



EER Assurance Engagements: Project Update

Marek Grabowski, IAASB Member and Chair of the EER Task Force

IAASB Meeting, New York

Agenda Item 7

15 December 2017

IAASB

International Auditing
and Assurance
Standards Board

Progress since October Board Meeting

- WBCSD grant agreement finalised and announced – see <https://www.ifac.org/news-events/2017-11/iaasb-and-wbcsd-s-new-collaboration-leads-further-sustainability-and-integrated>
- Staff secondee, Alastair Neilson, appointed (subject to contract)
- Two one-day Task Force meetings held (October, December)
- Project Proposal and Feedback Statement finalised to be published on IAASB website

Task Force discussions – October and December 2017

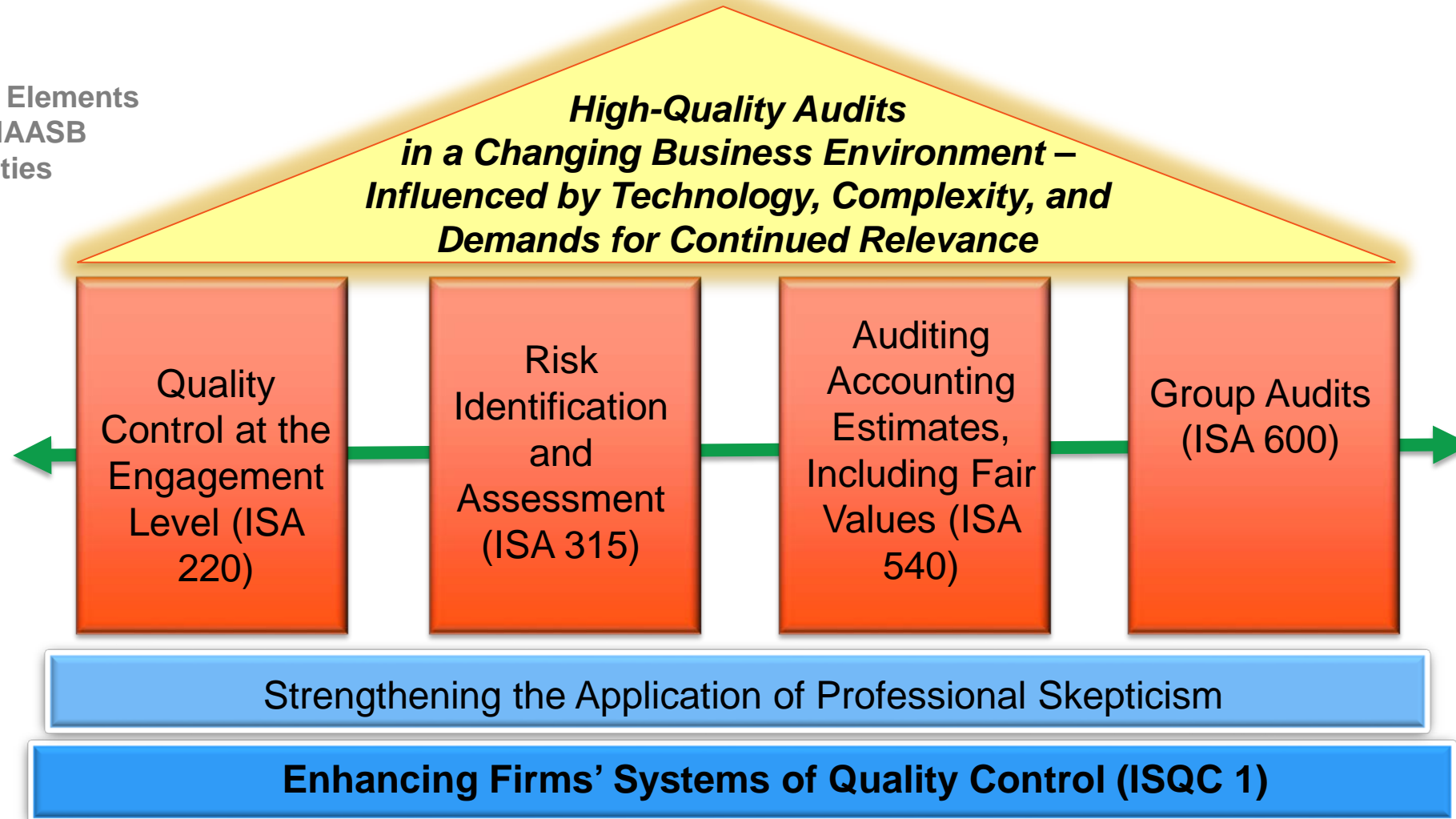
Issues addressed by the Task Force

- Interconnectedness of challenges and allocation of issues to phase 1 and phase 2*
- Planned research agenda*
- Detailed project plan and provisional timing of Task Force meetings (to be finalised in January)
- Provisionally, we plan to:
 - Bring specific issues to board meetings in March, June and September, in line with the project proposal
 - Hold stakeholder outreach events in late October and early November 2018
 - Bring Phase 1 Exposure Draft to December IAASB meeting, after reflecting stakeholder outreach
- Draft call for nominations to Project Advisory Panel (PAP)*
- Form and structure of the non-authoritative guidance – we plan to present a proposal to the IAASB in March
 - Likely to be organised by reference to either the Key Challenges or the requirements of ISAE 3000 (Revised)

* Addressed further in this Update

The Audit 'House' under reconstruction – a reminder

Addressing Fundamental Elements of the Audit: IAASB current priorities

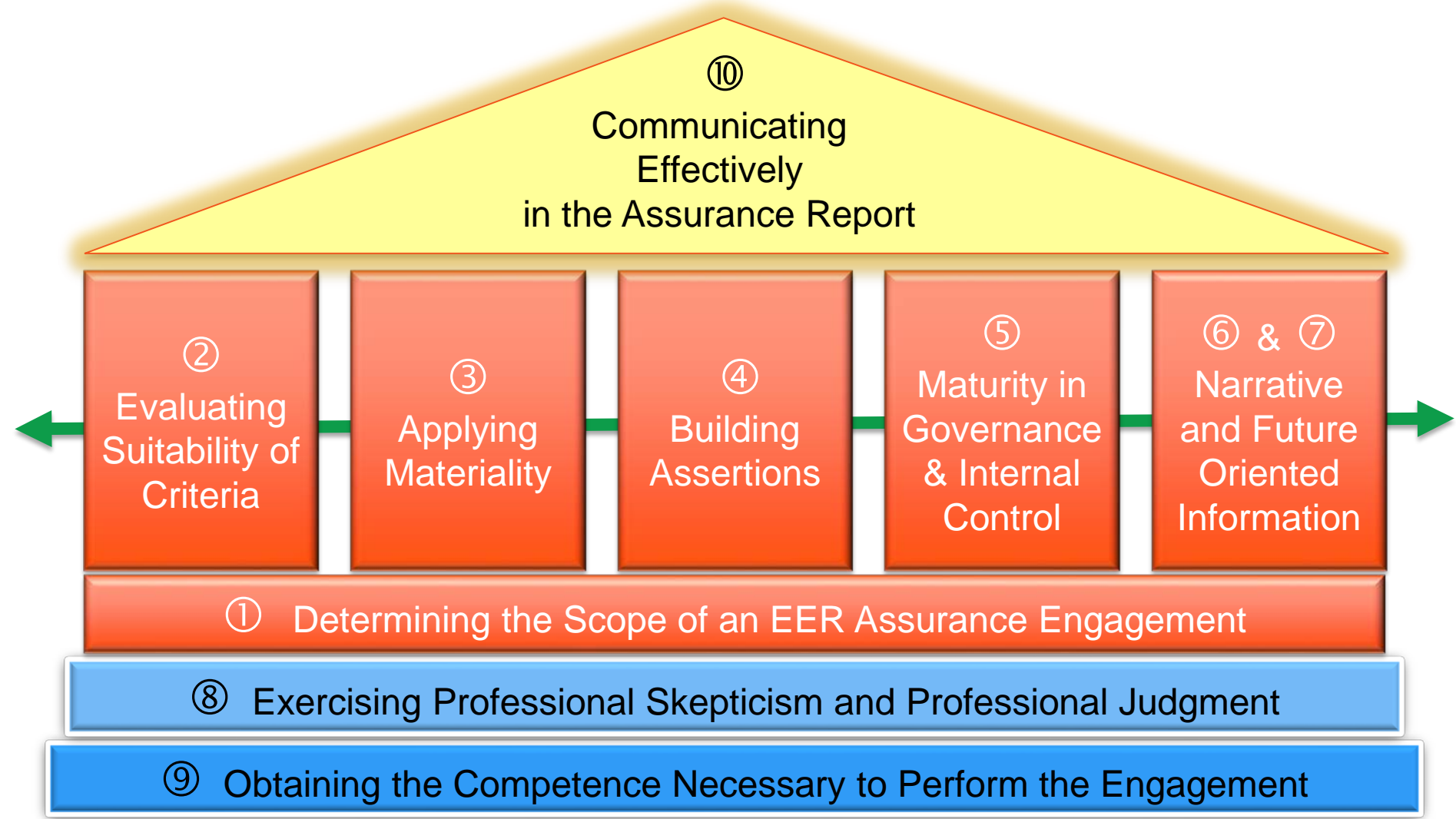


The Ten Key Challenges

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- 1 Determining the Scope of an EER Assurance Engagement Can Be Complex
- 2 Evaluating the Suitability of Criteria in a Consistent Manner
- 3 Addressing Materiality for Diverse Information with Little Guidance in EER Frameworks
- 4 Building Assertions for Subject Matter Information of a Diverse Nature
- 5 Lack of Maturity in Governance and Internal Control over EER Reporting Processes
- 6 Obtaining Assurance with Respect to Narrative Information
- 7 Obtaining Assurance with Respect to Future-Oriented Information
- 8 Exercising Professional Skepticism and Professional Judgment
- 9 Obtaining the Competence Necessary to Perform the Engagement
- 10 Communicating Effectively in the Assurance Report

The EER Assurance House (Under Construction)



Allocation of issues relating to the Key Challenges to phases 1 and 2 of project

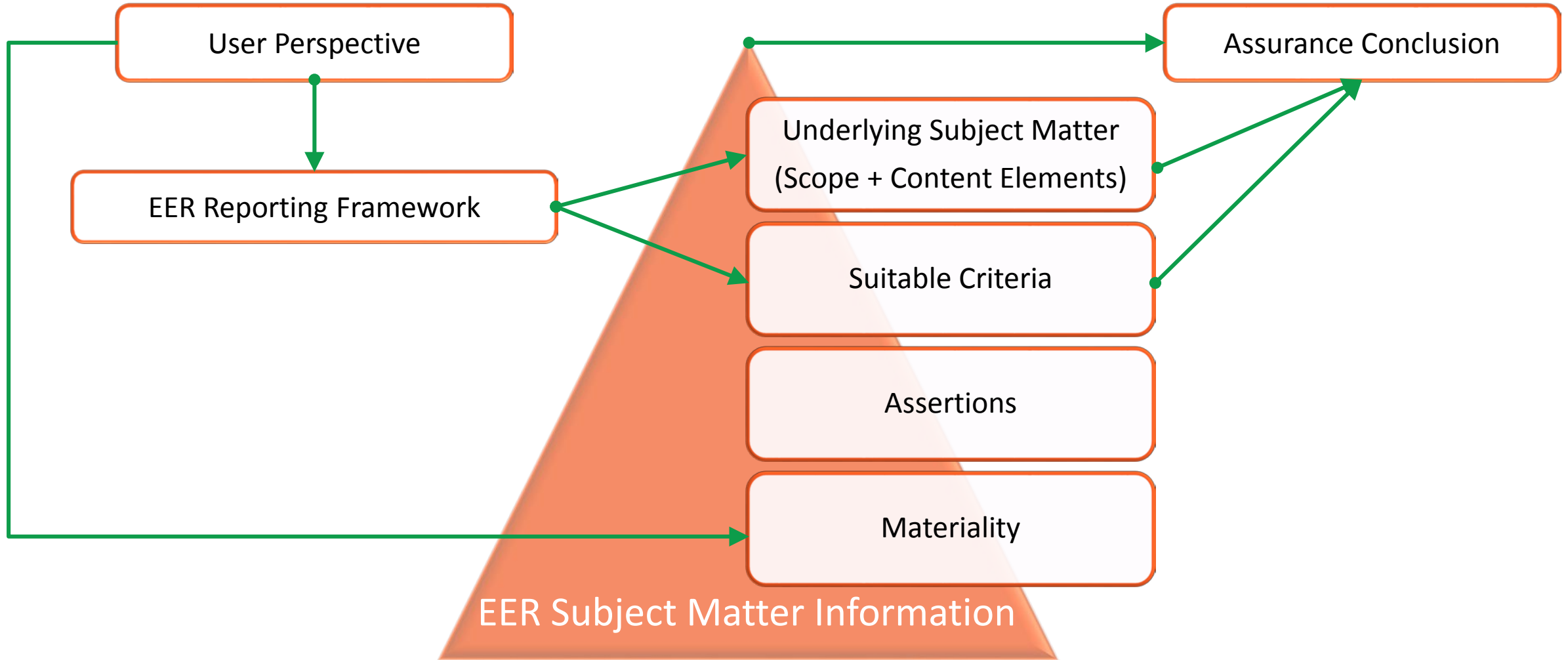
Phase 1 – the pillars of the EER Assurance House

- 2 – Evaluating the Suitability of Criteria in a Consistent Manner
- 3 – Addressing Materiality for Diverse Information with Little Guidance in EER Frameworks
- 4 – Building Assertions for Subject Matter Information of a Diverse Nature

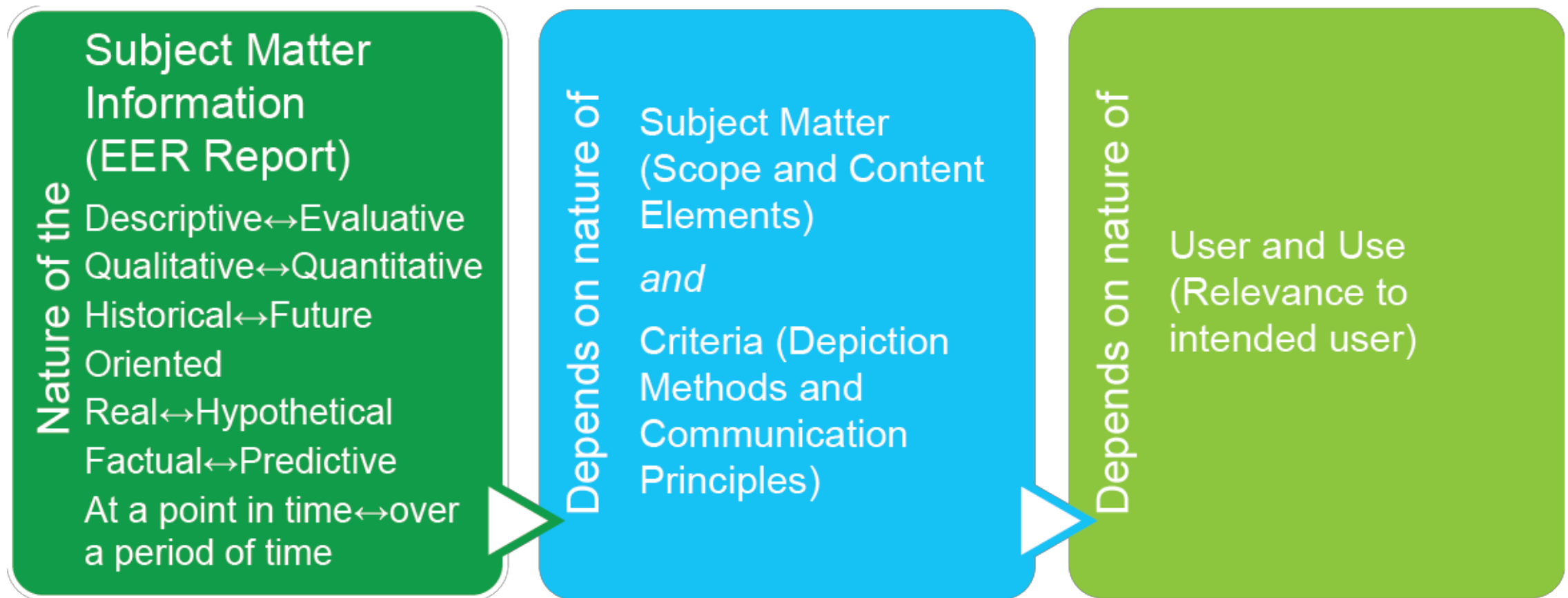
- 5 – Lack of Maturity in Governance and Internal Control over EER Reporting Processes

- 6 – Obtaining Assurance with Respect to Narrative Information
- 7 – Obtaining Assurance with Respect to Future-Oriented Information

Suitable Criteria, Assertions and Materiality

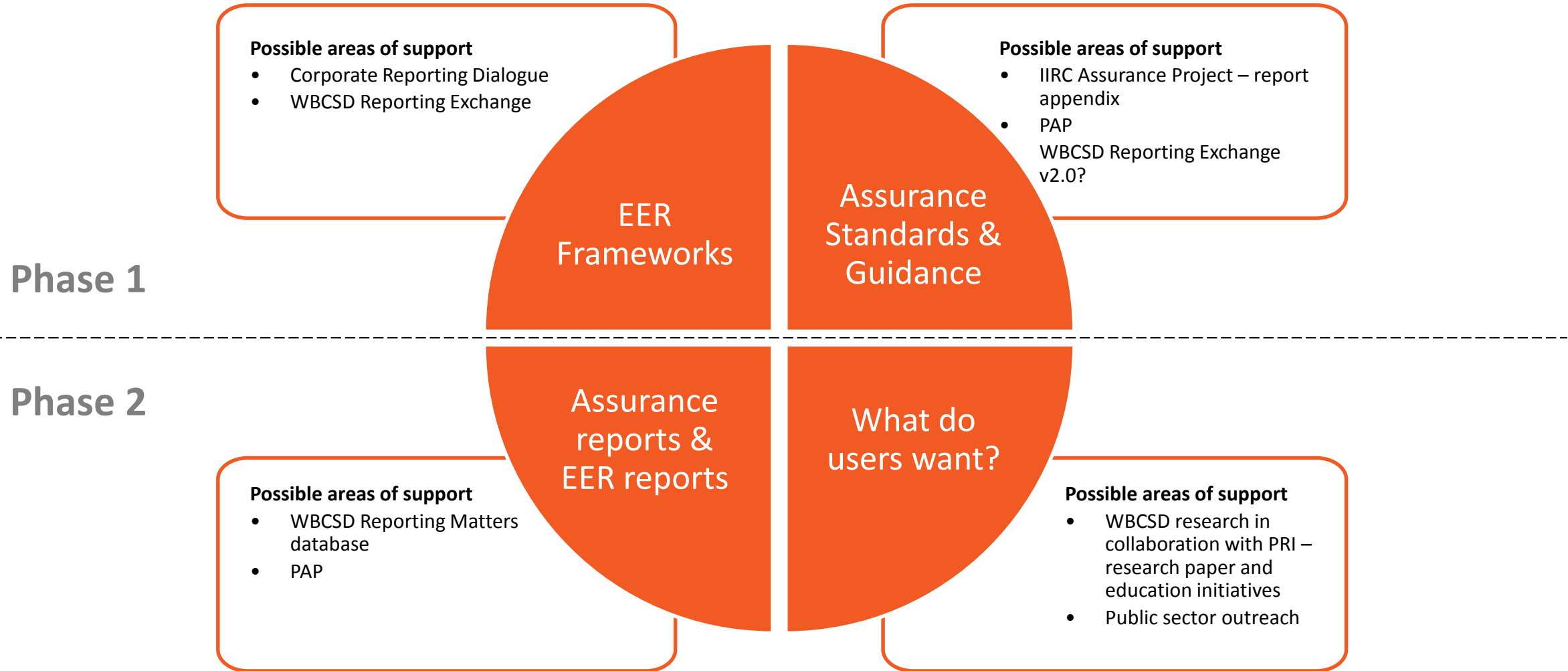


Nature of the Subject Matter Information



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Planned research agenda



Project Advisory Panel

- Draft call for nominations – see Draft provided
- Deadline for nominations proposed to be February 2, 2018
- Role of PAP members
 - Advise the Task Force
 - Providing input to development of the non-authoritative guidance
 - Providing research input where appropriate
 - Assist with outreach with external groups and networks

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