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Ken Siong
Technical Director
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Dear Sir

ICAZ SUBMISSION ON- : Discussion Paper on Supporting Credibility and Trust in Emerging Forms of External Reporting:

In response to your request for comments: **On Supporting Credibility and Trust in Emerging Forms of External Reporting**; attached is the comment letter prepared by the Institute of Chartered Accountants of Zimbabwe. The comment letter is a result of deliberations of the Auditing and Professional Standards Committee (APSC), which comprises members from reporting organisations, regulators, auditors and academics.

We are grateful for the opportunity to provide our comments on this project.

Please do not hesitate to contact us should you wish to discuss any of our comments.

Yours faithfully,

M Debeer
Chairperson of the APSC

Elliot Wonyenika
Project Director

Cc: Matthews Kunaka (ICAZ C.E.O)

Title: Supporting Credibility and Trust in Emerging Forms of External Reporting:

Question	Response/Comment
<p>1. Section III describes factors that enhance the credibility of EER reports and engender user trust.</p> <p>a. Are there any other factors that need to be considered by the IAASB?</p> <p>b. If so, what are they?</p>	<p>a. No</p>
<p>Part IV: Relevant Professional Services Covered by the IAASB's International Standards</p>	
<p>2. Sections II and IV describe different types of professional services that are either currently performed or could be useful in enhancing credibility and trust.</p> <p>a. Are there other types of professional services the IAASB needs to consider, that are, or may in future be, relevant in enhancing credibility and trust?</p> <p>b. If so, what are they?</p>	<p>None.</p>
<p>3. Paragraphs 23–26 of Section II describe the responsibilities of the auditor of the financial statements under ISA 720 (Revised) with respect to the other information included in the annual report.</p> <p>a. Is this sufficient when EER information is included in the annual report; or</p> <p>b. Is there a need for assurance or other professional services, or for further enhancement of the responsibilities of the financial statement auditor, to enhance credibility and trust when EER information is in the annual report?</p>	<p>a. The requirements in ISA 720 are not sufficient as generally there is an expectation from users that all the information in the annual report has been subject to some form of assurance.</p> <p>b. We are of the opinion that there is need for assurance when EER information is in the annual report mainly in order to bridge the expectation gap described above.</p>
<p>Part V. Ten Key Challenges in Relation to EER Assurance Engagements</p>	
<p>4. Section IV describes the different types of engagements covered by the IAASB's International Standards and Section V suggests that the most effective way to begin to address these challenges would be to explore guidance to support practitioners in applying the existing International Standards for EER assurance engagements.</p> <p>a. Do you agree?</p>	

<p>b. If so, should the IAASB also explore whether such guidance should be extended to assist practitioners in applying the requirements of any other International Standards (agreed-upon procedures or compilation engagements) and, if so, in what areas? (For assurance engagements, see Q6-7)</p> <p>c. If you disagree, please provide the reasons why and describe what other action(s) you believe the IAASB should take.</p>	
<p>5. The IAASB would like to understand the usefulness of subject-matter specific assurance standards. ISAE 3410, a subject matter specific standard for assurance engagements relating to Greenhouse Gas Statements, was issued in 2013.</p> <p>a. Please indicate the extent to which assurance reports under ISAE 3410 engagements are being obtained, issued or used in practice by your organization.</p> <p>b. b. If not to any great extent, why not and what other form of pronouncement from the IAASB might be useful?</p>	
<p>6. Section V suggests it may be too early to develop a subject-matter specific assurance engagement standard on EER or particular EER frameworks due to the current stage of development of EER frameworks and related standards.</p> <p>a. Do you agree or disagree and why?</p>	<p>We agree, since as highlighted in the discussion paper most EER frameworks are still in their infancy stage, therefore it would then be premature to develop subject matter specific assurance engagement standard on EER.</p>
<p>7. Section V describes assurance engagements and the Ten Key Challenges we have identified in addressing EER in such engagements and suggests that the most effective way to begin to address these challenges would be to explore guidance to support practitioners in applying the IAASB's existing International Standards to EER assurance engagements.</p> <p>a. Do you agree with our analysis of the key challenges?</p> <p>b. b. For each key challenge in Section V, do you agree that guidance may be helpful in addressing the challenge?</p> <p>c. If so, what priority should the IAASB give to addressing each key challenge and why?</p>	<p>a. Yes</p> <p>b. Yes</p> <p>c. We propose that the IAASB priorities coming up with guidance on the suitability of criteria since most of the frameworks for EERs are still relatively new and most may be open to interpretation by management.</p>

<p>d. If not, why and describe any other actions that you believe the IAASB should take.</p> <p>e. Are there any other key challenges that need to be addressed by the IAASB's International Standards or new guidance and, if so, what are they, and why?</p>	
<p>8. The IAASB wishes to understand the impact on potential demand for assurance engagements, if the Ten Key Challenges we have identified can be addressed appropriately, and in particular whether:</p> <ul style="list-style-type: none"> • Doing so would enhance the usefulness of EER assurance engagements for users • Such demand would come from internal or external users or both • There are barriers to such demand and alternative approaches should be considered. 	<p>a. Do you believe that there is likely to be substantial user demand for EER assurance engagements if the key challenges can be appropriately addressed? – Yes</p> <p>b. If so, do you believe such demand:</p> <ul style="list-style-type: none"> i. Will come from internal or external users or both? ii. Will lead to more EER assurance engagements being obtained voluntarily or that this outcome would require legal or regulatory requirements? <p>We are of the opinion that the demand will mainly come from external user and will most require legal or regulatory requirements to have EER assurance engagements.</p>
<p>9. The IAASB would like to understand stakeholder views on areas where the IAASB should be collaborating with other organizations in relation to EER reporting.</p>	