

EER Consultation Paper July 2020 (Chapter 2)**Question 1: Does the draft Guidance address the challenges for practitioners****02.1.1 Q1 - The Guidance addresses the challenges****1. Investors and Analysts****ICGN - International Corporate Governance Network**

The Guidance has addressed the challenges for practitioners that have been identified as within the scope of the draft Guidance.

3. Accounting Firms**BDO - BDO International Limited**

The chapter addresses professional skepticism as an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of all audit evidence. Professional judgement should be ethical and applied with the relevant knowledge for specific internal and external conditions and situations. We agree that it is essential that the assurance professional can understand and assess the reliability of information within diverse contexts and have the strength of character to challenge the information should concerns arise. The use of illustrations and examples is helpful and supports better understanding of the concepts.

The IAASB has overall addressed all challenges raised in the 2019 EER consultation paper.

CG - Crowe Global

The draft Guidance does adequately address the challenges for practitioners that have been identified as within the scope of the draft Guidance

EYG - Ernst & Young Global Limited

Yes, the EER Guidance comprehensively covers the areas identified within the scope of the draft Guidance and we believe that it does include useful guidance to address practical challenges

4. Public Sector Organizations**AGSA - Auditor-General of South African**

The guidance paper provides very good practical application guidance and examples covering the range of assurance engagements that can fall within the ambit of ISAE 3000R, especially in relation to the pre-engagement and planning stages of the engagements.

GAO - United States Government Accountability Office

We believe that the draft guidance addresses the challenges for practitioners that have been identified as within the scope of the draft guidance.

5. Member Bodies and Other Professional Organizations

Assirevi

In general, this Chapter clearly addresses the challenges for practitioners.

BICA - Botswana Institute of Chartered Accountants

The draft Guidance adequately addresses challenges identified by practitioners. In particular the guidance gives clarification to practitioners in dealing with qualitative information and assessing material misstatements in relation to entity prepared non-financial information.

Assurance of non-financial information in Botswana is not developed mainly because majority of companies do not report non-financial information. That notwithstanding there has recently been reforms to enhance non-financial information reporting in the country and this guidance will be of significant assistance to the practitioners.

GRI - Global Reporting Initiative

The guidance is comprehensive and covers a wide range of different types of Extended External Reporting engagements, different concepts and further guidance to support the key principles in ISAE 3000 (Revised) 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. It provides much needed detailed and specific guidance for practitioners which until now has been absent, with the exception of more specific guidance that was provided in ISAE 3410 'Assurance on a Greenhouse Gas Statement'.

IAAA - Inter-American Accounting Association

Yes, we consider that it adequately addresses the commitments.

The draft guidance is sufficiently explicit and rich as technical material, which we are sure will be of great help to professionals who offer their services independently, as well as having a great impact on the management of the preparers of the information on which the Professionals will issue their EER.

ICPAR - Institute of Certified Public Accountants of Rwanda

Yes. We agree that the Guidance adequately addresses the challenges for practitioners that have been identified as within the scope of the draft Guidance.

ICPAU - Institute of Certified Public Accountants of Uganda

ICPAU believes that the draft Guidance, to a big extent, addresses the challenges for practitioners that have been identified as within the scope of the draft Guidance. ICPAU is also very appreciative of the illustrations in the draft Guidance as these will further enhance the application of ISAE 3000 (Revised).

SAICA - South African Institute of Chartered Accountants

SAICA has noted the significant improvements made from the EER Assurance Consultation Paper (February 2019) that was submitted during Phase 1 of the project. We are satisfied with the scope of the Draft Guidance and believe that the guidance provided therein adequately addresses the ten key challenges that were identified at the beginning of the project.

SVI - Social Value International

Overall we are supportive of the draft.

02.1.2 Q1 - The Guidance does not address the challenges

None

02.1.3 Q1 - Mixed views on the Guidance addressing the challenges

2. National Auditing Standard Setters

AUASB - Australian Auditing and Assurance Standards Board

The AUASB considers the exercise of professional scepticism and professional judgement to be of particular importance to EER assurance, however Chapter 2 is not currently EER-specific. To address this, the AUASB would suggest making this Chapter more EER specific and moving any relatively broad, contextual information to Supplement A.

As a way to reduce the overall length of the guidance document, the AUASB suggests a one-page summary of this chapter (to remind assurance practitioners of its importance, coupled with some EER-specific examples), perhaps in a visual/tabular format, with hyperlinks to the latest research. This would assist in addressing the universal comment on length received from our stakeholders, and, as we understand it, from the majority of other jurisdictions. It is suggested that this summary includes at least one example for each of professional scepticism and professional judgement for accessibility.

One final, less significant suggestion, is to cover professional judgement first, as this concept is more likely to be familiar to the EER assurance practitioner.

CAASB - Canadian Auditing and Assurance Standards Board

However, paragraphs 57 - 59 describing external pressures and internal impediments do not include guidance that is specific to an EER assurance engagement. The guidance in these paragraphs could be applied to any assurance engagement. We suggest these paragraphs provide some pressures and impediments specific to EER or they be removed.

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

We fully agree with paragraph 59 which emphasizes “practical experience” and “job coaching” to be able to exercise professional judgment. This paragraph states that these two factors “may be particularly important in developing the ability to exercise professional judgment, including through the example set by engagement partners, and through more experienced engagement team members providing appropriate direction, supervision and review to less experienced members of the team”. We consider that this paragraph should be more affirmative by removing the modal “may”. As a matter of fact, in case of engagement team with low seniority, adequate tools, detailed work plan and appropriate supervision are essential to ensure a full exercise of professional judgement and professional skepticism.

Moreover, we consider that paragraph 59 should also emphasize the importance of documenting professional judgment, i.e. documentation of the work on which the professional judgment is based.

IDW - Institut der Wirtschaftsprüfer

Chapter 2: Exercising Professional Skepticism and Professional Judgment

We are very concerned with the treatment of professional skepticism in paragraphs 55 to 58 and in the diagram following paragraph 55. At a general level, we believe that the purpose of the guidance document is to deal with issues that arise from assuring EER information and not to delve into fundamental conceptual issues that apply not only to EER information, but also to other assurance engagements under the standard and to audits and reviews. The guidance in this case goes way beyond the standard, the ISAs (including the new guidance in proposed ISA 220) and the ISREs by seeking to provide aspects of a conceptual framework for the exercise of professional skepticism. In our view, this goes beyond the mandate of the EER project, and hence the guidance document, and leads to the danger that stakeholders, including regulators, may begin to expect that the considerations addressed be applied to these other engagements too. We believe that a separate project with an appropriate due process needs to be undertaken to address conceptual framework-type issues for professional skepticism, rather than seeking to address these in such guidance in an eclectic fashion without the needed technical rigor. We address our individual technical concerns with the treatment of professional skepticism by paragraph below.

52. It is unclear to us what an “attitude of mind” in the first sentence is – the definition of professional skepticism refers only to an “attitude”. We are concerned with the assertion in the latter half of the first sentence that suggests that representations or answers to inquiries may not be accepted at face value, if they sound plausible. Whether or not plausible sounding representation or answers to inquiries can be accepted at face value depends upon the nature and purpose of the representation or inquiry. If, for example, the plausible sounding representation or answer supports other evidence that the practitioner has obtained, then the practitioner may be able to accept such representations or answers at face value. For these reasons, we suggest changing the sentence to read:

“... nor accepting of plausible-sounding representations or answers to inquiries at face value, unless these representations or answers support other evidence obtained.”
53. This paragraph makes a number of unsupported assertions. It is unclear why the increasing complexity (on its own) of business and of EER reporting, rapid changes needed by businesses to adapt to changing circumstances, increased regulation, increased transparency of information, and the call for greater responsibility by businesses for its actions directly impact the importance of professional skepticism. The guidance fails to provide any direct connection between these factors and professional skepticism. The remaining parts of the paragraph (the assertion that the importance of professional skepticism to the interests of intended users may be underscored by the increased judgment, estimation and assumptions by preparers of the EER report, as well as the last sentence) are reasonable statements that could be retained. We therefore suggest that the unsupported statements be deleted.
55. The diagram supposedly depicts a number of behaviors or skills that may support the exercise of professional skepticism. We believe that some of the behaviors and skills listed may in some circumstances actually be counter-productive to the appropriate exercise of professional skepticism. A “willingness to consider more points of view to check own” is an impediment to the appropriate exercise of professional skepticism when this leads to the too great a willingness to consider the point of view of the preparer. Likewise, the “confidence to challenge subject matter experts”, the “courage of convictions,” or the “ability to suspend decision-making” may be an impediment to the appropriate exercise of professional skepticism when the confidence, convictions and suspension are misplaced.

In the square box under the behaviors/skills “circle”, mention is made of both “probing further” and “obtaining more evidence”. We would like to point out that probing further is done only to obtain more evidence. Consequently, one of the two can be deleted. In our view, the term “challenging assumptions” in this box should be replaced with “questioning assumptions” because “challenging”, which is a severe form of questioning, should only take place when the practitioner has robust evidence for believing that the assumptions made are not appropriate, whereas questioning assumptions always needs to take place. With respect to the part of the diagram at the bottom dealing with impediments and other factors affecting the exercise of professional skepticism, it is not clear which factors are impediments and which are matters that engender the need for the appropriate exercise of professional skepticism. It appears to us that the subjectivity of subject matter, immaturity of systems, and imprecise criteria, engender the need for the appropriate exercise of professional skepticism, whereas the other factors represent impediments to the appropriate exercise of professional skepticism. Since it can be argued that subjectivity of subject matter and imprecise criteria make the exercise of professional skepticism more difficult and therefore also represent impediments, this should be reflected in the diagram. The diagram should therefore distinguish these impediments from those that engender the need for professional skepticism, and those factors that may represent both.

We also note that the diagram does not reconcile the impediments to non-compliance with the fundamental ethical principles in the IESBA Code of Ethics, which does explain the relationship between noncompliance with these principles and impediments. Overall, we conclude that the diagram is not technically clean or conceptually well-grounded, and it really does not assist practitioners in appropriately exercising professional skepticism. In line with our overall comments on the treatment of professional skepticism in the guidance, we believe the diagram ought to be deleted, but failing that, should be thoroughly revised so that it is conceptually and technically well-grounded.

56. None of the current IAASB standards refer to “business acumen” as underpinning the ability to exercise professional skepticism. The inclusion of this concept here, which is not explained in any standard, may not be uncontroversial (it could be an impediment) and therefore we recommend it be deleted.
57. In line with our comments on the diagram following paragraph 55, we suggest that the word “challenge” in the first sentence be replaced with “questioning” (which also aligns this sentence to its use in the following sentence). We believe that the third sentence ought to be deleted for the following reasons:

It is not clear how the assertions in that sentence relate to the sentence before or thereafter

The sentence includes a non-sequitur: the objective of an assurance engagement as described does not imply that users’ needs are kept in mind throughout the engagement

The standard requires the practitioner to consider the information needs of intended users (not the needs of users generally) at particular points in the engagement process (see our comments on paragraph 29 in the guidance) – not throughout the engagement: the statement is therefore not in line with the standard.

In the final sentence, it is not clear to us which impediments are being referred to in the phrase “mitigate these impediments”. If it is those in the first sentence, that further strengthens our argument for deleting the third sentence, which hinders the flow of the paragraph.

58. Some of the personal traits listed in the last sentence (intellectual curiosity or confidence to question) may not only act as impediments to professional skepticism, but may also facilitate professional skepticism. We therefore suggest that the words “or facilitate” be inserted in between the words “can act as impediments” and “to the proper”.

NZAASB - New Zealand Auditing and Assurance Standards Board

The NZAuSB recommends reconsidering the content of this chapter with a specific focus on EER associated challenges and examples. The factors in paragraph 49 could be tailored to EER more specifically, with reference to (a) the needs of intended users, who will likely be a larger, more diverse group, (b) inter-relationships given the potential for a wider range of matters and connections between them (an example to illustrate this may be useful) and (c) the wider range of methods and frameworks used by the preparer. Paragraphs 50, 53 and 56 are helpful in linking more specifically to the EER context. For the guidance to be useful to assurance practitioners that are not professional accountants, further explanation about what professional scepticism and professional judgement mean in the context of ISAE 3000 (Revised) may be helpful, as this may differ from how other professions use these terms. The NZAuASB considers that the most valuable guidance on the exercise of professional scepticism and professional judgement is made throughout the guidance through use of the PS and PJ icons. This is useful guidance to demonstrate where or why PS and PJ is more challenging in an EER specific context. The NZAuASB considers that further use of the icons may be useful (there are references to PJ and PS but no icons in a number of paragraphs).

3. Accounting Firms

DTT - Deloitte Touche Tohmatsu Limited

Par. 55 includes a diagram that indicates both the attributes and behaviors that may be needed in the exercise of professional skepticism. The ability to suspend decision-making is shown as a behavior/skill that supports the exercise of professional skepticism. We believe that additional clarity is needed to explain what is meant by this behavior/skill as it is not clear.

GTI - Grant Thornton International Ltd

Overall, we question whether this chapter is focused on the appropriate concepts in relation to the application of professional scepticism and professional judgement. We do not believe the intent of the chapter is, or should be, to ‘teach’ how to apply professional scepticism or professional judgment. If practitioners are not aware of what professional scepticism and profession judgment mean, we are of the view it is not appropriate for those practitioners to be performing these types of assurance engagements. As such, we believe it is not necessary to include the definitions of professional scepticism and professional judgment, which can quite easily be found in other assurance standards. If the more basic discussion of professional scepticism and professional judgment is removed from the chapter, the guidance could be focused more on their specific application in relation to the performance of these types of assurance engagements and would, as a result, be more effective.

Further, we question the use of the professional judgment and professional scepticism symbols throughout the examples in the document. We are not clear what they add to the proposed draft Guidance and find they are more of a distraction than an aid.

PwC - PriceWaterhouseCoopers

Consistent with our cover letter comments on background and contextual information, we believe it is important that the guidance relating to professional judgement and the exercise of professional scepticism is presented in relation to considerations applicable to EER engagements. The purpose of this guidance is not a general education on the topic of professional scepticism. The IAASB has a specific working group that continues to consider that topic and to publish useful guidance. We believe the guidance here could be streamlined to focus on the key reasons why professional judgement and the exercise of professional scepticism are important in an EER engagements, and any related impediments that are more likely to arise in such engagements. For example, paragraphs 52-55 are general education material.

RSMI - RSM International Limited

We welcome the guidance on professional judgement and scepticism. The description in paragraph 53 on opportunity for management bias is useful and we suggest including indicators of management bias in relation to assurance engagements.

Diagram 4 is complex and makes reference to obtaining more evidence and looking for other sources of information. We believe that the nature, of the evidence obtained i.e. corroborative or contradictory could also be considered. Narrative information in EER may be more subjective and variable and therefore may be more susceptible to bias.

The description in paragraph 57 and 58 of external and internal factors that impede professional scepticism are helpful. However, it could also be noted that such factors should not wholly prevent a practitioner from challenging management assumptions. The guidance should include situations where a practitioner is prevented from obtaining sufficient and appropriate audit evidence, such that resignation or non-acceptance of an engagement could be considered.

4. Public Sector Organizations

AGNZ - Auditor-General of New Zealand

Chapters 1 and 2

These Chapters discuss critically important issues, but serve as background to the assurance engagement. We recommend that the content of these Chapters be consolidated and streamlined. The first part of Chapter 1 was generally useful; however, we recommend that the section on Direction, supervision and review be reviewed and streamlined.

We also recommend that this part of the Guidance provide stronger emphasis on the importance of the practitioner's "subject matter competence" and professional scepticism and judgment on:

making their acceptance/continuance decision; and

developing expectations about the EER, and the suitability of the components that are used by the preparer in constructing the EER.

5. Member Bodies and Other Professional Organizations

AE - Accountancy Europe

We consider the guidance to be exhaustive and the methodology outlined in the guidance is at an excellent technical level. Nevertheless, we would encourage the IAASB to consider clarifying certain matters that are

still not aligned with ISAE 3000 (Revised) or inappropriately go beyond ISAE 3000 (Revised). It is essential that the guidance is aligned with the authoritative standard to which it relates. For instance, the section on professional scepticism goes beyond ISAE 3000 and the current draft of ISA 220 on the issue of professional scepticism. It suggests a framework for considering professional scepticism with factors that may not always relate to professional scepticism but relate primarily to impediments to compliance with the ethical principles in the Code of Ethics.

AICPA - The American Institute of Certified Public Accountants

Paragraph 61 of Chapter 2 refers to the “lifecycle” of an EER engagement; whereas, paragraph 17 and the title of Diagram 1 in the Introduction refer to “stages” of an engagement. We recommend that one consistent term be used throughout the document.

ISCA - Institute of Singapore Chartered Accountants

Diagram 4 (paragraphs 52 to 58) – a suggestion is for the lower half of the diagram depicting “Impediments and other factors affecting exercise of professional skepticism” to be repositioned above and linked directly to “Awareness of impediments and other factors affecting exercise of professional skepticism”.

MIA - Malaysian Institute of Accountants

Chapter 2: Professional skepticism and professional judgment

Questions may arise on how to encourage the practitioner’s expert to exercise appropriate professional skepticism. Whilst the practitioner is expected to review and supervise the work of a practitioner’s expert closely, in practice, such work is done closer to the end of the fieldwork/engagement when a draft report is prepared by the practitioner’s expert. Hence, a reiteration of early involvement in engaging the practitioner’s expert during planning will provide better context for follow up later in the engagement on whether sufficient professional skepticism was applied.

Diagram 4 on professional skepticism and professional judgment is useful for general assurance purposes. Some relevant and useful material in the Supplements may be brought into the body of the Guidance.

It would be beneficial to provide examples on how professional skepticism influences the judgement of assurance engagements.

02.1.4 Q1 - Other comments and recommendations

5. Member Bodies and Other Professional Organizations

Assirevi

Paragraph 49 should clarify that the factors identified are mentioned as examples.

02.1.5 Q1 - Comments on Diagram 4

2. National Auditing Standard Setters

CAASB - Canadian Auditing and Assurance Standards Board

We support Diagram 4 as it provides thought provoking factors regarding supports and impediments to professional skepticism.

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

The diagram proposed in paragraph 55 sets out the behaviors/ skills supporting the exercise of professional skepticism and the impediments/other factors affecting exercise of professional skepticism. We consider that this diagram should be moved to the beginning of the chapter 2 since it gives an overview of the items that will be further developed in the Guidance. We also suggest that the diagram include references to the relevant paragraphs in the Guidance. This should improve the readability of the document.

Finally, we believe that 2 additional factors should be mentioned in the “impediments and other factors affecting exercise of professional skepticism”, i.e. the lack of transparency and the lack of availability imposed by management.

NZAASB - New Zealand Auditing and Assurance Standards Board

We consider that diagram 4 (on page 70) highlights factors that apply to any and all assurance engagements. Is there a way to make this more EER specific? If not, we suggest that this material is useful in a generic way, and could be cross referenced rather than included in this EER guidance.

3. Accounting Firms

RSMI - RSM International Limited

Diagram 4 is complex and makes reference to obtaining more evidence and looking for other sources of information. We believe that the nature, of the evidence obtained i.e. corroborative or contradictory could also be considered. Narrative information in EER may be more subjective and variable and therefore may be more susceptible to bias.

5. Member Bodies and Other Professional Organizations

AICPA - The American Institute of Certified Public Accountants

Most of the factors at the top of Diagram 4, “Professional Skepticism Factors,” in Chapter 2, are not likely to be more problematic in an EER engagement than they would be in any other engagement. Paragraphs 1 and 2 of the Guidance indicate that the Guidance is focused on practitioners performing EER engagements. It is our understanding that the Guidance is intended to highlight EER specific issues. Yet the factors cited in paragraphs 55 – 58 seem applicable to many engagements – including financial statement audits. We are not clear why it is necessary to highlight these specific factors in the Guidance.

If Diagram 4 is retained, it would be helpful to have greater alignment between the diagram and the discussion of the diagram. For example, paragraph 56 refers to external factors, which is labeled in the diagram. However, paragraph 57 refers to external pressures, and paragraph 58 refers to internal impediments, neither of which is labeled in the diagram. (As a minor comment, the text in paragraph 55 refers to attributes and behaviors, yet Diagram 4 does not include the term “attributes.”)

Assirevi

Diagram 4 is clear and useful to exercise professional skepticism.

ISCA - Institute of Singapore Chartered Accountants

However, the following illustrations could be improved:

Diagram 4 (paragraphs 52 to 58) – a suggestion is for the lower half of the diagram depicting “Impediments and other factors affecting exercise of professional skepticism” to be repositioned above and linked directly to “Awareness of impediments and other factors affecting exercise of professional skepticism”.

02.1.6 Q1 - No comment

2. National Auditing Standard Setters

HKICPA - Hong Kong Institute of Certified Public Accountants

No comment

JICPA - Japanese Institute of Certified Public Accountants

No comment

3. Accounting Firms

KPMG - KPMG Network

No comments on chapter

4. Public Sector Organizations

AGA - Office of the Auditor General Alberta

No comment

5. Member Bodies and Other Professional Organizations

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

No comments

BRLF - Australian Business Reporting Leaders Forum

No comment on Questions 1 and 2 on a chapter by chapter basis

CPAA - CPA Australia

No comment on chapter

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas

No comment on chapter

FAR - Institute for the Accountancy Profession in Sweden

No comments.

ICAS - Institute of Chartered Accountants Scotland

No comments on a chapter-by-chapter basis

IIA - Institute of Internal Auditors

No responses to Question 1 or Question 2 on a chapter by chapter basis

IIRC - International Integrated Reporting Council

No response to Question 1 and Question 2 on a chapter by chapter basis

MICPA - Malaysian Institute of Certified Public Accountants

No comment for this chapter

SASB - Sustainability Accounting Standards Board

No comment on chapter

6. Academics

DEAKIN - Deakin University Integrated Reporting Centre

No comment on Question 1 or 2 on a chapter by chapter by chapter basis.

No comment on Introduction.

Question 2: Is the draft Guidance structured in a way that is easy to understand

02.2.1 Q2 - The Guidance is structured in a way that is easy to understand

2. National Auditing Standard Setters

IDW - Institut der Wirtschaftsprüfer

With one exception we believe that the guidance is structured in a way that is easy for practitioners to understand and use.

3. Accounting Firms

CG - Crowe Global

The draft Guidance is structured in a way that is easy for practitioners to understand and use. The structure is logical, and the order of chapters makes sense. We agree with the suggestion in paragraph 18 that the chapters of the Guidance be presented in three parts. We welcome the use of hyperlinks for referencing.

We trust that our comments assist IAASB in completing the EER project. We shall be pleased to discuss our comments further with you.

EYG - Ernst & Young Global Limited

Although the EER Guidance is long, we believe that the structure works well. The structure appears logical, flows well, and the use of diagrams and examples is helpful.

GTI - Grant Thornton International Ltd

We are of the view the draft Guidance is structured in a way that practitioners will be able to navigate and use in performing EER assurance engagements. As noted in our comments above, we found the table in the Introduction to be particularly helpful. We are also supportive of the behavioural aspects being located at the beginning of the draft Guidance with the following chapters being structured in the manner of an

engagement. As noted above we recommend that chapter 6 is located earlier in the structure, but otherwise find this ordering of the topics to be very helpful.

Further, the use and presentation of examples and diagrams overall enhance the understandability of the proposed draft Guidance.

To help navigate within each individual chapter within the draft Guidance, we would recommend including an index or contents table at the beginning of each chapter that includes the main topics discussed within the chapter with hyperlinks to where that topic is discussed.

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. With the exception of our recommendations below regarding smart technology, we do not suggest other modifications as to structure and layout, such as further grouping together of particular chapters into sections

RSMI - RSM International Limited

The draft guidance is easy to understand and the form and structure as suggested in paragraph 18 are appropriate. The diagrams are generally well presented. The guidance is, though, very long and this may deter practitioners from using it.

5. Member Bodies and Other Professional Organizations

Assirevi

Chapter 2 is well structured and easy to use. It provides a wide and detailed definition of professional skepticism. Diagram 4 is clear and useful to exercise professional skepticism.

BICA - Botswana Institute of Chartered Accountants

The draft Guidance is structured in a way that is easy for practitioners to understand and use during EER assurance engagements.

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas

The structure as designed makes it easy to access and understand its content.

The volume achieved in development represents a difficulty that can be solved with the automatic relationship through links to other related regulations such as ISAE 3000 and related example

GRI - Global Reporting Initiative

The consultation paper suggests some different ways of structuring or ordering the chapters, but the order in which they are currently given is satisfactory, in that they provide a sequential order of moving through the various stages of an assurance engagement.

IAAA - Inter-American Accounting Association

Yes, the guide draft is structured in a way that is easy to understand and, we are certain, that once the professionals become familiar with its use, it will be user-friendly. In our opinion the document is excellent;

especially the examples and diagrams will help a lot in its application and for a proper understanding of the purpose of the guide.

ICPAR - Institute of Certified Public Accountants of Rwanda

Yes. We agree that the draft Guidance is structured in a way that is easy for practitioners to understand and use in performing EER assurance engagements.

ICPAU - Institute of Certified Public Accountants of Uganda

ICPAU believes that the draft Guidance is structured in a way that is easy for practitioners to understand and use in performing EER assurance engagements. The structure addresses specific issues per chapter and this will make it easy for practitioners to quickly navigate through the Guidance to the exact information they require as they perform the EER Assurance engagements.

MICPA - Malaysian Institute of Certified Public Accountants

The structure is clear for practitioners to understand and use in performing EER assurance engagement

SAICA - South African Institute of Chartered Accountants

Professional scepticism continues to be an important concept in the performance of assurance engagements. In South Africa, the IRBA have consistently reported that this is the underlying reason for many of the findings reported in their annual inspections findings reports. Therefore, in light of this, SAICA welcomes Chapter 2 of the Draft Guidance, 'Exercising Professional Skepticism and Professional Judgment.' We further welcome the signposting throughout the Draft Guidance (including Supplement B) on areas where the practitioner should be applying professional scepticism and professional judgement.

The Draft Guidance is written in a manner that is easily understandable and consistent with ISAE 3000 (Revised). We believe that it will be of great use to EER assurance engagement providers, irrespective of their experience in performing EER assurance engagements. The IAASB has made exemplary use of diagrams and short examples to elaborate on the principles contained in the Draft Guidance.

SVI - Social Value International

The guidance is structured in a way that is easy for practitioners to understand and use

02.2.2 Q2 - The Guidance is not structured in a way that is easy to understand

None

02.2.3 Q2 - Mixed views on the structure of the Guidance

1. Investors and Analysts

ICGN - International Corporate Governance Network

The draft Guidance is well structured. The structure of the discussion of "What" is addressed in the chapter, "Why" they are relevant and "How" to overcome the challenges for each chapter is clear and consistent across all chapters.

We, however, observe that while some in some chapters of the Guidance (Ch1, 3, 4, 5, 6, 8, 9), the relevant paragraphs of the Standards are listed right at the beginning, in the other chapters (Ch2, 7, 10) the

reference to the Standard paragraphs are blended in the explanatory text. It would be helpful for users of the Guidance if all chapters consistently start with the reference to the relevant Standard's paragraphs. Detailed reference to the Standards can still be kept in the discussion text of the chapters

2. National Auditing Standard Setters

CAASB - Canadian Auditing and Assurance Standards Board

We believe the box below paragraph 51 titled “The Meaning of ‘Engagement Circumstances’” seems out of place and that it would fit better following paragraph 16 as that is the first reference in the Guidance to ‘Engagement Circumstance’.

Regarding the symbols for professional skepticism and professional judgment used throughout the document and introduced in paragraph 61, our outreach indicated the use of the symbols was an innovative way to improve the density of the guidance. However, some questioned why the symbols were not used every time professional skepticism or professional judgement were mentioned, and that this could be a risk to readers who may think when the symbol is not beside the text, professional judgement or skepticism does not need to be applied. For instance, we counted the number of times the symbols were used throughout the guidance and professional skepticism is used only three times in the main body of the guidance while professional judgement is used seventeen times in a total of 446 paragraphs. Including the symbols in only these paragraphs is understating when professional skepticism and professional judgement should be used. We suggest using the symbols throughout the guidance when each term is mentioned.

NZAASB - New Zealand Auditing and Assurance Standards Board

The NZAuASB considers that the exercise of professional scepticism and professional judgement are especially important however considers that much of the material in draft Chapter 2 is not EER specific guidance. While the chapter includes useful considerations relating to: • the attributes and behaviours needed to exercise professional scepticism (PS), • possible impediments, • factors that can help practitioners avoid or mitigate their impact, • how competence in the exercise of PJ may be acquired, we consider that this is more contextual information. The guidance states that EER assurance engagements can be complex, and cover subject matters whose measurement or evaluation may be subject to considerable subjectivity, management bias, estimation and evaluation uncertainty. We consider that this is true of most assurance engagements. The NZAuASB considers that this is helpful contextual information rather than guidance on EER engagements, which may be better included in Supplement A.

3. Accounting Firms

PwC - PriceWaterhouseCoopers

Paragraphs 43-62 – Much of this content reads more like guidance than background and contextual information. To the extent that this is considered necessary guidance, it should be incorporated into the main guidance.

See comments on Part II of Supplement A in Appendix 2 (Paragraphs 43-62).

4. Public Sector Organizations

AGNZ - Auditor-General of New Zealand

consolidating the content of Chapters 1 and 2: The first key stage and decision of the assurance engagement should be to determine if the necessary pre-conditions are in place. However, this stage is not

discussed until Chapter 3 and as a result is not sufficiently emphasised. Consolidating Chapters 1 and 2, which would cover the necessary competencies and attributes, would better highlight that the first key stage is determining whether the pre-conditions are in place;

5. Member Bodies and Other Professional Organizations

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

We maintain that professional scepticism and professional judgement should be separated into separate chapters, as these are two distinct concepts - professional scepticism is a 'state of mind' and should be applied throughout the whole engagement, and professional judgement is an action taken in certain situations during the engagement. It is confusing having the two terms discussed in one chapter. Professional scepticism could be kept separate from the rest and within Chapter 2, where guidance on professional judgement should be embedded where relevant in other chapters.

02.2.4 Q2 - Other comments and recommendations

5. Member Bodies and Other Professional Organizations

Assirevi

Paragraph 47 appears to be redundant though, as it repeats concepts already expressed in previous paragraphs. It could be reduced or deleted.

GRI - Global Reporting Initiative

The placement of the 'professional skepticism' and 'professional judgment' symbols throughout the guidance are helpful since these are not concepts that can be addressed in one place only and practitioners should continue to consider them throughout an entire engagement. Providing a summary all areas or examples where these concepts are relevant or highlighted could be helpful.

02.2.5 Q2 - No comment

2. National Auditing Standard Setters

AUASB - Australian Auditing and Assurance Standards Board

No comment on structure

No comment on structure

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

No comment on structure

HKICPA - Hong Kong Institute of Certified Public Accountants

No comment

JICPA - Japanese Institute of Certified Public Accountants

No comment

3. Accounting Firms

BDO - BDO International Limited

Question 2: No comments.

DTT - Deloitte Touche Tohmatsu Limited

No comment on structure of chapter

4. Public Sector Organizations

AGA - Office of the Auditor General Alberta

No comment

AGSA - Auditor-General of South African

24. No additional comments.

GAO - United States Government Accountability Office

GAO's

5. Member Bodies and Other Professional Organizations

AE - Accountancy Europe

No comment

AICPA - The American Institute of Certified Public Accountants

No comment on chapter

BRLF - Australian Business Reporting Leaders Forum

No comment on Questions 1 and 2 on a chapter by chapter basis

CPAA - CPA Australia

No comment on chapter

FAR - Institute for the Accountancy Profession in Sweden

No comments.

ICAS - Institute of Chartered Accountants Scotland

No comments on a chapter-by-chapter basis

IIA - Institute of Internal Auditors

No responses to Question 1 or Question 2 on a chapter by chapter basis

IIRC - International Integrated Reporting Council

No response to Question 1 and Question 2 on a chapter by chapter basis

ISCA - Institute of Singapore Chartered Accountants

No comment on chapter

MIA - Malaysian Institute of Accountants

No comment

SASB - Sustainability Accounting Standards Board

No comment on chapter

6. Academics

DEAKIN - Deakin University Integrated Reporting Centre

No comment on Question 1 or 2 on a chapter by chapter by chapter basis.

No comment on Introduction.