ISAE 3000

Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Extended External Reporting (EER) Assurance Engagements

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What is ISAE 3000 (Revised)

INTERNATIONAL STANDARD ON ASSURANCE ENGAGEMENTS (ISAE) 3000 REVISED, ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OR REVIEWS OF HISTORICAL FINANCIAL INFORMATION

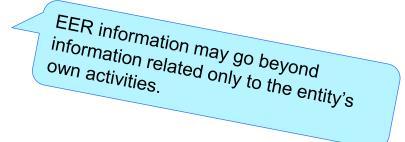# Guidance on Applying ISAE 3000 (Revised) to Extended External Reporting (EER)

Provides practical non-authoritative guidance intended to assist practitioners in performing assurance engagements in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial <mark>on extended external reporting (EER) by entities of all sizes about a broad range of reporting topics.</mark>

What is extended external reporting (EER)...

Extended external reporting encapsulates many different forms of reporting, including, but not limited to, sustainability or environmental, social and governance (ESG) reporting, integrated reporting, reporting on corporate social responsibility, greenhouse gas statements, and service performance reporting in the public sector.

EER may include future-oriented information relating to the matters noted above

EER information may go beyond information related only to the entity's own activities.

What is driving the need for the EER

Organizations are increasingly reporting on their broader performance and impact.

As reporting evolves, there is a corresponding increase in demand for assurance engagements on such new extended types of reporting.

While historically voluntary, this type of reporting and assurance is increasingly mandated by law or regulation. Investors and other decision makers need a broader base of information to inform capital allocation and other decisions, including an expectation that reported information is reliable.

Circumstances Commonly Encountered in Relation to EER Assurance Engagements

- EER information may address diverse underlying subject matter(s), or aspects of the subject matter which may be complex and may have diverse characteristics that range from objective to subjective historical to future-oriented, or a combination, and may include both financial and non-financial information.

Overview of EER assurance engagement under the Standard….

Quality Control (31-36)								
Ethical Requirements (20)								
Competence (31(b)-(c), 32 (a), 39, 52(a), 53)					Chapter 1 *Applying Appropriate Competence and Capabilities*			
Professional Judgment and Professional Skepticism (37-38)					Chapter 2 *Exercising Professional Skepticism and Professional Judgment*			
Conduct of Assurance Engagement	Acceptance and Continuance	Planning (40, 42-43)		Procedures to Obtain Sufficient Appropriate Evidence			Forming the Assurance Conclusion	Preparing the Assurance Report, and Other Communications
		Understanding the Engagement Circumstances and the Likelihood or Risks of Material Misstatement	Design	Performance	Other			
(14-19)	(21-30)	(41, 44 (a), 45, 46 L/R, 47 L/R)	(48 L/R (a))	(48 L/R (b), 49, 50-51)	(52 -63)	(44 (b), 64-66)	(67-70, 71-77, 78)
	⬇	⬇	⬇	⬇	⬇		⬇	⬇
	Chapter 3 *Determining Preconditions and Agreeing the Scope of…*	Chapter 4 *Considering the Entity's Process to Identify Reporting Topics*	Chapter 6 *Considering the Process Used to Prepare, or Internal Control Over the Preparation of…*	Chapter 8 *Obtaining Evidence*				Chapter 12 *Communicating Effectively in the Assurance Report*
		⬇		⬇			⬇	
		Chapter 5 *Determining the Suitability and Availability of Criteria*		Chapter 7 *Using Assertions*			Chapter 9 *Considering the Materiality of Misstatements*	
	Chapter 10 *Addressing Qualitative EER Information* and Chapter 11 *Addressing Future-Oriented EER Information*							
Documentation (79-83)								

Diagram 1 – Relationships Between Stages of Engagement, Standard Requirements, and this Guidance

Stages of the performance of an EER assurance engagement under the Standard 1/5

Applying Appropriate Competence and Capabilities (1)	Guidance provided on the practitioner's competence to perform the EER assurance engagement in accordance with the requirements of the Standard, and to issue an assurance report.
Exercising Professional Skepticism and Professional Judgment (2)	- Provides guidance on the application of professional skepticism; and - Indicates behaviors and skills that may support the exercise of professional skepticism.
Determining Preconditions and Agreeing the Scope of the EER Assurance Engagement (3)	- Establishing whether the preconditions are present; - Agreeing the scope of the engagement; and - Understanding the work effort that may be appropriate in applying the acceptance and continuance requirements.
Considering the Entity's Process to Identify Reporting Topics (4)	Standard provides guidance on the direction as to what is to be reported, how it is to be measured or evaluated, and how it is to be disclosed and presented. This includes criteria for the reporting topics that should be addressed in the EER report.

Determining the Suitability and Availability of Criteria (5)	The standard provides guidance to the practitioner that is relevant during the planning stage of an EER assurance engagement in determining whether the criteria are suitable for the engagement circumstances of the Standard. The guidance also assist the practitioner when considering the suitability and availability of criteria in determining whether the preconditions are present.
Considering the Process Used to Prepare, or Internal Control over the Preparation of, the Subject Matter Information (6)	The standard provides guidance to the practitioner in considering the process used to prepare the subject matter information, or in understanding internal control over the preparation of the subject matter information relevant to the engagement. This guidance is particularly relevant when an entity's process used to prepare the subject matter information and related controls are still being developed, or when that process involves obtaining data or information from external sources.

Stages of the performance of an EER assurance engagement under the Standard 3/5

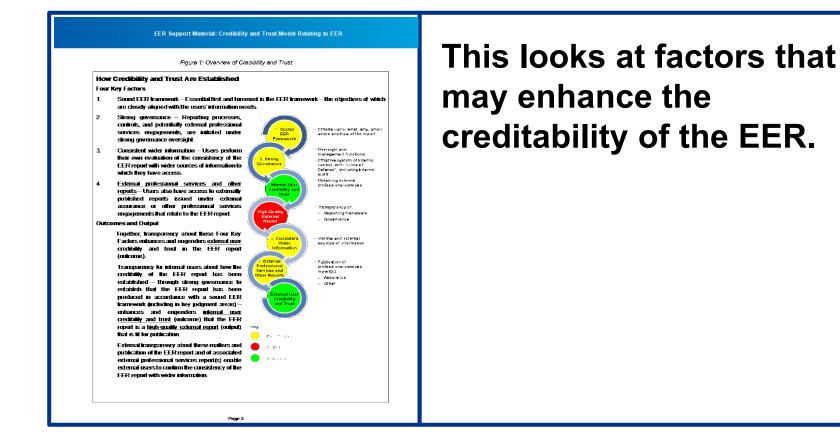| Using Assertions (7)	Provides guidance on what assertions are and how they may be used by a practitioner as a tool to: (a) Consider the different types of potential misstatements that may occur in the subject matter information; and (b) Assist the practitioner in obtaining evidence about whether the subject matter information has been prepared in accordance with the criteria, or whether it is misstated.
Obtaining Evidence (8)	Provides guidance on the requirements of the Standard to obtain evidence. It also sets out considerations for practitioners on what evidence may be needed and available, and considerations when designing and performing procedures, and when evaluating the sufficiency and appropriateness of evidence.

Stages of the performance of an EER assurance engagement under the Standard 4/5

Considering the Materiality of Misstatements (9)	**Focuses on** • **Qualitative and quantitative considerations in identifying misstatements;** • **The practitioner's responsibilities when misstatements are identified during the performance of the EER assurance engagement;** • **How to accumulate misstatements; and** • **Potential considerations for the practitioner when evaluating the materiality of misstatements.**
Addressing Qualitative EER Information (10)	The standard also provides guidance on the nature of qualitative EER information, and on specific considerations in the context of qualitative EER information: (a) In determining suitability of criteria; (b) In obtaining evidence; (c) In evaluating misstatements; (d) When presented alongside other information; and (e) When communicating in the assurance report.

Stages of the performance of an EER assurance engagement under the Standard 5/5

Addressing Future-Oriented EER Information (11)	**Thought process is that qualitative information may be future-oriented or historically-oriented, and future-oriented information may be expressed in either qualitative or quantitative terms. The practitioner may find it helpful to consider the guidance in the standard in addressing the future oriented EER information.**
Communicating Effectively in the Assurance Report (12)	Here the standard provides guidance on how the practitioner may communicate effectively, in the written assurance report that complies with the requirements of the Standard, so that users are able to understand: (a) To whom the assurance report is directed; (b) What has been subject to the EER assurance engagement; (c) How the underlying subject matter has been measured or evaluated; (d) How the EER assurance engagement has been performed; and (e) The assurance conclusion about the subject matter information

This looks at factors that may enhance the creditability of the EER.