

June 26, 2019

The IAASB Task Force Chairman
International Auditing and Assurance Standards Board
International Federation of Accountants
529 5th Avenue, 6th Floor
New York
New York 10017
United States of America

Via Online Submission

Dear Mr Marek Grabowski

**COMMENTS ON IAASB CONSULTATION PAPER
*EXTENDED EXTERNAL REPORTING (EER) ASSURANCE***

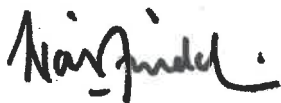
We thank you for the opportunity to comment on IAASB Consultation Paper, *Extended External Reporting (EER) Assurance*.

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours faithfully



NOVIE TAJUDDIN
Chief Executive Officer

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
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International Auditing and Assurance Standards Board

Consultation Paper

Extended External Reporting (EER) Assurance

Questionnaire

Comments are most helpful when they refer to specific chapters or paragraphs (where appropriate), include the reasons for the comments, and make specific suggestions for any proposed changes to wording. When a respondent agrees with the approach suggested in the draft guidance, it will be helpful for the IAASB to be made aware of this view as this cannot always be inferred when not stated.

Question 1

Does the draft guidance adequately address the challenges for practitioners that have been identified as within the scope of the draft guidance developed in phase 1? If not, where and how should it be improved?

[Paragraphs 9-15 (scope of draft guidance), Paragraph 25 (preconditions and the system of internal control), Paragraph 29 (suitability of criteria), Paragraph 33 ('materiality processes'), Paragraph 35 (materiality of misstatements), Paragraph 40 (assertions), Paragraph 41 (narrative and future-oriented information)]

MICPA's Comments:

Yes, the draft guidance adequately addresses the challenges for practitioners that have been identified as within the scope of the draft guidance developed in phase 1.

Question 2

Is the draft guidance clear and easy to understand, including through the use of examples and diagrams, and the way terminology is used? If not, where and how should it be improved?

[Paragraphs 16-17 (examples, diagrams and terminology), Paragraph 34 (term 'materiality process'), Paragraphs 37 and 40 (assertions)]

MICPA's Comments:

Yes, the use of examples and diagrams helps one to understand the draft guidance.

Question 3

Do you support the proposed structure of the draft guidance? If not, how could it be better structured?

[Paragraph 18 (structure)]

MICPA's Comments:

Yes, the Institute supports the proposed structure of the draft guidance.

Question 4

Do you agree that the draft guidance does not contradict or conflict with the requirements or application material of ISAE 3000 (Revised), and that the draft guidance does not introduce any new requirements?

[Paragraphs 19-21 (relationship with ISAE 3000 (Revised)), Paragraphs 24 and 26 (linking preconditions and the system of internal control), Paragraph 36 (assertions)]

MICPA's Comments:

Yes, MICPA agrees that the draft guidance does not contradict or conflict with the requirements or application material of ISAE 3000 (Revised), and that the draft guidance does not introduce any new requirements.

Question 5

Do you agree with the way that the draft guidance covers matters that are not addressed in ISAE 3000 (Revised)?

[Paragraphs 19-21 (matters not addressed in ISAE 3000 (Revised) and including details on the preparer's role and 'materiality processes'), Paragraphs 24 and 26 (linking preconditions and the system of internal control), Paragraph 36 (assertions)]

MICPA's Comments:

Yes, MICPA agrees with the way that the draft guidance covers matters that are not addressed in ISAE 3000 (Revised).

Question 6

Do you agree that the additional papers contain further helpful information and that they should be published alongside the non-authoritative guidance document?

[Paragraphs 42-45 (additional papers)]

MICPA's Comments:

Yes, MICPA agrees that the additional papers contain further helpful information and that they should be published alongside the non-authoritative guidance document.

Question 7

In addition to the requests for specific comments above, the IAASB is also seeking comments on the matters set out below:

- (a) Stakeholder Perspectives – Respondents representing stakeholders such as preparers (including smaller entities) of EER reports, users of EER reports, and public sector entities are asked to comment on the questions above from their perspective.
- (b) Developing Nations – Recognising that many developing nations have adopted or are in the process of adopting the International Standards, the IAASB invites respondents from these nations to comment, in particular, on any foreseeable difficulties in using the draft guidance in a developing nation environment.
- (c) Translation – Recognising that many respondents may intend to translate the final guidance for adoption in their own environments, the IAASB welcomes comments on potential translation issues.

MICPA's Comments:

The Institute does not foresee difficulties in using the draft guidance in a developing nation environment.

There is no requirement to translate the final guidance into the local language in Malaysia.

Other

Practitioners' assurance engagements are traditionally more inclined towards financial driven information as opposed to non-financial information contained in EER reports. However, users of EER reports might rely on the reports believing that the reports have been "audited" by the practitioners. In this regard, the Institute wishes to take the opportunity to highlight the potential expectation gap between practitioners and the users of EER reports.