



# EER Assurance

Agenda Item

6

March 2019

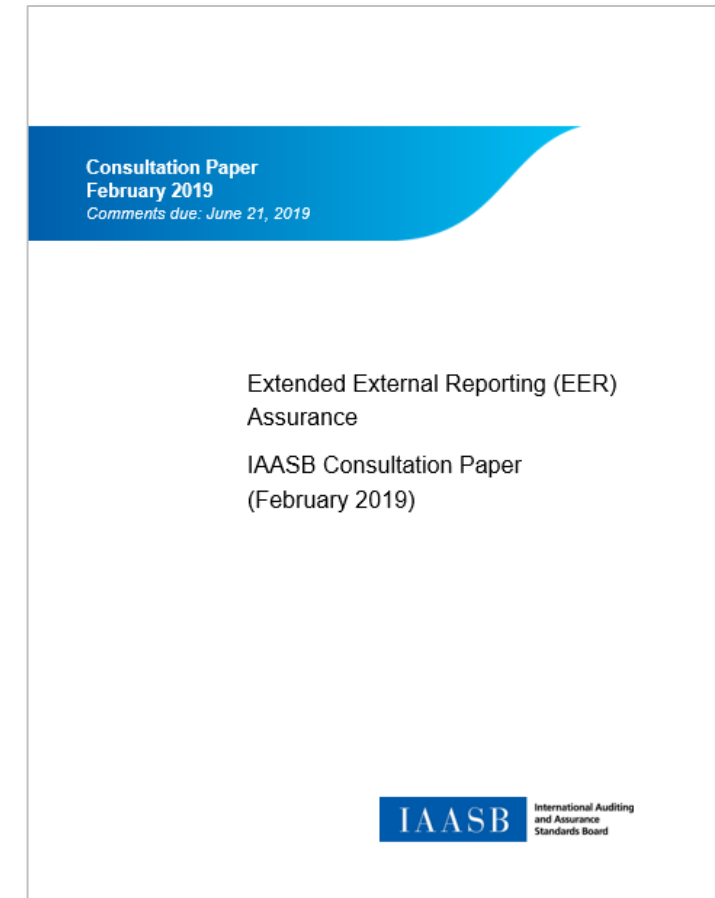
March 14, 2019



International Auditing  
and Assurance  
Standards Board

## Recap of December Meeting and January Teleconference

- Final discussions on phase 1 consultation paper and agreement to publish it.
- Consultation Paper published at end of February. Responses due June 21, 2019.



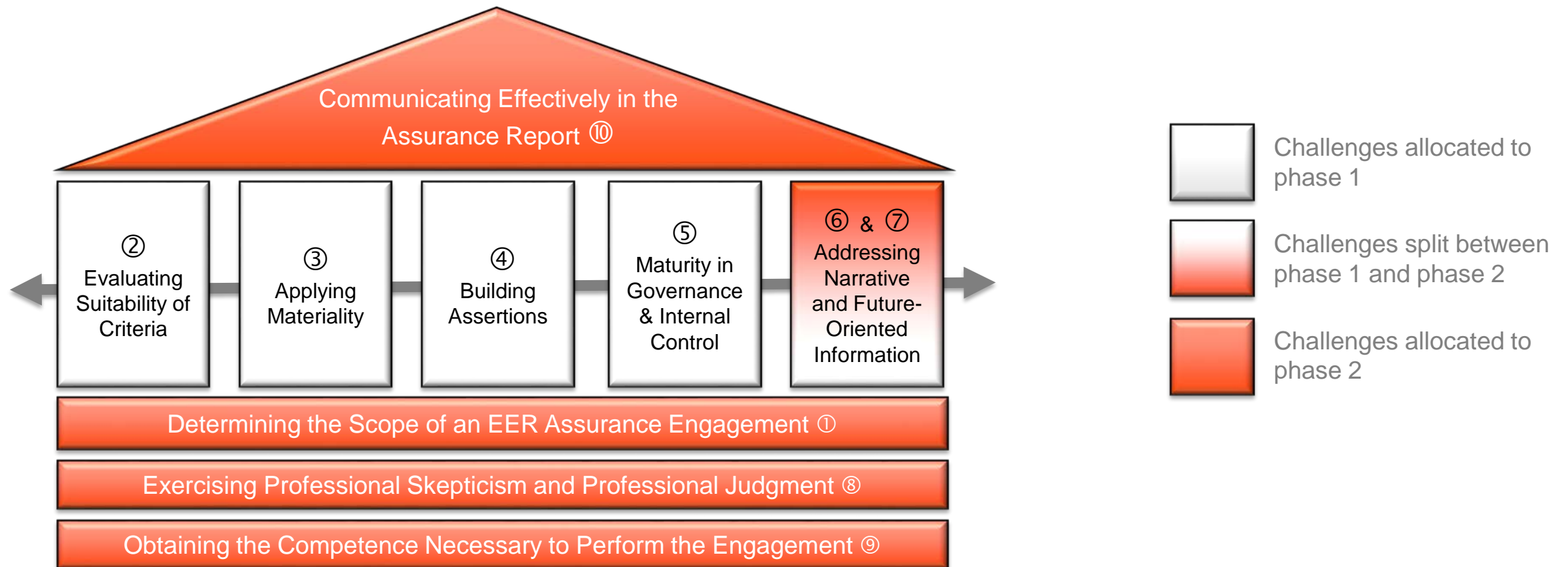
# Agenda for Today



8:30 – 9:00	Introduction to phase 2 issues
9:00 – 10:30	Breakout discussions in small groups
10:30 – 11:00	Break
11:00 – 12:00	Report back on breakout discussions

## Phase 2

### The EER Assurance House (under construction)



# Determining the Scope of an EER Assurance Engagement

- Wide variety in the scope of assurance engagements in practice
- Can be an entire report or only part(s) of an EER report
- Engagement acceptance considerations linked to ISAE 3000 (Revised) preconditions – particularly whether engagement has a rational purpose
- Limited and reasonable assurance



Initially identified aspects of guidance needed to address this challenge are included in Appendix 1 of the issues paper.

*Relevant paragraphs from ISAE 3000 (Revised):*  
26-29, 40, A2, A36, A44, A56, A59, A86, A99, A104

*Relevant paragraphs from ISAE 3410:*  
17(a), A20

# Communicating Effectively in the Assurance Report

- Summarizing the work performed
- Communicating scope and levels of assurance
- Managing expectation gaps
- Long vs. short form reports



Initially identified aspects of guidance needed to address this challenge are included in Appendix 1 of the issues paper.

*Relevant paragraphs from ISAE 3000 (Revised):*  
30, 64-78, A158-A192

*Relevant paragraphs from ISAE 3410:*  
76-77, A134-A153, Appendix 2

# Exercising Professional Skepticism and Professional Judgment

- Many aspects of EER require judgment and skepticism – increased subjectivity and risk of management bias
- ‘Materiality processes’ a key area of judgment – risk of a preparer “cherry picking” what to include in the EER report and in the assurance scope
- Linked to the practitioner needing to have the necessary competence



Initially identified aspects of guidance needed to address this challenge are included in Appendix 1 of the issues paper.

*Relevant paragraphs from ISAE 3000 (Revised):*  
12(t), 12(u), 37-38, A76-A85



# Obtaining the Competence Necessary to Perform the Engagement

- Wide range of skills and experience required – assurance skills and detailed subject-matter knowledge
- Use of experts
- Role of engagement leader / assurance report signatory
- Quality control



Initially identified aspects of guidance needed to address this challenge are included in Appendix 1 of the issues paper.

*Relevant paragraphs from ISAE 3000 (Revised):*  
22, 31-32, 52-55, A60, A67-A73, A120-A135

*Relevant paragraphs from ISAE 3410:*  
16, A18-A19



# Obtaining Audit Evidence in Respect of Narrative and Future-Oriented Information

- Identifying appropriate sources of evidence
- Linked to issues around the system of internal control considered in phase 1



Initially identified aspects of guidance needed to address these challenges are included in Appendix 1 of the issues paper.

## Breakout Discussions

In relation to each of the phase 2 challenges and the material in Appendix 1 of the issues paper, the IAASB is asked for its views on:

- 1) Whether there are any additional aspects of guidance that are needed to address the challenge, beyond those listed in Appendix 1;
- 2) Whether the initially identified aspects of guidance are relevant matters to be addressed and are appropriately described; and
- 3) How the aspects of guidance should advise practitioners to address the challenge, considering any relevant requirements or application material of ISAE 3000 (Revised).

## Breakout Discussion Groups and Topics

[placeholder slide for groups and which challenges each group will discuss]



## Breakout discussions



## Report back

## Next steps

- Task Force to begin developing phase 2 guidance
- Presentation of initial issues in June
- Initial draft of guidance relating to phase 2 challenges to be presented in September, along with presentation of feedback from phase 1 consultation
- Plan to seek approval of exposure draft of full non-authoritative guidance document in December



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