertions
c. Obtaining audit evidence is very high-level considering it is a reasonable assurance engagement. Reference need to be made to risk assessment, level of assurance, understanding of the processes and design of procedures and assertions.

d. Considerations of the payment gap – p35. No reference is made to the consideration of scales and pay grade used in different countries and how this is converted into the average reported in US$.

22. Example 10 – although noted it is not intended as a comprehensive example, consider providing the following context for a more complete and practical example:

   a. What is the subject matter and elements of the subject matter information? If the intention is to be the complete integrated report what are the different elements of the subject matter information?

   b. Consider providing an alternative to the example where management did not agree to make the audit adjustments and how the practitioner would then accumulate and evaluate the misstatements in order to conclude. This example provides different types of misstatements and information and lends it to also explaining the accumulation and evaluation principles in a practical manner.

23. Example 11 – consider elaborating on the materiality and evaluation of the misstatements by:

   a. Providing more context as to the subject matter – being the service report on all four services or each service separately.

   b. Also indicate how the two misstatements potentially could impact the audit opinion of each of these scenarios. E.g. it could result in an adverse opinion if considered per service due to a pervasive impact on the subject matter or alternatively can be material in the context of the service report as a whole as subject matter.

   c. Consider adding some of the qualitative considerations as per inputs on chapter 9 above

5. Member Bodies and Other Professional Organizations

BRLF - Australian Business Reporting Leaders Forum

Consideration should be given to providing an additional longer example in the appendix, either building on example 10 or as new example 13, to the guidance on how the practitioner should practically approach planning and executing the move from limited to reasonable assurance over the organisation’s integrated report.

Pre-conditions, limited and reasonable assurance

Organisations moving towards integrated report assurance will need to have adequate systems and controls over their end to end integrated reporting process, including over the capture of required information. Many will engage their assurance practitioner to undertake a readiness review before moving towards assurance.

Example 10 in the appendix to the guidance assumes that the preconditions for assurance have been met for reasonable assurance, and so does not explore the significant challenges for the assurance practitioner involved in firstly the evaluation of the pre-conditions for assurance, and then the complexity in assurance procedures of moving from limited to reasonable assurance.
CPAA - CPA Australia

The supplementary material illustrating the challenges faced by practitioners in conducting assurance on EER in various scenarios is very useful. We suggest that a readiness review example could be provided, particularly if it were structured as an assurance engagement.

Some amendments to example 10 on integrated report assurance would enhance its relevance and practical application. Firstly, the example assumes that the preconditions have been met, whereas determination of whether preconditions have been met for integrated report assurance is a key challenge for such engagements and will feed into the risk assessment. How preconditions are assessed for an integrated report should be explored in this example, including whether integrated thinking has been implemented. Secondly, example 10 applies reasonable assurance on an integrated report. We consider this to be an unrealistic basis for the example given the current early stage of evolution of assurance on integrated reports. We are only aware of four integrated reports issued worldwide which have been fully assured, all of which have been subject to limited assurance, except to the extent the audit (reasonable assurance) of the financial statements addresses financial capital within the <IR> Report. Thirdly, assurance of the narrative description of “the Business” in the integrated report, which provides the strategic business context for the self-determined metrics, could be further drawn out in this example.

IIRC - International Integrated Reporting Council

Retain and enhance Example 10 in Supplement B to accommodate the evolving status of integrated reporting assurance. This is where assurance practitioners will need most practical guidance in the next two to three years, as external assurance on integrated reporting matures and expands beyond the five instances in 2019, which were all limited assurance in nature. No doubt these engagements involved extensive consideration of whether the pre-conditions for assurance had been met or whether an assurance readiness review would have been more suitable at that time. No guidance on these matters is currently included in Example 10.

We encourage the IAASB to draw out the following aspects of engagement performance in Example 10 to a greater extent than they currently are:

Chapter 1 – Competence

Given the distinctive contribution of integrated reporting, audit engagement leaders will ordinarily, with supplementary professional training on the application of integrated reporting and integrated reporting assurance concepts, be suitably qualified to lead an integrated report assurance engagement for a business within their area of industry expertise. So too will audit professionals in teams led by those engagement leaders ordinarily be suitably qualified to participate in integrated report assurance engagements.

This is not to say that an organization’s existing audit team must be the assurer of its integrated report, only that audit professionals will ordinarily be suitably qualified to lead, scope, plan, obtain evidence for, document and report on an integrated report assurance engagement, supported by other subject matter experts (e.g. industry-based technical, governance, strategy, and sustainability reporting professionals) as required.

Chapter 4 – Determining the suitability and availability of criteria

Example 10 acknowledges that the <IR> Framework was developed by a recognized body of experts (the IIRC) who followed a transparent due process and that the guiding principles in the <IR> Framework provide
suitable criteria for the purposes of ISAE 3000, meeting the requirements of relevance, completeness, reliability, neutrality and understandability in ISAE 3000.

Chapter 5 – Considering the system of internal control

The reporting management system underlying the preparation of an integrated report (‘Integrated reporting management system’) will have similarities to the systems underlying financial and sustainability reporting, but there are also differences with significant assurance implications. The integrated reporting management system will require appropriate rigour regarding the reporting of the business judgements and documentation of the purpose, strategy, resources, governance, business model and competitive advantage of ‘the business’.

Readiness for integrated reporting assurance will, for many organizations seeking it, require a shift in their focus and expectations regarding documentation of ‘the business’.

It will require the qualitative and forward-looking information on the business to be documented with rigour, with the documentation “owned” by the executive and approved by those charged with governance. The assurance practitioner will be expected to exercise professional scepticism and judgement on this documentation and the ‘business judgements’ underlying it (we refer to comments above on ‘evaluation’ versus ‘measurement’ as assurance techniques).

Limited versus reasonable assurance

Having evaluated that the preconditions for assurance have been met, the bridge between limited and reasonable assurance is likely to be significant. This is best demonstrated by the way in which substantive assurance evidence would be gathered in relation to the description of the business in an integrated report.

Design of the governance, strategic management process and risk management process, as well as the purpose, strategy, resources, governance, business model and competitive advantage of ‘the business’, will largely be capable of evaluation by reading the relevant documentation and making appropriate confirmatory observations and enquiries.

However, it will be possible to obtain evidence of the effective operation of the business only by observing those charged with governance, strategic management and risk management in action, focusing on ‘Is the way in which the business is described in the integrated report how it operates in practice?’

These factors are probably part of the reason while all instances of integrated reporting assurance to date have been limited assurance engagements. However, the existing Example 10 assumes that reasonable assurance has been chosen. Significant guidance in this area is required.

SAICA - South African Institute of Chartered Accountants

SAICA supports the decision of the IAASB to include the comprehensive examples in a separate document. This will allow practitioners who seek guidance in a particular EER area to obtain even more detailed guidance in the form of a comprehensive example, after familiarising themselves with the content of the Draft Guidance.

The examples, however, need to be representative of the different types of EER engagements that practitioners are likely to encounter. Currently, of the twelve examples included in Supplement B, seven relate to Environmental, Social and Governance (ESG) matters. Examples should not be skewed towards a particular focus area and views should be sought from affected parties to ensure that the examples remain as diverse as possible.
SAICA is also of the opinion that examples should be grouped according to their topics. This would mean that example 12 which addresses suitability of criteria should be moved further up in the document, as example 4 or 5. The effect of this would be that the first ten examples address specific topics while the last two are integrated examples.

The IAASB should consider including an example on the practical application of materiality considerations in different scenarios encountered in ISAE 3000 (Revised) assurance engagements, taking into account the nature of subject matters and the scope of engagements. The following principles could be addressed:

Subject matter for scoping, elements of the subject matter information and disaggregation of information e.g.:

subject matter is only one Key Performance Indicator (KPI) but with multiple misstatements;
subject matter consists of multiple KPIs with misstatements;
Different assertions tested;

Different units of measurement, qualitative and future-orientated information;

Determination of quantitative and qualitative materiality considerations and thresholds and application of both in evaluation of misstatements;
Impact and application of the above on the accumulation and evaluation of misstatements; and
Impact on the assurance opinion.

SASB - Sustainability Accounting Standards Board

Second, we ask that the Board correct a significant shortcoming in the examples provided in Supplement B. Three of the 12 examples refer to other widely-known and highly-regarded frameworks (GRI and IIRC), but none include reference to SASB. SASB has broad acceptance and endorsement by the investment community; among other things, SASB’s Investor Advisory Group includes 53 asset owners and managers who collectively handle $40.7 Trillion. SASB is referenced in the EU Non-Financial Reporting Directive and is one of the most referenced standards within the recommendations of the Task Force on Climate-related Financial Disclosures. Further, a rapidly growing number of companies are using the SASB standards. Accordingly, the omission of any mention of SASB in the examples strikes us as seriously out-of-step with developments in this area. We suggest that the Board add a SASB-related example (we would be pleased to work with the IAASB in doing this). Alternatively, and more easily, the Guidance could include a mention of the SASB standards in the facts set forth in Supplement B, Example 6, which involves a mining company’s disclosure of its “lost time injury frequency rates.” This could be done because SASB standard for the Metals & Mining industry (Technical protocol for Metric EM-MM-320a.1 - https://www.sasb.org/wp-content/uploads/2018/11/Metals_Mining_Standard_2018.pdf) includes disclosure of “Nonfatal Days Lost (NFDL) cases, or occupational injuries that result in loss of one or more days from the entity’s scheduled work or days of limited or restricted activity while at work.” Again, we would be pleased to provide the Board with any assistance in this regard.

6. Academics

DEAKIN - Deakin University Integrated Reporting Centre

retain and enhance Example 10 in Supplement B to accommodate the evolving status of integrated reporting assurance. This is where assurance practitioners will need most practical guidance in the next two
to three years, as integrated reporting assurance evolves beyond the four instances in 2019, which were all limited assurance in nature. These engagements would have involved extensive consideration of whether the pre-conditions for assurance had been met or whether an assurance readiness review would have been more suitable at that time. Little guidance on these matters is currently included in Example 10.

We believe that a number of aspects of engagement performance need to be drawn out in Example 10 to a greater extent than they currently are:

the competence of the assurance practitioner (Chapter 1) – Given the distinctive contribution of integrated reporting, financial report audit engagement leaders will ordinarily be suitably qualified to lead an integrated report assurance engagement for a business within their area of industry expertise given that they are required by international standards of auditing to obtain a sufficient knowledge of their client's businesses. So too will financial statement audit professionals in teams led by those engagement leaders ordinarily be suitably qualified to participate in integrated report assurance engagements.

This is not to say that an organisation's financial statement audit team must be the assurer of its integrated report, only that financial report audit professionals will ordinarily be suitably qualified to lead, scope, plan, obtain evidence for, document and report on an integrated report assurance engagement, supported by other subject matter experts as required.

considering the system of internal control (Chapter 5) – The reporting management system underlying the preparation of an integrated report ('Integrated reporting management system') will have similarities to the systems underlying financial and sustainability reporting, but there are also differences, with significant assurance implications. The integrated reporting management system will require appropriate rigour regarding the reporting of the business judgements and documentation of the what, with, how and why as they are described in the integrated report.

Readiness for integrated reporting assurance will for many organisations seeking it require a shift in their focus and expectations regarding documentation of The Business.

It will require the what, with, how and why of the business to be documented with rigour, with the documentation owned by the executive and approved by those charged with governance. The assurance practitioner will be expected to exercise professional scepticism and judgement on this documentation, and the ‘business judgements’ underlying it (refer comments above on ‘evaluation’ versus ‘measurement’ as assurance techniques).

14.3 No particular view

1. Investors and Analysts

ICGN - International Corporate Governance Network

No comment on Supplement B

2. National Auditing Standard Setters

HKICPA - Hong Kong Institute of Certified Public Accountants

No comment
3. Accounting Firms

**BDO - BDO International Limited**
No comment on Supplement

**CG - Crowe Global**
No comment on Supplement A or B and no response to General q

4. Public Sector Organizations

**AGA - Office of the Auditor General Alberta**
No comment

**AGNZ - Auditor-General of New Zealand**
No comment

**GAO - United States Government Accountability Office**
GAO’s

5. Member Bodies and Other Professional Organizations

**AICPA - The American Institute of Certified Public Accountants**
No comment on Supplement

**Assirevi**
No comment on Supplement.

**BICA - Botswana Institute of Chartered Accountants**
No comment

**FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas**
No comment on Supplements

**FAR - Institute for the Accountancy Profession in Sweden**
No comment on Supplement A or B

**IAAAA - Inter-American Accounting Association**
No comment on Supplement B

**ICPAR - Institute of Certified Public Accountants of Rwanda**
No comment on Supplements

**ICPAU - Institute of Certified Public Accountants of Uganda**
No comment on Supplement
IIA - Institute of Internal Auditors
No comment on Supplement B

MIA - Malaysian Institute of Accountants
No comment

MICPA - Malaysian Institute of Certified Public Accountants
No comment on Supplement

SVI - Social Value International
No comments on Supplement A or B or o

14.4 Suggestions for new examples

2. National Auditing Standard Setters

AUASB - Australian Auditing and Assurance Standards Board
The AUASB continues to suggest that the IAASB considers including an example or case study that works through each stage of the EER assurance engagement. It is the AUASB’s view that this would benefit assurance practitioners by illustrating how to navigate the whole assurance process and challenges for EER.

During outreach, our stakeholders also identified the need for further examples or the extension of existing examples, in the following areas of EER:

- Task Force on Climate-related Financial Disclosures (TCFD) disclosure (Supplement B: examples).
- Integrated Reporting <IR>, in particular:
  Assuring The Business – The distinctive contribution of integrated reporting and consequent assurance implications – ‘The Business - What, With, How, Why’, strategically-determined metrics drawing on standards for metrics where available (e.g. IFRS, GRI / SASB) (Chapter 6).

The differing lenses of the <IR> Framework: multi-capitals, insiders looking out, intangibles and consequent assurance implications (Supplement B: examples).

Not enough guidance on evaluation (as distinct from measurement) – critical in <IR> assurance – qualitative (Chapter 11) and forward-looking information (Chapter 12), which reflect significant business judgements and decisions.

NZAASB - New Zealand Auditing and Assurance Standards Board
During our outreach, our stakeholders did identify the need for further examples, including TCFD disclosure examples.

5. Member Bodies and Other Professional Organizations

ISCA - Institute of Singapore Chartered Accountants
Apart from those already mentioned earlier in this letter, examples that could be useful include:
Example of an entity that has collated a set of EER subject matter information using different recognised standards, which do not however represent any cohesive framework. This might be a plausible scenario as smaller entities ramp up their EER.

Example of dealing with “mixed” levels of assurance in engagements (i.e. reasonable assurance for some elements of an EER report, and limited assurance for other elements).

Examples on other types of EER, as the current examples are focused on “corporate sustainability reporting”.