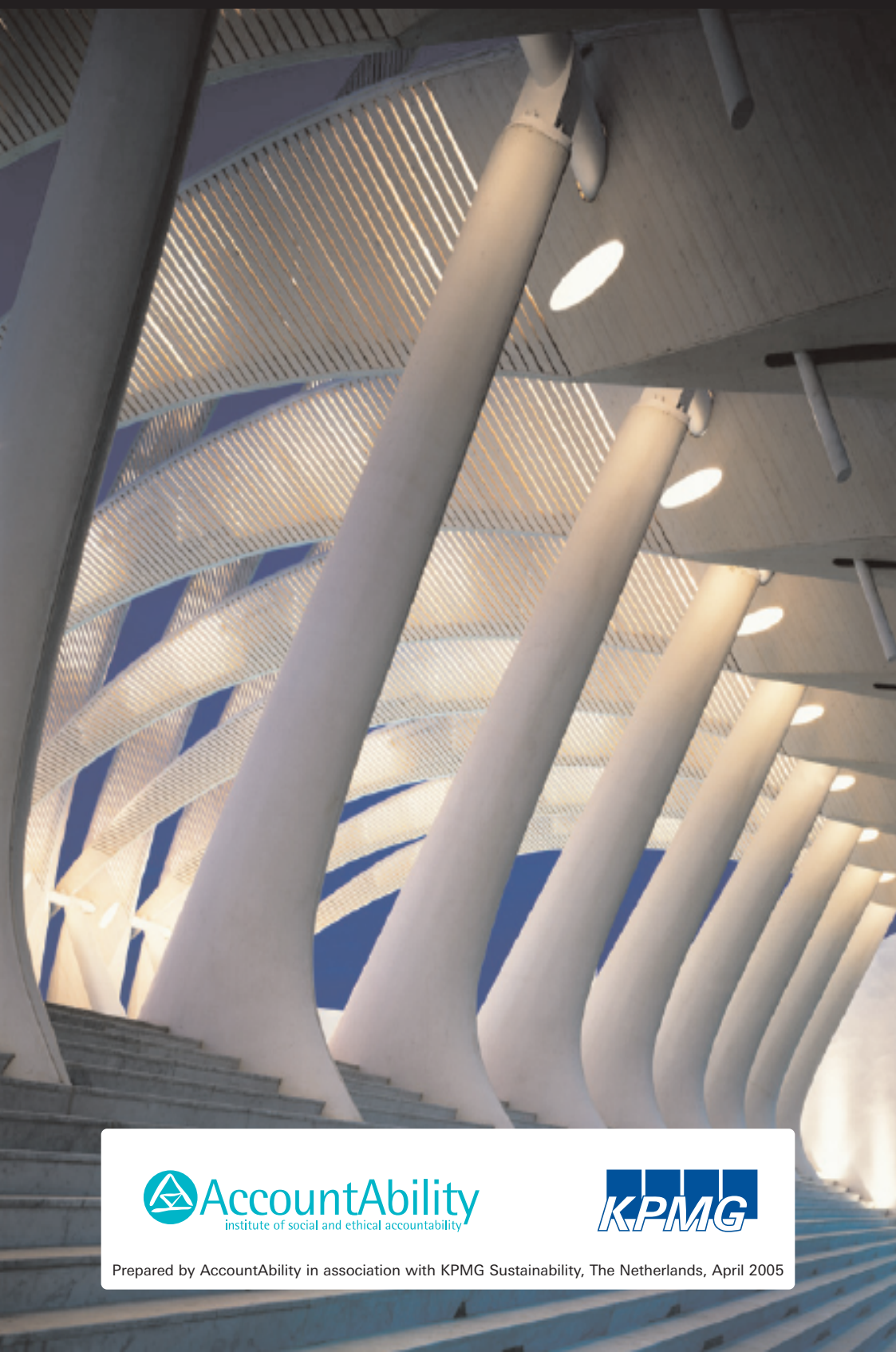


Assurance Standards Briefing

AA1000 Assurance Standard & ISAE3000



Prepared by AccountAbility in association with KPMG Sustainability, The Netherlands, April 2005

AccountAbility and KPMG Sustainability, The Netherlands have partnered for this research project on Assurance Standards, bringing together their respective experience as standards developer and practitioner.

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Executive Summary

Recent years have seen a dramatic growth in the demand for non-financial reporting, both for those concerned with social and environmental aspects of corporate performance and for those using non-financial data as an indicator of underlying risks and likely future financial performance. The need for credibility of such reporting to both internal and external audiences has in turn accelerated the development of relevant assurance frameworks. Globally, two standards, both used by assurance practitioners to provide sustainability assurance but designed to address different objectives, have taken on particular importance. The AA1000 Assurance Standard (AA1000AS) launched in March 2003 by AccountAbility; and the IAASB's International Standard on Assurance Engagements (ISAE3000), which from January 1st 2005 all professional accounting networks have to be compliant with. A number of national (draft) standards have also emerged, in particular in the Netherlands and Australia.

These developments have advanced significant and welcome innovations in assurance, as well as moving the emerging field towards common approaches. But differing language, method, development pathways and institutional sources have also led to confusion on the part of (assurance) practitioners, organisations seeking assurance and, most of all, the ultimate users, those stakeholders that such organisations seek to assure. AccountAbility and KPMG Sustainability B.V. in The Netherlands, in collaborating in the preparation and publication of this report, are seeking to overcome this unhelpful confusion by addressing the core question of whether the two global standards are consistent, complementary or conflicting, and in what ways they offer similar or different value in the assurance process and its impact on the behaviour of the intended users.

The main conclusion from the research is that assurance based on the combined use of AA1000AS and ISAE3000 is likely to deliver enhanced results. This includes the approach, methodology and conclusion, their communication, credibility, and so ultimately the outcome in relation to stakeholder trust and behaviour. This core conclusion is based on several underlying findings:

- AA1000AS and ISAE3000 are technically complementary, and therefore can be applied together in an assurance process. There is no underlying methodological conflict between the two standards. In addition:

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- ❑ *ISAE3000* provides the necessary guidance to help ensure a rigorous assurance approach and procedures that enable the engagement to be undertaken in a systematic and consistent manner in line with professional auditing standards and codes of conduct.
 - ❑ *AA1000AS* provides a concept on responsiveness that places emphasis on driving future performance.
 - ❑ **Assurance based on either AA1000AS or ISAE3000 alone is unlikely to deliver the same results.** Underlying methodological differences, including differences in the objectives of the two standards, lead to differing emphasis in the assurance process, with resulting variations in the results and how they are communicated. In particular:
 - ❑ *ISAE3000* aligns the assurance process to the reporting organisation's definition of the scope (boundary) of the report and the assurance engagement (which may focus on less than the whole report). The (assurance) practitioner is required to address materiality in relation to errors or omissions in the chosen subject matter.
 - ❑ *AA1000AS* aligns the assurance process to the material interests of the organisation's stakeholders, so requiring from the outset that the (assurance) practitioner highlights any omissions or misrepresentations in the report as a whole, which could impact on the intended users' behaviour.

ISAE3000 and AA1000AS have considerable, but very different types of legitimacy. Both have been developed through consultation processes, the former produced from the background of audits of financial statements, the latter drawing on a broader constituency of the professions, the business community and their stakeholders.

Non-financial reporting will continue to grow in importance, driven by demands for improved and more transparent corporate governance arrangements, and growing societal demands that the business community be held to account for its social and environmental impacts.

Scenarios for the future of sustainability and non-financial assurance have recently been developed and published in a joint publication by AccountAbility and the Association of Chartered Certified Accountants. These scenarios, together with the technical comparative analysis detailed in this report, highlight several conditions that need to be fulfilled to secure effective assurance, including:

- **Convergence of financial and non-financial assurance methodology and practice**, thereby supporting both full-scope sustainability reporting, and the reporting and effective management of the material relationships between financial and non-financial performance.
- **Assurance oriented towards, and satisfying, diverse stakeholders**, certainly including intermediaries in the investment value chain, but also by taking account of the material concerns of employees, customers, and communities, many of whom are the real owners of capital through their pension, mutual fund and insurance policies.
- **Convergence of civil and professional credibility of assurance**, including the methods and standards used the origination and stewardship of the standards, and the oversight of (assurance) practitioners and the results of their endeavours.
- **The credibility of (assurance) practitioners in terms of their independence, impartiality and competence**, including, specific technical, process and content competencies relating to sustainability.

The demand for effective sustainability assurance has never been greater, but is currently not being satisfied. Fortunately, the conditions are right for delivering such assurance in the future. Core to this positive transition will be to seek productive convergence between the knowledge and capacities embedded in financial statement audit methodologies, providers and oversight arrangements, with newer assurance models, practitioners and standards bodies, as well as development processes that have emerged over the last decade. This paper is therefore both a contribution towards this process, and a call to strengthen productive collaboration between

the parties to satisfy demands for professional and broadly credible assurance in the future.

Introduction & Background

From disclosure towards Reporting & Assurance

Today, some form of sustainability or social responsibility report is being published by an increasing number of organisations as they respond to external demands to acknowledge impacts broader than their financial responsibilities. An important driver in improving the quality of these reports has been the Sustainability Reporting Guidelines of the **Global Reporting Initiative** (2002), which set out a common framework for sustainability reporting.

As reporting on non-financial performance changed from a short, glowing commentary on an organisation's philanthropic activities embedded in the mid pages of its annual report, or a glossy advertising brochure, into stand-alone sustainability reports, it was accompanied by developments in the needs of the users of the reports.

Concerns about the impact of companies' production processes, labour standards in supply chains and human rights abuses in developing countries could not be assuaged by reports from the organisation i.e. statements formulated by the organisations themselves. As in the financial sphere, information needed to be assured by an independent party. External assurance therefore became an essential part of the process.

This was perceived as increasingly essential in order to secure the quality of management information internally, and to provide credible information

The European Federation of Accountants (FEE) believes that independent assurance is central to building the credibility of sustainability (CSR) reports. In its paper "Call for Action" (2004) it makes a series of recommendations for corporations, standard setters, practitioners, sustainability indexes and NGOs. FEE stresses that urgent action is required if sustainability reporting is to attain the same level of investor recognition as that received by high quality financial reporting.

about performance to external stakeholders. Certain external parties may be concerned with specific aspects of social and environmental performance, while others are interested in the impact of non-financial aspects on financial performance and evaluations.

Assurance has subsequently been on the rise accompanied by the development of associated standards, including those referred to in this paper.

Avoiding ‘death by data’, while at the same time offering up information useful to stakeholders, demands that materiality is defined through engagement with stakeholders.
Zadek & Raynard, 2004

Stakeholders today expect sustainability reports to provide answers to their basic questions – How well is this company doing? What is its impact on people and the planet? How well is it managing its social and environmental, as well as economic, risks? Reports that only tell half the story, or only tell the good stories, don’t project credibility and may be dismissed as window-dressing by the target audience.

In addition, it is vital to ensure that the report is meaningful and valuable in serving the organisation’s own needs in relation to performance improvement. To do this the reporting process needs to be closely linked

“Materiality remains an ever-present issue, as it is in financial auditing. For those involved in sustainability reporting, it is deemed to be the key issue in disclosing relevant and meaningful information to stakeholders, as well as persuading financial markets of the importance and relevance of sustainability management to the overall performance of the company.”
SustainAbility, 2002

to, and aligned with, core business strategy and thus not dislocated from business decisions and core information flows.

Having started with a greater focus on data quality, stakeholders and organisations have recognised that assurance processes need to take a step sideways from assessing the accuracy of the information provided towards the question of whether it is the information that really matters. This necessitates moving towards stakeholder-based materiality in order to handle the complex issues that sustainability raises, alongside the recognised value of assurance to help ensure reliable and comparable data for management and certain user groups.

To satisfy the wide audience for sustainability reports an assurance process also needs to explore the quality of processes such as stakeholder engagement, organisational learning and innovation, as well as the way in which the organisation aligns strategy with key stakeholder expectations.

Today assurance is being increasingly acknowledged as key to underpinning sustainability-related performance and is undertaken by a rapidly

KPMG's international survey of sustainability reporting shows that in 2002 of the 112 GFT250 (Global Fortune) companies that issued a report, 33(29%) had their report independently verified, compared with 19% in 1999. In all, 25% of leading companies' reports were verified, with 65% of those being undertaken by the major accountancy networks. KPMG GSS, 2002

Similarly, research by UNEP and SustainAbility shows that of the top 50 companies globally, only 4% in 1994 had reports assured, which rose to 28% in 1997, 50% in 2000 and 68% in 2002. SustainAbility, 2002

growing number of global corporations directly, through its application by risk management functions internally or indirectly, through (inter)national (assurance) practitioners.

Organisations and stakeholders increasingly recognise the importance of robust (external) assurance not merely a means of improving the credibility of reporting, but also of

raising the effectiveness of related sustainability management/accountability processes and thus ultimately of improving performance.

The Background

Standards bodies have responded to the business community and stakeholders' recognition of the importance of (external) assurance by introducing standards.

From January 1st 2005 all assurance reports issued by professional accounting networks should be in compliance with the IAASB International Framework for Assurance Engagements (The Framework), which also governs the audit of companies' financial statements and the International Standard on Assurance Engagements: *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE3000). A number of other standards have emerged over the last two years that also provide guidance on the assurance of sustainability reporting and associated processes, notably the AA1000AS, as well as emerging national standards in particular in the Netherlands and Australia (Box 1). It is anticipated that additional standards will emerge over the coming period.

Box 1: Assurance Standards

The **AA1000 Assurance Standard** (AA1000AS) was issued in March 2003 by **AccountAbility** to provide an Assurance Standard that covers the full range of an organisation's disclosure and performance based on the principles of materiality, completeness and responsiveness.

In January 2005, the **International Auditing and Assurance Standards Board** (IAASB) of the International Federation of Accountants (IFAC) published **The Framework and Standard (ISAE3000) for Assurance Engagements**. The Framework defines and describes the elements and objectives of an assurance engagement while ISAE3000 establishes basic principles and essential procedures for undertaking assurance engagements other than audits or reviews of historical financial information.

The Dutch Exposure Draft Standard (RL 3410 MVO) was issued in January 2005 by the **Royal Dutch Institute for Register Accountants (Royal NIVRA)**. It complies with ISAE3000 while drawing on the AA1000AS principles, in particular integrating the concept of stakeholder-based materiality into the overall ISAE framework.

General guidelines on the verification, validation and assurance of environmental and sustainability reports (AS/NZS 5911(Int):2005) published by Standards Australia in March 2005. This standard is not included in the scope of the comparison in this publication as it was a Draft for Public Comment (DR 03422) at the time the analysis was done.

The release of these standards, which are rather different in their approach and result in diverse public statements or reports, has led to some confusion. A number of questions have arisen from those seeking assurance, from (assurance) practitioners and the users of the reports as to the usefulness, applicability and the relationship between the different standards.

Unless these questions are addressed, and the answers lead to a better understanding of the similarities and differences between the standards, the future may be one where a profusion of competing standards ultimately undermines the credibility of sustainability assurance. More optimistically, however, the existing pool of standards could be conceived as a rich foundation upon which the entire field could advance with combined strengths.

The Research

AccountAbility and KPMG Sustainability B.V. in The Netherlands have partnered for this research project on Assurance Standards bringing together their respective experience as standards developer and practitioner. Within this report AccountAbility and KPMG Sustainability offer initial views and conclusions for further discussion on three key questions:

- **What are the main differences between ISAE3000 and AA1000AS?**
- **How can ISAE3000 and AA1000AS be incorporated in practice?**
- **Why use more than one standard?**

This paper is a further step in an ongoing effort to promote harmonisation in the field of sustainability assurance.

The *first two chapters* outline the main differences between the two current international standards in this area – The AA1000AS and ISAE3000 – and how they can be applied together in practice.

In the following chapter the report discusses why using more than one standard adds value and how this can be achieved within a single assurance process introducing the Dutch Exposure Draft Standard (RL 3410 MVO).

Appendix I provides a brief comparison of the three Assurance Standards and highlights some of the challenges involved in using them together.

What are the main differences between ISAE3000 & AA1000AS?

Although both ISAE3000 and the AA1000AS are used by assurance practitioners to provide sustainability assurance, they were designed to address different objectives.

ISAE3000 is a generic standard for any assurance engagement other than audits or reviews of historic financial information. The object of the engagement is agreed between the (assurance) practitioner and client and might include for example assuring:

- **non-financial performance or conditions** e.g. performance of an entity (subject matter: key indicators of efficiency and effectiveness);
- **physical characteristics** e.g. the capacity of a facility (subject matter: a specifications document);
- **systems and processes** e.g. an entity's internal control or IT system (subject matter: an assertion about effectiveness); or
- **behaviour** e.g. corporate governance, compliance with regulation, human resource practices (subject matter: a statement of compliance or effectiveness).

The AA1000AS is specifically designed for assuring *“the quality of an organisation’s sustainability reporting and the processes, systems and competencies which underlie the full range of organisational performance.”*

The AA1000AS asks (assurance) practitioners to assess the reporting organisation on the basis of three principles:

- **Materiality** of information provided to enable stakeholders to take informed decisions.
- **Completeness** in identifying, understanding and managing impacts through robust systems and processes (including stakeholder engagement processes).
- **Responsiveness** to stakeholder concerns and communication of any plans to address them adequately in a timely manner.

The two standards therefore differ in their approach to the “*scope*” (of the *subject matter*) and “*materiality*” (consideration of what may constitute a *material error or omission in the report, or in the selected subject matter*). ISAE3000 requires (assurance) practitioners to agree the subject matter of the assurance engagement with the reporting organisation at the outset, and to apply considerations of materiality (as well as relevance and completeness) in relation to this predetermined scope. Responsibility for ensuring that the report “as a whole” fulfils the needs of intended users, and determining ‘criteria’ to assess performance lies largely with the reporting organisation, and is assessed by the (assurance) practitioner, using their professional judgement. The AA1000AS takes an open-scope approach determined by stakeholder-based materiality. It defines stakeholders as individuals and groups that affect and/or are affected by the organisation and asks (assurance) practitioners to assess the quality of the organisation’s engagement with these stakeholders and the robustness of its decision-making processes regarding “stakeholder-based” materiality. Based on this, it asks (assurance) practitioners to assess whether the evidence shows that the issues reported include all those that are of material interest to stakeholders and an adequate response has been provided.

A comparison is provided in Table 1.

Table 1: Comparing ISAE3000 and the AA1000 Assurance Standard

	ISAE3000	AA1000AS
Materiality, scope and criteria	<i>Note: The use and interpretation of the terms “materiality” and “criteria” differ within ISAE3000 and AA1000AS user communities as well as between these communities.</i>	
	<p>Based on an assessment of factors that might influence the decisions of the intended user groups of the information (who must first be defined, and may be fewer than the organisation’s stakeholders).</p> <p>The subject matter (scope) is predetermined. Responsibility for ensuring that the assured information fulfils the needs of intended users, and determining ‘suitable criteria’ (relevant to the needs of intended users of the information) to assess performance, lies largely with the reporting organisation.</p> <p>The (assurance) practitioner uses considerations of materiality (including an assessment of identified user needs) while assessing the conformity of the reported information with the criteria.</p>	<p>Based on assessment of whether information is sufficient for stakeholders (broadly defined) to make informed judgements. Scope is defined in relation to financial considerations, regulations and standards, organisational policies, peer based norms and stakeholder behaviour.</p> <p>Advocates an open scope approach. An organisation should determine the scope and criteria based on its stakeholder engagement process; i.e. stakeholder-based materiality.</p> <p>The (assurance) practitioner assesses the quality of the organisation’s engagement with the stakeholders and the robustness of its decision-making processes regarding scope (material issues) and reporting criteria.</p>
Level of Assurance	<p>Reduce the risk of errors or omissions in the assured information to an acceptable level by choosing between a “reasonable assurance engagement” (risk reduced to a low level) and a “limited assurance engagement” (risk reduced to a moderate level) or a combination of these for different information. The choice determines the amount/depth of work, which the (assurance) practitioner undertakes.</p>	<p>Level of assurance can be varied (sliding scale) for different issues within a single engagement and is related to the maturity of the issue in the organisation (e.g. the availability of data and the status of the management systems).</p>

Table 1: Comparing ISAE3000 and the AA1000 Assurance Standard

	ISAE3000	AA1000AS
Completeness and Responsiveness	Provide assurance on the completeness and accuracy of the reported (assured) information, in relation to the reporting criteria , in the given time period only.	Evaluate the appropriateness and quality of response (targets, goals and commitments) vis-a-vis stakeholder expectations, policies and relevant standards and the extent to which the engaging party can understand and manage material aspects of its sustainability performance in the future.
Public statement/ report	Public statement/report provides a conclusion with reasonable assurance (expressed in a positive form) or limited assurance (expressed in a negative form) on whether the subject matter is, for example, “reliable” or “fairly stated” . Separate commentary and recommendations, including on issues outside the assurance scope are possible but must not conflict with the conclusion.	Public statement/report provides an extensive description of findings as to the quality of the report, underlying management systems/ accountability processes and competencies .
Independence and impartiality	The (assurance) practitioner must comply with the requirements of Parts A and B of the IFAC Code of Ethics for Professional Accountants, to ensure integrity, independence and objectivity, and confidentiality .	The (assurance) practitioner must make information publicly available about its independence from the Reporting Organisation and impartiality toward stakeholders .
Competencies of the (assurance) practitioner	The (assurance) practitioner must ensure that the engagement team possesses the necessary professional competencies (including relevant specialist knowledge and skills) to assess the subject matter .	The (assurance) practitioner is required to make information publicly available on its own competencies – this forms part of the Public statement/ report.

How can ISAE3000 and AA1000AS be incorporated in practice?

Both ISAE3000 and AA1000AS set out principles and guidelines that can be applied in the field of sustainability assurance.

ISAE3000 provides a framework in which accounting professionals can deliver sustainability assurance on (selected) information (or assertions) reported by the client and, in so doing, applies the principles of **materiality, completeness and responsiveness** to the pre-determined “**subject matter**” (scope).

ISAE3000 provides (assurance) practitioners with additional procedural requirements including:

- Terms of assurance engagement,
- Assurance engagement acceptance,
- Planning and performing the engagement,
- Ethical requirements,
- Quality control standards,
- Criteria for the engagement,
- Obtaining evidence,
- Using the work of experts,
- Structure and wording of the assurance report/statement.

AA1000AS meanwhile requires that the (assurance) practitioner considers whether the principles of **materiality, completeness and responsiveness** have been addressed by the reporting organisation in its **choice** of information to disclose (subject matter), and report their findings on these principles in detail.

The two approaches are complementary. For example, ISAE3000 requires that where there are no established ‘suitable criteria’ they should be specifically developed and that the (assurance) practitioner should attempt “*to have the intended users or engaging party acknowledge that specifically developed criteria are suitable for the intended users’ purposes*”. The AA1000AS stakeholder-based materiality approach provides more guidance on how to do this through a five-part materiality test, which considers compliance requirements, policy commitments, peer-based norms, stakeholders’ information needs, and stakeholder views and perceptions.

ISAE3000 therefore provides rigorous procedural guidance for undertaking an assurance engagement, as outlined above, whereas in AA1000AS the emphasis lies on the relevance of the reported information for stakeholders. AA1000AS goes further in requiring that stakeholders be involved in determining the ‘subject matter’ as well as ‘suitable criteria’ for the report and the assurance engagement.

This is one key area where there has been concern about a potential conflict with ISAE3000, in which the (choice of) information to report is largely the responsibility of the reporting organisation, and the object of the assurance engagement (which may be less than the whole report) is agreed at the outset of the engagement. An assurance process with a stakeholder-defined scope may highlight contested and emerging issues which fall either outside the scope (boundary) of the report or outside the scope of the assurance engagement (if this is less than the whole report). However, the IAASB Framework does state (in section 29). “Whenever practical, intended users or their representatives are involved with the (assurance) practitioner and the responsible party (and the engaging party if different) in determining the requirements of the engagement”. There is, therefore, an implicit requirement for stakeholder engagement in this process.

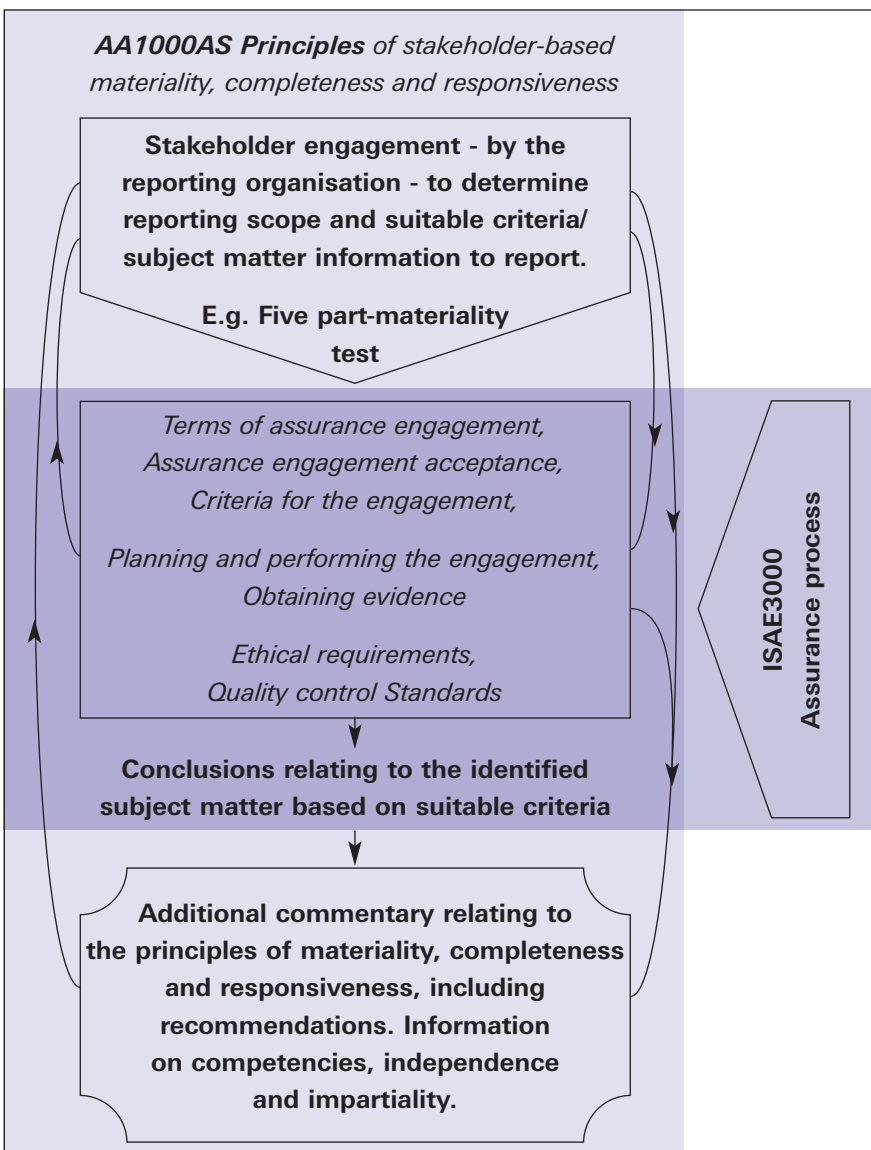
ISAE3000 allows ‘reasonable’ or ‘limited’ assurance to be applied to different areas of performance within a single assurance engagement.

The concluding paragraph of an ISAE3000 ‘reasonable’ or ‘limited’ public statement/ report is often in contrast to the conclusions in the public statement/reports issued by (assurance) practitioners using the AA1000AS. In the former the (assurance) practitioner concludes on whether the pre-determined subject matter is “fairly stated” while in the latter the (assurance) practitioner is required to make a statement concerning the adherence of the organisation’s report to the three principles (of materiality, completeness, and responsiveness). However, the ISAE Standard does allow the inclusion of “additional comments” in the public statement/report, provided they are “*separate, and not contradict[ing] the conclusions*”. Not only, but especially where the object (subject matter) of the assurance engagement (and therefore the conclusions in the statement) is less than the whole report, it would be feasible for (assurance) practitioners to report on compliance with the AA1000AS principles under

“additional comments” together with related recommendations and information on competencies, independence and impartiality.

This relationship is shown in Figure 1 below.

Figure 1: One example of how AA1000AS & ISAE3000 could work together in an assurance engagement



Why use more than one standard?

Having started out with a greater focus on “counting” i.e. data quality, assurance has quickly moved on to the concept of “accountability”. This is a more complex notion focusing on the contract an organisation has with society, and applying stakeholder-based materiality in order to handle the difficult issues that sustainability raises. While the value of assurance to ensure reliable and comparable data for management and certain user groups still remains, today’s assurance process needs to go beyond assessment of accuracy to explore the quality of processes such as stakeholder engagement, and organisational learning and innovation, as well as the way in which the organisation aligns strategy with key stakeholder expectations.

Today (assurance) practitioners often face tensions between the demands of their clients and the intended users of a report who all have a slightly different picture of sustainable development and subsequently the expectations of assurance based on their position and role in society. These may result from the differing needs of management and other stakeholders regarding what constitutes useful, accurate and comparable information for decision-making, and may be compounded by the availability of evidence and limitations in resources.

Assurance Standards meet these needs in different ways:

- **ISAE3000** provides rigorous procedures for assessing the reliability, comparability and consistency of information (subject matter).
- **AA1000AS** provides principles that enable these procedural guidelines to be applied to the assurance of sustainability performance, in order to assess whether the organisation is aware, understands and addresses all material issues and is responsive to stakeholders.
- The **Dutch Exposure Draft Standard RL 3410 MVO** is designed to build a bridge between thorough accounting practices and the contract an (assurance) practitioner has with society, drawing on ISAE3000, AA1000AS and the Global Reporting Initiative (GRI) Sustainability reporting Guidelines.

In terms of the two international Assurance Standards discussed in this comparison, it could be argued that an assurance process based on the three AA1000AS principles (alone) would score well in responding to stakeholders concerns/expectations but may not score as highly on (data) accuracy. Here the use of ISAE3000 with its greater focus on the reliability of information based on identified reporting criteria can be beneficial as it provides rigorous procedures for evidence gathering and the related level of assurance. Conversely a rigorous technical assurance process (for example on specific data) performed according to ISAE3000 may not assure users who need a “bigger picture” of past and expected future performance.

Having started with this comparison of standards, KPMG Sustainability and AccountAbility are committed to continue this discussion and extend their research, leading to the publication of a second paper, which will examine the practical implications of using ISAE3000 and AA1000AS together to provide a value-adding and more robust assurance process. Part of this process will be to explore further the different interpretations of the concepts of (reporting) criteria and materiality and how these can be linked to the information needs of specific user groups to contribute to the efficiency and value of the assurance process.

Conclusion

The main conclusion from the research is that assurance based on the combined use of AA1000AS and ISAE3000 is likely to deliver enhanced results. This includes the approach, methodology and conclusion, their communication, credibility, and so ultimately the outcome in relation to stakeholder trust and behaviour. This core conclusion is based on several underlying findings:

- ❑ **AA1000AS and ISAE3000 are technically complementary, and therefore can be applied together in an assurance process.** There is no underlying methodological conflict between the two standards. In addition:
 - ❑ *ISAE3000* provides the necessary guidance to ensure a rigorous assurance approach and procedures that enable the engagement to be undertaken in a systematic and consistent manner in line with professional auditing standards and codes of conduct.
 - ❑ *AA1000AS* provides a concept of responsiveness that places emphasis on driving future performance.
- ❑ **Assurance based on either AA1000AS or ISAE3000 alone is unlikely to deliver the same results.** Underlying methodological differences, including differences in the objectives of the two standards, lead to differing emphasis in the assurance process, with resulting variations in the results and how they are communicated. In particular:
 - ❑ *ISAE3000* aligns the assurance process to the reporting organisation's definition of the scope (boundary) of the report and the assurance engagement (which may focus on less than the whole report). The (assurance) practitioner is required to address materiality in relation to errors or omissions in the chosen subject matter.
 - ❑ *AA1000AS* aligns the assurance process to the material interests of the organisation's stakeholders, so requiring from the outset that the (assurance) practitioner highlights any omissions or misrepresentations in the report

as a whole, which could impact on the intended users' behaviour.

The two international standards – AA1000AS and ISAE3000 – are therefore not in conflict and are not substitutes, but rather complementary in terms of providing a comprehensive and robust assurance process which should satisfy the needs of both management and other stakeholders.

Appendix 1 - Gap analysis (per element)

Legend - key

- + Complementary additional guidance or requirements compared to the other (draft) standards
- ! Challenges where there could be a potential conflict with another (draft) standard
- ≈ Lacking element, which is dealt with by reference to another (draft) standard

- *[] Reference to another (draft) standard that encompasses a similar feature
- Lacking an element other (draft) standards advocate or guidance they provide
- (\$) Location within the (draft) standard (paragraph number)

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Responsible body	Varying from a standard body providing guidance for accountants, to a national standards body and one based on a multi-stakeholder consultation process.		
	IAASB: International Auditing and Assurance Standards Board (International Body providing guidance for accountants)	AccountAbility	NIVRA: Royal Dutch Institute for Register Accountants (National Body providing guidance for accountants)
Status	Adopted December 2003	Issued March 2003	Issued February 2005
Geographical coverage	International	International	National
Mandatory	Yes	No	Yes
	Must be used by Accounting networks starting 2005		Must be used by Accounting networks starting 2005
Can be used by	ALL (assurance) practitioners (for guidance)		
	Target group is accounting networks	+ designed to help organisations develop their accountability management processes, which can inform decisions on disclosures, and provides guidance on internal assurance	Target group is accounting networks
Assurance team/ using the work of an expert	All three: the (assurance) practitioner must ensure that the necessary skills and knowledge for the assignment are available		
	+ advocates that the need for experts should be considered and they must be supervised if engaged. (ISAE3000 §12) <i>*Dutch Exposure Draft Standard</i> + provide guidance on using the work of an expert (§20, 26-32)	- doesn't provide guidance on the work in multidisciplinary teams, though AA1000AS was designed for experts. Related papers pick up on the issue – such as the established Certified Sustainability Assurance Practitioner Program.	+ advocates multidisciplinary teams and provides requirements & Models how to work together and further guidance. (§7, 51-70) <i>*[IAASB Standards]</i> + uses “practitioner team” throughout implying the importance given. (references separate Draft Standard RL3010 on this specific subject)
Basis	Accounting practice	“Accountability for sustainable development” process principles (covering non-financial and financial issues) that embrace other frameworks including specialised standards.	Accounting practice (ISAE3000), AA1000AS and GRI

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Type of Standard	Independent (third party) Assurance Engagements		
Subject Matter	<p>+ provides guidance on “understanding the subject matter” (ISAE3000 §18, framework §17, §31, §33)</p> <p>≈ lists 5 examples including systems, reports and behaviour.(framework §31) <i>*/AA1000AS/</i></p>	<p>+ specifically refers to reports and systems, processes & competencies (§2.2) <i>*/IAASB Standards/</i></p>	<p>+ advocates minimum requirements for the sustainability report. (§9)</p> <p>- the organisation is responsible for determining the content of the sustainability report. (§9)</p> <p>- subject matter of the assurance engagement may be pre-determined (by the organisation) and is restricted to reports (on the organisation’s performance) (§1)</p>
	<i>! The Dutch Exposure Draft Standard can only be used for reporting whereas the IAASB Standards and the AA1000AS go beyond reporting to providing assurance on systems, behaviour etc.</i>		
Ethical Requirements and quality control	<p>+ advocates quality control and references detailed guidance. (§4)</p> <p>+ includes a code comprising of fundamental ethical requirements. (§5-6)</p>	<p>≈ does not list requirements, though the Standard advocates that a (assurance) practitioner be prepared to disclose independence, impartiality and competence. (§7.2-7.4) (Also refer to Certified Sustainability Assurance Practitioner Program)</p> <p>- does not specifically refer to quality control, although it is designed to be consistent with other related standards.</p>	<p>≈ refers to ISAE Framework and ISAE 3000. (§16, §51 - §55) <i>*/IAASB Standards/</i></p>
Engagement acceptance	<p>+ provides guidance including rational purpose, independence, competencies, sufficiency of reporting criteria, audit level, information inclusion in the public statement, access to information, management involvement etc. (ISAE §7-9) <i>*/Dutch Exposure Draft Standard/</i></p> <p>+ provides information on the possible formulation of a non-assurance engagement if the requirements for assurance engagements under (framework) §17 haven’t been met (framework §15, §17 – 19)</p>	<p>- does not specifically refer to engagement acceptance although the Standard is designed to be consistent with other related standards. Advocates disclosure, independence and impartiality and refers to the need to agree on the level and criteria for the engagement. (§7.1-7.5)</p>	<p>+ advocates checking an organisation’s documentation system prior to the engagement. (§16)</p> <p>+ includes a clause allowing a limited audit engagement for certain elements of sustainability and examples that could lead to acceptance. (§17-19)</p> <p>+ includes guidance on the combined use of audit and review for different elements in one engagement. (§14)</p> <p>+ provides a clause on the detection of fraud and how to handle/manage it. (12).</p> <p>≈ provides guidance & reference to IAASB Standards. (§16-24) <i>*/IAASB Standards/</i></p>

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Agreeing the terms of the engagement	<ul style="list-style-type: none"> + provides guidance including criteria & level of assurance (\$10-11) <i>*[Dutch Exposure Draft Standard]</i> + recognises that legislative mandates may fulfil the requirement, though advocates formulation of engagement letter. (\$10) 	<ul style="list-style-type: none"> - does not specifically refer to Terms of the Engagement, although the Standard is designed to be consistent with other related standards and refers to the need to agree on the level and criteria for the engagement. (\$4.1. \$ 4.2) 	<ul style="list-style-type: none"> ≈ provides guidance & reference to IAASB Standards. (\$16-24) <i>*[IAASB Standards]</i>
Planning and performing the engagement	All three refer to the need to undertake a review of interested parties and their respective information needs and expectations.		
	<ul style="list-style-type: none"> + provides guidance (ISAE3000 \$12-17) <i>*[Dutch Exposure Draft Standard]</i> 	<ul style="list-style-type: none"> - doesn't specifically refer to planning and performing the assurance engagement, although the Standard is designed to be consistent with other related standards and refers to the need to agree on the level of assurance and criteria for the engagement. (\$4.1. \$ 4.2) 	<ul style="list-style-type: none"> + provides guidance. (\$37-45 Responsibilities and \$71-119) <i>*[IAASB Standards]</i> + advocates that the (assurance) practitioner connect with the respective auditor of the financial accounts. (\$84) + provides principles & guidance on working with an internal auditor. (€117-119) + provides guidance on multi-location investigation in obtaining additional evidence. (\$109-116) + provides guidance on planning and performing an assurance engagement, including a summary of laws, rules, codes of conduct & standards that are in place.
Stakeholder Engagement.	<i>! All three imply that organisations should have stakeholder engagement processes in place, though the AA1000AS advocates that the (assurance) practitioner should assess and report on the quality of organisations' stakeholder engagement & robustness of its decision-making processes regarding materiality.</i>		
Management representation	<ul style="list-style-type: none"> + Yes. Requirement to obtain written representation from the responsible party (\$ 38) 	<ul style="list-style-type: none"> - not explicit 	<ul style="list-style-type: none"> + Yes + provides specific guidance on the respective responsibilities of the management in relation to a (sustainability) report & the assurance process. (\$37-45 - general, \$50 -criteria, \$29 - materiality, \$117 -evidence) and an example of a representation letter (\$ Appendix 5)
Documentation	<ul style="list-style-type: none"> + provides guidance (ISAE3000 \$42-44) <i>* [Dutch Exposure Draft Standard]</i> 	<ul style="list-style-type: none"> - does not specifically refer to documentation, although the Standard is designed to be consistent with other related standards 	<ul style="list-style-type: none"> ≈ refers to documentation in the chapters on assurance acceptance & agreement (\$16-24), planning & performing an engagement (\$71-119) <i>*[IAASB Standards]</i>

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Criteria	<p>All three refer to the need to disclose the (reporting) criteria and consider their suitability. The IAASB Framework and IASE3000 Standard, the Dutch Standard and AA1000AS explicitly advocate stating publicly whether they are suitable/ appropriate or if there are limitations.</p>		
	<ul style="list-style-type: none"> + advocates inclusion of any limitations in criteria in the public statement/ report + provides guidance including detailed requirements (framework, §34-38, ISAE3000 §19-21 - Assessing the Suitability of the Criteria) <i>*/Dutch Exposure Draft Standard</i> - advocate that (assurance) practitioner bases assessment on professional judgement (§17, 47-49), although the Standards state whenever practical intended users or their representatives should be involved in determining the requirements of the engagement (framework §29). 	<ul style="list-style-type: none"> + Scope is defined in relation to financial considerations, regulations and standards, organisational policies, peer based norms and stakeholder behaviour. (4.2) + advocates an open scope approach determined by stakeholder based materiality. (§4.2) + advocates inclusion of agreed criteria used for the assurance process. (§6) 	<ul style="list-style-type: none"> + guidance on review and reference to IAASB Standards. <i>*/IAASB Standards</i> + advocates inclusion of limitations in the public statement/ report (§129) + emphasises that management must provide & explain reporting criteria. (§50) + advocates that the (assurance) practitioner should evaluate whether the notes and other disclosures given by the reporting organisation are sufficiently comprehensive and clear for the intended groups of stakeholders. The (assurance) practitioner should consider inserting a separate sentence in the public statement/ report on adequacy of the criteria and any limitations he/she believes still exist. (§48) - states that it is the responsibility of the management of the reporting organisation to determine the actual content of the report and to make criteria available (§9), however, the draft Standard also advocates that, where necessary, supplementary to the reporting criteria applied, the (assurance) practitioner should independently set certain minimum requirements for the content of the report. This is particularly important if the minimum requirements are not yet fully incorporated into the criteria (also see next element – materiality/ scope).
	<p><i>! All three have an implicit requirement for involvement of intended users (which may/may not match the stakeholder map of an organisation); the AA1000AS however, advocates that stakeholder engagement has to be in place in the reporting organisation and that outcomes and an independent assessment of the process shall inform the development of suitable criteria.</i></p>		

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Materiality and scope	There are two dimensions (levels) of materiality – reporting materiality i.e. the relevance/importance to intended users, and audit tolerance. (Also refer to next section on engagement risk). Scope refers to the subject matter covered by the assurance engagement.		
	<ul style="list-style-type: none"> - advocates that the (assurance) practitioner bases assessment of materiality (audit tolerance) on professional judgement (framework \$17, 47-49), although the Standards state that, whenever practical, intended users or their representatives should be involved in determining the requirements of the engagement (framework \$29). - allows engagement scope to be reduced to certain elements of the report, although the Standard refers to the importance of considering intended users' requirements and expectations– see above. (framework \$29, ISAE3000 \$18) 	<ul style="list-style-type: none"> + provides a definition on materiality wider/ broader than in the financial (auditing/ accounting) sense (\$4.2) <i>*[Dutch Exposure Draft Standard]</i> + Open-scope, determined by stakeholder-based materiality (\$4.2) + advocates that material omissions and misrepresentations not included in the report should be included in the public statement/ report (so that no scope limitation set by the company applies). (\$4.2) 	<ul style="list-style-type: none"> + provides a definition on 'reporting' materiality(\$26-33) and advocates that intended groups of stakeholders and their information requirements should be taken into account(\$7) + advocates that the management should be involved (process adopted by the management when deciding on reporting materiality) (\$29)] + advocates minimum requirements to be included in the sustainability report. (\$9) – though -see below - it remains the responsibility of management to determine the actual content of the report. (\$9) – however, RL 3410 MVO sets minimum requirements in terms of target audience. - allows engagement scope to be reduced to certain elements of the report and therefore to omit such elements from the engagement entirely, but lists conditions for acceptance (\$17-19), and requests a public statement on scope (§126) and elements that have been omitted. Refers to the need to determine the justified information requirements of intended group or stakeholders (\$27, \$25-32) – [see first bullet], and the (assurance) practitioner should always take a critical look at the elements that are entirely outside the scope of the engagement. (\$19)
	<p><i>! There is a challenge around engagement 'scope' and its relationship with reporting materiality and the need to identify all material issues and/or disclose all omissions i.e. an open scope approach, in order to fulfil the contract with society:</i></p> <p><i>! All three have an implicit requirement for involvement of intended users (which may or may not match the stakeholders map of an organisation); AA1000AS advocates that stakeholder engagement has to be in place in the reporting organisation and that outcomes and an independent assessment of the process shall inform the decision on the scope of the report – still advocating an open scope regarding findings.</i></p>		

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Materiality and Engagement risk (Level of assurance)	<p>+ provides guidance on engagement risk (framework \$11, \$48-55)</p> <p>+ advocates that the (assurance) practitioner should not disregard evidence obtained prior to the agreement of changing the engagement from audit to review level. (framework \$11) <i>*/AA1000AS]</i></p>	<p>+ allows the level of assurance to vary (sliding scale) for different issues within a single engagement. This is done to allow assurance on issues identified through stakeholder-based materiality (open scope) including those that are just emerging and where no systems or processes on part of the organisation are in place yet. <i>*/[Dutch Exposure Draft Standard]</i></p> <p>+ advocates that if the level of assurance changes as the (assurance) practitioner carries out its work, this should be then communicated to stakeholders to enable them to understand the degree of credibility they should attach to the assurance.</p>	<p>+ provides guidance on audit tolerance (\$34-36) - including next 3 bullets</p> <p>+ states that the audit tolerance has to be in place in the broader context of reporting materiality. (\$35)</p> <p>+ includes guidance on granting a limited assurance engagement for certain elements, and conditions for acceptance. (\$17-19)</p> <p>+ provides guidance on combined use of audit and review in one engagement. (\$14)</p> <p>+ follows IAASB Standards regarding not to disregard evidence obtained prior to the agreement of changing the engagement from audit to review level and change of level of assurance requested by the reporting organisation during an engagement.</p>
<p><i>! There is a potential conflict as the IAASB Standards, Dutch Exposure Draft Standard and AA1000AS mean different things when referring to level of assurance:</i></p>			
<p><i>The IAASB Standards and Dutch Exposure Draft Standard refer to level of assurance in relation to the amount of work undertaken and the potential risk of errors or omissions still remaining in the assured information. AA1000AS uses level in relation to the maturity of the systems, processes etc. in the organisation associated with the issue in question.</i></p>			
Completeness	<p>+ completeness; i.e. a complete picture is an accepted accounting principle in relation to the information covered by the engagement scope.</p> <p>- allows scope to be reduced to certain elements of the report, although refers to the importance of considering intended users' requirements and expectations – see above. (framework \$29, ISAE3000 \$18) (see above – materiality/ scope).</p>	<p>+ completeness in the sense of providing a complete picture is covered by the combination of the process (interlocked) principles of materiality and completeness. (\$4.2 – 4.3)</p> <p>+ provides a paragraph on completeness, which requires an organisation to have systems in place in order to understand its business (enabling it to develop meaningful indicators to manage its material issues) as well as provide a complete picture of its impacts and performance. (\$4.3)</p>	<p>+ provides a paragraph on completeness, which indicates that a complete picture has to be provided. (\$20)</p> <p>≈ requires consideration of reported information outside the defined engagement scope</p> <p>≈ Findings could be limited by the fact that the reporting organisation is responsible for determining the content of the report, and the possibility to limit engagement scope (see above – materiality/ scope).</p> <p>≈ addresses the need to identify the intended parties and understand the entity prior to the engagement etc.</p>
<p><i>! There is a different understanding of completeness. All three cover the principle of providing a complete picture in the report.</i></p>			
<p><i>AA1000AS introduces an additional dimension, which refers to embeddedness i.e. the ability of an organisation to fully understand its impacts and have systems in place to identify, measure and manage these. It requires the (assurance) practitioner to assess to what extent the engaging party understands its impacts and the extent to which robust systems and processes are in place.</i></p>			
<p><i>The meaning of completeness - as used in the IAASB Standards and the Dutch Exposure Draft Standard, in the sense of providing a complete picture and the completeness of the information covered by the engagement. AA1000AS advocates an open scope approach and does not allow for the scope to be reduced to certain elements of the report.</i></p>			

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Responsiveness - Historical v. future	+ focuses on historical performance information (given time period). - no assurance on future performance.	+ advocates that the (assurance) practitioner shall not only assess if the organisation provides an adequate response but assess the ability of an organisation to respond to future challenges and whether resources including competencies are allocated. (§4.4)	+ focuses on historical performance information - no assurance on future performance.
	<i>! The IAASB Standards and the Dutch Exposure Draft Standard mostly focus on responsiveness regarding the past, until the day of the public statement/ report i.e. they do not provide assurance on future performance. There is a challenge in taking performance consideration into the future.</i>		
Consideration of subsequent events	+ provides guidance (ISAE3000 §41) on dealing with events between the end of the reporting period and the date of the assurance report	- does not specifically refer to subsequent events, although the Standard is designed to be consistent with other related standards	+ provides guidance (§137)
Obtaining evidence	All three refer to the need to engage with parties independent from the engaging party in order to obtain evidence that the information provided is sufficient, accurate and relevant. AA1000AS advocates that evidence gathering should also be undertaken in relation to the assessment of whether all material issues are included in the report (Reporting materiality).		
	+ provides guidance on techniques and how to obtain evidence. (framework §42-46) <i>*[Dutch Exposure Draft Standard]</i> + advocates that expense constraints are not in themselves a valid basis for omitting an evidence-gathering procedure for which there is no alternative. (framework §46) + if the organisation restricts the scope of the (assurance) practitioner's work (evidence gathering) an unqualified opinion is not appropriate. (framework §55) + states that evidence is more reliable when it is obtained from independent sources outside the entity. (framework §43)	+ advocates an open scope approach, hence evidence gathering includes obtaining evidence on reporting materiality (relevance). - refers to evidence but does not provide detailed guidance on how to obtain it, although the Standard is designed to be consistent with other related standards.	+ provides guidance on techniques and how to obtain evidence (throughout the Standard, §117 -119) <i>*[IAASB Standards]</i> + provides guidance on multi-location investigations and obtaining additional evidence. (§109-116) + if the organisation restricts evidence gathering, this leads to a qualified conclusion. <i>*[IAASB Standards]</i> + emphasises the involvement of management in the evidence gathering and to raise their awareness. (§117) + advocates the use of an independent media search to identify (relevant) issues (§ 108)

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
<p>Preparing the Public Statement/ report</p> <p>Findings</p>	<p>All three allow for the inclusion of issues/findings outside the scope of the report/engagement. In the IAASB Standards and Dutch Exposure Draft Standard this commentary must be separate from, and not compromise, conclusions on the agreed scope.</p>		
	<p>+ advocates that if a (assurance) practitioner is unable to obtain sufficient appropriate audit evidence, they should express a qualified conclusion. (framework \$55, \$60, ISAE \$49, \$51-53) In this case the assurance report should contain a clear description of all the reasons. <i>*[Dutch Exposure Draft Standard]</i></p> <p>+ advocates that oral and other forms of expressing conclusions should always be supported by a written report, as it can be misunderstood without</p> <p>≈ does not specifically advocate reporting findings and recommendations outside the agreed scope, though the Standard refers to professional scepticism – framework \$40-41. Any commentary must be separate from, and not compromise, the conclusions on the agreed scope.</p>	<p>+ advocates that negative findings concerning omissions and misrepresentations should be always reported, if the organisation does not agree to incorporate them in its report. (\$7, \$4.2-4.3) <i>*[Dutch Exposure Draft Standard]</i></p> <p>+ asks for an extensive description of positive and negative findings, improvements and recommendations.</p>	<p>+ advocates that all negative findings should be reported to the Board of Directors in writing and, preferably also to the Supervisory Board, where there is one. <i>*[AA1000AS]</i>. Negative findings that cannot be compensated for by additional work, will result in a qualified conclusion (\$21)</p> <p>+ advocates that if a (assurance) practitioner is unable to obtain sufficient appropriate audit evidence, they should express a qualified conclusion. (\$85) <i>*[IAASB Standards]</i></p> <p>≈ states that the (assurance) practitioner (the team) should be free to formulate his/her conclusions and any qualifications in the assurance report. (If management decides not to publish the assurance report the (assurance) practitioner will consider not continuing the assurance engagement in subsequent years). The primary aim of the engagement is, after all, to inform third parties about the findings of the investigation. (\$21)] <i>*[AA1000AS]</i></p> <p>≈ does not specifically advocate reporting findings and recommendations outside the agreed scope, though the draft Standard states that the practitioner should always take a critical look at the elements that are entirely outside the scope - \$19. Any commentary on these must be separate from, and not compromise, conclusions.</p>
	<p><i>! AA1000AS advocates that all findings must be reported in the public statement. The IAASB Standards and Dutch Standard allow for a qualified conclusion (on the subject matter) if the findings are material, together with the reporting of less significant findings to the Board. Findings which fall outside the conclusions may be included in the public statement but must be separate from, and not compromise, the conclusions.</i></p>		

Element	ISAE3000 (& IAASB Framework)	AA1000AS	Dutch Exposure Draft Standard RL 3410 MVO
Preparing the Public Statement/ report (continued) Content and Wording	In all three the addressee should be the (intended) user. The content varies depending on the requirements of the different (draft) standards. All three require the publication of criteria, work undertaken, scope, limitations, findings etc.		
	<p>≈ provides requirements for the content of the public statement/ report, in particular relating to "reasonable" and "limited" assurance. <i>*[Dutch Exposure Draft Standard]</i></p> <p>+ Advocates the use of long-form statement. <i>*[Dutch Exposure Draft Standard]</i></p> <p>+ ISAE 3000 (\$45-49) and the ISAE Framework (\$56-60) stipulate that the (assurance) practitioner must use "negative" statements for review engagements and "positive" statements for audit engagements, or a combination, in the public statement/ report.</p>	<p>≈ provides requirements for the content of the public statement/ report</p> <p>+ disclosure on competencies, independence and impartiality (\$7)</p> <p>+ advocates positive statements on the quality of the report, and on underlying organisational processes, systems and "competencies"</p> <p>- does not provide detailed guidance on the structure and exact wording of a public statement, though the Standard is designed to be consistent with other related standards.</p>	<p>≈ provides requirements for the content of the public statement/ report, in particular relating to "reasonable" and "limited" assurance including a combination of positive and negative statements in the public statement/ report. (sample enclosed in draft Standard) - follows the IAASB Standard <i>*[IAASB Standards]</i></p> <p>+ Advocates the use of long-form statements. <i>*[IAASB Standards]</i> and provides alternative formats in the appendices</p>
	<p><i>! The AA1000AS advocates that the (assurance) practitioner disclose their competence, independence and impartiality and the use of positive statements on the quality of the report, and on the underlying organisational processes, systems and "competencies".</i></p> <p><i>The IAASB Standards and Dutch Exposure Draft Standard require the use of a positive statement for a reasonable assurance engagement (audit level) and a negatively formulated statement for a limited assurance engagement (review level).</i></p>		
Sign off	<p>- only allow for a single sign off - however, ask for it to be personalised.</p>	<p>- does not specifically refer to sign off, although the Standard is designed to be consistent with other related standards</p>	<p>+ enables dual sign off by (assurance) practitioner and expert in an engagement with joint responsibility. (\$63-69, \$139)</p>

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About the report

AccountAbility and KPMG Sustainability B.V. in The Netherlands have partnered for this research project on Assurance Standards bringing together their respective experience as standards developer and practitioner.

Within this report AccountAbility and KPMG Sustainability offer initial views and conclusions for further discussion on three key questions:

- What are the main differences between ISAE3000 and AA1000AS?
- How can ISAE3000 and AA1000AS be incorporated in practice?
- Why use more than one standard?

This paper is a further step in an ongoing effort to promote harmonisation in the field of sustainability assurance.

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